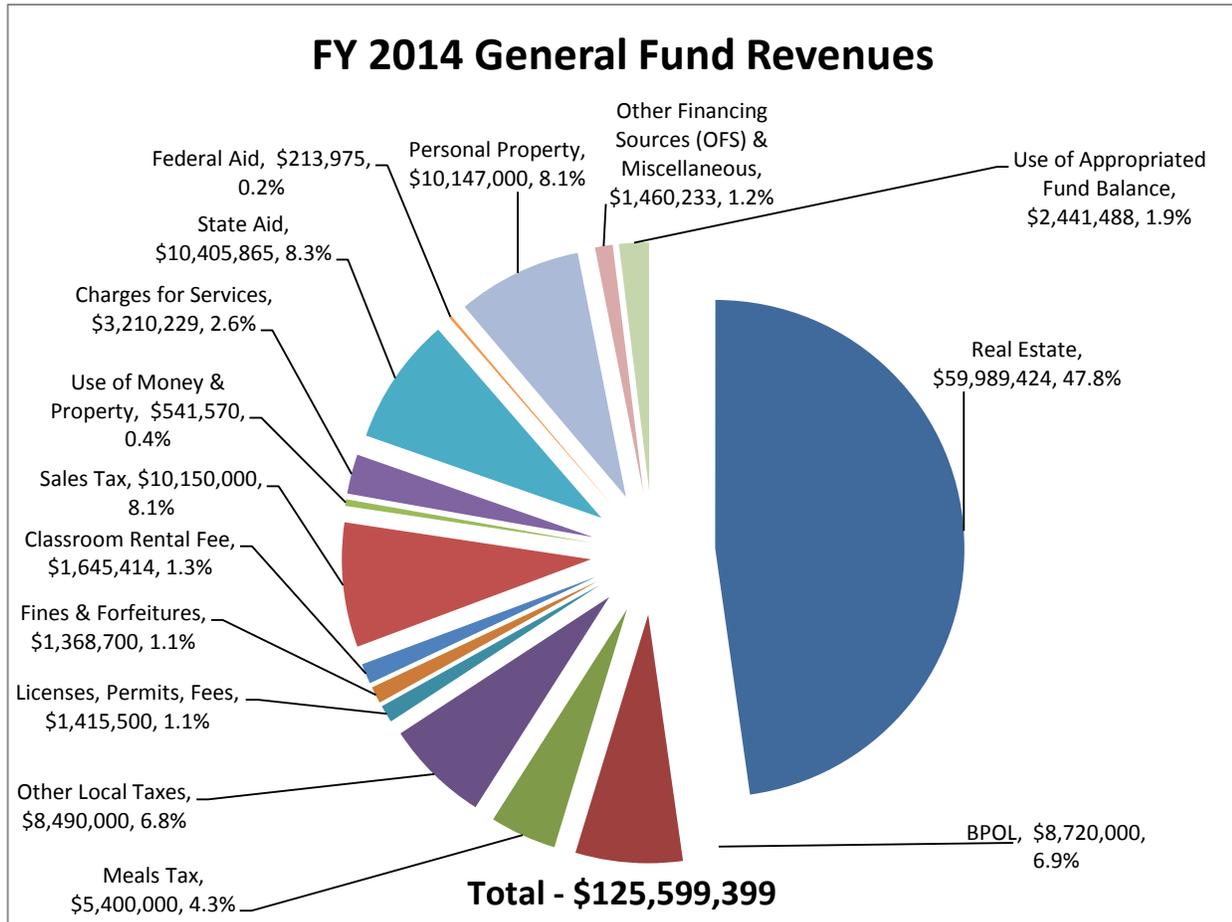


GENERAL FUND REVENUE OVERVIEW

FY 2014 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 as part of the FY 2014 Adopted Budget.



The Use of Undesignated Fund Balance in the amount of **\$2,441,488** is funded by the FY 2013 estimated surplus. The FY 2013 surplus was created largely by the proposed real estate tax rate increase. As a result, the FY 2014 general fund budget generates a \$500,000 surplus that remains in the general fund as part of the two-year repayment plan from FY 2013. The ending Fund Balance is equal to approximately **9.2 percent (\$11.5m)** of General Fund expenditures.

FY 2014 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

| Account | Account Title | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|-------------------------------------|--|---------------------|---------------------|---------------------|---------------------|
| General Property Taxes | | | | | |
| 311110 | Real Estate Current December | \$23,592,534 | \$25,614,020 | \$ 25,461,949 | \$ 27,525,479 |
| 311111 | Real Estate Current June | 25,526,743 | 26,207,961 | 27,929,229 | 28,092,239 |
| 311112 | Real Estate Old Town - June | 91,467 | 93,446 | 96,804 | 97,773 |
| 311113 | Delinquent Real Estate | 717,373 | 635,000 | 635,000 | 675,000 |
| 311114 | Real Estate Old Town - December | 89,631 | 93,446 | 91,467 | 96,804 |
| 311116 | Delinquent R/E Old Town District | 5,468 | 5,000 | 5,000 | 5,000 |
| 311120 | Stormwater Fund Tax | 0 | 539,000 | 850,139 | 1,069,957 |
| 311119 | Delinquent R/E Commercial | 31,292 | 29,000 | 29,000 | 30,000 |
| 311121 | Comm. Real Estate Tax Rate Trans. - June | 495,690 | 503,176 | 501,636 | 512,270 |
| 311122 | Comm. Real Estate Tax Rate Trans. - Dece | 493,606 | 491,287 | 496,550 | 501,636 |
| 311199 | Real Estate Revenue Deduction | (1,296,445) | 0 | 0 | 0 |
| 311210 | Personal Property Current | 9,431,273 | 9,935,000 | 9,936,321 | 9,680,000 |
| 311213 | Delinquent Personal Property | 266,746 | 275,000 | 200,000 | 200,000 |
| 311311 | PSC R/E Current | 965,261 | 938,530 | 947,935 | 1,043,266 |
| 311312 | PSC PP Current | 246,890 | 251,414 | 267,093 | 267,000 |
| 311313 | PSC Delinquent R/E Taxes | 385 | 0 | 0 | 0 |
| 311410 | Penalties on Delinquent Taxes | 252,299 | 235,000 | 235,000 | 240,000 |
| 311411 | Interest on Delinquent Taxes | 109,696 | 90,000 | 90,000 | 100,000 |
| Total General Property Taxes | | \$61,019,909 | \$65,936,280 | \$67,773,124 | \$70,136,424 |
| Other Local Taxes | | | | | |
| 312010 | Local Sales & Use Tax | \$10,200,696 | \$10,603,542 | \$10,177,212 | \$10,150,000 |
| 312011 | Consumers Utility Tax | 1,727,091 | 1,575,000 | 1,400,000 | 1,550,000 |
| 312012 | Business & Occupational Licenses | 8,554,669 | 8,430,337 | 8,574,539 | 8,720,000 |
| 312013 | Motor Vehicle Licenses | 620,164 | 640,000 | 640,000 | 640,000 |
| 312014 | Recordation Tax | 502,143 | 360,000 | 500,000 | 400,000 |
| 312015 | Bank Stock Tax | 1,691,410 | 1,680,000 | 1,690,000 | 1,700,000 |
| 312016 | Tobacco Tax | 918,341 | 980,000 | 990,077 | 975,000 |
| 312017 | Transient Lodging Tax | 678,333 | 615,000 | 675,000 | 700,000 |
| 312018 | Meals Tax | 5,252,922 | 5,434,000 | 5,381,381 | 5,400,000 |
| 312021 | Consumption Tax | 103,140 | 125,000 | 120,000 | 125,000 |
| 312024 | Communication Taxes | 2,319,758 | 2,427,075 | 2,375,000 | 2,400,000 |
| Total Other Local Taxes | | \$32,568,666 | \$32,869,954 | \$32,523,209 | \$32,760,000 |

