



SECTION 4

CURRENT EXPENSE FUND REVENUES

The majority of the City's activities are accounted for in the Current Expense Fund (also referred to as the General Fund). On the following pages, the major revenue sources for Current Expense are reviewed. This overview includes both historical amounts as well as the anticipated 2018 revenues.





CURRENT EXPENSE FUND

	2014	2015	2016	2017	2018
REVENUES	Actual	Actual	Actual	Actual	Projected
Taxes	\$5,805,227	\$5,994,607	\$4,697,931	\$5,099,945	\$5,218,859
Licenses & Permits	582,383	603,554	683,681	735,701	748,700
Intergovernmental	200,956	261,684	220,032	211,052	193,353
Charges for Services	754,289	946,761	1,155,339	1,035,442	1,020,371
Fines & Forfeitures	194,628	163,584	157,951	154,500	143,700
Misc. Rev./Transfers/Loans	957,069	1,197,387	1,250,383	1,250,383	1,228,622
Total	\$8,494,553	\$9,167,577	\$8,165,318	\$8,487,023	\$7,854,460

Dollar Change	\$673,024	(\$1,002,259)	\$321,705	(\$632,563)
Percent Change	7.92%	-10.93%	3.94%	-7.45%

	2014	2015	2016	2017	2018
TAXES	Actual	Actual	Actual	Actual	Projected
Property Taxes	\$2,394,511	\$2,448,196	\$1,066,047	\$1,110,788	\$1,300,280
Sales Tax/Mitigation Payments	1,734,256	1,796,454	1,865,600	2,058,514	2,061,079
Sales Tax-EMS	142,413	152,683	159,093	174,567	160,000
Brokered Nat. Gas Tax	13,669	8,638	7,471	6,597	6,500
Electric Utility Tax	434,989	431,112	477,805	469,195	496,000
Natural Gas Utility Tax	197,738	182,298	154,681	192,521	200,000
Phone/Cell Phone Utility Tax	283,156	269,733	267,695	294,087	245,000
Water/Sewer/Storm Utility Tax	604,495	705,493	699,539	793,676	750,000
Total Taxes	\$5,805,227	\$5,994,607	\$4,697,931	\$5,099,945	\$5,218,859

Dollar Change	\$189,380	(\$1,296,676)	\$402,014	\$118,914
Percent Change	3.26%	-21.63%	8.56%	2.33%



PROPERTY TAXES

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projected
Property Taxes	\$2,394,511	\$2,448,196	\$1,066,047	\$1,110,764	\$1,300,280
Dollar Change		\$53,685	(\$1,382,149)	\$44,717	\$189,516
Percent Change		2.24%	-56.46%	4.19%	17.06%

Through 2015, Property taxes represented the largest single tax source for the City of Ferndale. As such, property taxes and assessed valuation are very important to the City. The biggest limitation to the City's ability to affect property tax levies was the passage of Initiative 747 which was approved by the voters in November of 2001. This initiative limits the amount by which a taxing district can increase the amount of their regular property tax levy to 1% (prior limit was 6%), plus adjustments for new construction and annexations. The Legislature, in late 2007, sustained the 1% limitation. The City can exceed this 1% limitation with approval of voters or by using levy capacity from prior years that was "banked" for future specified purposes. For 2018 the City Council approved a one-time \$160,000 of "banked" levy capacity to be assessed in addition to the 1% limitation. In 2015, City of Ferndale citizens voted to be annexed into Fire District No. 7 – therefore City of Ferndale Property taxes collected are greatly reduced for 2016 and on. Expenditures for Fire services are eliminated for 2016 and on.

The City of Ferndale currently has \$1,146,223 in banked levy capacity.

