

City of Ferndale

2023 Budget





Budget Prepared by:
The Finance Department
and City Staff

*Budget Document was prepared after 2023 Financials were completed.

Mayor

Greg Hansen

City Council Members

Herb Porter

Ali Hawkinson

Erin Gunter

Paul Shuey

Ryan O'Larey

Robert Pinkley

Jon Mutchler

City of Ferndale Appointed Officials

Jori Burnett, City Administrator

Finance Director

Kevin Renz, Public Works Director

Kevin Turner, Chief of Police

Michael Cerbone, Community Development Director

Susan Duncan, Administrative Services Director

Megan Juenemann, Communications Officer

Other Officials

Dannon Traxler, City Attorney

Mark Kaiman, Municipal Court Judge

Kristen Hawks, Public Defender

David Nelson, Prosecuting Attorney

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Introduction

Mayor's Budget Message

Recently, I stood at the Thornton Overpass construction site, watching in awe as massive cranes carefully lifted girders the size of a city block and placed them on pillars above the railroad tracks. These girders will form the bones of the Overpass, supporting cars, trucks, bikes, and pedestrians for generations to come as they travel to and from our city. As the 130,000-pound components were locked into place, I was struck by the size and scope of the moment we find ourselves in.

Here, on the cusp of 2023, Ferndale is making big changes. We are putting in place the structures, roads and organizations we need to grow as a community. This document reflects and supports those changes and capitalizes on new opportunities to come. Therefore, it is my pleasure to present to our honorable City Councilmembers and the greater Ferndale community, the 2023 budget for the City of Ferndale.

In 2023, the cityscape in which we live will change. We will see the demolition of our beloved Old Main building and the full opening of our new Ferndale High School. We expect to see the Catalyst Project break ground on Main Street. We will see the opening of a brand-new skate park for Ferndale that pays tribute to our industrial history while providing recreation for the future generations. We will see brand new housing developments that reflect the diversity of our community – single family neighborhoods, multi-family near our downtown and low-income housing for those who need it.

In our downtown, we have seen several new businesses open including restaurants, grocery, and retail. Beyond our city core, new manufacturers are bringing fresh jobs, new ideas, and more commerce to our community.

As our city grows and changes, our local government rises to meet the needs of our community. The 2023 budget includes a new police officer – a necessary addition to our dedicated police department that will help keep us safe. It also includes a new planner to keep the permit desk moving swiftly, expanded hours for our park workers, and a new public works crew member to plow our streets and repair our infrastructure.

Like those large girders, we are laying the groundwork for the future. We are designing a new civic campus that will include a new court, council chambers and city hall. We are designing a new stage at Pioneer Park to host more and even better events at the heart of our community. And for the first time, we have hired both a federal and state advocate, to help bring our tax dollars back home from Olympia and Washington, DC for the projects we need done in our city.

During the pandemic, we activated Ferndale Community Services and the Ferndale Downtown Association, expanding their reach and abilities and you will see the impact of those decisions in 2023. Already, Ferndale Community Services is operating a severe weather shelter throughout the cold season and the Downtown Association has distributed thousands of dollars in grants to our downtown community to expand and support our local businesses.

We have done all of this and more through prudent financial management, a willingness to try new things, and good old-fashioned legwork. The actions that we are poised to take in 2023 and beyond are built on solid plans and careful consideration. Ferndale is a community of doers and innovators, much more than dreamers. This means that we must be realistic: we are in an unusual economy, with extremely low unemployment, extreme demand and limited supply of housing, and significant inflation. This budget anticipates that our costs will increase more rapidly than our revenues, and while the budget allows the City to move forward with its plans, we must look carefully at the economics of 2024 and beyond.

Ferndale is becoming known as a collaborative City, and through this teamwork we have been able to do things that larger cities could only dream of. Rather than pounding the table or making partisan speeches, here in Ferndale, we are focused on doing the work and finding the solutions. As President Truman once said, "It is amazing what you can accomplish if you do not care who gets the credit."

This budget, like the girders at Thornton, is a key component in that bridge to the future. A future full of change, promise and opportunities for our city.

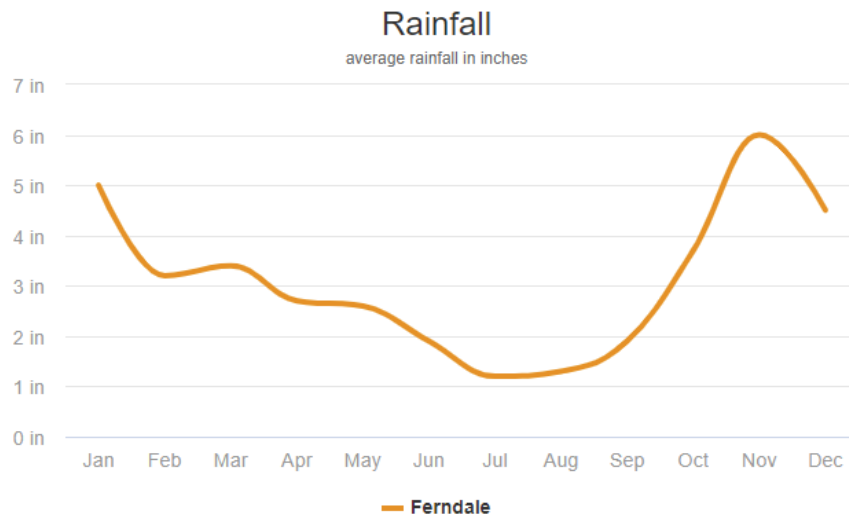
Thank you,

A handwritten signature in black ink, appearing to be 'GH' with a stylized flourish extending to the right.

Mayor Greg Hansen

City Statistics

Incorporated	1907
2023 Population Estimate ¹	16,330
Safety Ranking within WA Cities ²	23 out of 73
Land Area	7.13 square miles
Average Annual Temperature	51. Fahrenheit
Average Annual Precipitation	37.3 inches



Population and Household Data

Average Household Size	2.75
Median Household Income	\$73,074
Persons in Poverty (percent)	11.9%
Male Population	50.10%
Female Population	49.90%
Median Resident Age	38.5 years
Median Washington Resident Age	38.3 years
High School Graduate or Higher ³	92.6%
Bachelor's Degree or Higher ³	25.4%

¹https://ofm.wa.gov/sites/default/files/public/dataresearch/pop/april1/ofm_april1_population_final.pdf

²<https://www.alarms.org/safest-cities-in-washington/>

³<https://nces.ed.gov/Programs/Edge/ACSDashboard/5302850>



Budget Development

Budget Overview

The budget of the City of Ferndale is designed to achieve the following four interrelated functions:

Policy Development – The City’s budget process provides the Mayor, City Council, and City Administrator a vehicle to review the goals, objectives, and strategies of the City, and the ability to direct its activities by means of the allocation of resources. The budget provides an opportunity to set policy for the following year, impacting changes in operations, service levels, and the financial well-being of the community.

Financial Planning – The budget provides a financial plan that will govern the fiscal operation of the City for the next year. A formal revenue estimate provides a listing of the available financial resources, detailing how much has historically been produced by each source and how much is expected in the proposed budget. A presentation of current and previous year’s financial activity provides a listing of the allocation of these resources, providing an understanding of both the current year’s needs and a long-term view of the development of the City’s programs.

Operations Guide – The budget sets forth the blueprint that governs the number of services provided and how that service is provided. This direction is presented in various forms throughout the budget document and serves as legislative and administrative guidance to department heads and other City staff.

Communications Device – The budget provides a way for the City decision makers to communicate a variety of information regarding the scope of the City’s activities. This information contains priorities in service needs, rationale for decisions made, and a vision for the future. The budget also provides an effective tool in helping the citizens understand the reasons behind the policy and political decisions.

Budget Calendar

The City follows the budget calendar below establishing its budget every year. This budget calendar is in accordance with State law time limitations and is designed to allow the Council and public ample opportunity to understand and have input on the budget direction of the City for the next year.

2023 BUDGET PROCESS CALENDAR

JUNE

17th (Friday)

- Notification to public for submissions for Lodging Tax

24th (Friday)

- Notification to public for submissions for Organizational Grants

JULY

29th (Friday)

- Applications due for Lodging Tax

SEPTEMBER

5th (Monday)

- Applications due for Organizational Grants

7th (Wednesday) - tentative

- Lodging Tax Advisory Committee (LTAC) meets to review applications

16th (Friday)

- LTAC recommendations to be filed with Finance
- Organizational Grant proposals to be filed with Finance

OCTOBER

3rd (Monday)

- Proposed preliminary budget presented to Council

26^h (Wednesday)

- Mayor presents 2023 budget message
- Preliminary budget made available to public
- Publication notice for public hearing on property tax levy (public hearing November 21st)
- Publication notice for public hearing on preliminary budget (public hearing November 21st)

NOVEMBER

21st (Monday)

- Public hearing – property tax levy
- Resolution to preserve banked capacity
- Set property tax levy
- Public hearing - preliminary budget

30th (Wednesday)

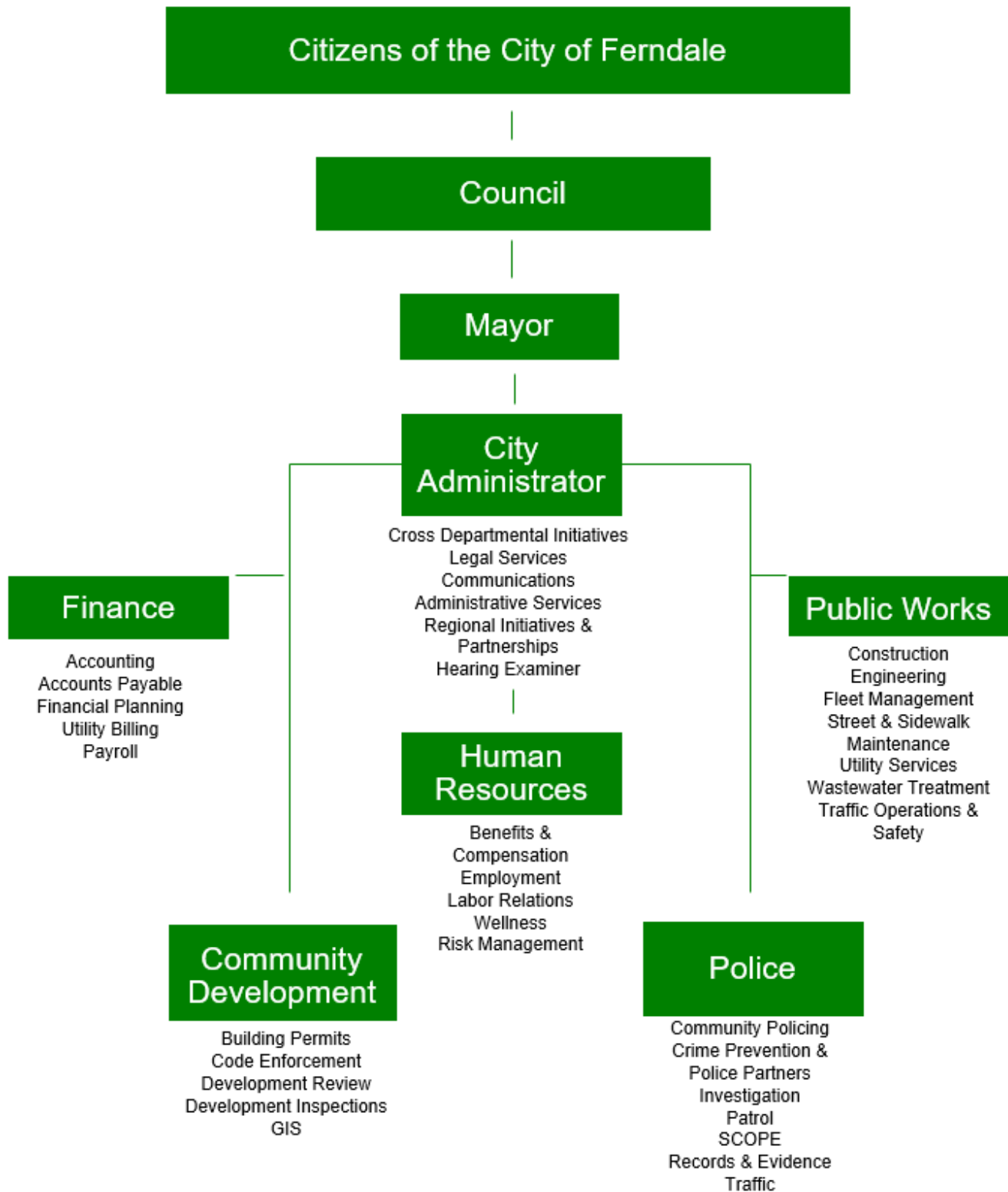
- Publication notice for public hearing on final budget (public hearing December 5th)

DECEMBER

5th (Monday)

- Final public hearing on proposed 2023 budget
- Adoption of 2023 budget by City Council

Organization Chart



Fund Type Descriptions

Governmental Fund Types

Governmental funds are used to account for activities associated with government operations that are primarily supported by taxes, grants, fees, and other similar revenue sources. There are four governmental fund types used by the City of Ferndale:

General Fund (001)

The general fund, also referred to as the current expense fund, accounts for all resources that are not required to be accounted for in other funds. It is used to account for the general services provided to the public by the government. The general fund covers law enforcement, legal, administration, communications, finance, planning and community development, parks, and more. Major revenue sources include taxes, fees, grants, licenses, permits, and transfers from other funds. The general fund is the City's main operating fund.

Special Revenue Funds (100s)

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to finance specific activities. The City's special revenue funds include the Street Fund, Park and Traffic Mitigation Funds, Transportation Benefit District Fund, American Rescue Plan Act Fund, and Hotel Motel Tax Fund.

Debt Service Funds (200s)

Debt service funds are used to account for and report financial resources which are designated for the retirement of debt.

Capital Project Funds (300s)

Capital project funds are used to account for and report financial resources which are designated for the acquisition or construction of general government capital projects (other than those financed by propriety funds).

Proprietary Fund Types

Proprietary funds are used to account for a government's business-type activities that receive financing from fees and charges imposed on users of the services. There are two proprietary fund types used by the City of Ferndale:

Enterprise Funds (400s)

Enterprise funds are used to account for operations that provide goods or services to the public and are supported primarily by user fees and charges. Retirement of debt and capital projects for enterprise activities are also accounted for in these funds. The Water, Sewer, and Storm and Flood Control Funds are the enterprise funds used by the City of Ferndale.

Internal Service Funds (500s)

Internal service funds are used to account for operations that provide goods or services to other City departments or funds on a cost-reimbursement basis. This fund category includes the Computer Replacement Fund and Equipment Replacement Fund. These funds collect "fees" from other funds and departments to finance the replacement and maintenance of computers, software, and all other types of equipment.

