

## 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 2017 revenues.





# CURRENT EXPENSE FUND

	2013	2014	2015	2016	2017
REVENUES	Actual	Actual	Actual	Actual	Projected
Taxes	\$5,211,419	\$5,805,227	\$5,994,607	\$4,697,931	\$4,607,386
Licenses & Permits	656,841	582,383	603,554	683,681	760,000
Intergovernmental	226,285	200,956	261,684	220,032	191,326
Charges for Services	806,274	754,289	946,761	1,155,339	1,060,010
Fines & Forfeitures	169,709	194,628	163,584	157,951	154,500
Misc. Rev./Transfers/Loans	854,928	957,069	1,197,387	1,250,383	1,081,238
<b>Total</b>	<b>\$7,925,457</b>	<b>\$8,494,552</b>	<b>\$9,167,577</b>	<b>\$8,165,317</b>	<b>\$7,854,460</b>

Dollar Change	\$569,095	\$673,025	(\$1,002,260)	(\$310,857)
Percent Change	7.18%	7.92%	-10.93%	-3.81%

	2013	2014	2015	2016	2017
TAXES	Actual	Actual	Actual	Actual	Projected
Property Taxes	\$2,266,791	\$2,394,511	\$2,448,196	\$1,066,047	\$1,092,204
Sales Tax/Mitigation Payments	1,589,845	1,734,256	1,796,454	1,865,600	1,764,696
Sales Tax-EMS	137,122	142,413	152,683	159,093	165,486
Brokered Nat. Gas Tax	12,803	13,669	8,638	7,471	6,500
Electric Utility Tax	421,519	434,989	431,112	477,805	476,500
Natural Gas Utility Tax	156,928	197,738	182,298	154,681	156,000
Phone/Cell Phone Utility Tax	296,987	283,156	269,733	267,695	246,000
Water/Sewer/Storm Utility Tax	329,424	604,495	705,493	699,539	700,000
<b>Total Taxes</b>	<b>\$5,211,419</b>	<b>\$5,805,227</b>	<b>\$5,994,607</b>	<b>\$4,697,931</b>	<b>\$4,607,386</b>

Dollar Change	\$593,808	\$189,380	(\$1,296,676)	(\$90,545)
Percent Change	11.39%	3.26%	-21.63%	-1.93%



**PROPERTY TAXES**

	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Projected</b>
<b>Property Taxes</b>	\$2,266,791	\$2,394,511	\$2,448,196	\$1,066,047	\$1,092,204
Dollar Change		\$127,720	\$53,685	(\$1,382,149)	\$26,157
Percent Change		5.63%	2.24%	-56.46%	2.45%

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 \$1,146,223 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**

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
2017	\$1,270,949,709

**Property Taxes Levy Rates**

\$2.47463
\$1.73916
\$1.79976
\$1.87221
\$1.86523
\$1.98158
\$1.98643
\$2.07510
\$2.10205
\$2.10530
\$.87003
\$.85558



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

	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Projected</b>
<b>Sales Taxes/Mitigation Payments</b>	\$1,589,845	\$1,734,256	\$1,796,454	\$1,865,600	\$1,764,696
Dollar Change		\$144,411	\$62,198	\$69,146	(\$100,904)
Percent Change		9.08%	3.59%	3.85%	-5.41%

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>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Projected</b>
Brokered Nat. Gas Tax	\$12,803	\$13,669	\$8,638	\$7,471	\$6,500
Electric Utility Tax	421,519	434,989	431,112	477,805	476,500
Natural Gas Utility Tax	156,928	197,738	182,298	154,681	156,000
Phone/Cell Phone Utility Tax	296,987	283,156	269,733	267,695	246,000
Water/Sewer/Storm Utility Tax	329,424	604,495	705,493	699,539	700,000
<b>Total</b>	<b>\$1,217,661</b>	<b>\$1,534,047</b>	<b>\$1,597,274</b>	<b>\$1,607,191</b>	<b>\$1,585,000</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 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%.



