



**Top 10 Budget Assumptions – Proposed
FY 2025-26**

1. Real Estate Taxes remain unchanged
 - a. \$0.195 per \$100 of assessed value
 - b. Residential assessments increased 6.4%
 - c. Commercial assessments increased 2.5%
 - d. Combined assessment increased 5.8%
 - e. One cent of taxes is \$748,200 of general fund revenue
 - f. Average resident will see a \$155 annual increase in taxes
 - g. Regional Jurisdictions are proposing:
 - i. Tax Rate Increase (4 localities)
 - ii. Tax Rate Reduction (1 locality)
 - iii. Tax Rate Flat (6 localities)
2. Water and Sewer rates increasing
 - a. Water Rate increasing 7.25%
 - b. Sewer Rate increasing 7.25%
 - c. Service Charge increasing 5%, from \$40 to \$42 a quarter
 - d. Average resident with 12,000 gallons of consumption will see a \$19 increase quarterly, or \$75 increase annually
 - e. Reasons for increase:
 - i. Fairfax Water Authority Wholesale Water Contract (9% Increase)
 - ii. Fairfax Water Authority PFAS Cost Pass-through
 - iii. DC-WASA Sewer Contract (10% Increase)
 - f. Utility assistance with Community for Helping Others and other local non-profits
3. Compensation – Civilian and Police
 - a. Civilian – 2% Market Rate Adjustment, 1% Merit
 - b. Police – 2% Market Rate Adjustment, 2.5% Step
 - c. Regional Jurisdictions are proposing 2% to 5% compensation increases
 - d. Headcount – Reduction of 1 FTE due to contract efficiency
4. Health Insurance Costs
 - a. 6.5% increase, which equates to \$117,000 cost increase
5. New Budget Initiatives
 - a. Landscape Services \$90,000
 - b. Annual Fitness Reserve \$200,000
 - c. Parade/Event Fencing \$25,000

6. Other cost increases contained within the proposed budget are due to continued inflationary pressures
7. The budget includes no new programs other than the new Council initiatives included in #5 above and increases for items affected by inflation.
8. Increased vehicle prices affecting general fund budget
 - a. Vehicles are financed over a four-to-six-year period
 - b. Higher vehicle costs and higher interest rates are driving up this part of the budget
9. Parks and Recreation operations continue to increase revenues through classes and summer camps. The increased revenues are often offset by an increase in expenses. Continued revenue increases in the area are limited to capacity constraints.
10. Meals taxes are budgeted for \$3.6 million, a 5.8% increase over the budgeted amount in the prior year. Meals tax revenues have been very strong in fiscal year 2024-25, with the addition of a wide range of successful restaurants and coffee shops, and the continued success of long-standing businesses within Town.
 - a. Meals Tax Rate Increase (4 localities)