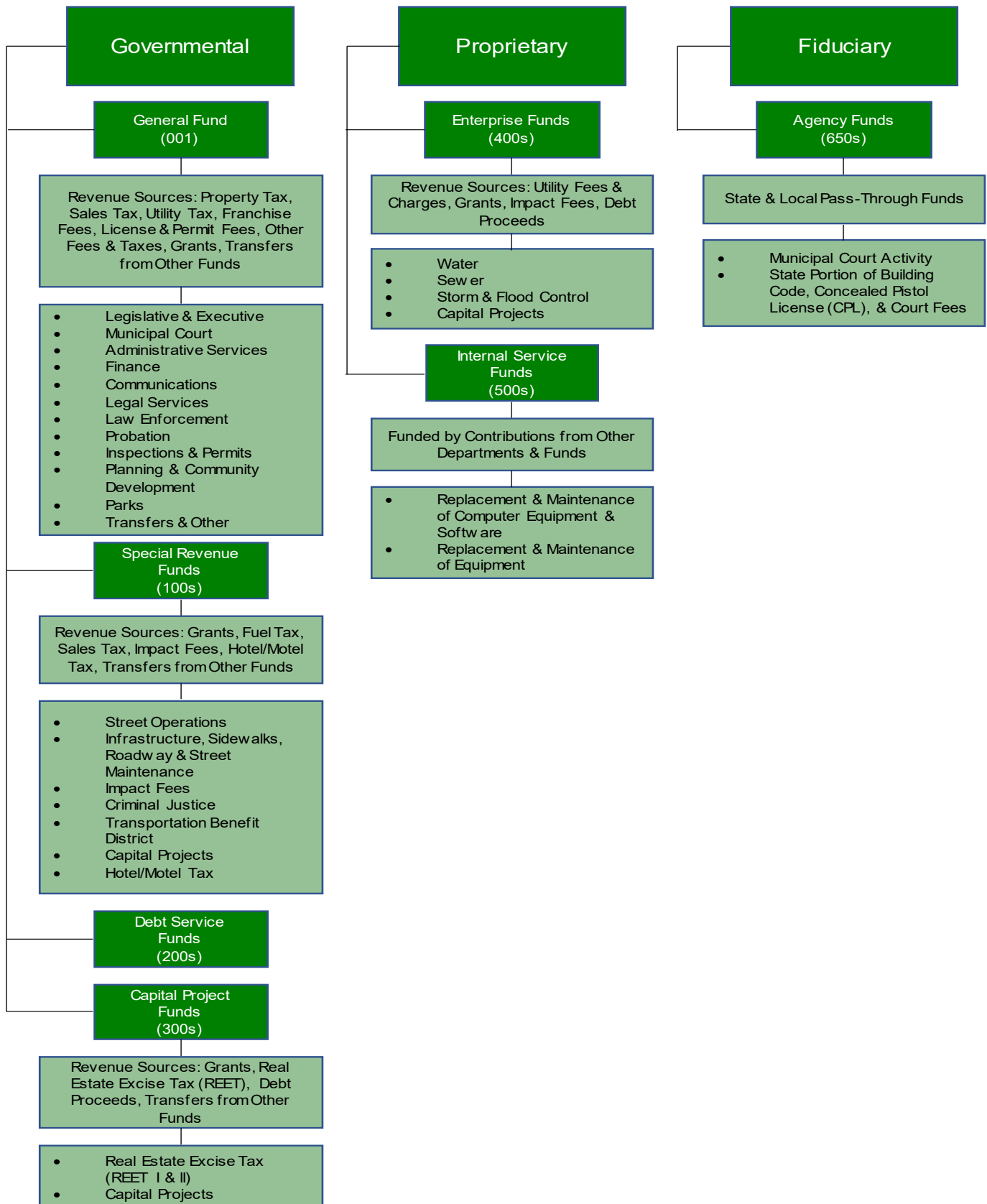
Fiduciary Fund Types

Fiduciary funds are used to account for resources held by a government in a trustee or custodial capacity for other entities and that cannot be used to support the government's own programs. The City of Ferndale uses only agency funds.

Agency Funds (650s)

Agency funds are used to report the collecting and remitting of funds in a custodial capacity for other entities. The City of Ferndale uses agency funds to account for Ferndale Municipal Court activity and remittances, as well as various fees for building permits and concealed pistol licenses collected from customers and remitted to the State.

Fund Type Chart





Budget Summary

2023 Budget Summary

Fund	Fund Name	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
001	Current Expense (General Fund)	\$6,911,384	\$14,730,118	\$12,489,983	\$9,151,518
002	General Fund Contingency Reserve	909,928	111,529	0	1,021,457
003	Facilities Capital Reserve	1,633,721	607,527	0	2,241,249
004	LEOFF I Police Retiree	1,751,188	150,739	33,866	1,868,061
005	Solid Waste Utility Tax	4,670,654	3,463,552	2,424,455	5,709,752
007	Pioneer Pavilion Community Center	33,291	70,894	86,693	17,492
101	Streets	2,711	4,080,034	4,082,746	0
102	Park Mitigation	466,982	239,942	220,000	486,924
104	Traffic Mitigation	1,599,872	625,924	0	2,225,796
106	Criminal Justice	4,584	0	4,584	0
107	Local Criminal Justice	312,678	0	312,678	0
113	Transportation Benefit District	2,412,347	947,208	133,882	3,225,673
115	American Rescue Plan Act (ARPA)	2,293,961	58,527	398,183	1,954,305
198	Hotel/Motel	127,653	79,729	65,737	141,645
214	Streets/Parks/Land Debt Services	5,739	120,003	118,497	7,245
215	LaBounty LID 2006-1 Bond Redemption	1,227	24,103	25,330	0
216	LaBounty LID 2006-1 Bond Guarantee	30,333	221	6,753	23,801
217	LaBounty Go Bond Redemption	155	1	0	156
218	2010 GO Bond Redemption	14,588	315,006	316,490	13,104
219	2011 GO Bond Redemption	2,032	170,015	163,650	8,397
220	2013 Library GO Bond Redemption	519	186,757	187,101	175
301	Real Estate Excise Tax 1/4% REET 1	1,221,180	398,822	215,975	1,404,027
302	Real Estate Excise Tax 1/4% REET 2	2,877,775	394,358	0	3,272,132
310	Metalworks Park	20,000	109,173	84,581	44,592
370	Thornton Road Construction	0	4,344,516	5,079,346	(734,830)
401	Water	5,277,943	6,169,703	7,187,228	4,260,418
402	Sewer	12,926,406	7,101,890	5,103,147	14,925,150
403	2005 Sewer Revenue Bond Redemption	3,870	1,595,028	1,563,249	35,649
404	2005 Sewer Bond Reserve	1,167,314	7,411	0	1,174,725
405	WWTP Debt Service Fund	1,919,504	1,013,978	2,091,424	842,058
407	Storm & Flood Control	2,475,053	3,653,980	3,684,748	2,444,285
408	Utility Loan Service	22,261	154,000	150,407	25,854
409	Water Debt Service	29,032	24,941	52,426	1,547
413	Water Treatment Plant Upgrade	3,477,959	0	35,878	3,442,081
414	Shop Well 2	72,466	0	0	72,466
415	Waste Water Treatment Plan Const. (WWTP)	1,473,976	30,213	0	1,504,189
510	Computer Repair & Maintenance	100,127	338,968	344,048	95,047
550	Equipment Repair & Maintenance	46,354	1,752,977	1,585,181	214,149
650	Court Agency	1,427	80,636	82,063	0
651	Court Activity	118	5,820	3,077	2,860
TOTAL		\$56,298,315	\$53,158,241	\$48,333,407	\$61,123,149

Revenue Summary by Fund

Fund	Fund Name	2020 Actual	2021 Actual	2022 Actual	2023 Actual
001	Current Expense (General Fund)	\$10,462,074	\$12,754,873	\$11,924,246	\$11,228,914
002	General Fund Contingency Reserve	50,674	50,200	703,475	110,000
003	Facilities Capital Reserve	15,574	1,015,457	617,110	600,000
004	LEOFF I Police Retiree	203,714	671,072	164,192	140,000
005	Solid Waste Utility Tax	2,651,215	2,688,087	3,594,012	2,695,000
007	Pioneer Pavilion Community Center	26,563	30,263	50,315	30,000
101	Streets	1,488,432	1,373,509	1,533,297	5,474,621
102	Park Mitigation	279,839	162,919	108,121	100,000
104	Traffic Mitigation	638,352	522,061	384,706	400,500
106	Criminal Justice	20,513	22,012	24,325	26,031
107	Local Criminal Justice	278,717	335,829	400,057	262,500
113	Transportation Benefit District	640,826	798,497	993,620	798,176
115	American Rescue Plan Act (ARPA)	0	2,081,265	2,176,265	0
198	Hotel/Motel	54,052	54,993	76,978	56,100
214	Streets/Parks/Land Debt Services	122,099	115,585	119,704	120,000
215	LaBounty LID 2006-1 Bond Redemption	45,610	18,557	17,353	22,000
216	LaBounty LID 2006-1 Bond Guarantee	189	31	502	0
217	LaBounty Go Bond Redemption	26,721	77,066	2	0
218	2010 GO Bond Redemption	3,552,688	565,009	315,221	315,000
219	2011 GO Bond Redemption	158,815	158,802	163,634	170,000
220	2013 Library GO Bond Redemption	185,736	186,485	185,882	174,000
301	Real Estate Excise Tax 1/4% REET 1	571,688	843,108	665,998	300,000
302	Real Estate Excise Tax 1/4% REET 2	572,051	843,586	679,076	300,000
310	Metalworks Skate Park	0	15,662	217,754	950,000
370	Thornton Road Construction	8,895,044	2,626,761	5,507,639	7,300,000
401	Water	4,782,946	4,945,049	4,990,020	5,795,657
402	Sewer	6,241,349	7,170,675	7,240,296	6,400,584
403	2005Sewer Revenue Bond Redemption	5,283,552	1,568,875	1,568,668	1,595,000
404	2005 Sewer Bond Reserve	0	881	16,846	0
405	WWTP Debt Service Fund	5,616	1,001,816	31,772	1,000,000
406	Utility Debt Service Fund	0	0	0	0
407	Storm & Flood Control	1,624,634	1,802,659	1,985,462	4,043,053
408	Utility Loan Service	175,892	189,065	158,407	154,000
409	CCWA Water Conversion Debt Service	54,269	55,367	42,741	0
413	Water Treatment Plan Upgrade	3,695,000	0	0	1,121,000
414	Shop Well 2	1,642,500	0	0	0
415	Wastewater Treatment Plant Const.	19,010,526	13,139,266	3,178,465	0
510	Computer Repair & Maintenance	300,951	273,225	233,163	270,248
550	Equipment Repair & Maintenance	938,070	1,301,844	880,329	1,119,645
650	Court Agency	153,591	132,521	80,652	107,700
651	Court Activity	13,614	8,954	(634)	5,000
TOTAL		\$74,863,694	\$59,601,886	\$51,029,670	\$53,184,729

Expenditure Summary by Fund

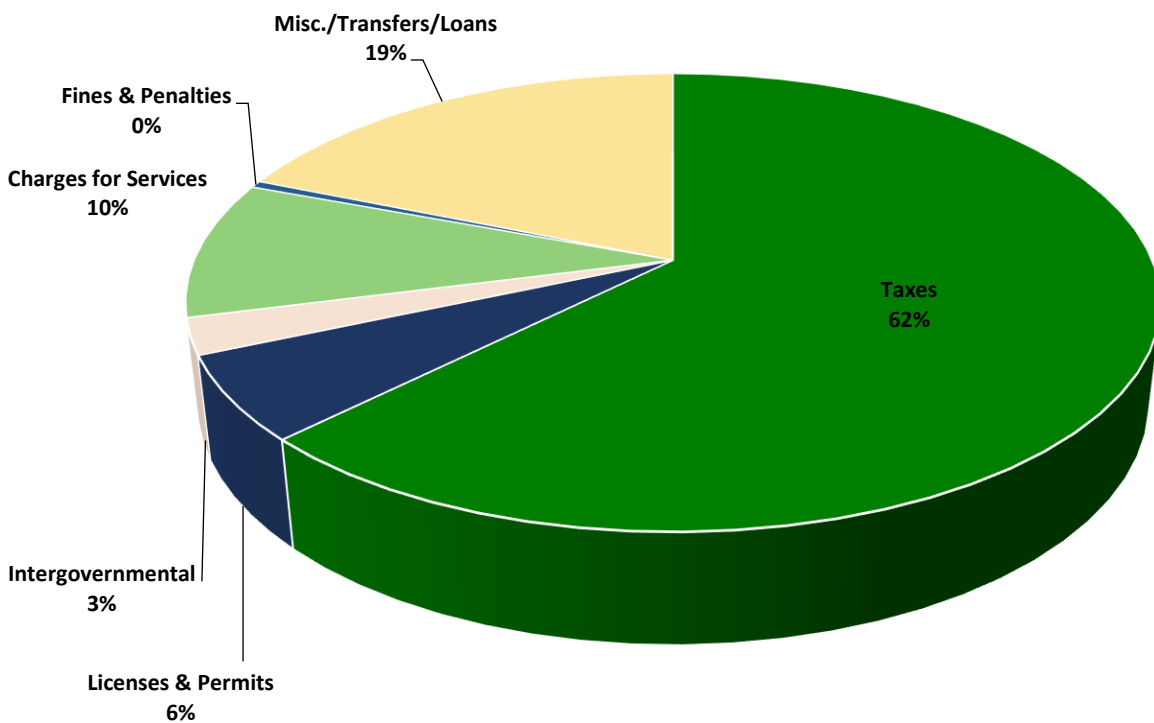
Fund	Fund Name	2020 Actual	2021 Actual	2022 Actual	2023 Actual
001	Current Expense (General Fund)	\$9,607,528	\$11,855,771	\$11,306,868	\$12,489,983
003	Facilities Capital Reserve	70,000	50,000	0	0
004	LEOFF I Police Retiree	32,310	33,665	39,749	33,866
005	Solid Waste Utility Tax	1,656,424	1,839,925	1,779,757	2,413,638
007	Pioneer Pavilion Com. Center Oper.	30,586	31,555	45,197	86,693
101	Streets	1,263,530	1,531,871	1,663,197	4,082,746
102	Park Mitigation	98,616	185,897	195,489	220,000
104	Traffic Mitigation	804,326	219,798	145,281	0
106	Criminal Justice	17,000	25,000	0	0
107	Local Criminal Justice	260,000	270,000	0	0
113	Transportation Benefit District	76,631	0	600,000	133,882
114	Complete Streets	200,000	9,545	0	0
115	American Rescue Plan Act (ARPA)	0	65,507	1,898,061	398,183
198	Hotel/Motel	41,733	53,388	56,772	65,737
214	Streets/Parks/Land Debt Services	122,097	120,897	119,697	118,497
215	LaBounty LID 2006-1 Bond Redemption	34,099	36,612	30,902	25,330
216	LaBounty LID 2006-1 Bond Guarantee	0	0	0	6,753
217	LaBounty Go Bond Redemption	26,720	77,066	0	0
218	2010 GO Bond Redemption	3,785,988	319,760	315,205	316,490
219	2011 GO Bond Redemption	159,100	158,800	163,600	163,650
220	2013 Library GO Bond Redemption	186,072	186,072	186,072	187,101
301	Real Estate Tax (REET 1)	216,227	876,554	308,563	215,975
302	Real Estate Tax (REET 2)	100,000	62,876	2,632	0
310	Metalworks Skate Park	0	15,662	197,754	84,581
370	Thornton Road Construction	8,774,671	2,151,110	6,430,910	5,079,346
401	Water	3,484,935	3,489,755	4,153,957	7,187,228
402	Sewer	3,838,300	5,135,936	3,317,212	5,103,147
403	2005 Sewer Revenue Bond Redemption	5,283,966	1,568,754	1,568,763	1,563,249
405	Sewer Bond	0	0	0	2,091,424
407	Storm & Flood Control	1,156,533	1,521,894	1,481,604	3,684,748
408	Utility Loan Service	175,892	189,065	158,404	150,407
409	Water Debt Service	39,086	32,419	81,315	52,426
413	Water Treatment Plan Upgrade	75,585	109,440	32,016	35,878
414	Shop Well 2	1,230,982	3,524	335,528	0
415	Wastewater Treatment Plant Const.	20,027,823	10,936,046	2,890,411	0
510	Computer Repair & Maintenance	303,784	270,248	233,180	344,048
550	Equipment Repair & Maintenance	940,922	1,260,843	1,140,398	1,585,181
650	Court Agency	153,591	132,342	78,878	82,063
651	Court Activity	5,287	12,252	7,214	3,077
TOTAL		\$64,280,341	\$44,839,849	\$40,964,584	\$48,005,328