FY 2014 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

| Account | Account Title | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|---|-------------------------------|--------------------|--------------------|---------------------|--------------------|
| Licenses, Permits & Fees | | | | | |
| 313202 | Building Permits | \$221,246 | \$160,000 | \$190,000 | \$190,000 |
| 313203 | Electrical Permits | 133,840 | 100,000 | 115,000 | 115,000 |
| 313204 | Plumbing Permits | 97,223 | 70,000 | 74,000 | 74,000 |
| 313205 | Mechanical Permits | 119,034 | 100,000 | 98,000 | 98,000 |
| 313206 | Elevator Inspection | 55,929 | 57,000 | 53,000 | 53,000 |
| 313225 | Rental Housing Occupancy | 3,445 | 8,000 | 2,400 | 2,500 |
| 313226 | Fire Marshal Permit | 85,698 | 70,000 | 83,000 | 83,000 |
| 313227 | Fire Protection System Permit | 35,537 | 30,000 | 25,000 | 30,000 |
| 313231 | Fire Marshal Development Fees | 10,722 | 10,000 | 12,000 | 10,000 |
| 313233 | Public Safety Fee | 38,510 | 42,000 | 40,000 | 40,000 |
| 313234 | Reinspection Fees | 390 | 600 | 600 | 600 |
| 313308 | Sign Permits | 20,268 | 16,900 | 20,000 | 20,000 |
| 313309 | Occupancy Permits | 29,810 | 27,900 | 34,000 | 30,000 |
| 313310 | Soil & Erosion Fees | 10,933 | 8,500 | 9,600 | 9,600 |
| 313323 | Zoning Fees | 55,930 | 32,800 | 58,000 | 55,000 |
| 313328 | Special Use Permits | 94,485 | 91,900 | 124,000 | 100,000 |
| 313329 | Variances | 24,000 | 10,000 | 28,000 | 20,000 |
| 313330 | Partial R/E Tax Exemption | 200 | 200 | 400 | 400 |
| 313411 | Cemetery Interments | 37,468 | 41,600 | 41,616 | 41,600 |
| 313420 | Street Opening Permits | 68,700 | 35,000 | 57,000 | 57,000 |
| 313430 | Precious Metal Permits | 0 | 600 | 1,800 | 1,800 |
| 313440 | Public Right of Way Use | 204,040 | 210,000 | 207,902 | 207,000 |
| 313510 | Animal Licenses | 12,010 | 12,000 | 12,000 | 12,000 |
| 313512 | Peddlers Permits | 10,910 | 9,200 | 11,000 | 11,000 |
| 313620 | Transfer Fees | 90,840 | 74,000 | 74,000 | 74,000 |
| 313630 | Cellular Comm | 79,520 | 83,500 | 80,000 | 80,000 |
| Total Licenses, Permits & Fees | | \$1,540,689 | \$1,301,700 | \$1,452,318 | \$1,415,500 |
| Fines & Forfeitures | | | | | |
| 314001 | Court Fines & Forfeitures | \$779,473 | \$662,000 | \$780,000 | \$790,000 |
| 314002 | Parking Fines | 122,565 | 120,000 | 125,000 | 125,000 |
| 314003 | Juvenile Court | 5,077 | 4,500 | 4,500 | 4,500 |
| 314005 | Circuit Court Revenue | 8,486 | 7,000 | 7,500 | 7,500 |
| 314006 | Court Facilities Fee | 20,854 | 20,000 | 20,000 | 20,000 |
| 314010 | Zoning Civil Penalties | 4,900 | 9,400 | 12,400 | 12,000 |
| 314011 | Photo Red Light | 236,565 | 221,000 | 300,000 | 300,000 |
| 314012 | Jail Admin Fee | 1,841 | 1,700 | 1,700 | 1,700 |
| 314013 | Courthouse Security | 108,571 | 105,100 | 108,000 | 108,000 |
| Total Fines & Forfeitures | | \$1,288,331 | \$1,150,700 | \$1,359,100 | \$1,368,700 |

