

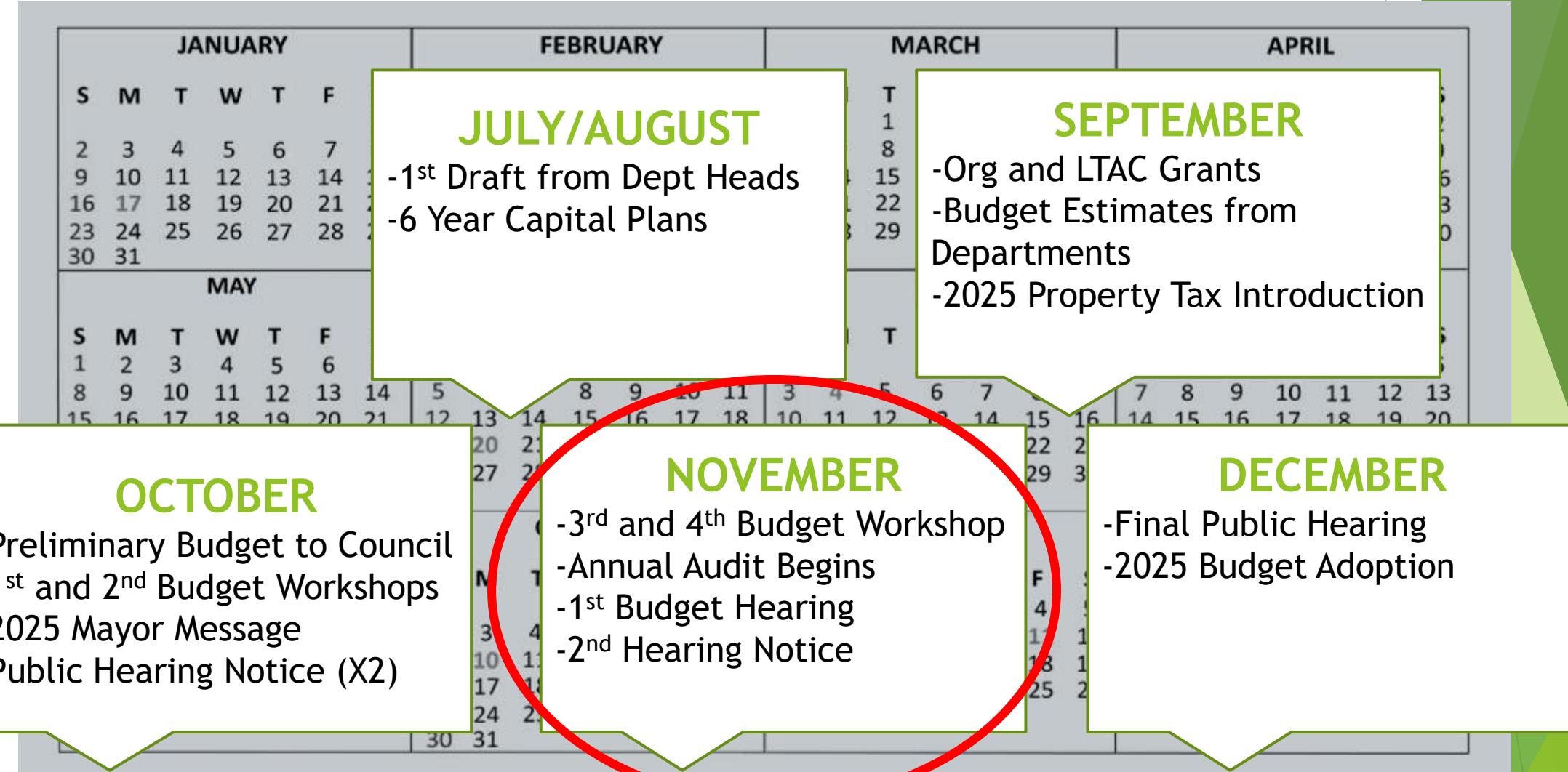


# SPECIAL REVENUE FUNDS

November 17, 2025  
REGULAR COUNCIL MEETING

PRESENTED BY: DANIELLE INGHAM, FINANCE DIRECTOR

# 2025 BUDGET



## Governmental

### General Fund (000-099)

- Fund 001 - Current Expense
- Fund 002 - General Fund Contingency Reserve
- Fund 003 - Facilities Capital Reserve
- Fund 004 - LEOFF 1 Retiree
- Fund 005 - Solid Waste Utility Tax
- Fund 007 - Pioneer Pavilion

### Debt Service Funds (200s)

- Fund 214 - Streets/Parks/Land Debt Service
- Fund 218 - 2010 LTGO Bond Redemption
- Fund 219 - 2011 LTGO Bond Redemption
- Fund 220 - 2013 LTGO Bond Redemption

## Proprietary

### Enterprise Funds (400s)

- Fund 401 - Water
- Fund 402 - Sewer
- Fund 403 - 2011/2014 Water Sewer Bond Redemption
- Fund 404 - 2005 Sewer Bond
- Fund 405 - WWTP Debt Service Fund
- Fund 407 - Stormwater
- Fund 408 - Utility Loan Service
- Fund 413 - WTP Upgrade

### Internal Service Funds (500s)

- Fund 510 - Computer R&R
- Fund 550 - Equipment R&R

### Special Revenue Funds (100s)

- Fund 101 - Streets
- Fund 102 - Park Mitigation
- Fund 104 - Traffic Mitigation
- Fund 113 - Transportation Benefit District (TBD)
- Fund 115 - American Rescue Plan Act (ARPA)
- Fund 198 - Hotel Motel

### Capital Project Funds (300s)

- Fund 301 - Real Estate Excise Tax (REET I)
- Fund 302 - Real Estate Excise Tax (REET II)
- Fund 310 - Metalworks Skate Park
- Fund 315 - Civic Campus
- Fund 370 - Thornton Road Construction

## Fiduciary

### Custodial Funds (650s)

- Fund 650 - Court Agency
- Fund 651 - Court Activity



# FUND CATERGORIES

- Governmental funds
- Proprietary funds
- Fiduciary

## Governmental fund

- **Special revenue fund** (Fund 100-199) – used to account for the proceeds of specific revenue sources that are restricted or committed to the expenditure for specified purposes other than debt service or capital projects.