General Fund

General Fund Revenue Summary

	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Taxes	\$6,744,951	\$7,725,996	\$8,632,344	\$9,210,515
Licenses & Permits	973,349	1,474,243	975,936	875,227
Intergovernmental	816,551	582,690	468,512	373,174
Charges for Services	1,051,798	1,652,074	1,176,444	1,432,507
Fines & Penalties	134,316	119,956	75,121	72,039
Misc./Transfers/Loans	741,108	1,199,914	595,890	2,766,655
Total	\$10,462,074	\$12,754,873	\$11,924,247	\$14,730,118



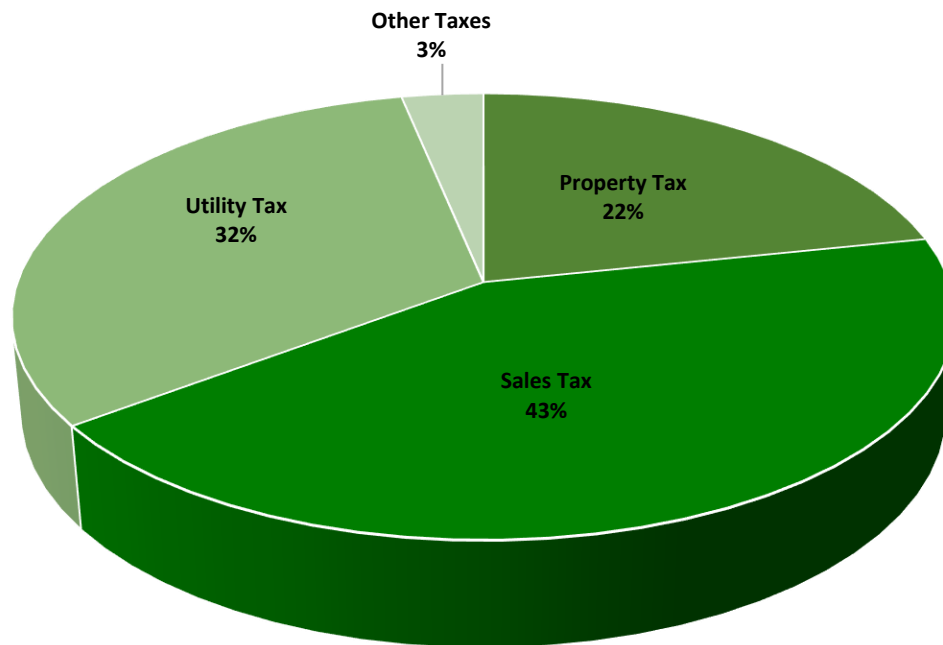
Graph Detail for 2023 Budget General Fund Revenue

General Fund Revenue Sources

This section describes each of the major general fund revenue sources in the 2023 budget.

Taxes

For the 2023 fiscal year, it is estimated that tax revenues will account for 63% of general fund revenues. These taxes include property taxes, sales taxes, and utility taxes. The summaries on the following pages include specific information on each of the major taxes levied to support City services.



Graph Detail for 2023 Budget Taxes

Property Taxes

\$2,001,738

22%

Property taxes represent 22% of the City's general fund revenue. The City of Ferndale relies heavily on property tax revenue to support a variety of City services.

Each year, real and taxable personal property is assessed by the Whatcom County Assessor and the value is updated based on the market value of the property. The assessed value is used in the calculation of taxes payable in the following year. Most levies in Whatcom County are budget-based levies, meaning each taxing district is responsible for creating a budget that reflects the property tax funds needed to run their district. As one of the taxing districts in the County, the City of Ferndale is required to notify the Whatcom County Assessor of the amount of revenue it seeks to receive from property taxes each calendar year.

The City is typically limited to increasing the property tax collection by 1% each year and, per statute, can only exceed this limitation with the approval of voters or by using levy capacity from prior years that was "banked" for future specified purposes. The reason for this limitation is to ensure that jurisdictions constrain their spending and limit the property tax increases that occur without a vote of the people. When inflation is less than 1% or during periods of deflation, the law states that jurisdictions should take the lesser of 1% or the rate of inflation – unless there is "substantial need" for taking the full 1% increase. The annual tax impact on a property owner is usually different than the percent increase in the levy, as it depends on several factors, including changes in the assessed valuation of the property, growth in the City's overall assessed valuation, and increases (or decreases) of other district levies (such as the school district, library, port, fire, etc.).

Starting in 2016, the City greatly reduced its share of property tax collection after the Ferndale community voted to annex into the Whatcom County Fire District #7. With the annexation, property tax collection for these services was levied directly by the District, rather than by the City.

For 2023, the City's regular property tax levy was \$2,008,218 and excess property tax levy for debt repayment was \$64,926. The total 2023 property tax levy rate (including all district levies) for residents of Ferndale is approximately \$8.18 per \$1,000 assessed valuation. Of this, only about 8.9% (or \$0.89 per \$1,000 of assessed value) goes to support municipal activities (see below for a complete breakdown of other property tax recipients). Although property taxes represent a major source of funding for City services, this demonstrates the relatively small portion that is allocated to the City from each property owner's total tax bill. The 2023 budget does not include a 1% increase in the regular property tax levy, as allowed per statute.

Where Did Your 2023 Property Tax Dollar Go?



Sales & Use Tax

\$3,964,273

43%

Sales tax is the largest source of funding for general City services. Sales tax is collected on the sale of consumer goods (except most food products), some services, and construction. The State collects and distributes the City's portion of sales tax revenue on a monthly basis. The City receives sales tax collections approximately two months after they are paid by consumers at the source. The amount of sales tax fluctuates from year to year due to changes in the economy, buying habits of consumers, and the level of construction taking place in the City. During the COVID-19 pandemic, the City saw an increase in sales tax revenues due to increased online purchasing by residents of Ferndale.

The City receives 0.85% of the overall 9% sales tax rate levied on sales within the City of Ferndale. An additional voter-approved 0.2% tax is designated to the Ferndale Transportation Benefit District for road improvement projects and is accounted for in Fund 113. The total general sales tax rate within the City of Ferndale is 9% and is distributed among public agencies as follows:

Ferndale Sales Tax Distribution	
Government Entity	Tax Rate
State of Washington	6.50%
City of Ferndale	0.85%
Whatcom County	0.15%
Whatcom County - EMS Public Safety	0.10%
Whatcom County - Mental Health	0.10%
Ferndale Transportation Benefit District	0.20%
Whatcom County - Transportation	0.60%
Whatcom County - Criminal Justice	0.10%
Whatcom County - Juvenile Detention	0.10%
Whatcom County - Housing & Related Services	0.10%
Total Sales Tax Rate	8.80%

1% administration fee of total tax is retained by the Department of Revenue

<u>Utility Tax</u>	\$2,945,427	32%
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The City imposes utility taxes on the gross operating revenues of various utility services provided within the boundaries of the City. Telephone, cellular phone, electricity, natural gas, and brokered natural gas are taxed at a rate of 6%. The City's water, sewer, and storm utility taxes are levied at a rate of 8%.

Other Taxes	\$299,076	3.2%
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Sales Tax – EMS Public Safety

Whatcom County imposes a sales and use tax on every taxable event that occurs within the county (except for the sale, use, or leasing of motor vehicles up to a specific time frame) for the funding of emergency medical services. The rate of tax imposed is 0.1% with 60% of the money collected being distributed to Whatcom County and the remaining 40% being distributed on a per capita basis to cities in the county. Two-thirds of the tax amount received by the City of Ferndale is remitted to Whatcom County for the purpose of providing countywide emergency medical services. The one-third amount retained by the City is used for criminal justice purposes. Public safety sales tax distributions are received monthly.

Licenses & Permits	\$875,227	5.9%
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License and permit fees are user fees derived from various regulatory activities of the City. These include gun permits, residential and commercial building permits, general business licenses, and other permits. The fees are designed to cover the cost of administration, regulation, inspection, and review of various applications and projects.

Building Permits

The City charges fees for all building, mechanical, plumbing, sign, fire, and other various permits that are issued. Fees imposed for permits can be found in the current year's unified fee schedule and are updated annually.

Business Licenses & Fees

City of Ferndale business licenses are issued for resident and non-resident businesses that operate within City limits. In 2020, the City of Ferndale partnered with the Washington State Department of Revenue to provide one source for business licenses and annual renewals. The state collects and distributes license fees received for Ferndale endorsements to the City. Business licenses for industrial, manufacturing, and co-located spaces are issued and

managed directly by the City of Ferndale. Business license fees can be found in the current year's unified fee schedule.

Franchise Fees

Franchise fees are charges levied on private utilities for the right to use City streets, alleys, and other public properties. For example, the City has a franchise agreement with Comcast to construct, maintain, repair, and operate the cable system within the City. The franchise fees are levied at a rate of 5% of gross revenues. In addition, the City has a franchise agreement with Sanitary Service Company and levies a tax of 7% on gross revenues generated from the collecting and disposing of garbage, refuse, and recyclable materials.

Intergovernmental Revenues \$373,174 2.5%

Intergovernmental revenues consist of federal, state, and local grants as well as state-shared revenues. State-shared revenues consist of taxes collected by other jurisdictions that the City of Ferndale receives a portion of. The City's state-shared tax revenues that are accounted for in the general fund are summarized below.

Liquor Excise Tax & Profits

Liquor tax and profit distributions are allocated to all cities and towns on a per capita basis. Liquor excise is a small share of the state's excise tax on liquor sales and varies each year depending on actual liquor sales. The City must devote at least 2% of its share of liquor excise tax revenues to a licensed or certified alcohol or drug addiction program, while the remaining amount may be used for any lawful governmental purpose. Liquor profits are flat distributions from liquor licensing fees charged to distributors and retailers. Liquor excise tax and profit distributions are received quarterly.

Marijuana Excise Tax

The state levies a marijuana excise tax of 37% on all retail sales of marijuana products in the state. Cities and counties with cannabis businesses located within their limits share in the state marijuana excise tax revenue, with a cap of the amount of shared revenues that can be distributed per year according to the statute. The distributions made to the City depend on a few factors, including the population size, the amount of sales that take place within the City in proportion to the total sales in the state, and the number of cities and counties that prohibit marijuana. Marijuana excise tax distributions are received quarterly.

Charges for Goods and Services \$1,432,507 9.7%

Charges are assessed for services and goods provided by the City. These include fees for fingerprints, warrants, police reports, as well as charges for building inspection, zoning,

development review, and other various planning, building review, and law enforcement services. Fees collected for renting athletic fields, parks, and City facilities are also included in this section.

Fines and Penalties	\$72,039	0.5%
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The City collects fines for traffic infractions, criminal traffic misdemeanors, DUI violations, as well as other various criminal fines. False alarm fees, restitution payments, and municipal court recoupment costs (including public defender fees) are also recorded in this category.

Miscellaneous Revenue	\$2,523,663	17.1%
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Miscellaneous revenue includes interest, donations, facility and land lease revenue, fees received from other small cities for shared domestic violence consulting services, non-capital insurance recoveries, and other miscellaneous fees and charges.

Other Financing Sources	\$242,993	1.6%
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Other financing sources includes transfers from other funds for general fund operational expenditures and capital projects that receive funding from other sources, including solid waste utility tax, criminal justice sales tax, park mitigation, real estate excise tax, etc. Refundable deposits received for developmental review projects are also included in other financing sources.

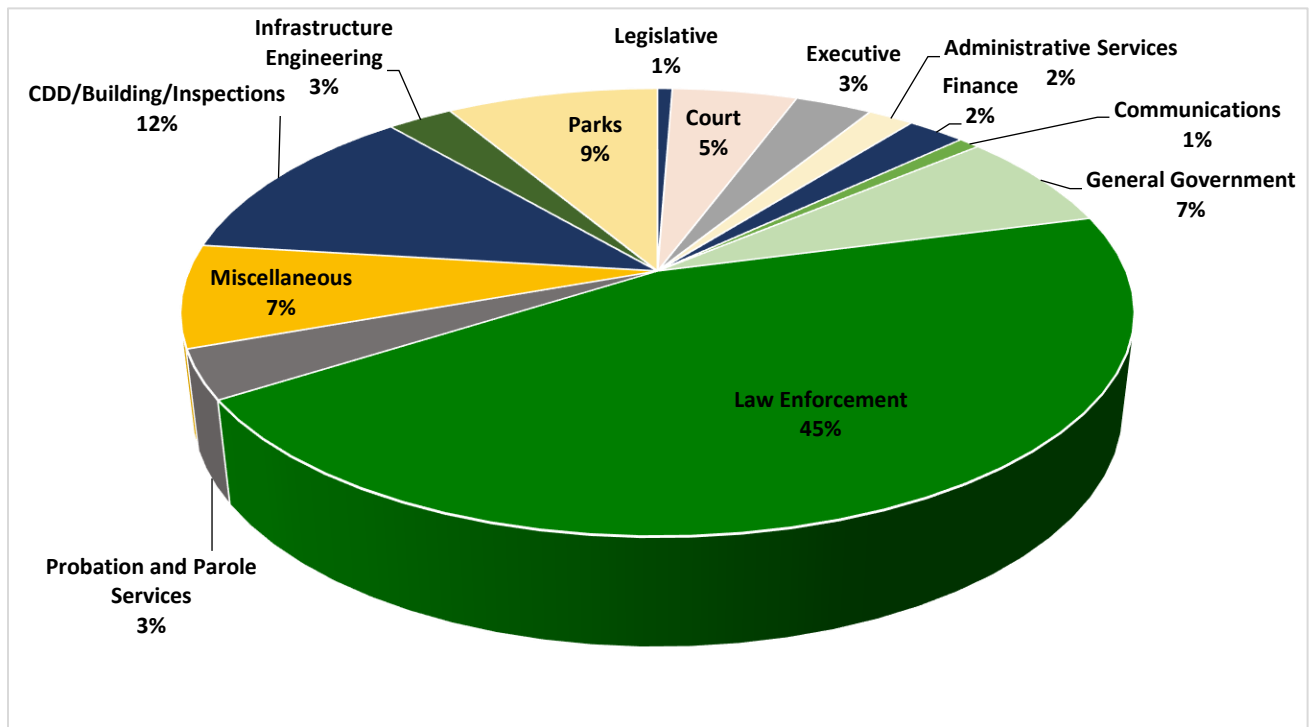
Total General Fund Revenues	\$14,730,118	100.0%
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Detailed General Fund Revenue