FY 2014 Adopted Budget – City of Fairfax, Virginia

| General Fund Revenue Summary | | | | | |
|--|-------------------------------------|--------------------|--------------------|---------------------|--------------------|
| Account | Account Title | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
| Use of Money & Property | | | | | |
| 315101 | Interest on Investments | \$10,380 | \$2,000 | \$38,000 | \$23,750 |
| 315201 | Rental - General Property | (141) | 0 | 0 | 0 |
| 315202 | Rental - Old Town Hall | 114,111 | 156,540 | 152,000 | 156,540 |
| 315203 | Rental - Green Acres | 75,964 | 60,000 | 59,000 | 58,100 |
| 315206 | Rental - Schools | 1,570,600 | 1,639,413 | 1,639,413 | 1,645,414 |
| 315208 | Rental - Community Center | 129,292 | 165,840 | 166,000 | 186,170 |
| 315209 | Rental - Main Street Day Care | 27,720 | 29,106 | 28,000 | 28,000 |
| 315210 | Rental - Westmore School | 0 | 0 | 0 | 0 |
| 315211 | Rental - Blenheim | 20,359 | 24,000 | 24,000 | 31,255 |
| 315213 | Rental - Ball Fields | (352) | 103,739 | 63,739 | 57,755 |
| Total Use of Money & Property | | \$1,947,934 | \$2,180,638 | \$2,170,152 | \$2,186,984 |
| Charges for Services | | | | | |
| 316110 | Court Fees | \$6,645 | \$6,524 | \$6,524 | \$6,600 |
| 316220 | Sale of Record Copies | 2,309 | 2,400 | 2,400 | 2,400 |
| 316221 | False Alarm Fees | 35,525 | 28,000 | 32,000 | 32,000 |
| 316223 | Ambulance Fees | 1,225,569 | 1,294,743 | 1,275,000 | 1,275,000 |
| 316225 | Fire Recovery Fee - GMU | 150,000 | 200,000 | 200,000 | 200,000 |
| 316230 | Animal Control Fees | 2,471 | 2,500 | 2,500 | 2,500 |
| 316346 | Community Programming | 0 | 54,083 | 54,083 | 60,320 |
| 316347 | Sherwood Programming | 0 | 69,694 | 69,600 | 95,460 |
| 316348 | Green Acres Programming | 0 | 68,923 | 68,000 | 54,886 |
| 316349 | Senior Programs | 50,170 | 68,300 | 57,000 | 73,275 |
| 316350 | Rec. Trips - Youth, Teen, and Adult | 228,639 | 0 | 0 | 0 |
| 316351 | Day Camps | 484,021 | 496,900 | 496,900 | 530,016 |
| 316352 | Pavilion Rentals | 119,730 | 5,400 | 5,400 | 5,400 |
| 316353 | Cultural Arts | 4,850 | 6,600 | 6,500 | 7,025 |
| 316354 | Special Events | 175,936 | 175,200 | 175,200 | 177,697 |
| 316355 | Museum Revenue | 1,196 | 700 | 1,200 | 1,200 |
| 316356 | Museum Gift Shop | 11,199 | 12,100 | 12,100 | 12,100 |
| 316357 | Show Mobile Revenue | 5,382 | 5,000 | 5,000 | 4,800 |
| 316460 | Sale of Publications | 5 | 0 | 0 | 0 |
| 316461 | Subdivision Review Fees | 25,800 | 10,000 | 25,000 | 20,000 |
| 316462 | Site Plan Review Fees | 95,161 | 75,000 | 65,000 | 100,000 |
| 316463 | Architectural Review | 4,835 | 4,000 | 3,500 | 4,000 |
| 316464 | Tree Removal Permit | 1,510 | 1,350 | 1,200 | 1,350 |
| 316466 | Surety Review | 18,530 | 10,000 | 19,700 | 20,000 |
| 316467 | Mapping Sales | 1,505 | 1,000 | 500 | 1,000 |
| 316570 | School Age Child Care | 445,037 | 408,400 | 425,000 | 450,000 |
| 316580 | Returned Check Fees | 4,050 | 3,500 | 3,500 | 4,000 |
| 316581 | Charge Card Fees | 16,621 | 16,000 | 16,000 | 16,000 |
| 316585 | Administrative Fees | 19,477 | 20,500 | 18,000 | 18,000 |
| 316586 | Collection Fees | 1,466 | 3,000 | 2,800 | 1,500 |
| 316587 | Attorney Fees | 1,961 | 1,400 | 1,400 | 1,400 |
| 316712 | 5% Late Charge | 2,495 | 2,200 | 2,200 | 2,300 |
| 316811 | Inspection Fees After Hours | 34,829 | 24,400 | 24,400 | 30,000 |
| Total Charges for Services | | \$3,176,925 | \$3,077,817 | \$3,077,607 | \$3,210,229 |

FY 2014 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary

| Account | Account Title | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|------------------------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Miscellaneous Revenue | | | | | |
| 318102 | Sale of Surplus Property | \$0 | \$0 | \$0 | \$0 |
| 318104 | Sale of Cemetery Lot | 7,344 | 22,700 | 22,700 | 22,700 |
| 318105 | Perpetual Care - Cemetery | 3,516 | 3,500 | 8,000 | 8,000 |
| 318107 | Recycled Newspaper | 0 | 0 | 0 | 0 |
| 318108 | Sale of City License Plates | 4,620 | 4,500 | 4,500 | 4,500 |
| 318201 | Misc. Revenue | 194,399 | 105,212 | 50,000 | 100,000 |
| Total Miscellaneous Revenue | | \$209,879 | \$135,912 | \$85,200 | \$135,200 |
| State Aid | | | | | |
| 321101 | ABC Profits | \$0 | \$0 | \$0 | \$0 |
| 321102 | Wine Taxes | 0 | 0 | 0 | 0 |
| 321103 | Rolling Taxes | 292 | 292 | 292 | 292 |
| 321104 | State Aid Police | 524,704 | 598,085 | 550,000 | 550,000 |
| 321106 | Vehicle Rental Tax | 237,875 | 230,500 | 230,000 | 230,000 |
| 321201 | Commissioner of Revenue | 133,835 | 131,200 | 133,800 | 133,800 |
| 321202 | Treasurer | 90,592 | 93,000 | 93,000 | 93,000 |
| 321203 | Registrar / Electoral | 47,231 | 48,789 | 48,789 | 49,000 |
| 321204 | DMV Reimbursement | 36,879 | 45,000 | 45,000 | 45,000 |
| 324201 | State Sales Tax | 2,804,137 | 3,113,627 | 3,137,190 | 3,015,450 |
| 324202 | Basic School Aid | 4,276,325 | 4,135,181 | 3,886,352 | 3,873,413 |
| 324204 | State School Capital | 0 | 0 | 0 | 0 |
| 324302 | Four for Life Grants | 22,942 | 21,500 | 21,500 | 25,000 |
| 324305 | Smoke Alarm Grant | 0 | 0 | 0 | 0 |
| 324308 | EMAC | 0 | 0 | 0 | 0 |
| 324321 | Rescue Squad Assc Grant | 0 | 0 | 0 | 0 |
| 324323 | Fire Equip Mini Grant | 1,850 | 0 | 0 | 0 |
| 324324 | Byrne Jag Grant | 0 | 0 | 0 | 0 |
| 324331 | Asset Forfeiture | 10,952 | 57,553 | 10,000 | 10,000 |
| 324344 | Fire Programs Fund | 60,321 | 5,000 | 59,000 | 59,000 |
| 324403 | Street & Highway Maint. | 2,272,255 | 2,272,300 | 2,272,255 | 2,316,000 |
| 324405 | Solid Waste Grant | 5,000 | 5,910 | 5,910 | 5,910 |
| Total State Aid | | \$10,525,191 | \$10,757,937 | \$10,493,088 | \$10,405,865 |

