

## SECTION 4

# CURRENT EXPENSE FUND REVENUES

The majority of the City's activities are accounted for in the Current Expense Fund (also referred to as the General Fund). On the following pages, the major revenue sources for Current Expense are reviewed. This overview includes both historical amounts as well as the anticipated 2016 revenues.





# CURRENT EXPENSE FUND

	2012	2013	2014	2015	2016
REVENUES	Actual	Actual	Actual	Actual	Projected
Taxes	\$5,090,389	\$5,211,419	\$5,805,227	\$5,994,607	\$4,430,399
Licenses & Permits	608,782	656,841	582,383	603,554	837,500
Intergovernmental	391,651	226,285	200,956	261,684	132,000
Charges for Services	779,688	806,274	754,289	946,761	921,264
Fines & Forfeitures	168,041	169,709	194,628	163,584	169,800
Misc. Rev./Transfers/Loans	1,484,378	854,928	957,069	1,197,387	1,091,914
<b>Total</b>	<b>\$8,522,929</b>	<b>\$7,925,457</b>	<b>\$8,494,552</b>	<b>\$9,167,577</b>	<b>\$7,582,877</b>

Dollar Change		(\$597,472)	\$569,095	\$673,025	(\$1,584,700)
Percent Change		-7.01%	7.18%	7.92%	-17.29%

	2012	2013	2014	2015	2016
TAXES	Actual	Actual	Actual	Actual	Projected
Property Taxes	\$2,171,648	\$2,266,791	\$2,394,511	\$2,448,196	\$990,343
Sales Tax/Mitigation Payments	1,542,324	1,589,845	1,734,256	1,796,454	1,742,616
Sales Tax-EMS	127,186	137,122	142,413	152,683	152,440
Brokered Nat. Gas Tax	10,808	12,803	13,669	8,638	8,000
Electric Utility Tax	408,355	421,519	434,989	431,112	427,500
Natural Gas Utility Tax	173,541	156,928	197,738	182,298	180,000
Phone/Cell Phone Utility Tax	347,248	296,987	283,156	269,733	260,000
Water/Sewer/Storm Utility Tax	309,279	329,424	604,495	705,493	669,500
<b>Total Taxes</b>	<b>\$5,090,389</b>	<b>\$5,211,419</b>	<b>\$5,805,227</b>	<b>\$5,994,607</b>	<b>\$4,430,399</b>

Dollar Change		\$121,030	\$593,808	\$189,380	(\$1,564,208)
Percent Change		2.38%	11.39%	3.26%	-26.09%



## PROPERTY TAXES

	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projected
<b>Property Taxes</b>	\$2,171,648	\$2,266,791	\$2,394,511	\$2,448,196	\$990,343
Dollar Change		\$95,143	\$127,720	\$53,685	(\$1,457,853)
Percent Change		4.38%	5.63%	2.24%	-59.55%

Through 2015, Property taxes represented the largest single tax source for the City of Ferndale. As such, property taxes and assessed valuation are very important to the City. The biggest limitation to the City’s ability to affect property tax levies was the passage of Initiative 747 which was approved by the voters in November of 2001. This initiative limits the amount by which a taxing district can increase the amount of their regular property tax levy to 1% (prior limit was 6%), plus adjustments for new construction and annexations. The Legislature, in late 2007, sustained the 1% limitation. The City can exceed this 1% limitation with approval of voters or by using levy capacity from prior years that was “banked” for future specified purposes. **In 2015, City of Ferndale citizens voted to be annexed into Fire District No. 7 – therefore City of Ferndale Property taxes collected are greatly reduced for 2016 and on. Expenditures for Fire services are eliminated for 2016 and on.**

**The City of Ferndale currently has \$59,551 or 2.4% in banked levy capacity.**

The annual tax impact on a property owner is usually different than the percent increase in the levy, since it depends on several factors such as changes in the assessed valuation of the property, growth in the City’s overall assessed valuation, and increases (or decreases) of other district levies (school, port, etc.). The property tax rate is determined by dividing the levy amount by the assessed valuation per \$1,000.

### Property Taxes Assessed Valuation

2005	\$553,873,720
2006	\$598,890,731
2007	\$970,041,818
2008	\$1,015,563,816
2009	\$1,060,113,522
2010	\$1,094,033,940
2011	\$1,049,104,195
2012	\$1,089,663,156
2013	\$1,096,951,832
2014	\$1,122,838,797
2015	\$1,162,486,960
2016	\$1,195,134,774

### Property Taxes Levy Rates

	\$2.38540
	\$2.47463
	\$1.73916
	\$1.79976
	\$1.87221
	\$1.86523
	\$1.98158
	\$1.98643
	\$2.07510
	\$2.10205
	\$2.10530
	\$.87003



**SALES TAXES – Current Expense Fund**  
(Including Mitigation Payments)

	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Projected</b>
<b>Sales Taxes/Mitigation Payments</b>	\$1,542,324	\$1,589,845	\$1,734,256	\$1,796,454	\$1,742,616
Dollar Change		\$47,521	\$144,411	\$62,198	(\$53,838)
Percent Change		3.08%	9.08%	3.59%	-3.00%

Sales tax is another large component of the City’s tax-based revenues. Sales tax is levied on the sale of consumer goods (except most food products and services) and construction. The amount of revenue generated by sales tax fluctuates from year to year due to changes in the economy, buying habits of consumers, and the level of construction taking place within the City. The City receives sales tax collections two months after they are paid at the source. The general sales tax rate within the City of Ferndale is 8.7%. A voter-approved .2% is designated to the Ferndale Transportation Benefit District.