	2013	2014	2015	2016	2017
<b>LICENSES &amp; PERMITS</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Business Licenses	\$72,719	\$81,209	\$56,717	\$104,769	\$75,000
Franchise Fees	211,499	225,794	232,220	246,606	249,300
Single Family Building Permits	206,024	109,315	150,404	147,407	250,000
Multi-Family Building Permits	11,944	4,227	13,028	42,767	45,000
Mechanical Permits	26,122	22,429	27,478	33,732	35,000
Plumbing Permits	21,556	14,129	18,707	20,741	25,000
Commercial Building Permits	36,937	29,131	34,488	31,601	30,000
Commercial Remodel/T.I. Permits	25,639	24,253	18,121	8,277	7,500
Other Miscellaneous	44,401	66,746	52,391	47,782	43,200
SEPA/Shoreline/Critical Areas Permits	0	5,150	0	0	0
<b>Total License &amp; Permits</b>	<b>\$656,841</b>	<b>\$582,383</b>	<b>\$603,554</b>	<b>\$683,681</b>	<b>\$760,000</b>

	2013	2014	2015	2016	2017
<b>INTERGOVERNMENTAL</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
DUI Fees	\$2,151	\$2,213	\$1,925	\$2,014	\$2,000
Liquor Excise Tax	7,930	23,094	34,604	60,280	61,878
Liquor Profits	106,402	109,201	111,369	111,297	111,963
Other/Intergovernmental Grants	275,168	91,777	53,058	46,440	15,485
<b>Total Intergov. Revenue</b>	<b>\$391,651</b>	<b>\$226,285</b>	<b>\$200,956</b>	<b>\$220,032</b>	<b>\$191,326</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.



	2013	2014	2015	2016	2017
<b>CHARGES FOR SERVICES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
School SRO Charges	\$47,000	\$52,000	\$52,000	\$52,000	\$0
Probation Fees	44,727	43,440	36,677	41,072	40,000
Housing of Prisoners	29,380	28,200	19,658	38,452	45,000
Development Review Fees	118,364	96,322	236,566	389,148	375,000
Plan Check Fees	167,522	121,126	180,035	182,387	145,000
Park/Athletic Field Fees	14,663	15,804	14,758	13,719	9,000
Other Fees and Charges	81,777	91,337	104,972	81,470	78,300
Charges for Central Services	302,841	306,060	302,095	357,091	367,710
<b>Total Charges for Services</b>	<b>\$806,274</b>	<b>\$754,289</b>	<b>\$946,761</b>	<b>\$1,155,339</b>	<b>\$1,060,010</b>

	2013	2014	2015	2016	2017
<b>FINES &amp; FORFEITURES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Traffic Infractions	\$82,552	\$95,066	\$66,133	\$63,162	\$57,000
J.I.S.	6,971	8,366	6,672	7,079	11,000
Criminal Traffic	31,940	37,877	37,013	35,715	35,000
Other	32,050	37,253	36,162	33,404	33,500
Public Defender Fees	16,196	16,066	17,604	18,591	18,000
<b>Total Fines &amp; Forfeitures</b>	<b>\$169,709</b>	<b>\$194,628</b>	<b>\$163,584</b>	<b>\$157,951</b>	<b>\$154,500</b>

	2013	2014	2015	2016	2017
<b>MISCELLANEOUS REVENUES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Investment/Interfund Loan Interest	\$409	\$266	\$2,478	\$6,311	\$2,500
Other Miscellaneous	87,696	148,577	171,111	138,513	137,015
Transfers In	451,823	538,226	773,798	905,559	941,723
Interfund Loan Repayments	315,000	270,000	250,000	200,000	0
<b>Total Misc./Transfers/Loan Repay. Revenue</b>	<b>\$854,928</b>	<b>\$957,069</b>	<b>\$1,197,387</b>	<b>\$1,250,383</b>	<b>\$1,081,238</b>