FY 2014 Adopted Budget – City of Fairfax, Virginia

| General Fund Revenue Summary | | | | | |
|--|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Account | Account Title | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
| Federal Aid | | | | | |
| 331005 | Bulletproof Vest Grant | \$0 | \$0 | \$2,800 | \$2,800 |
| 331007 | COPS 2005 Tech Grant | 0 | 0 | 0 | 0 |
| 331009 | Alcohol Safety Grant | 14,440 | 18,000 | 18,800 | 18,000 |
| 331010 | Gang Task Force Grant | 22,938 | 0 | 130,000 | 0 |
| 331011 | FEMA Grant | 25,403 | 0 | 0 | 0 |
| 331017 | VA Dept Emer Mgmt Grant | 36,727 | 0 | 0 | 0 |
| 331018 | NCR Regional Planner | 98,179 | 125,000 | 125,000 | 125,000 |
| 331023 | Byrne JAG Grant | 1,929 | 0 | 0 | 0 |
| 331037 | Secret Service Task | 0 | 3,000 | 0 | 0 |
| 331043 | Fire SAFER Grant | 59,640 | 0 | 0 | 0 |
| 331044 | Assistance for Firefighters Grant | 47,700 | 0 | 68,175 | 68,175 |
| 331045 | Citizen Preparedness Grant | 0 | 15,000 | 15,000 | 0 |
| 331046 | LEMPG Grant | 100 | 5,000 | 10,000 | 0 |
| 331047 | UASI EOC GRANT | (25,293) | 6,000 | 23,000 | 0 |
| 331048 | EMPG Sheltering Grant | 1,458 | 0 | 2,700 | 0 |
| 331049 | UASI Citizen Prep Grant | 2,174 | 6,000 | 0 | 0 |
| 336010 | NVERS SUSTAINMENT GRANT | 26,808 | 0 | 0 | 0 |
| Total Federal Aid | | \$312,203 | \$178,000 | \$395,475 | \$213,975 |
| Other Financing Sources | | | | | |
| 318230 | Fire Grant from Walmart | \$2,000 | \$0 | \$0 | \$0 |
| 318282 | Fairfax Little League | 5,625 | 5,625 | 5,625 | 5,625 |
| 318288 | FPYC Turf Contribution | 77,375 | 77,375 | 77,375 | 77,375 |
| 318289 | Schools Turf Contribution | 20,000 | 20,000 | 20,000 | 0 |
| 319008 | City - County Contract | 690,751 | 722,611 | 765,249 | 792,033 |
| 341030 | Bond Refunding | 0 | 0 | 0 | 0 |
| 341040 | Sale of Property | 240,000 | 0 | 60,000 | 450,000 |
| Total Other Financing Sources | | \$1,035,751 | \$825,611 | \$928,249 | \$1,325,033 |
| Total Revenues | | \$113,625,477 | \$118,414,549 | \$120,257,522 | \$123,157,910 |
| Total Appropriated Fund Balance | | | | | |
| | Repayment to General Fund | \$0 | \$0 | \$0 | (\$500,000) |
| | Use of Undesignated Fund Balance | 1,926,940 | 2,184,803 | 2,184,803 | 0 |
| | Use of Prior Year's Surplus | 0 | 0 | 0 | 2,941,488 |
| Total Appropriated Fund Balance | | \$1,926,940 | \$2,184,803 | \$2,184,803 | \$2,441,488 |
| Total Revenue Available | | \$115,552,417 | \$120,599,352 | \$122,442,325 | \$125,599,399 |

FY 2014 Adopted Budget – City of Fairfax, Virginia

History of General Fund Revenues by Category

| Category | FY 2005 Actual | FY 2006 Actual | FY 2007 Actual | FY 2008 Actual | FY 2009 Actual | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Estimate | FY 2014 Adopted |
|---|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Real Estate | \$33,526,475 | \$37,522,201 | \$38,953,943 | \$40,975,135 | \$43,774,958 | \$47,677,911 | \$49,960,103 | \$51,075,000 | \$57,369,710 | \$59,989,424 |
| Personal Property | 7,794,289 | 7,298,936 | 8,870,109 | 9,207,637 | 10,011,917 | 11,070,647 | 9,976,554 | 9,944,909 | 10,403,414 | 10,147,000 |
| Sales Tax | 10,608,683 | 11,604,756 | 13,721,180 | 13,587,593 | 13,433,255 | 8,831,494 | 9,907,063 | 10,200,696 | 10,177,212 | 10,150,000 |
| BPOL | 7,664,177 | 8,370,119 | 8,444,976 | 8,662,866 | 8,599,019 | 8,375,551 | 8,151,072 | 8,554,669 | 8,574,539 | 8,720,000 |
| Meals Tax | 2,087,428 | 2,176,558 | 2,235,496 | 2,301,359 | 4,628,045 | 4,634,109 | 4,938,869 | 5,252,922 | 5,381,381 | 5,400,000 |
| Other Local Taxes | 6,643,536 | 7,052,627 | 7,664,874 | 6,653,880 | 7,662,450 | 7,226,450 | 8,036,140 | 8,560,379 | 8,390,077 | 8,490,000 |
| Licenses, Permits, and Fees | 1,221,572 | 1,364,665 | 1,376,855 | 1,257,887 | 1,055,604 | 1,065,386 | 1,230,352 | 1,540,689 | 1,452,318 | 1,415,500 |
| Fines & Forfeitures | 1,243,358 | 1,567,914 | 954,306 | 879,234 | 893,186 | 873,594 | 1,041,172 | 1,288,331 | 1,359,100 | 1,368,700 |
| Use of Money & Property | 1,401,715 | 3,257,577 | 5,464,202 | 5,463,064 | 3,446,770 | 2,298,050 | 1,866,897 | 1,947,934 | 2,170,152 | 2,186,984 |
| Charges for Services | 962,585 | 954,341 | 973,262 | 1,061,561 | 1,391,864 | 2,424,216 | 2,878,252 | 3,176,925 | 3,077,607 | 3,210,229 |
| Intergovernmental | 8,965,341 | 9,444,194 | 10,054,930 | 10,597,452 | 10,960,395 | 11,033,810 | 10,358,222 | 10,837,393 | 10,888,563 | 10,619,840 |
| Other Financing Sources / Miscellaneous | 230,315 | 260,375 | 1,016,217 | 1,066,827 | 3,527,196 | 3,070,983 | 1,076,776 | 1,245,630 | 1,013,449 | 1,460,233 |
| Appropriated Fund Balance | 0 | 0 | 0 | 0 | 2,180,574 | 3,877,676 | 282,267 | 1,926,940 | 2,184,803 | 2,441,488 |
| Total Revenue | \$82,349,474 | \$90,874,263 | \$99,730,350 | \$101,714,496 | \$111,565,233 | \$112,459,877 | \$109,703,739 | \$115,552,417 | \$122,442,325 | \$125,599,399 |

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 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 Revenues