	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Property Tax	\$1,728,145	\$1,846,248	\$1,928,080	\$2,001,738
Sales Tax	2,721,084	3,389,640	4,085,174	3,964,273
Utility Tax	2,097,498	2,251,332	2,339,210	2,945,427
Other Taxes	198,223	238,776	279,880	299,076
Total Taxes	\$6,744,951	7,725,996	8,632,344	9,210,515
Building Permits	\$327,350	1,002,165	464,102	328,647
Business Licenses and Fees	399,766	123,755	146,419	165,045
Other Licenses Fees	246,234	348,322	365,415	381,535
Total Licenses and Permits	\$973,349	1,474,243	975,936	875,227
Federal Grants	\$555,051	58,567	167,768	28,264
Liquor Excise Tax/Profits	204,920	218,101	230,840	234,077
Other Fees	56,581	306,022	69,905	110,833
Total Intergovernmental	\$816,551	582,690	468,512	373,174
Building Plan Fees	\$281,914	692,045	104,321	187,984
Charges for Central Services	432,448	523,533	611,678	661,167
Developmental Review	145,951	244,185	247,571	348,661
Zoning and Subdivision	57,632	41,766	20,315	41,766
Other Fees and Charges	133,853	150,545	192,559	192,929
Total Charges for Goods and Services	1,051,798	1,652,074	1,176,444	1,432,507
Criminal Traffic	\$26,564	31,273	23,370	16,815
Traffic Infractions	68,697	46,844	27,310	28,671
Other Fines and Fees	39,055	41,839	24,441	26,553
Total Fines and Penalties	134,316	119,956	75,121	72,039
Investment Interest	\$20,423	3,498	88,336	2,373,700
Donations/Cost Share DV Consultant	45,444	51,533	47,951	51,536
Other Miscellaneous Revenue	71,724	49,374	71,526	98,427
Total Miscellaneous	137,591	104,406	214,766	2,523,663
Transfers In	\$562,000	1,109,814	306,565	385,498
Other Sources	41,517	-14,305	74,558	-142,506
Total Other Financing Sources	603,517	1,095,508	381,123	242,993
TOTAL GENERAL FUND	\$10,462,074	\$12,754,873	\$11,924,246	\$14,730,118

General Fund Expenditure Summary

Departments	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Legislative	\$70,324	\$66,816	\$73,437	\$74,783
Court	494,054	518,894	564,524	633,157
Executive	252,727	273,716	311,682	390,246
Administrative Services	217,089	229,482	205,348	232,749
Finance	419,427	437,610	415,784	293,325
Communications	117,550	127,307	136,796	107,942
General Government	945,073	642,163	733,001	877,249
Law Enforcement	4,140,056	4,511,470	4,922,797	5,630,314
Probation and Parole Services	377,166	337,003	401,109	442,338
Miscellaneous	754,806	2,428,322	1,216,834	926,583
CDD/Building/Inspections	1,102,911	1,054,980	1,319,764	1,476,127
Infrastructure Engineering	302,286	329,407	301,916	333,162
Parks	414,059	898,601	703,875	1,072,008
Total	\$9,607,528	\$11,855,771	\$11,306,868	\$12,489,983



Graph Detail for 2023 Budget General Fund Expenditures

General Fund Descriptions

Legislative

As the City's legislative branch of government, the Ferndale City Council sets policy, land use, and budget decisions to be carried out by the Mayor and City Administrator, acting as the City's executive branch. The Council's mission is to enact policies for the purpose of ensuring that, particularly in times of growth, the City of Ferndale remains economically strong, environmentally sensitive, visually pleasing, and people-oriented with a socially diverse and cohesive population and employment mix. These attributes create a positive identity and image for the community and reflects a city that works for its citizens.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Salaries and Benefits	\$60,487	\$58,391	\$62,458	\$64,491
Publications Services	1,214	1,363	1,053	576
Other Charges and Services	8,622	7,063	9,372	9,716
Total Expenditures	\$70,324	\$66,816	\$72,883	\$74,783

Municipal Court

The Municipal Court serves the public in a fair, accessible, accountable, efficient, and independent manner. The Ferndale Municipal Court has jurisdiction over traffic infractions and criminal matters. The Municipal Court may issue Orders of Protection for victims of domestic violence and the Municipal Court Judge provides judicial administration for the court. Related services include providing legal representation for indigent people, probation supervision, and interpreter services. The Court is committed to excellence in providing timely, courteous, professional, and fair service to all people and organizations. The office will present an atmosphere of respect for the public, employees, and other government entities and is partnering toward a safe and vital community.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Salaries and Benefits	\$181,629	\$189,981	\$218,284	\$245,562
Computer Repair/Vehicle Rental Fund	10,361	11,698	13,271	17,228
Court Appointed Attorney	145,250	147,204	161,228	151,264
Prosecutor/Professional Services	142,844	153,334	159,777	204,791
Supplies/Small Equipment	4,974	6,377	5,177	10,105
Other Charges and Services	8,996	10,300	6,787	4,208
Total Expenditures	\$494,054	\$518,894	\$564,524	\$633,157

Executive

The Mayor, working in concert with the City Administrator, and acting as the Executive branch of Ferndale's government, directs and administers the day-to-day operations of the City and City staff to execute the policies and objectives of the City of Ferndale, as adopted by the City Council. To meet this responsibility, the Mayor and City Administrator plan, initiate, and execute programs, as well as direct and coordinate departmental operations through the department directors. The Mayor and Administrator also represent the City before other government bodies.

Description	2020	2021	2022	2023
	Actual	Actual	Actual	Actual
Salaries and Benefits	\$219,784	\$235,722	\$249,579	\$269,336
Computer Repair/Equip Rental Fund	6,386	3,164	3,092	4,658
Professional Services	23,300	30,815	52,913	101,958
Other Charges and Services	3,257	\$4,015	6,097	14,294
Total Expenditures	\$252,727	\$273,716	\$311,682	\$390,246

Administrative Services

The role of the Administrative Services Department is to serve the City as the necessary link between the separate legislative and administrative arenas. For the City of Ferndale, the Administrative Services Director acts as the Human Resources Manager and provides records management services. The Administrative Services Department provides a point of access for specific municipal services to the public, and functions as the official records depository and archivist for the City. This department serves as clerical support for the City Council meetings, including the preparation and dissemination of agenda documents, legal advertisements, and the preparation and maintenance of meeting minutes.

Description	2020	2021	2022	2023
	Actual	Actual	Actual	Actual
Salaries and Benefits	\$205,259	\$214,251	\$197,183	\$218,714
Computer Repair/Equip Rental Fund	10,252	12,659	1,953	4,727
Other Charges and Services	1,577	\$2,572	6,211	9,308
Total Expenditures	\$217,089	\$229,482	\$205,348	\$232,749

Finance

The Finance Department is responsible for the annual budget and financial reporting. The department functions include long-term project financing, grant billings and management, accounts payable and receivable, payroll, utility rate administration and billing, maintaining and

updating financial policies and internal controls, investing, maintaining compliance with state and federal regulations, and assisting with annual audits

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Salaries and Benefits	\$395,573	\$421,053	\$349,493	\$259,293
Computer Repair Fund	11,296	6,583	6,384	8,847
Supplies/Small Equipment	4,467	4,637	4,207	5,527
Other Charges and Services	8,091	\$5,338	55,700	19,657
Total Expenditures	\$419,427	\$437,610	\$415,784	\$293,325

Communications

The Communications Officer provides communication services including social and traditional media, press relations, provides website administration, acts as the City's Public Information Officer during emergencies, coordinates recreation programming for the City, and leads special projects, as required. The Communications Officer utilizes the best practices in municipal communication to promote civic engagement, increase government transparency and provide the public with the information they need to be safe, healthy, and proud of their community..

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Salaries and Benefits	\$104,949	\$115,023	\$126,011	\$100,957
Computer Repair Fund	5,714	5,198	3,404	2,561
Printing Services	6,942	4,918	5,041	0
Other Charges and Services	\$1,341	\$2,167	2,894	4,424
Total Expenditures	\$118,946	\$127,307	\$137,351	\$107,942

Legal Services

The City contracts for the services of the City Attorney. This relationship allows the City to incur legal costs on an as-needed basis. The services of the City Attorney include representation on legal matters, legal advisory services, and document review. Services regarding employment matters and other specialized legal services provided by external firms are also accounted for in this section.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Miscellaneous Legal Services	\$105,704	\$104,128	\$111,795	\$121,288
Legal Services - External	11,392	6,445	12,386	13,748
Total Expenditures	\$117,096	\$110,573	\$124,181	\$135,036

General Government Services

The General Government Services accounts for those payments that are not specifically associated with a single fund and/or department. These include property and liability insurance, utility costs, phone costs, equipment rentals and leases (such as copiers), animal control contracting costs, election costs, domestic violence specialist services, association dues, and organization grants awarded to local businesses and non-profits. Some of these costs are charged to the various departments and are recouped through Central Service charges.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Professional Services - General	\$15,784	\$21,822	\$22,933	\$5,946
Prof Services - Domestic Violence Services	71,287	73,565	75,842	99,718
Insurance	294,429	291,553	319,263	467,655
Wetlands Mitigation/Monitoring	28,128	19,976	0	23,600
Unemployment Payments - Claimant	11,510	5,213	0	25,974
Election Services	16,913	33,264	20,107	8,739
Other Grants	276,412	0	0	18,720
Utilities	16,964	19,080	20,802	23,511
Animal Control Contract	32,470	32,570	8,105	24,315
Senior Center Contribution	8,000	8,000	10,000	0
Food Bank Contribution	10,000	5,000	10,000	0
Audit	38,782	4,863	20,410	34,715
Council of Governments	8,752	8,752	9,606	10,780
AWC	10,415	10,749	11,470	12,546
Teen Court	4,000	4,000	4,000	0
Flower Baskets	3,000	3,000	3,000	3,000
Rental/Leases	11,160	11,697	11,748	10,984
Ferndale Community Resource Center	20,000	1,080	3,140	0
Ferndale Arts Commission (FAC)	19,951	15,022	32,546	31,558
Other Charges and Services	47,114	\$72,955	150,027	75,489
Total Expenditures	\$945,073	\$642,163	\$733,001	\$877,249

Law Enforcement

The Ferndale Police Department is a professional law enforcement organization whose role is to protect and serve all visitors, residents, and businesses of the City. The responsibilities of the department include but are not limited to: serve and assist those in need, prevent and detect criminal activity, respectfully enforce established regulations, ordinances, and laws, investigate criminal activity, and protect all life and property.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Law Enforcement Admin				
Salaries and Benefits	\$183,910	\$194,153	\$205,541	\$215,781
Other Charges and Services	0	500	1,731	1,303
Total Enforcement Admin	\$183,910	\$194,653	\$207,272	\$217,084
Law Enforcement Facilities				
Salaries and Benefits	\$8,947	\$3,795	\$4,308	\$8,209
Utilities	44,270	48,587	48,702	54,259
R&M Cleaning	15,605	14,708	15,478	35,589
General Building/Landscape Maintenance	26,657	41,531	42,941	49,606
Total Enforcement Facilities	\$95,479	\$108,621	\$111,429	\$147,663
Law Enforcement Traffic Policing				
Patrol Salaries and Benefits	\$2,756,492	\$2,975,702	\$3,154,041	\$3,335,330
Office Salaries and Benefits	348,141	354,204	430,368	488,608
O&M Supplies	26,698	15,089	52,601	104,866
Equipment/Uniforms	27,699	48,075	33,578	110,686
Computer Repair/Vehicle Rental Fund	385,404	477,755	544,787	625,546
Professional Services	27,738	22,121	45,130	90,985
Phone/Cell Phone	38,084	36,912	37,064	43,749
Contracted R&M	8,459	15,813	8,353	14,417
Training/Travel	21,864	29,764	49,030	78,121
Whatcomm	171,927	166,824	204,921	301,085
Other Charges and Services	48,161	65,936	44,223	72,174
Total Law Enforcement Traffic Policing	\$3,860,667	\$4,208,195	\$4,604,097	\$5,265,567
Total Expenditures	\$4,140,056	\$4,511,470	\$4,922,797	\$5,630,314

Probation

This division accounts for the operations of the City's Probation services and includes the fees paid by the City for jail services. The City of Ferndale does not operate a city jail but rather contracts with Whatcom County and other jurisdictions for jail space as needed. The mission of the Probation division is to provide services established by the presiding Judge of the Court designed to assist in the management and supervision of offenders by holding them accountable and providing opportunities for reformation, as well as aid in the preservation of public order and safety.

Description	2020	2021	2022	2023
	Actual	Actual	Actual	Actual
Salaries and Benefits	\$111,838	\$116,571	\$124,458	\$129,463
Computer Repair	1,266	1,068	976	1,415
Professional Services	150	145	97	126
Jail Contract	263,781	218,620	275,441	310,841
Other Charges and Services	132	599	136	493
Total Expenditures	\$377,166	\$337,003	\$401,109	\$442,338

Inspections and Permits

This division of the Community Development Department is responsible for ensuring that all construction is performed in accordance with applicable building code requirements. This includes conducting plan reviews for code compliance, issuing and maintaining permit records, conducting fire and infrastructure inspections, and interpreting and enforcing the City's code. In addition, building inspections are provided to ensure construction compliance with plumbing, mechanical, and other state law and local code requirements. Through these services, the safety of our residents is enhanced, and the quality of building construction is improved.

Description	2020	2021	2022	2023
	Actual	Actual	Actual	Actual
Salaries and Benefits	\$414,460	\$434,093	\$449,082	\$424,284
Computer Repair/Vehicle Rental Fund	14,336	29,955	31,607	31,929
Other Charges and Services	8,110	9,330	11,334	11,529
Total Expenditures	\$436,906	\$473,377	\$492,023	\$467,742

Emergency Preparedness

Emergency Service Contract: This is to account for the annual payment made by the City for emergency management services. The City has an interlocal cooperative agreement with the Whatcom County Sheriff's Office for provision of emergency management services, making

the City part of a joint local organization for emergency management known as the Whatcom County Division of Emergency Management. Emergency Management is responsible for activities related to the preparation for, response to, and recovery from disasters. The Whatcom County Sheriff's Office, as the Director of Emergency Management, is responsible for providing emergency assistance as required to the City, directing the activities of the County's Emergency Management Division and emergency operations center. The City Mayor is responsible for the direction and control of the City's emergency management organization.