Fund 101 = Street Fund

Fund 102 = Park Mitigation

Fund 104 = Traffic Mitigation

Fund 113 = Transportation Benefit District (TBD)

Fund 115 = ARPA

Fund 198 = Hotel/Motel Tax (Lodging Tax)

# Fund 101

## Streets

- The primary purpose of the Street Fund is to support the ongoing maintenance and operation of the City's street system.
  - Expenditures include roadway capital projects funded through Traffic Mitigation (F104) and the Transportation Benefit District (F113).
  - The Street Fund is organized into several sub-departments responsible for administration, sidewalks, roadways, street lighting, traffic control, street cleaning, and snow and ice response.
  - Funding sources include grants, state-shared fuel taxes, permits, and transfers from the Solid Waste Utility Tax (F005).
  - The Street Fund also contributes to the purchase of new capital equipment used for street projects and maintenance activities.

- 2026 Revenues include:
  - Ferndale Terrace grant rolling over from 2025 (Page 22 Line 17)
  - Transfer from TBD (F113) and Traffic Mitigation (F104) (Page 22 Line 41 and 43-44)
  - Transfer from Solid Waste Tax (F005) to help offset the expenditures (Page 22 Line 42)
  
- 2026 Expenditures include:
  - Main Street to Barrett
  - Ferndale Terrace
  - I-5 Roundabout Design and Construction
  - Main Street Bridge Repairs (Design)
  - Wayfinding project- Phase II
  - Fleet updates

# Fund 102

## Park Mitigation

- The primary purpose of this fund is to account for the one-time mitigation fees assessed by the City against new residential development projects (commercial is not subject to these fees).
  - The mitigation payments are intended to offset the impacts that new residential growth has on the capacity and quality of park facilities within the City.
  - Use of funds is restricted to projects identified in the Capital Facilities Plan component of the City's Comprehensive Plan, as required under GMA.
  - Mitigation fees may only be spent on publicly owned parks, open space, and recreation facilities within city limits.
  - The City has utilized park mitigation funds to repay debt associated with past park construction projects.
  - All funds must be expended within ten years of receipt or refunded to the original developer.

- 2026 Revenues include:
  - Park Impact Fees and Investment Interest
- 2026 Expenditures include:
  - Two debt service payments to F214 and F218 (paid off in 2027 and 2030)

## Fund 104

### Traffic Mitigation

- The primary purpose of this fund is to account for the one-time mitigation fees assessed by the City against new development projects
  - The mitigation payments are intended to offset the impacts that new development has on the capacity and quality of the City's street system.
  - These fees are assessed on both commercial and residential development.
  - Use of funds is restricted to projects identified in the transportation element of the City's Comprehensive Plan.
  - Mitigation fees may only be used for transportation capital improvements and cannot be applied to transportation studies or to operation and maintenance costs.
  - All funds must be expended within ten years of receipt or refunded to the original developer.

- 2026 Revenues include:
  - Traffic Mitigation Fees and Investment Interest
  
- 2026 Expenditures include:
  - Transfer to Streets

## Fund 113

### Transportation Benefit District (TBD)

- The City of Ferndale's TBD fund is comprised of revenues from a 0.2% voter-approved sales tax
  - Revenues may be used for transportation improvements identified in the City's transportation plan. Eligible improvements include roads, transit service, sidewalks, and transportation demand management initiatives.
  - Construction, maintenance, and operations costs are all eligible uses of these funds.
  - The associated sales tax is collected and distributed monthly by the State.

- 2026 Revenues include:
  - TBD Sales Tax
- 2026 Expenditures include:
  - Transfer to Streets

## Fund 115

### American Rescue Plan Act (ARPA)

The City 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) in 2021 that was launched by the U.S. Department of Treasury

- Primary 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.
- 2026 Expenditures include:
  - Ferndale Downtown Association (\$100,000)
  - Remaining balance to Current Expense for the Pioneer Pavilion Stage (this balance is assuming Council's approval of the stage and will need to be reallocated if the contract is not approved)

## Fund 198

### Hotel Motel

- This revenue is generated from a 4% consumer tax on all lodging charges for stays of fewer than 30 consecutive days.
  - The tax applies to accommodations such as hotels, motels, private campgrounds, RV parks, and similar facilities.
  - Funds are distributed to the City by the State and must be used to promote tourism or to support the construction and operation of tourism-related facilities.
  - The Lodging Tax Advisory Committee (LTAC) reviews requests and provides recommendations to the City Council regarding the allocation of these revenues.

➤ 2026 Revenues include:

- Lodging Tax

➤ 2026 Expenditures include:

- LTAC Grants (totaling \$66,000)
- Transfer to Current Expense for Park Tour guides (\$15,000)

# QUESTIONS?