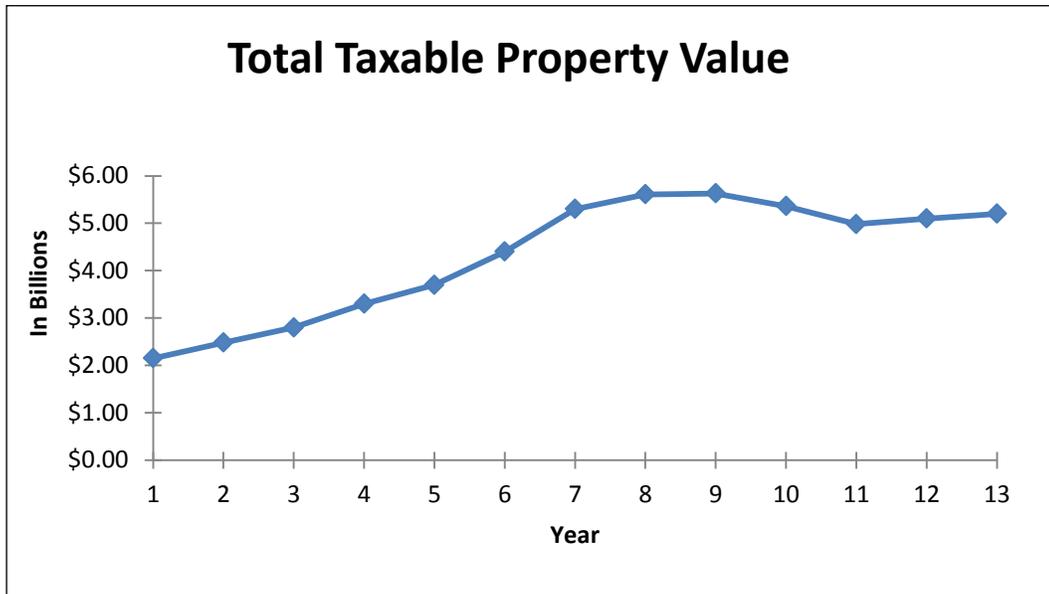
| Category | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|------------------------------------|-----------------------|-----------------------|-------------------------|------------------------|
| Real Estate Tax Revenue | \$52,371,060 | \$55,474,866 | \$57,369,710 | \$59,989,424 |
| Real Estate Tax Rate | 93.7¢ | \$1.00 | \$1.00 / \$1.04 | \$1.04 |
| Stormwater Tax Rate | 0.5¢ | 1.0 ¢ | 1.0¢ / 2.0¢ | 2.0¢ |
| Old Town Service District Tax Rate | 6.0¢ | 6.0¢ | 6.0¢ | 6.0¢ |
| Commercial & Industrial Tax Rate | 5.5¢ | 5.5 ¢ | 5.5¢ | 5.5¢ |

Real property tax revenues account for the largest category of revenue for the General Fund, representing 47.8 percent of total General Fund revenues. A real estate tax rate of \$1.06 per \$100 of assessed value is adopted for FY 2014, which is a 5.0 cent increase from the current rate of \$1.01 per \$100 of assessed value. As part of the overall rate, 2.0 cents will be dedicated for the Stormwater Fund. Total real estate assessments are up 2.1 percent, which includes new construction of \$42.2 million, compared to a 2.8 percent increase for the previous fiscal year.

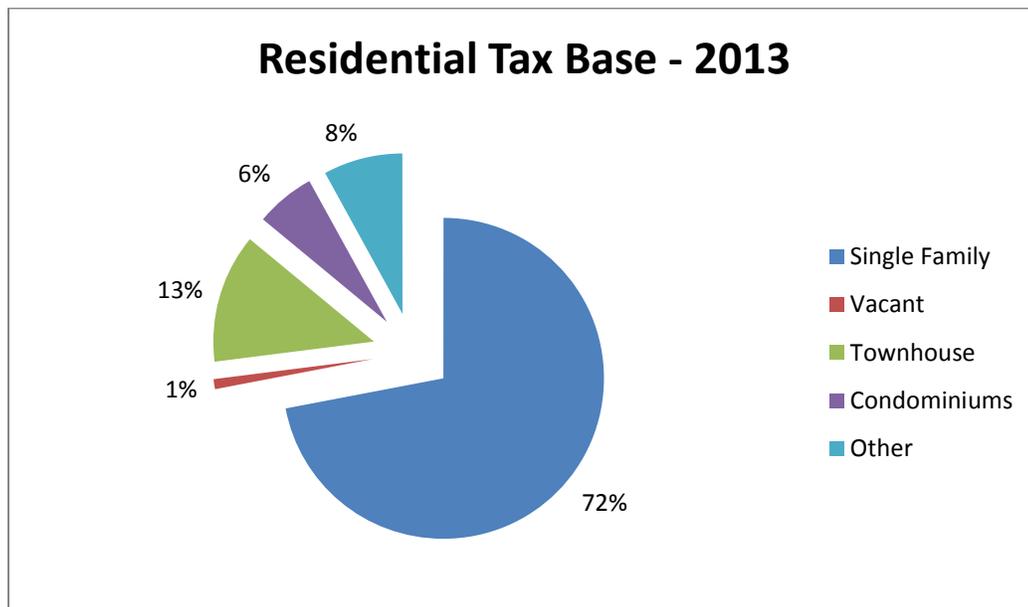
| Assessments | CY 2012 | CY 2013 | Variance | |
|--------------------|------------------------|------------------------|----------------------|-------------|
| | | | \$ | % |
| Residential | \$3,182,314,200 | \$3,275,577,903 | \$935,263,703 | 2.9% |
| Commercial | 2,040,212,000 | 2,058,705,302 | 18,493,302 | 0.9% |
| Total | \$5,222,526,200 | \$5,334,283,205 | \$111,757,005 | 2.1% |

FY 2014 Adopted Budget – City of Fairfax, Virginia

The 2013 total taxable value of City residential and commercial properties before appeals is \$5,334,300,000 and is more than last year's total assessed value by \$111,800,000 (2.1%).