EMS Sales Tax Payments: This section of the general fund accounts for the portion of EMS Sales Tax payments that are remitted to Whatcom County for the purpose of providing countywide emergency medical services. Whatcom County imposes a sales and use tax of 0.1% for the funding of emergency medical services, with 60% being distributed to the County and the remaining 40% being distributed to cities based on population. The City remits two-thirds of its share of the tax to the County monthly.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Emergency Service Contract	\$42,595	\$42,308	\$43,725	\$110,353
EMS Sales Tax	143,433	156,686	169,776	130,452
Total Expenditures	\$186,028	\$198,994	\$213,501	\$240,805

City Hall Facilities Maintenance

The City Hall Facilities Maintenance includes cleaning, pest, and landscaping contracts for City Hall, the Annex Building, and Library. Expenditures related to the City Hall elevator maintenance contract, licensing renewals, and emergency phone are also included in this department. In addition, payroll allocations for Public Works Staff that perform repair and maintenance of City facilities are also accounted for in this section.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Salaries and Benefits	\$19,636	\$53,152	\$23,791	\$24,658
Equipment Rental Fund	11,370	2,320	2,450	3,803
General Building Maint & Landscaping-CH	10,088	21,713	37,976	37,609
General Building Maint & Landscaping-Lib.	15,004	23,828	19,941	116,682
R&M Cleaning	11,131	11,087	13,181	13,770
Other Charges and Services	8,923	9,993	10,994	12,702
Total Expenditures	\$76,152	\$122,094	\$108,333	\$209,223

Infrastructure Inspection and Engineering

The Engineering Division is responsible for regulating infrastructure design and installation requirements for private development proposals, issuing associated Public Works permits such as land disturbance and encroachment permits, and inspecting these projects for compliance with adopted law and the applicable permit. This division ensures that civil plans for private development projects are reviewed either by staff or by contract consultants to ensure compliance with city, state, and federal standards. In addition, the division assists with private development engineering review and inspection and is the City's resource for infrastructure requirements and inquiries related to private development review.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Salaries and Benefits	\$200,808	\$218,346	\$211,782	\$219,149
Computer Repair/Equipment Rental Fund	5,601	11,293	14,391	22,536
Professional Services	95,181	99,654	74,002	90,646
Other Charges and Services	696	113	1,742	832
Total Expenditures	\$302,286	\$329,407	\$301,916	\$333,162

Clean Air Agency

Under the Washington State Clean Air Act (RCW 70.94), cities, towns, and counties within the jurisdiction of the Northwest Clean Air Agency are charged an annual assessment based on population. Since the passage of the Washington State Clean Air Act in 1967, the Northwest Clean Air Agency has been the primary government agency responsible for protecting the air through the enforcement of federal, state, and local air quality regulations. This section of the general fund accounts for the annual payments made to the Northwest Clean Air Agency.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
N.W. Clean Air Agency	\$4,774	\$5,005	\$5,110	\$7,785
Total Expenditures	\$4,774	\$5,005	\$5,110	\$7,785

Capital Expenditures

This section of the general fund accounts for capital projects related to the City's general governmental services. The Interim Court Improvements Project involved the construction of improvements to the City's Annex building that functions as the Court and Council Chambers. The improvements were necessary to ensure compliance with Court safety regulations and included adding additional screening areas, security features, and minor aesthetic updates. This project was completed in 2021. In 2023, the City initiated the design phase of the Civic Campus project in collaboration with the selected architectural firm.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Interim Court Improvements	\$84,838	\$701,571	\$2,980	\$0
Civic Campus	0	0	0	107,474
Total Expenditures	\$84,838	\$701,571	\$2,980	\$107,474

Parks

The Parks division accounts for the operation and maintenance of City parks, playgrounds, ball fields, irrigation systems, and pathways. The City disbanded their Parks Department in 2002 and park maintenance is now provided under the supervision of the Public Works Department. The City of Ferndale has 15 parks and approximately 124 acres of parks and open space, including Pioneer Park, Phillips 66 Sports Complex, Star Park, Metalworks Skate Park, Griffintown Park, Centennial Riverwalk Park, and more.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Salaries and Benefits	\$305,820	\$420,987	\$466,795	\$470,694
Operating Supplies	12,490	50,178	50,929	63,266
Computer Repair/Vehicle Rental Fund	17,840	19,174	33,824	23,065
Professional Services	10,923	12,117	2,691	4,432
Utilities	14,652	33,918	44,555	37,751
Irrigation Water	22,556	32,997	43,119	29,122
Other Charges and Services	21,726	\$37,410	30,989	31,845
Capital Outlays	8,051	291,820	30,973	411,834
Total Expenditures	\$414,059	\$898,601	\$703,875	\$1,072,008

Alcohol Admin Board

The City of Ferndale receives liquor excise taxes and liquor profits quarterly from the State. By law, to be eligible to receive a share of the liquor taxes and profits, at least 2% must be used for drug or alcohol treatment programs approved by the behavioral health organization and the Secretary of the Department of Health. Because the City of Ferndale does not operate its own programs, 2% of contributions are made to the Whatcom County Health Department to fund these programs. The City's quarterly contributions are accounted for in this section of the general fund.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
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Alcohol Admin. Board	\$1,722	\$2,304	\$0	\$3,636
Total Expenditures	\$1,722	\$2,304	\$0	\$3,636

Planning and Community Development

The Community Development Department guides and regulates the City's growth through current and long-range projects and plans. This department is responsible for preparing and administering updates to the City's Municipal Code, Shoreline Master Program (SMP), and Comprehensive Plan while maintaining compliance with the Growth Management Act (GMA). The department functions include processing land use applications, site plan reviews, zoning, environmental (SEPA) reviews, subdivision approvals, and annexations. In addition, this department designs and maintains the City's maps and Geographic Information System (GIS) software.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Salaries and Benefits	\$467,881	\$545,136	\$549,771	\$610,035
Computer Repair/Vehicle Rental Fund	43,344	26,313	34,662	36,380
Professional Services	39,230	28,700	112,336	128,234
Copy Machine/Print/Scan Leases & Maintenance	10,871	9,922	9,721	9,796
Transportation Consultant	17,110	7,199	0	0
Other Charges and Services	11,417	\$39,224	12,920	14,716
Total Expenditures	\$589,853	\$581,603	\$719,409	\$799,161

Transfers

In addition to supporting the expenditures incurred by City departments, the general fund also supports activities of other City funds through transfers. Typical transfers include transfers for debt service related to City facilities. In addition, transfers are made to managerial funds within the general fund such as the General Fund Contingency Reserve, Capital Facilities Reserve, and LEOFF 1 Retiree.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
TR TO Fund 218 Debt Service	\$28,344	\$23,812	\$25,217	\$25,000
TR TO Gen Fund Contingency Reserve 002	50,000	50,000	700,000	110,000
TR TO Capital Facilities Reserve 003	15,000	515,000	100,000	100,000
TR TO Fund 004 LEOFF I Retiree	100,000	570,000	40,000	40,000
TR to F550	150,990	74,254	0	134,868
Total Expenditures	\$344,334	\$1,233,065	\$865,217	\$409,868

General Fund Contingency Reserve – Fund 002

The purpose of this fund is to meet any unforeseen municipal expenditures and act as a “rainy day” fund for the City. Annual transfers are received from the current expense fund. Per the City’s Financial Policy, the target fund balance is 10% of the current expense fund’s annual budgeted revenues (excluding transfers and interfund loan repayments). All expenditures from this fund are required to have prior approval from City Council.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Transfers In and Other Revenue	\$50,674	\$50,200	\$703,475	\$111,529
Total Revenues	\$50,674	\$50,200	\$703,475	\$111,529

Facilities Capital Reserve – Fund 003

The purpose of this fund is to address unforeseen capital expenditures for City facilities. Annual contributions to this fund are made with transfers from the current expense fund. The City’s Financial Policy has established a target fund balance of \$300,000. However, as the need for a new City Hall has arisen, this fund has recently been used to begin reserving funds for this future project through transfers from the current expense fund and solid waste utility tax fund. All expenditures from this fund require prior approval from City Council.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Transfers In and Other Revenue	\$15,574	\$1,015,457	\$617,110	\$607,527
Total Revenues	\$15,574	\$1,015,457	\$617,110	\$607,527
<u>Expenditures:</u>				
Transfer to Cur Exp Fund 001	\$70,000	\$50,000	\$0	\$0
Total Expenditures	\$70,000	\$50,000	\$0	\$0

LEOFF 1 Police Retiree – Fund 004

The purpose of this fund is to account for the City’s liability for three retired police officers, whereby the City is responsible for all medical, dental, and long-term care expenditures for life. This fund receives annual transfers from the solid waste utility tax fund and general fund. With the full liability funded, only annual transfers to account for inflation will need to be made.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
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Revenues:

Transfers In and Other Revenue	\$203,714	\$671,072	\$164,192	\$150,739
Total Revenues	\$203,714	\$671,072	\$164,192	\$150,739

Expenditures:

Medical/Dental Insurance Benefits	\$32,310	\$33,665	\$39,749	\$33,866
Total Expenditures	\$32,310	\$33,665	\$39,749	\$33,866

Solid Waste Utility Tax – Fund 005

The City levies a solid waste utility tax of 14.5% on the gross income generated from solid waste collecting, handling, reselling, and disposing within the City. The City also levies a tax of 3% on the gross income from the collecting, handling, reselling, and disposing of recyclable materials, compostable materials, electronic waste, and yard debris. The City sets these tax rates by ordinance and the solid waste utility tax rate is scheduled to reduce to 14% in 2024. The solid waste tax revenues are unrestricted and may be used for any lawful government purpose. Typical transfers include transfers to the street fund and for debt service related to facility construction and land and equipment purchases. In addition, transfers are made to managerial funds within the general fund such as Current Expense, Capital Facilities Reserve, LEOFF 1 Retiree, and Pioneer Pavilion Community Center Operations..

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
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Revenues:

Solid Waste Tax and Other Revenue	\$2,651,215	\$2,688,087	\$3,594,012	\$3,463,552
Total Revenues	\$2,651,215	\$2,688,087	\$3,594,012	\$3,463,552

Expenditures:

Transfers Out	\$1,195,230	\$1,370,000	\$1,364,008	\$2,018,255
Transfer to Debt Service	461,193	469,925	415,749	406,200
Total Expenditures	\$1,656,424	\$1,839,925	\$1,779,757	\$2,424,455

Pioneer Pavilion Community Center – Fund 007

The purpose of this fund is to account for the operations, maintenance, and repairs of the Pioneer Pavilion Community Center facility. This facility is available for rent by the community and facility rental fees that are collected by the City are recorded and accounted for in this fund.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Transfer In	\$20,000	\$0	\$0	\$0
Other Revenues	6,563	30,263	50,315	70,894
Total Revenues	\$26,563	\$30,263	\$50,315	\$70,894

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Expenditures:</u>				
Building Maintenance	\$10,066	\$9,272	\$16,362	\$39,661
Other Charges and Services	20,520	22,282	28,834	47,032
Total Expenditures	\$30,586	\$31,555	\$45,197	\$86,693



Special Revenue Funds

Special Revenue Descriptions

Streets – Fund 101

This fund provides for the ongoing maintenance and operations of the City's street system as well as capital projects. The street fund is divided into departments that are responsible for capital projects, sidewalks, administration, roadway, street lighting, traffic control, street cleaning, and snow and ice. Funding sources include grants, state-shared fuel taxes, encroachment permits, and transfers from traffic mitigation, Transportation Benefit District, real estate excise tax, and solid waste utility tax funds.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Grants	\$113,592	\$1,263	\$0	\$2,326,380
Entitlements, Impact Payments and Taxes	282,907	299,340	312,791	316,440
Encroachment	21,800	24,600	20,800	30,800
Transfer In	994,861	1,037,734	1,199,706	1,402,137
Other Revenues	75,272	10,572	0	4,277
Total Revenues	\$1,488,432	\$1,373,509	\$1,533,297	\$4,080,034
<u>Expenditures:</u>				
Transfer/Capital Projects	\$325,827	\$400,492	\$314,472	\$2,674,377
Sidewalks				
Salaries and Benefits	\$14,099	\$40,888	\$25,163	\$21,403
Other Charges and Services	0	4,199	1,447	11,150
Total Sidewalks	\$14,099	\$45,087	\$26,610	\$32,554
Administration				
Salaries and Benefits	\$126,225	\$164,038	\$134,402	\$128,938
Central Services	115,037	135,221	149,884	169,118
Computer Repair/Equip Rental Fund	65,944	93,434	95,096	89,371
Professional Services	4,760	17,772	115,290	89,669
Other Charges and Services	10,650	10,127	12,782	14,445
Total Administration	\$322,616	\$420,593	\$507,454	\$491,542
Roadway				
Salaries and Benefits	\$238,205	\$262,186	\$279,441	\$368,477
O & M Supplies	11,369	19,737	49,984	57,006
Contract R & M	31,713	401	46,867	21,014
Other Charges and Services	17,949	28,672	18,524	30,755

Total Roadway	\$299,236	\$310,995	\$394,815	\$477,253
Street Lighting	\$135,784	\$176,304	\$152,404	\$189,913
Traffic Control				
Salaries and Benefits	\$53,437	\$68,306	\$79,977	\$72,639
Other Charges and Services	33,398	21,326	50,008	35,051
Total Traffic Control	\$86,835	\$89,633	\$129,985	\$107,690
Snow & Ice				
Salaries and Benefits	\$28,425	\$23,166	\$70,293	\$50,731
Other Charges and Services	9,287	8,731	18,746	8,887
Total Snow & Ice	\$37,712	\$31,896	\$89,039	\$59,617
Street Cleaning				
Salaries and Benefits	\$41,419	\$56,872	\$47,950	\$49,799
Other Charges and Services	0	0	468	0
Total Street Cleaning	\$41,419	\$56,872	\$48,418	\$49,799
Total Expenditures	\$1,263,530	\$1,531,872	\$1,663,197	\$4,082,746

Park Mitigation – Fund 102

This fund accounts for the one-time mitigation charges assessed by the City against new residential development projects. The mitigation payments are intended to offset the impact that new development has on the amount and quality of park facilities within the City. These funds must be used for projects that are addressed by the capital facilities plan in the City's comprehensive plan adopted under the Growth Management Act. Park mitigation fees fund new or expanded publicly owned parks, open space, and recreation facilities. Impact fees must be expended within 10 years of receipt or refunded to the developer. The City typically uses park mitigation funds for debt repayment related to previous park construction projects and financing new park capital projects.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Impact Fees	\$278,339	\$162,581	\$102,449	\$209,305
Other Revenue	1,500	338	5,672	30,637
Total Revenues	\$279,839	\$162,919	\$108,121	\$239,942

Expenditures:

Transfers Out	\$98,616	\$185,891	\$195,489	\$220,000
Total Expenditures	\$98,616	\$185,891	\$195,489	\$220,000

Traffic Mitigation – Fund 104

This fund accounts for the one-time mitigation charges assessed by the City against new development projects to pay for projects related to public streets and roads. Both commercial and residential developments are assessed traffic mitigation fees. The mitigation payments are intended to offset the impact that new development has on the amount and quality of streets within the City. These funds must be used for projects that are addressed by the capital facilities plan in the City's comprehensive plan adopted under the Growth Management Act. In addition, the funds must be used for capital projects and cannot be used for transportation studies or operating and maintenance costs. Impact fees must be expended within 10 years of receipt or refunded to the developer.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Traffic Mitigation Fees	\$636,366	\$521,185	\$370,436	\$556,164
Other Revenue	1,986	876	14,270	69,760
Total Revenues	\$638,352	\$522,061	\$384,706	\$625,924

Expenditures:

Transfer to Street 101	\$0	\$212,959	\$127,066	\$0
Transfer to Thornton	795,000	0	0	0
Fee Refunds	4,326	6,839	18,216	0
Total Expenditures	\$799,326	\$219,798	\$145,281	\$0

Criminal Justice – Fund 106

Beginning in fiscal year 2000, the state treasurer created a criminal justice program and appropriated \$4.6 million (to be increased each year by a fiscal growth factor based on the annual growth in state personal income over the last ten years) to the program. The City receives two separate criminal justice distributions: the population and special programs. The criminal justice population program is distributed to all cities and towns on a per capita basis, with each city receiving a minimum of \$1,000 no matter how small its population, with all revenues to be used for criminal justice purposes. The criminal justice special programs are distributed to all cities on a per capita basis, with all revenues required to be used for innovative law enforcement strategies, programs to help at-risk children or child abuse victims, or domestic violence programs. All criminal justice payments are distributed quarterly. These revenues are transferred into the City's general fund to cover domestic violence specialist services.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
State Entitlements, Impact Payments/Taxes	\$20,513	\$22,012	\$24,325	\$0
Total Revenues	\$20,513	\$22,012	\$24,325	\$0
<u>Expenditures:</u>				
TR To Cur Exp 001	\$17,000	\$25,000	\$25,000	\$4,584
Total Expenditures	\$17,000	\$25,000	\$25,000	\$4,584