**UTILITY TAXES**

<b>Utility Taxes</b>	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Projected</b>
Brokered Nat. Gas Tax	\$10,808	\$12,803	\$13,669	\$8,638	\$8,000
Electric Utility Tax	408,355	421,519	434,989	431,112	427,500
Natural Gas Utility Tax	173,541	156,928	197,738	182,298	180,000
Phone/Cell Phone Utility Tax	347,248	296,987	283,156	269,733	260,000
Water/Sewer/Storm Utility Tax	309,279	329,424	604,495	705,493	669,500
<b>Total</b>	<b>\$1,249,231</b>	<b>\$1,217,661</b>	<b>\$1,534,047</b>	<b>\$1,597,274</b>	<b>\$1,545,000</b>

Utility Taxes are levied on the gross operating revenues that utility companies generate within the boundaries of the City. State law limits the tax rate to 6% for all utilities except city operated water/sewer/storm utilities. As the City continues to grow, these revenues are expected to rise proportionately. The City currently levies utility taxes on brokered natural gas, electricity, natural gas, phones, cellular phones, and on the City’s water, sewer, and storm utilities. The City’s water, sewer, and storm utilities the tax rate for 2010 was 6%. For 2011 through 2013 the tax rate was 6.5%. For 2014 and on the tax rate is 9%.



	2012	2013	2014	2015	2016
<b>LICENSES &amp; PERMITS</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Business Licenses	\$58,538	\$72,719	\$81,209	\$56,717	\$51,500
Franchise Fees	201,175	211,499	225,794	232,220	235,000
Single Family Building Permits	229,891	206,024	109,315	150,404	323,500
Multi-Family Building Permits	3,985	11,944	4,227	13,028	20,000
Mechanical Permits	26,389	26,122	22,429	27,478	45,000
Plumbing Permits	22,813	21,556	14,129	18,707	35,000
Commercial Building Permits	4,822	36,937	29,131	34,488	60,000
Commercial Remodel/T.I. Permits	26,453	25,639	24,253	18,121	19,000
Other Miscellaneous	34,007	44,401	66,746	52,391	48,500
SEPA/Shoreline/Critical Areas Permits	709	0	5,150	0	0
<b>Total License &amp; Permits</b>	<b>\$608,782</b>	<b>\$656,841</b>	<b>\$582,383</b>	<b>\$603,554</b>	<b>\$837,500</b>

	2012	2013	2014	2015	2016
<b>INTERGOVERNMENTAL</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
DUI Fees	\$2,157	\$2,151	\$2,213	\$1,925	\$3,000
Liquor Excise Tax	42,490	7,930	23,094	34,604	35,000
Liquor Profits	115,084	106,402	109,201	111,369	84,000
Other/Intergovernmental Grants	231,920	109,802	66,448	113,786	10,000
<b>Total Intergov. Revenue</b>	<b>\$391,651</b>	<b>\$226,285</b>	<b>\$200,956</b>	<b>\$261,684</b>	<b>\$132,000</b>

Intergovernmental revenues are predominately made up of Liquor Excise Tax and Liquor Profits, both of which are distributed to cities by the Department of Revenue on a per-capita basis. With the privatization of liquor sales in 2013, distribution amounts to cities is not certain.



	2012	2013	2014	2015	2016
<b>CHARGES FOR SERVICES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
School SRO Charges	\$94,000	\$47,000	\$52,000	\$52,000	\$52,000
Probation Fees	33,039	44,727	43,440	36,677	36,000
Housing of Prisoners	22,273	29,380	28,200	19,658	18,800
Development Review Fees	59,720	118,364	96,322	236,566	160,000
Plan Check Fees	160,938	167,522	121,126	180,035	175,000
Park/Athletic Field Fees	17,680	14,663	15,804	14,758	17,400
Other Fees and Charges	66,048	81,777	91,337	104,972	96,000
Charges for Central Services	325,990	302,841	306,060	302,095	366,064
<b>Total Charges for Services</b>	<b>\$779,688</b>	<b>\$806,274</b>	<b>\$754,289</b>	<b>\$946,761</b>	<b>\$921,264</b>

	2012	2013	2014	2015	2016
<b>FINES &amp; FORFEITURES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Traffic Infractions	\$72,416	\$82,552	\$95,066	\$66,133	\$62,000
J.I.S.	10,015	6,971	8,366	6,672	5,800
Criminal Traffic	34,205	31,940	37,877	37,013	50,000
Other	31,745	32,050	37,253	36,162	34,000
Public Defender Fees	19,660	16,196	16,066	17,604	18,000
<b>Total Fines &amp; Forfeitures</b>	<b>\$168,041</b>	<b>\$169,709</b>	<b>\$194,628</b>	<b>\$163,584</b>	<b>\$169,800</b>

	2012	2013	2014	2015	2016
<b>MISCELLANEOUS REVENUES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Investment/Interfund Loan Interest	\$2,096	\$409	\$266	\$2,478	\$1,000
Other Miscellaneous	104,827	87,696	148,577	171,111	156,022
Transfers In	392,455	451,823	538,226	773,798	934,892
Interfund Loan Repayments	985,000	315,000	270,000	250,000	0
<b>Total Misc./Transfers/Loan Repay. Revenue</b>	<b>\$1,484,378</b>	<b>\$854,928</b>	<b>\$957,069</b>	<b>\$1,197,387</b>	<b>\$1,091,914</b>