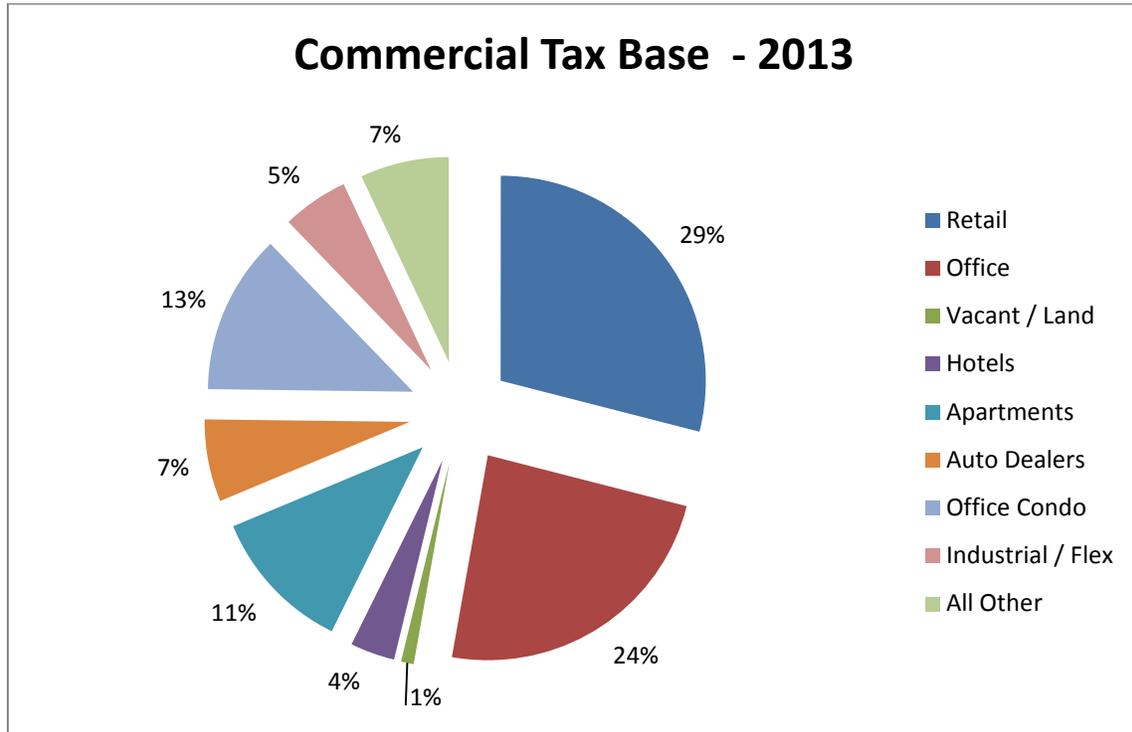


The overall residential assessment total has increased by 2.9 percent, and includes new construction. The following notes the breakout by category for the Residential tax base.



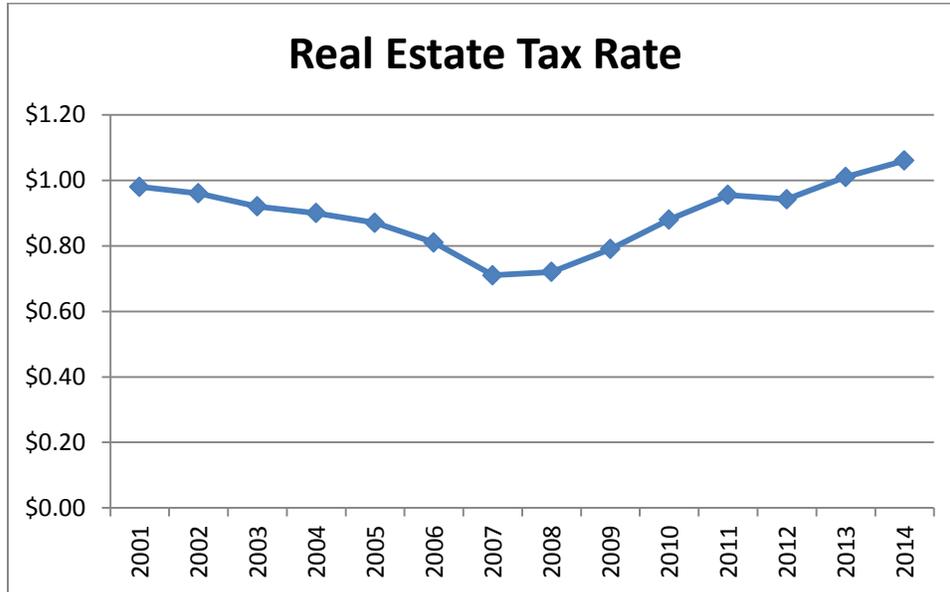
FY 2014 Adopted Budget – City of Fairfax, Virginia

Commercial assessments note an increase of 0.9 percent overall, which includes new construction. The following notes the breakout by category for the Commercial tax base.



The budget notes an adopted tax rate increase of 5.0 cents from \$1.01 to \$1.06 per \$100 of assessed valuation for FY 2014. In addition, the City currently has two service districts, the Old Town and the Commercial Real Estate Transportation Tax on which the City assesses an additional tax. The Old Town Service District remains at 6.0 cents per \$100 of assessed value. The revenue generated will continue to help fund remaining costs of undergrounding overhead utility lines in the Old Town Service District. As part of the FY 2010 Proposed Budget, the Commercial Real Estate Transportation tax provided for a surcharge on commercial 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 5.5 cent rate remains unchanged for FY 2014. For FY 2014, the Stormwater tax is adopted at 2.0 cents per \$100 of assessed value, an increase of 1.0 cent from FY 2013. This tax is included in the overall \$1.06 proposed real estate tax rate per \$100 of assessed value. These funds will be dedicated to meeting proposed federal regulatory requirements along with maintenance of aging stormwater infrastructure, of which significant portions are reaching the end of their useful life.

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 22.88 and 26.5 cents per \$100 of assessed value (adopted fiscal year 2014 rates), respectively.

The City’s adopted real estate tax rate of \$1.06 is a 5.0 cent increase over FY 2013. The average residential tax bill is expected to increase by 7.1 percent. The following chart provides an illustrative example by three residential assessed values:

**Impact of Real Estate Tax Rate per FY 2014 Budget
Average Property Owner’s Tax Bill at Various Values
All Residential Properties**

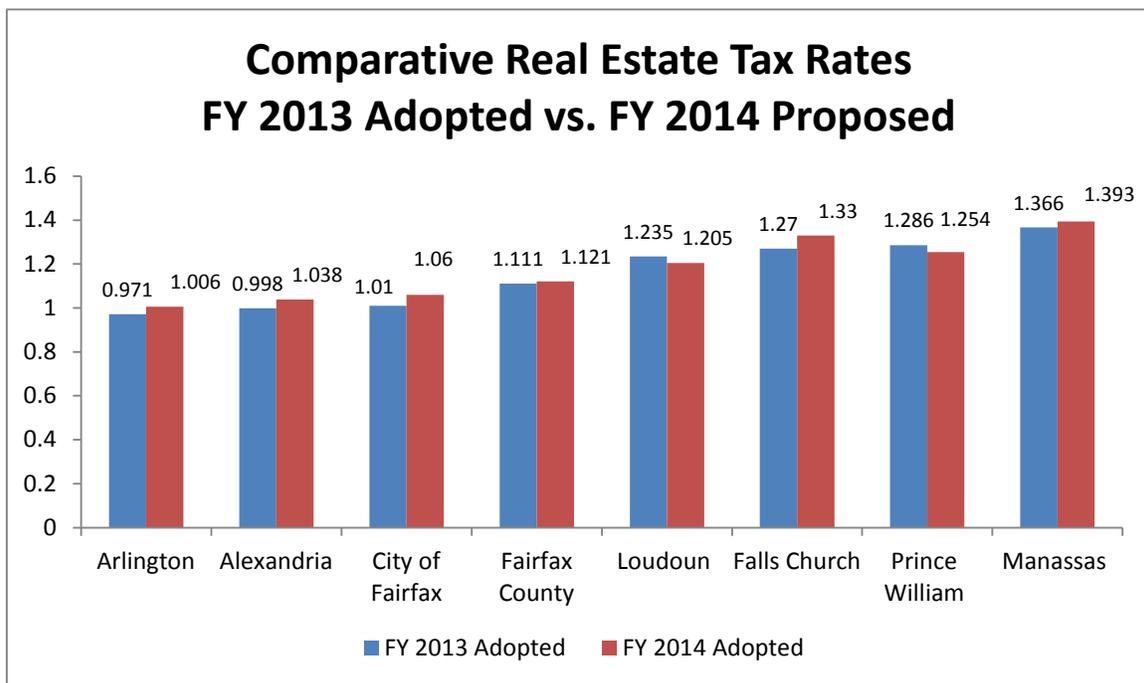
| CY 12 Assessment | CY 12 Tax Rate | CY 12 Tax Bill | CY 13 Assessment | CY 13 Tax Rate | CY 13 Tax Bill | Change | |
|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|--------|------|
| | | | | | | \$ | % |
| 300,000 | 1.01 | 3,030 | 306,060 | 1.06 | 3,244 | 214 | 7.1% |
| 500,000 | 1.01 | 5,050 | 510,100 | 1.06 | 5,407 | 357 | 7.1% |
| 700,000 | 1.01 | 7,070 | 714,140 | 1.06 | 7,570 | 500 | 7.1% |