Local Criminal Justice – Fund 107

Whatcom County imposes a sales and use tax of 0.1% to support criminal justice programs. The state collects and distributes this tax monthly, with 10% being distributed to Whatcom County and the remaining 90% split between the county and its cities on a per capita basis. In addition, the Department of Revenue retains 1% as an administrative fee. This tax revenue must be used exclusively for criminal justice purposes or activities that substantially assist the criminal justice system. These revenues are transferred into the City's general fund to cover salaries, benefits, and equipment costs of the Police Department.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Local CJ	\$278,717	\$355,829	\$400,057	\$0
Total Revenues	\$278,717	\$355,829	\$400,057	\$0
<u>Expenditures:</u>				
Transfer to Cur Exp 001 PD Ops	\$260,000	\$270,000	\$270,000	\$312,678
Total Expenditures	\$260,000	\$270,000	\$270,000	\$312,678

Transportation Benefit District – Fund 113

The Ferndale Transportation Benefit District (TBD) was established in 2012 as an independent taxing district that raises revenues to fund transportation projects. In 2015, the City absorbed the Ferndale TBD and assumed all its rights, powers, functions, and obligations. With the City's assumption of power, the TBD ceased to exist as a separate entity and its operations were absorbed into the City's budget. This fund accounts for the 0.2% voter-approved optional sales tax that is imposed and collected. TBD revenues may be used for transportation improvements included in the City's transportation plan and can be used to cover costs related to the construction, maintenance, and operations of roads and sidewalks, as well as transit service and transportation demand projects. The sales tax is collected by the state and distributed monthly.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
.2% Sales Tax/Local Interest	\$640,826	\$798,497	\$993,620	\$947,208
Total Revenues	\$640,826	\$798,497	\$993,620	\$947,208
<u>Expenditures:</u>				
Transfer to COF - Road Projects	\$81,631	\$0	\$600,000	\$133,882
Total Expenditures	\$81,631	\$0	\$600,000	\$133,882

Complete Streets – Fund 114

The purpose of this fund was to account for the revenues and expenditures related to the Complete Streets Program of improving several intersections in downtown Ferndale to provide additional accessibility. The project was completed in early 2021.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
TIB Grant	0	0	0	0
Total Revenues	0	0	0	0
<u>Expenditures:</u>				
COF Labor	14,991	4,306	0	0
Other Charges and Services	185,009	5,239	0	0
Total Expenditures	200,000	9,545	0	0

American Rescue Plan Act (ARPA) – Fund 115

The City of Ferndale was allocated a total of \$4,158,467 of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act (ARPA) of 2021 that was launched by the U.S. Department of Treasury. In June 2021, the City received half of the awarded funds and is scheduled to receive the remaining half in 2022. The purpose of this fund is to separately account for the recording of ARPA fund revenues and expenditures for projects that will be financed using these funds.

In deciding how to expend these funds, the City's approach has been to be slow and intentional and to take the time to explore different ideas and options to ensure that funds are used for meaningful projects that create the largest positive impact on the community. The City has focused its use of the funds on social assistance, followed by economic recovery, infrastructure, and tourism, with government services also being funded, but as a lesser priority. A significant portion of the remaining funds will be used to update technology for the City staff, and transfers for organizational grants and to complete capital projects.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
ARPA FUNDS	\$0	\$2,081,265	\$2,176,265	\$58,527
Total Revenues	\$0	\$2,081,265	\$2,176,265	\$58,527
<u>Expenditures:</u>				
Ferndale Senior Activity Center	\$0	\$0	\$0	\$25,000
Ferndale Chamber of Commerce	0	0	200,000	0
Miracle Food Network	0	0	111,336	0
Ferndale Youth Sports	0	0	0	50,000
Community Service Cooperative Grant	0	0	440,000	85,000
Main Street Program	0	0	850,000	75,000
Ferndale Food Bank	0	0	0	132,000
Pioneer Cabin Preservation	0	0	0	24,247
Unallocated APRA Funds	0	0	0	140
Village Stage	0	0	234,500	0
Transfers Out	0	0	0	0
Other Charges and Services	0	65,507	62,225	6,797
Total Expenditures	\$0	\$65,507	\$1,898,061	\$398,183

Hotel/Motel Tax – Fund 198

A 4% consumer tax on all charges for lodging accommodation for periods of less than 30 days is imposed. The tax is collected as a sales tax and paid by the customer at the time of the transaction. This tax applies to lodging at hotels, motels, private campgrounds, RV parks, and other similar facilities. Funds are distributed by the state and must be used for tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities. Prospective lodging tax recipients must apply to the City for funding annually. The Lodging Tax Advisory Committee (LTAC) reviews applications and provides recommendations to City Council on how the revenues should be disbursed.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Hotel/Motel Taxes	\$54,052	\$54,993	\$76,978	\$79,729
Total Revenues	\$54,052	\$54,993	\$76,978	\$79,729
<u>Expenditures:</u>				
Ferndale Chamber	\$39,000	\$39,000	\$34,500	\$42,090
Ferndale Chamber - Farmers Market	500	2,000	1,690	0
Heritage Society	1,233	926	0	2,991
Other Charges and Services	1,000	3,463	9,017	2,421
Transfer to Cur Exp Fund 001	0	8,000	11,565	18,236
Total Expenditures	\$41,733	\$53,388	\$56,772	\$65,737



Debt Service

Debt Service Descriptions

The following funds are used to account for principal and interest payments made on the City's outstanding loans and bonds. The City secures debt financing as a means of paying for capital improvement projects and purchases as needed. The debt is repaid with taxes, fees, or other revenue sources dedicated for that purpose. Each debt has a different source of repayment depending on the type of project the financing was acquired for. Organized in three debt types, the City's debt is described below.

General Obligation (GO) Debt

General Obligation (GO) Debt is a bond or loan that is secured by the full faith and credit of the local government issuing the debt. The City pledges its tax revenues unconditionally to pay the interest and principal on the debt as it matures. If a default occurs, the bond owners have a legal claim on all general income.

Limited Tax General Obligation (LTGO) bonds, also called "councilmanic" bonds or non-voted debt, may be issued by Council. Because the debt is issued without a public vote of a tax increase to pay for the principal and interest, general fund revenues must be pledged to pay the debt service on LTGO debt. In addition, LTGO debt does not provide any additional revenue to fund debt service payments and must be paid from existing revenue sources.

As of January 1, 2023, the total outstanding General Obligation Debt is \$4,487,326.



Centennial Riverwalk Park. Photo credit Ashley Sturtz

Streets/Parks/Land Debt Service Fund – Fund 214

Whatcom County Economic Development Initiative (EDI) Loan: In 2007, a loan of \$1,206,458 was issued by the Whatcom County Public Utilities Improvement Fund for the construction of the Centennial Riverwalk Park. The annual interest rate is 1.5% and the payoff is scheduled in 2027. Debt payments are funded with transfers from park mitigation.

Whatcom County Economic Development Initiative (EDI) Loan

Description	2020	2021	2022	2023
Beginning Principal Balance	\$526,031	\$463,649	\$400,332	\$336,065
Principal	62,382	63,317	64,267	65,231
Interest	7,890	6,955	6,005	5,041
Total Payment	\$70,272	\$70,272	\$70,272	\$70,272

Remaining Principal Balance	\$463,649	\$400,332	\$336,065	\$270,834
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LOCAL Program Bond - Land Purchase for Library: This bond was issued in 2009 for the purchase of the Ferndale Library land. The bond was originally issued in the amount of \$715,000 and was refinanced in 2016, resulting in approximately \$25,000 in savings. The interest rate on this bond is 3%, with payoff scheduled in 2028. Principal and interest payments are funded with transfers from solid waste.

LOCAL Program Bond

Description	2020	2021	2022	2023
Beginning Principal Balance	\$395,000	\$355,000	\$315,000	\$275,000
Principal	40,000	40,000	40,000	40,000
Interest	11,825	10,625	9,425	8,225
Total Payment	\$51,825	\$50,625	\$49,425	\$48,225

Remaining Principal Balance	\$355,000	\$315,000	\$275,000	\$235,000
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LaBounty LTGO Bond Debt Service – Fund 217

In 2009, the City issued a Limited Tax General Obligation (LTGO) Bond for \$302,000 to partially finance the Local Improvement District No. 2006-1 project to complete roadway improvements on LaBounty Road. In 2013, the bond was refunded and a new bond with lower interest rates was issued. The refunding (new) bond was issued at \$254,916 with a varying interest rate over the 10-year term of the debt. Principal and interest payments are funded with transfers from the solid waste fund. Early repayment of this bond was made in 2021 to save on interest costs.

LaBounty Road LTGO Bond

Description	2020	2021	2022	2023
Beginning Principal Balance	\$97,091	\$74,170	\$0	\$0
Principal	22,921	74,170	0	0
Interest	3,799	2,897	0	0
Total Payment	\$26,720	\$77,066	\$0	\$0
Remaining Principal Balance	\$74,170	\$0	\$0	\$0

2010 Limited Tax General Obligation Bond Redemption – Fund 218

2020 LTGO Refunding Bonds: In 2010, the City procured bonds for \$5,305,000 to finance the construction of Pioneer Pavilion, the Ferndale Police Station, part of Griffintown Park, and improvements for the Library, as well as the acquisition of a vector truck. In 2020, the City refunded the bonds and issued new bonds at a lower interest rate of 1.48%, saving over \$400,000 in interest over the life of the bond. The refunding bonds were issued for \$3,168,000 and will be paid off in 2030. The debt repayment is funded with transfers from park mitigation, solid waste, REET I, and the general fund.

2020 LTGO Refunding Bonds

Description	2020	2021	2022	2023
Beginning Principal Balance	\$2,649,000	\$2,373,000	\$2,649,000	\$2,373,000
Principal	276,000	281,000	276,000	281,000
Interest	39,205	35,120	39,205	35,120
Total Payment	\$315,205	\$316,120	\$315,205	\$316,120
Remaining Principal Balance	\$2,373,000	\$2,092,000	\$2,373,000	\$2,092,000

2011 Limited Tax General Obligation Bond Redemption – Fund 219

2011 LTGO Facilities Bonds: A bond for \$1,625,000 was issued in 2011 to fund a portion of the construction of the Police Station. The current annual interest rate is 4%, with payoff scheduled in 2025. Transfers from solid waste and REET I fund the repayment of this bond.

2011 LTGO Facilities Bonds

Description	2020	2021	2022	2023
Beginning Principal Balance	\$845,000	\$720,000	\$590,000	\$450,000
Principal	125,000	130,000	140,000	145,000
Interest	33,800	28,800	23,600	18,000

Total Payment	\$158,800	\$158,800	\$163,600	\$163,000
Remaining Principal Balance	\$720,000	\$590,000	\$450,000	\$305,000

2013 Library Limited Tax General Obligation Bond Redemption – Fund 220

2013 A Library LTGO Bonds: In 2013, the City issued bonds for \$550,000 to fund a portion of the construction of the Ferndale Public Library. The City imposes a voter-approved excess property tax levy for the repayment of these bonds. The annual excess property tax levy is \$63,910. The interest rate on the bonds is 5.55%, and was paid off in 2023.

2013 A Library LTGO Bonds				
Description	2020	2021	2022	2023
Beginning Principal Balance	\$228,521	\$176,486	\$119,799	\$61,743
Principal	52,035	54,963	58,056	61,743
Interest	11,875	8,947	5,854	3,183
Total Payment	\$63,910	\$63,910	\$63,910	\$64,927
Remaining Principal Balance	\$176,486	\$121,523	\$61,743	\$0

2013 B Library LTGO Bonds: In 2013, the City issued additional bonds in the amount of \$1,050,000 to partially finance the construction, acquisition, and remodel of the Ferndale Public Library facilities. The interest rate is 5.55% and was paid off in 2023. Repayment of these bonds is funded with transfers from solid waste and REET I.

2013 B Library LTGO Bonds				
Description	2020	2021	2022	2023
Beginning Principal Balance	\$435,432	\$335,883	\$227,282	\$116,214
Principal	99,549	105,151	111,068	116,214
Interest	22,613	17,011	11,094	5,958
Total Payment	\$122,162	\$122,162	\$122,162	\$122,172
Remaining Principal Balance	\$335,883	\$230,732	\$116,214	\$0

Utility Loan Service – Fund 408

The purpose of the Utility Loan Service Fund is to account for the repayment of various general obligation loans and bonds obtained by the City related to water, sewer, and storm improvements and equipment purchases. While these debts are repaid with transfers from the utility funds, the repayment is ultimately guaranteed by the City's tax revenues if default occurs.

Public Works Trust Fund (PWTF) Storm Drainage Loan: In 2004, the City obtained a loan for \$150,000 from the Washington State Public Works Board to partially finance the emergency repair of the Schell Ditch storm drain culvert. The loan proceeds funded the engineering and environmental review costs for the project as well as the construction of the culvert repair. The loan term is 20 years with an annual interest rate of 4%. The repayment of principal and interest is funded with transfers from the storm fund. Early repayment of this bond was made in 2021 to save on interest costs.

PWTF Storm Drainage Loan				
Description	2020	2021	2022	2023
Beginning Principal Balance	\$31,579	\$23,684	\$0	\$0
Principal	7,895	0	0	0
Interest	1,263	0	0	0
Total Payment	\$9,158	\$23,684	\$0	\$0
Remaining Principal Balance	\$23,684	\$0	\$0	\$0

Public Works Trust Fund (PWTF) Storm Loan: In 2012, a loan for \$583,759 was obtained to fund the construction of the Southwest Stormwater Management Facility. The facility was constructed to help mitigate stormwater runoff from two City roadway improvement projects per Department of Ecology stormwater management requirements. The loan has an interest rate of 0.25% and will mature in 2032. Transfers from the storm fund finance the repayment of this loan.

PWTF Storm Loan - Southwest Stormwater Management Facility				
Description	2020	2021	2022	2023
Beginning Principal Balance	\$399,414	\$368,690	\$337,966	\$307,241
Principal	30,724	30,724	30,724	30,724
Interest	999	922	845	768
Total Payment	\$31,723	\$31,646	\$31,569	\$31,492
Remaining Principal Balance	\$368,690	\$337,966	\$307,241	\$276,517

LOCAL Program Water Booster Pump Station Bond: In 2008, the City issued a bond in the amount of \$1,155,000 to finance water system upgrades and the construction of the Bakerview Booster Pump Station located near Bender Park. The bond has an interest rate of 2.56% and is scheduled to be paid off in 2028. Principal and interest payments are funded with transfers from the water fund.

LOCAL Program Water Booster Pump Station Bond

Description	2020	2021	2022	2023
Beginning Principal Balance	\$565,000	\$515,000	\$465,000	\$405,000
Principal	50,000	50,000	60,000	55,000
Interest	27,000	24,500	21,750	18,875
Total Payment	\$77,000	\$74,500	\$81,750	\$73,875

Remaining Principal Balance	\$515,000	\$465,000	\$405,000	\$350,000
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LOCAL Program Minor Equipment Loan: The City received a loan in the amount of \$56,678 to finance the purchase of two work trucks and a walk-behind cut-off saw. The loan was obtained in 2016 and has an annual interest rate of 1.3164%. This loan was fully repaid in June 2021 at its scheduled maturity date.

LOCAL Program Minor Equipment Loan

Description	2020	2021	2022	2023
Beginning Principal Balance	\$24,434	\$12,515	\$0	\$0
Principal	11,919	12,515	0	0
Interest	924	313	0	0
Total Payment	\$12,843	\$12,828	\$0	\$0

Remaining Principal Balance	\$12,515	\$0	\$0	\$0
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LOCAL Program Heavy Equipment Loan: A loan for \$352,074 was obtained in 2016 to finance the purchase of various vehicles and equipment, including a loader, two dump trucks, a plow, sander, and backhoe. The loan has an annual interest rate of 2.0578%, with a scheduled payoff date of 2026. The debt repayment is funded with transfers from solid waste, water, sewer, and storm funds.