Note: average estimated increase in assessment of 2.0 percent (excludes new construction); each property is separately valued therefore each assessment may be higher or lower than the average.

FY 2014 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 99.0 cents per \$100 of assessed value. This is 2.0 cents less than the FY 2013 rate of \$1.01, and 7.0 cents less than the FY 2014 adopted rate of \$1.06. The real estate equalization rate for residential and commercial properties combined is 98.0 cents per \$100 of assessed value, 3.0 cents less than the current rate of \$1.01, and 8.0 cents less than the FY 2014 adopted rate of \$1.06.

Comparative information was gathered from surrounding jurisdictions' FY 2014 Adopted Budgets.



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 52 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 2012 | FY 2013 | FY 2013 | FY 2014 |
|--------------------------------------|----------------|----------------|-----------------|----------------|
| | Actual | Budget | Estimate | Adopted |
| Personal Property Tax Revenue | \$ 9,944,909 | \$ 9,944,909 | \$ 10,403,414 | \$ 10,147,000 |
| Personal Property Tax Rate | \$ 4.13 | \$ 4.13 | \$ 4.13 | \$ 4.13 |

FY 2014 Adopted Budget – City of Fairfax, Virginia

The FY 2014 Adopted Budget notes no change in the Personal Property Tax rate of \$4.13. FY 2014 revenues are projected to decrease 2.6% from the FY 2013 budget due to an increase in state reimbursement requirements.

Personal Property Tax Rates FY 2014



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. Effective September 1, 2004, the rate of tax is 5% (4 % state and 1% local tax). Prior to that date, the rate was 4.5% (3.5% state and 1% local). "Retail sales" means sales made for any purpose other than for resale. The tax may also apply to the furnishing of transient accommodations and the lease or rental of personal property.

Fiscal Impact – Local Sales and Use Tax

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|--|---------------------------|---------------------------|-----------------------------|----------------------------|
| Local Sales & Use Tax Revenue | \$10,200,696 | \$10,603,542 | \$10,177,212 | \$10,150,000 |

The local sales and use tax is one of the most important economic indicators and highest revenue generators for the City. FY 2014 is projected to remain flat compared to the FY 2013 estimate.

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 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|-----------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| BPOL Tax | \$8,554,669 | \$8,430,337 | \$8,574,539 | \$8,720,000 |

Projections are based on year to date collections from businesses indicating continuing yet slow growth. For FY 2014, a 1.7% increase above the FY 2013 estimate is assumed.

Meals Tax

Background

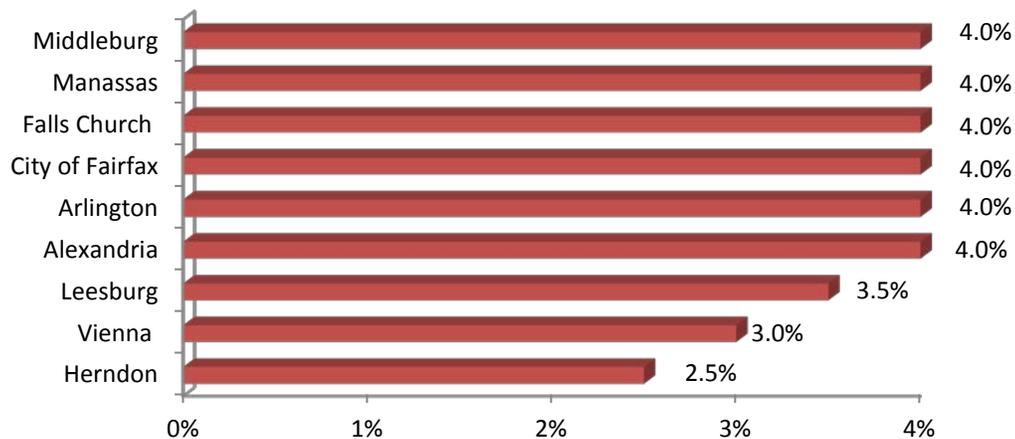
The City of Fairfax imposes a **4%** tax upon all meals sold in the City in or from a restaurant (or similar establishment), whether prepared in the restaurant or not and whether consumed on the premises or not. This tax was last increased from 2% to 4% as part of the FY 2008 Budget.

Fiscal Impact – Meals Tax

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|--------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Meals Tax Revenue | \$5,252,922 | \$5,434,000 | \$5,381,381 | \$5,400,000 |
| Meals Tax Rate | 4% | 4% | 4% | 4% |

The City’s meals tax remains a stable source of revenue for the City. For the FY 2013 estimate, revenue is projected to increase 2.4% from the FY 2012 actual, based on receipts for the first eight months of the current fiscal year. FY 2014 projects a slight increase over the FY 2013 estimate. As the following chart indicates, several area jurisdictions also impose this tax and in most cases at a rate on par with the City.