LOCAL Program Heavy Equipment Loan

Description	2020	2021	2022	2023
Beginning Principal Balance	\$266,090	\$233,408	\$199,093	\$163,062
Principal	32,681	34,315	36,031	37,832
Interest	12,487	10,813	9,054	7,207
Total Payment	\$45,169	\$45,128	\$45,085	\$45,040

Remaining Principal Balance	\$233,408	\$199,093	\$163,062	\$125,230
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Revenue Debt

Revenue debt is a bond or loan whose principal and interest are payable exclusively from the revenue of a utility fund (water, sewer, and storm). As of January 1, 2023, the total outstanding Revenue Debt is \$48,005,893.16.

2011/2014 Water & Sewer Bond Redemption – Fund 403

2011 A & 2011 B Refunding Water & Sewer Bonds: In 2011, the City procured bonds in the amount of \$6,245,000 to fund modifications and improvements to the water treatment plant and sewer system. In 2020, the City partially refunded the bonds and issued new bonds in the amount of \$3,926,000 at a lower interest rate. This provided the City approximately \$300,000 in savings over the life of the bond. The refunded (original) bond had a remaining balance of \$4,320,000 at the time of refunding and was fully repaid in November 2021. The current annual interest rate for the refunding (new) debt is 2.5% and the scheduled maturity date is 2031. Transfers from the water and sewer funds finance the repayment of this debt.

2011 A Refunded Water & Sewer Bonds

Description	2020	2021	2022	2023
Beginning Principal Balance	\$4,320,000	\$295,000	\$0	\$0
Principal	285,000	295,000	0	0
Interest	105,728	11,800	0	0
Refunded Bond Redemption	3,740,000	0	0	0
Total Payment	\$390,728	\$306,800	\$0	\$0

Remaining Principal Balance	\$295,000	\$0	\$0	\$0
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2011 B Refunding Water & Sewer Bonds

Description	2020	2021	2022	2023
Beginning Principal Balance	\$0	\$3,926,000	\$3,868,000	\$3,520,000
Principal	0	22,000	348,000	353,000
Interest	0	112,810	96,700	116,160
Total Payment	\$0	\$134,810	\$444,700	\$469,160

Remaining Principal Balance	\$0	\$3,904,000	\$3,520,000	\$3,167,000
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2014 Sewer & Storm Bonds: In 2014, bonds in the amount of \$8,965,000 were obtained to fund improvements to the City's sewer and stormwater system. The bonds have a variable interest rate of 2% to 3.75% over the term of the debt. The bonds are scheduled to be paid off in 2033. The repayment of this debt is funded with transfers from the sewer and storm funds.

2014 Sewer & Storm Bonds

Description	2020	2021	2022	2023
Beginning Principal Balance	\$7,080,000	\$6,680,000	\$6,265,000	\$5,840,000
Principal	400,000	415,000	425,000	435,000
Interest	263,313	251,313	238,863	226,113
Total Payment	\$663,313	\$666,313	\$663,863	\$661,113

Remaining Principal Balance	\$6,680,000	\$6,265,000	\$5,840,000	\$5,405,000
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2020 Water & Sewer Bond: A bond in the amount of \$5,739,000 was issued in 2020 to fund the Shop Well #2 Wellhouse project and Water Treatment Plant Upgrade. The Shop Well #2 Wellhouse project completion includes the construction of a new wellhouse building, well base structure, and well pump that provides the City with an additional water supply source. The Water Treatment Plant Upgrade project involves converting the existing blended drinking water treatment system to a 100% Reverse Osmosis (RO) treatment system. The project was completed in 2022 and the annual interest rate for this bond is 2.48%. The bond has a fifteen-year term and is scheduled to mature in 2035. The increased utility rates that went into effect January 1, 2020 fund this capital project and other current and future utility projects. These utility revenue requirements were established by the utility fund rate study that was conducted by the City and FCS Group in 2019. Principal and interest payments are funded with transfers from the water fund.

2020 Water & Sewer Bond

Description	2020	2021	2022	2023
Beginning Principal Balance	\$0	\$5,569,000	\$5,245,000	\$4,913,000
Principal	0	324,000	332,000	340,000
Interest	0	136,115	128,030	119,747
Total Payment	\$0	\$460,115	\$460,030	\$459,747

Remaining Principal Balance	\$0	\$5,245,000	\$4,913,000	\$4,573,000
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Water/Sewer/Storm Bond Reserve – Fund 404

The purpose of this fund is to provide a reserve fund, as required by the bond covenants, for the debt service payments made through fund 403.

WWTP Debt Service – Fund 405

WWTP Department of Ecology Loan: The Department of Ecology awarded the City a low-interest loan in the amount of \$34,395,862 to fund the Wastewater Treatment Plant Upgrade

project. Any funds expended by the City for this project are submitted to the Department of Ecology for reimbursement and recorded in this fund as loan proceeds. The project was completed in 2022, with payments on the loan expected to begin the following year, in 2023. The loan has a term of 20 years and an interest rate of 2%. Repayment of principal and interest is funded with transfers from the sewer fund.

WWTP Department of Ecology Loan				
Description	2020	2021	2022	2023
Beginning Principal Balance	\$33,681,368	\$33,681,368	\$34,395,862	\$34,395,862
Principal	0	0	0	1,496,886
Interest	0	0	0	594,538
Total Payment	\$0	\$0	\$0	\$2,091,424
Remaining Principal Balance	\$33,681,368	\$33,681,368	\$34,395,862	\$32,898,976

CCWA Water Conversion Debt Service – Fund 409

Central City Water Association: In 2015, the City of Ferndale was granted a loan for \$609,811 to partially fund the consolidation of the Central City Water Association's (CCWA) system into the City's water system, with the remainder of the project funded with a grant. The City received approximately \$270,000 for CCWA's remaining assets at the time of dissolution and applied this amount directly toward the loan. Customers affected by this conversion pay a \$75 fee on their bi-monthly utility bill to fund the repayment of this loan. The loan was originally estimated to be paid off in 2036, but as additional principal payments have been made, the City will fully repay the loan in 2023, which will result in approximately \$45,000 in interest savings.

Central City Water Association Consolidation Loan				
Description	2020	2021	2022	2023
Beginning Principal Balance	\$195,442	\$164,952	\$131,525	\$51,525
Principal	30,491	30,491	80,000	51,525
Interest	5,183	1,928	1,315	0
Total Payment	\$35,674	\$32,419	\$81,315	\$51,525
Remaining Principal Balance	\$164,952	\$134,461	\$51,525	\$0

Special Assessment Debt

Special assessment debt is debt repaid from assessments against those who directly benefit from the project the funds have been used to finance. For example, if a special assessment bond is issued to pay for a road improvement project that benefits a specific subset of the population, the City will form a Local Improvement District (LID) and assess the property owners to fund the repayment of the debt. As of January 1, 2023, the total outstanding Special Assessment Deb is \$18,704, which will be paid off in 2023

LaBounty LID 2006-1 Bond Redemption – Fund 215

LaBounty Road LID Bond: In 2009, a bond in the amount of \$605,373 was issued to partially finance the Local Improvement District No. 2006-1 project to complete roadway improvements on LaBounty Road. The bond is paid by the collection of special assessments that are levied and assessed against the properties within the district. Annual installments of principal and interest are collected from the properties for the repayment of the debt. The interest rate is 5.71% and was paid off in 2023.

LaBounty Road LID Bond				
Description	2020	2021	2022	2023
Beginning Principal Balance	\$178,815	\$150,815	\$46,704	\$18,704
Principal	28,000	28,000	28,000	18,704
Interest	10,210	8,612	2,902	0
Total Payment	\$38,210	\$36,612	\$30,902	\$18,704
Remaining Principal Balance	\$150,815	\$122,815	\$18,704	\$0



Capital Project Funds

Capital Project Descriptions

Real Estate Excise Taxes

The State of Washington levies a real estate excise tax (REET) on most sales of real estate property. This tax is calculated based on the selling price and is due at the time of the sale and collected by the county when selling documents are presented for recording. In addition to the state real estate excise tax, cities and counties may impose local real estate excise taxes: REET I and REET II. The City of Ferndale imposes both real estate excise taxes.

Real Estate Excise Tax - REET I – Fund 301

A 0.25% real estate excise tax, known as REET I or the “first quarter percent,” is imposed by the City of Ferndale and is used primarily for the repayment of debt for capital facilities and financing new construction of capital projects related to parks, streets, and City facilities. This tax may be imposed by the legislative body and does not require voter approval. REET I revenues are restricted and may only be used for certain purposes depending on the jurisdiction’s population and whether it is fully planning under the Growth Management Act (GMA). Since the City of Ferndale fully plans under the GMA and has a population of more than 5,000, REET I revenues must be spent on capital projects that are listed in the capital facilities plan (CFP) element of the City’s comprehensive plan.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
REET 1 - 1st 1/4%	\$570,138	\$842,615	\$656,223	\$394,497
Investment Interest	1,550	493	9,775	4,324
Total Revenues	\$571,688	\$843,108	\$665,998	\$398,822
<u>Expenditures:</u>				
Transfer to GO Bonds Fund 218 & 219	\$162,798	\$138,929	\$144,841	\$150,000
Transfer to Debt Service Fund 220	64,793	64,794	65,968	65,975
Transfer to Library 2014 GO Bond Debt	0	665,000	0	0
Transfer to Metalworks Skate Fund 310	0	7,831	97,754	0
Transfer to Thornton	100,000	0	0	0
Total Expenditures	\$327,591	\$876,554	\$308,563	\$215,975

Real Estate Excise Tax - REET II – Fund 302

Since the City of Ferndale fully plans under the Growth Management Act (GMA), an additional 0.25% real estate excise tax is imposed. This is known as REET II or the “second quarter percent.” The City uses REET II revenues primarily on street, water utility, and parks capital

projects. For jurisdictions required to fully plan under the GMA, REET II may be imposed by the legislative body and does not require voter approval. REET II revenues are restricted and may only be used for financing capital projects specified in the capital facilities plan element of the city's comprehensive land use plan. The use of REET II revenues is more restrictive than REET I and are more specifically directed to infrastructure and parks capital projects. REET II omits capital projects of public facilities such as law enforcement, fire protection, libraries, administration, and courts.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
REET 2 - 2nd 1/4%	\$568,757	\$842,615	\$656,225	\$384,209
Investment Interest	3,294	971	22,851	10,149
Total Revenues	\$572,051	\$843,586	\$679,076	\$394,358
<u>Expenditures:</u>				
Transfer to Street Fund 101	100,000	54,775	2,632	0
Transfer to Thornton	900,000	0	0	0
Transfer TO F401	0	270	0	0
Transfer to Metalworks Skate Fund 310	0	7,831	0	0
Total Expenditures	\$1,000,000	\$62,876	\$2,632	\$0

Metalworks Skate Park – Fund 310

This fund accounts for all revenues and expenditures related to the Metalworks Skate Park Project.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Recreation and Conservation Office (RCO)				
Grant	\$0	\$0	\$0	\$34,173
EDI Grant	0	0	0	0
Donations	0	0	20,000	0
Transfers	0	15,662	197,754	75,000
Total Revenues	\$0	\$15,662	\$217,754	\$109,173
<u>Expenditures:</u>				
Salaries and Benefits	\$0	\$7,966	\$13,170	\$10,709
Skate Park Design/Construction	0	7,696	184,575	73,872
Total Expenditures	\$0	\$15,662	\$197,745	\$84,581

Project Overview:

The Metalworks Skate Park will be a 10,000 square foot skate park facility located in Pioneer Park near the Star Park playground and the Phillips 66 Sports Complex. The park includes unique skateboarding and artistic features that pay tribute to Ferndale's industrial heritage and community. The park is accessible to a wide range of uses including rollerblades, BMX bikes, and scooters and features a mix of street and transitional-style terrain with elements designed for all age groups and ability levels. Construction on the Metalworks Skate Park will be completed in the Fall of 2024.

Thornton Road Construction – Fund 370

All revenues and expenditures related to the Thornton Street Overpass Project are recorded in this fund. This project was completed in December of 2023.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Grants	\$5,022,044	\$2,626,761	\$5,213,639	\$4,344,516
Transfer In and Other Revenue	842,000	0	294,000	0
Total Revenues	\$5,864,044	\$2,626,761	\$5,507,639	\$4,344,516
<u>Expenditures:</u>				
CE/CM Thornton Rd 370	\$325,767	\$143,220	\$485,439	\$527,656
Engineering Fund 370	521	0	0	0
Construction Project CN 370/Labor	5,185,037	1,719,566	5,603,378	4,207,568
ROW	182,688	4,101	0	0
Other Services and Charges	3,080,659	284,223	342,092	344,122
Total Expenditures	\$8,774,671	\$2,151,110	\$6,430,910	\$5,079,346



Enterprise Funds

Enterprise Fund Descriptions

Water – Fund 401

The purpose of the water fund is to account for the maintenance and operations of the City's water utility. User fees and connection fees are collected and accounted for in this fund to support the regular operations as well as past and future improvements to the water distribution system. The water fund is divided into departments that are responsible for administration, maintenance, operation, and capital projects. All revenues received in this fund must be used on water utility activities.



Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Connection Fees	\$1,276,642	\$1,326,611	\$745,436	\$648,992
Water Sales	2,943,157	3,469,528	4,052,785	286,977
Meter Charges	51,452	72,879	23,907	13,046
Meter Installation Charges - New Meter Set	20,400	20,900	15,220	6,840
Property Sale Final Meter Read Fee	21,247	22,018	17,062	13,359
Loan Proceeds and Grants	423,715	599	0	1,025,000
Transfer In and Other Revenue	41,333	32,515	135,609	4,175,488
Total Revenues	\$4,777,946	\$4,945,049	\$4,990,020	\$6,169,703

Expenditures:**Administration**

Salaries and Benefits	\$184,222	\$180,771	\$198,878	\$249,571
Central Services	119,011	138,126	162,892	179,748
Computer Repair/Equip Rental Fund	57,739	105,722	96,025	119,286
Professional Services	25,679	35,961	58,327	65,222
B&O Excise Tax	166,091	192,603	215,486	209,764
City of Ferndale Utility Tax	397,415	446,396	461,119	445,926
Other Charges and Services	10,918	12,019	13,288	15,859
Total Administration	\$961,075	\$1,111,599	\$1,206,015	\$1,285,377

Maintenance

Salaries and Benefits	\$396,984	\$328,832	\$322,464	\$473,859
O & M Supplies	98,867	124,349	95,218	109,571
Other Charges and Services	6,966	8,096	14,337	9,594
Total Maintenance	\$502,817	\$461,277	\$432,019	\$593,023

Operations

Salaries and Benefits	\$323,077	\$359,677	\$378,794	\$417,213
Contract R&M	12,979	31,683	26,642	60,662
Lab Testing	7,828	10,661	6,622	7,150
O & M Supplies	116,811	130,951	168,406	162,583
Professional Services	74,148	54,914	48,607	111,739
Utilities - PSE	148,274	185,684	190,003	216,916
Other Charges and Services	13,669	20,225	14,335	21,116
Total Operations	\$696,786	\$793,795	\$833,409	\$997,379

Transfer/Capital Projects	\$1,283,143	\$1,118,252	\$1,678,392	\$4,303,971
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Other Charges and Services	\$41,114	\$4,832	\$4,122	\$7,478
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Total Expenditures	\$3,484,935	\$3,489,755	\$4,153,957	\$7,187,228
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Sewer – Fund 402

The purpose of the sewer fund is to account for the maintenance and operations of the City's wastewater utility. This fund collects and accounts for user fees and connection fees that support regular operations as well as past and future improvements to the system. The sewer fund is divided into departments that are responsible for administration, maintenance, operation, and capital projects. All revenues received in this fund must be used on wastewater collection and treatment activities.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Connection Fees	\$2,128,408	\$2,268,167	\$1,279,665	\$1,119,307
Sewer Sales	4,052,565	4,864,373	5,762,382	5,862,617
Transfer In and Other Revenue	60,376	38,135	198,249	119,966
Total Revenues	\$6,241,349	\$7,170,675	\$7,240,296	\$7,101,890

Expenditures:**Administration**

Salaries and Benefits	\$176,833	\$190,339	\$202,948	\$255,681
Central Services	84,307	117,287	141,355	147,761
Computer Repair/Equip Rental Fund	52,463	86,973	81,047	94,136
Professional Services	26,632	35,763	58,509	62,503
B&O Excise Tax	116,085	138,149	145,126	134,847
City of Ferndale Utility Tax	569,061	648,347	662,597	306,000
Other Charges and Services	8,343	11,251	11,052	12,768
Total Administration	\$1,033,723	\$1,228,109	\$1,302,635	\$1,013,697

Maintenance

Salaries and Benefits	\$261,491	\$274,399	\$281,059	\$292,417
O & M Supplies	24,966	54,743	22,963	58,153
Other Charges and Services	9,645	10,064	31,148	7,373
Total Maintenance	\$296,101	\$339,206	\$335,170	\$357,943

Operations - Sludge Disposal

\$539,644	\$451,603	\$142,898	\$97,848
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Operations

Salaries and Benefits	\$334,776	\$370,884	\$386,423	\$410,507
Contract R&M	3,211	9,836	12,360	81,262
Lab Testing	0	696	1,482	5,326
O & M Supplies	332,764	153,733	80,060	72,211
Professional Services	21,712	51,941	45,309	138,543
Utilities - PSE	219,599	283,773	235,025	282,586
Other Charges and Services	25,584	28,042	30,839	35,415
Total Operations	\$937,646	\$898,906	\$791,498	\$1,025,848

Transfer/Capital Projects

\$1,031,186	\$2,202,679	\$745,010	\$2,607,810
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Other Charges and Services

\$0	\$15,433	\$0	\$0
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Total Expenditures

\$3,838,300	\$5,135,936	\$3,317,212	\$5,103,147
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Storm & Flood Control – Fund 407

The purpose of this fund is to account for the expenditures related to the operation, maintenance, and improvement of the City's storm drainage system and flood control activities. The primary revenue sources for this fund are stormwater utility fees and mitigation fees, although connection fees and grants make up a small portion of the revenue received in this fund as well. The storm fund consists of expenditures related to administration and capital projects. Revenues received in this fund must be used for costs related to storm.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Storm Rate Revenue	\$1,419,423	\$1,549,274	\$1,680,637	\$1,893,049
Mitigation Fees	173,176	122,717	175,943	80,569

Grants/Loans	28,385	129,799	79,773	1,666,866
Transfer In and Other Revenue	3,650	869	49,109	13,496
Total Revenues	\$1,624,634	\$1,802,659	\$1,985,462	\$3,653,980

Expenditures:

Salaries and Benefits	\$467,574	\$577,327	\$496,617	\$577,327
Central Services	83,379	126,168	120,309	126,168
Computer Repair/Equip Rental Fund	49,739	78,570	67,920	78,570
Professional Services	26,602	134,177	114,132	134,177
Decant Disposal	16,391	52,450	24,784	52,450
Water Quality Monitoring	7,327	6,570	7,334	6,570
B&O Excise Tax	22,678	30,531	24,894	30,531
City of Ferndale Utility Tax	143,768	162,489	173,945	162,489
Other Charges and Services	45,630	166,008	62,364	166,008
Total Drainage	\$863,088	\$1,334,290	\$1,092,298	\$1,334,290
Transfer/Capital Projects	\$293,445	\$2,350,458	\$389,306	\$2,350,458
Other Charges and Services	\$0	\$0	\$0	\$0
Total Expenditures	\$1,156,533	\$3,684,748	\$1,481,603	\$3,684,748

Water Treatment Plant Upgrade (WTP) – Fund 413

The purpose of this fund is to account for the revenues and expenditures related to the Water Treatment Plant Upgrade.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Transfer In and Other Revenue	\$3,695,000	\$0	\$0	\$0
Total Revenues	3,695,000	0	0	0
<u>Expenditures:</u>				
Upgrade Construction	\$0	\$106,024	\$18,924	\$35,878
Upgrade Design	75,585	3,416	13,092	0
Total Expenditures	\$75,585	\$109,440	\$32,016	\$35,878

Project Overview:

The Water Treatment Plant Upgrade project is intended to convert the existing blended drinking water treatment system to a 100% reverse osmosis treatment system and to phase out the manganese treatment filters. The very pure reverse osmosis treated water will be remineralized using calcium carbonate (calcite) to ensure that the water is not too soft or too hard, similar to the water hardness prior to 2012. Carbon dioxide will be used to dissolve the calcium into the water. The project includes a new building (44' by 36' by 20' tall) for the remineralization equipment, three 500 gallons per minute (gpm) remineralization tanks, a large

carbon dioxide tank, additional pumps, one additional reverse osmosis unit, piping, valves, electrical, controls, a replacement water meter, and a 4,000-gallon water tank.

Shop Well 2 – Fund 414

This fund accounts for all revenues and expenditures related to the Shop Well #2 Wellhouse Project.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Transfer In and Other Revenue	\$1,642,500	\$0	\$0	\$0
Total Revenues	\$1,642,500	\$0	\$0	\$0
<u>Expenditures:</u>				
Shop Well 2 Wellhouse Construction	\$1,230,982	\$3,524	\$335,528	\$0
TR to F413	0	0	0	0
Total Expenditures	\$1,230,982	\$3,524	\$335,528	\$0

Project Overview:

The Shop Well #2 Wellhouse Project's goal is to provide the City with an additional 300 to 800 gallons per minute (gpm) water supply source. This project includes construction of a new CMU block wellhouse building (12'-8" by 22' by 12' tall) with a metal roof, similar to the City's existing Shop Well #1 Wellhouse Building. The project also includes completion of a well base structure, piping, valves, 30-HP submersible well pump, electrical, controls, instrumentation, programming, and configuration for a future permanent 200-HP submersible well pump. In addition, the project includes a concrete retaining wall structure, site grading and drainage improvements, asphalt pavement surfacing, fence and gate improvements, installation of new backup generator, new primary power feed and transformer on the east side of Shop site, and other miscellaneous work items.

Wastewater Treatment Plant Construction (WWTP) – Fund 415

This fund accounts for all revenues and expenditures related to the construction and design of the Wastewater Treatment Plant Upgrade Project.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Grants and Proceeds	\$19,010,526	\$13,139,266	\$3,178,465	\$30,213
Total Revenues	\$19,010,526	\$13,139,266	\$3,178,465	\$30,213

Expenditures:

WWTP Construction/Design	\$19,795,919	\$9,834,808	\$2,890,411	\$0
Principal Payment	200,000	1,100,000	0	0
Anticipation Note	31,904	1,238	0	0
TR to F402	0	0	0	0
Total Expenditures	\$20,027,823	\$10,936,046	\$2,890,411	\$0



Internal Service Funds

Internal Service Descriptions

Computer Repair and Replacement – Fund 510

This fund accounts for the replacement and maintenance of all City computer hardware and software. Costs related to computer hardware, internet service, software programs, City networks, websites, and IT service contracts are included in this fund. Revenues consist of fees collected from other funds and City departments.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Department & Fund Contributions	\$223,424	\$270,248	\$233,163	\$338,968
Transfer In and Other Revenue	77,527	2,977	0	0
Total Revenues	\$300,951	\$273,225	\$233,163	\$338,968
<u>Expenditures:</u>				
New S/W & Upgrade (Non-Labor)	\$9,841	\$5,823	\$38,356	\$76,695
Misc. Repair & Maintenance	\$27,082	\$26,938	\$27,654	\$28,629
Repair & Maintenance Contracts	\$52,293	\$52,805	\$54,352	\$56,351
Software Maintenance Contracts	\$103,526	\$158,812	\$92,378	\$149,319
Capital - Hardware	\$96,660	\$12,223	\$14,086	\$23,468
Other Charges and Services	\$14,383	\$13,648	\$6,353	\$9,587
Total Expenditures	\$303,784	\$270,248	\$233,180	\$344,048

Equipment Maintenance and Replacement – Fund 550

The replacement and maintenance of the City's larger tools, equipment, and vehicle fleet are accounted for in this fund. Ongoing expenditures recorded in this fund include the City mechanic's wages and payroll taxes, oil and fuel, insurance premiums, operating supplies, contracted services, new equipment purchases, vehicle lease payments, and vehicle replacement costs. Revenues consist of fees and transfers received from other funds and City departments.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Department & Fund Contributions	\$555,289	\$737,274	\$825,298	\$885,758
Transfers In and Other Revenue	382,781	564,569	55,031	867,218
Total Revenues	\$938,070	\$1,301,844	\$880,329	\$1,752,977
<u>Expenditures:</u>				
Salaries and Benefits	178,511	183,756	231,405	226,512
Operating Supplies - Parts, Etc.	65,504	67,781	109,446	84,030
Operating Supplies - Fuel/Oil	81,964	128,447	147,651	178,618
Insurance	26,339	75,388	93,492	138,929

Computer Repair & Replacement	2,180	1,360	981	1,653
Central Services	30,715	34,646	37,238	38,372
Utilities	14,593	15,499	21,740	19,076
Capital	514,904	715,888	470,476	828,191
Other Charges and Services	26,212	38,078	27,969	69,800
Total Expenditures	\$940,922	\$1,260,843	\$1,140,398	\$1,585,181



Agency Funds

Agency Fund Descriptions

Court Agency – Fund 650

The purpose of this fund is to account for fines received by the City in a custodial capacity for other entities. A portion of court fines, building permit fees, and concealed pistol licenses are collected from customers on behalf of Whatcom County and the State of Washington and are not derived from the City's own transactions. The portion of charges payable to the County or State are deposited and paid from this fund.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Crime Victims and Trust Account	\$145,238	\$122,425	\$70,943	\$71,575
Other Revenue	8,353	10,097	9,710	9,061
Total Revenues	\$153,591	\$132,521	\$80,652	\$80,636

Court Activity – Fund 651

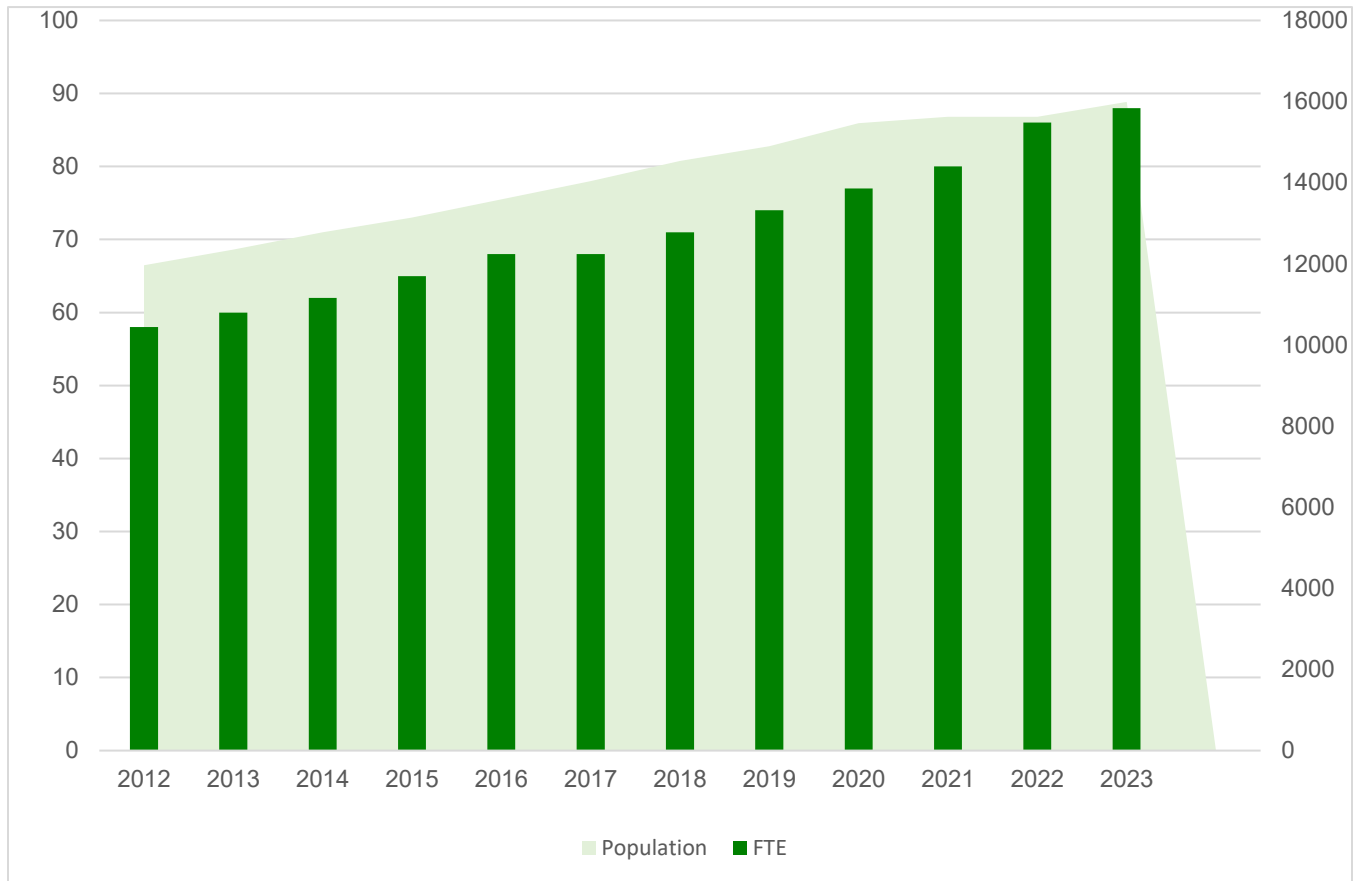
This fund is used to record the Ferndale Municipal Court's revenue and expenditure activity. The Court utilizes a separate information system to record payments for court fines and fees received from individuals. These revenues must then be recorded in the City's main financial software program. As directed by the Administrative Office of the Courts, some of the revenues are received by the Court in a custodial capacity and then remitted to the State using Fund 650, while other amounts are recorded as local revenue accounted for in this Court Activity fund. Any check payments issued by the Court are recorded as expenditures in this fund as well.

Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual
<u>Revenues:</u>				
Court Activity Deposits	\$13,614	\$8,954	-\$634	\$5,820
Total Revenues	\$13,614	\$8,954	-\$634	\$5,820



Supplemental Information

City FTE Count to Population



FTE- Full Time Equivalent

Employee Contracts

Both union and non-represented City of Ferndale employee contracts can be found at the link below.

<https://ferndale.civicweb.net/filepro/documents/5379>