Meals Tax Rates FY 2014



Tobacco Tax

Background

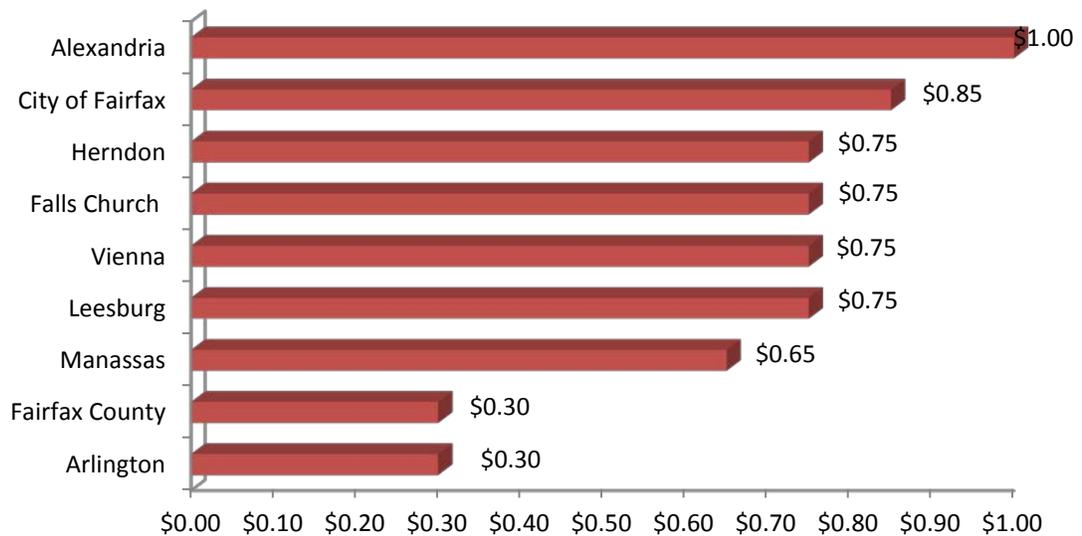
The cigarette tax is **85 cents** for each package of 20 cigarettes sold or used within the City. On January 1, 2010 the Tobacco Tax was increased by 25 cents, from 50 cents to 75 cents per package. On July 1, 2010 the rate was increased by 10 cents, from 75 cents to 85 cents per package.

Fiscal Impact – Tobacco Tax

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|----------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Tobacco Tax Revenue | \$918,341 | \$980,000 | \$990,077 | \$975,000 |
| Tobacco Tax Rate | \$.85 | \$.85 | \$.85 | \$.85 |

Tobacco tax revenues for the FY 2014 estimate are projected at \$975,000, which reflects an increase of 5.8% from FY 2012 actual revenues and is in line with the FY 2013 budget.

Tobacco Tax Rates FY 2014



Transient Lodging Tax

Background

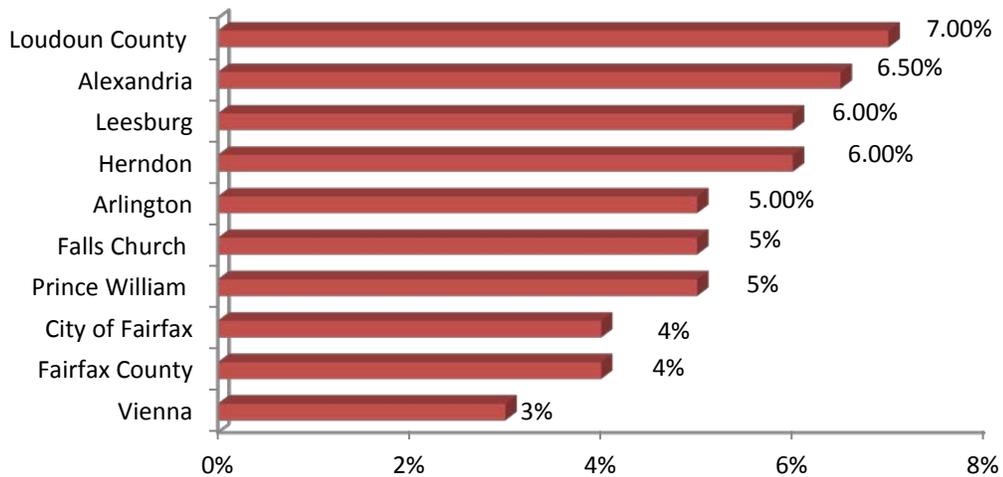
Every public or private hotel, inn, apartment hotel, hostelry, motel, or other lodging place within the city offering lodging for four or more persons at any one time on a transient basis (30 consecutive days or less), is levied a tax on the gross receipts of the lodging. The transient occupancy tax 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 figure needs approval from the General Assembly.

Fiscal Impact – Transient Lodging Tax

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|---------------------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Transient Lodging Tax Revenues | \$678,333 | \$615,000 | \$675,000 | \$700,000 |
| Transient Lodging Tax Rate | 4% | 4% | 4% | 4% |

The Transient Lodging Tax is projected to remain flat in FY 2013 and increase 3.7% in FY 2014. The City of Fairfax currently has the second lowest rate in the region as shown by the chart below.

Transient Lodging Tax Rate FY 2014



Licenses, Permits, and Fees

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|------------------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Licenses, Permits, and Fees | \$1,540,689 | \$1,301,700 | \$1,452,318 | \$1,415,500 |

The City reviews its rates and levies annually to ensure each is on par with other jurisdictions in the region. The budget for FY 2014 notes a 2.5% decrease from the FY 2013 estimate and an 8.1% decrease from the FY 2012 actuals based on trends and revenues collected through April 2013. Licenses, permits, and fee revenues are however expected to increase from FY 2013 budget due to the ongoing housing market recovery.

Fines and Forfeitures

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|--------------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Fines & Forfeitures | \$1,288,331 | \$1,150,700 | \$1,359,100 | \$1,368,700 |

This category of revenues is projected to increase by 18.9% in FY 2014 from the FY 2013 budget. This is due mainly to higher court fines and forfeitures and fines collected from the City’s Photo Red Light program. Revenue from the Photo Red Light program is expected to diminish in the future as drivers adjust their behavior.

Use of Money and Property

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|----------------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Use of Money and Property | \$1,947,934 | \$2,180,638 | \$2,170,152 | \$2,186,984 |

Overall revenues are expected to remain flat. Investment interest is projected to increase; however, returns remain small as low interest rates are expected to persist through FY 2014. Use of money and property also accounts for rental fees received by the City. The City’s Stacy C. Sherwood Community Center, which opened in February 2011, is expected to generate estimated revenues of \$166,000 in FY 2013 and \$186,170 in FY 2014. The City also receives a classroom rental fee (\$1.6 million) from Fairfax County Public Schools (FCPS) based on a formula involving County students attending City schools.

Charges for Services

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|-----------------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Charges for Services | \$3,176,925 | \$3,077,817 | \$3,077,607 | \$3,210,229 |

This category is projected to increase by 4.3% from the FY 2013 budget to FY 2014. This change is due to higher revenues from the City’s Day Camps and School Aged Child Care Programs.

State Aid

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| State Aid | \$10,525,191 | \$10,757,937 | \$10,493,088 | \$10,405,865 |

Total funding for state aid is projected to decrease by 3.3% from the FY 2013 budget. State aid for education and public safety is projected to decrease from the FY 2013 budget but remain flat compared to the FY 2013 estimate.

Federal Aid

| | FY 2012 Actual | FY 2013 Budget | FY 2013 Estimate | FY 2014 Adopted |
|--------------------|---------------------------|---------------------------|-----------------------------|----------------------------|
| Federal Aid | \$312,203 | \$178,000 | \$395,475 | \$213,975 |

Federal Aid is typically dedicated to public safety areas. The majority of the decrease in Federal Aid from the FY 2013 estimate is due to the projected loss in funding from the Gang Task Force Grant in FY 2014.

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