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

Property Taxes Assessed Valuation

2006	\$598,890,731
2007	\$970,041,818
2008	\$1,015,563,816
2009	\$1,060,113,522
2010	\$1,094,033,940
2011	\$1,049,104,195
2012	\$1,089,663,156
2013	\$1,096,951,832
2014	\$1,122,838,797
2015	\$1,162,486,960
2016	\$1,195,134,774
2017	\$1,270,949,709
2018	\$1,392,149,216

Property Taxes Levy Rates

\$2.47463
\$1.73916
\$1.79976
\$1.87221
\$1.86523
\$1.98158
\$1.98643
\$2.07510
\$2.10205
\$2.10530
\$.87003
\$.85558
\$.92543



SALES TAXES – Current Expense Fund

(Including Mitigation Payments)

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projected
Sales Taxes/Mitigation Payments	\$1,734,256	\$1,796,454	\$1,865,600	\$2,058,514	\$2,061,079
Dollar Change		\$62,198	\$69,146	\$192,914	\$2,565
Percent Change		3.59%	3.85%	10.34%	0.12%

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

UTILITY TAXES

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

Utility Taxes	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projected
Brokered Nat. Gas Tax	\$13,669	\$8,638	\$7,471	\$6,597	\$6,500
Electric Utility Tax	434,989	431,112	477,805	469,195	496,000
Natural Gas Utility Tax	197,738	182,298	154,681	192,521	200,000
Phone/Cell Phone Utility Tax	283,156	269,733	267,695	294,087	245,000
Water/Sewer/Storm Utility Tax	604,495	705,493	699,539	793,676	750,000
Total	\$1,534,047	\$1,597,274	\$1,607,191	\$1,756,076	\$1,697,500



	2014	2015	2016	2017	2018
LICENSES & PERMITS	Actual	Actual	Actual	Actual	Projected
Business Licenses	\$81,209	\$56,717	\$104,769	\$53,625	\$75,000
Franchise Fees	225,794	232,220	246,606	275,991	280,000
Single Family Building Permits	109,315	150,404	147,407	235,653	225,000
Multi-Family Building Permits	4,227	13,028	42,767	3,989	30,000
Mechanical Permits	22,429	27,478	33,732	32,711	23,000
Plumbing Permits	14,129	18,707	20,741	24,923	23,000
Commercial Building Permits	29,131	34,488	31,601	47,234	35,000
Commercial Remodel/T.I. Permits	24,253	18,121	8,277	12,310	7,500
Other Miscellaneous	66,746	52,391	47,782	49,265	50,200
SEPA/Shoreline/Critical Areas Permits	5,150	0	0	0	0
Total License & Permits	\$582,383	\$603,554	\$683,681	\$735,701	\$748,700

	2014	2015	2016	2017	2018
INTERGOVERNMENTAL	Actual	Actual	Actual	Actual	Projected
DUI Fees	\$2,213	\$1,925	\$2,014	\$2,008	\$2,000
Liquor Excise Tax	23,094	34,604	60,280	63,867	66,272
Liquor Profits	109,201	111,369	111,297	111,868	111,666
Other/Intergovernmental Grants	91,777	53,058	46,441	31,051	12,415
Total Intergov. Revenue	\$226,285	\$200,956	\$220,032	\$208,793	\$192,353

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



	2014	2015	2016	2017	2018
CHARGES FOR SERVICES	Actual	Actual	Actual	Actual	Projected
School SRO Charges	\$52,000	\$52,000	\$52,000	\$61,000	\$61,000
Probation Fees	43,440	36,677	41,072	33,700	40,000
Housing of Prisoners	28,200	19,658	38,452	25,321	40,000
Development Review Fees	96,322	236,566	389,148	187,066	250,000
Plan Check Fees	121,126	180,035	182,387	230,698	170,000
Park/Athletic Field Fees	15,804	14,758	13,719	6,125	7,500
Other Fees and Charges	91,337	104,972	81,470	126,756	73,130
Charges for Central Services	306,060	302,095	357,091	364,776	378,741
Total Charges for Services	\$754,289	\$946,761	\$1,155,339	\$1,035,442	\$1,020,371

	2014	2015	2016	2017	2018
FINES & FORFEITURES	Actual	Actual	Actual	Actual	Projected
Traffic Infractions	\$95,066	\$66,133	\$63,162	\$57,109	\$56,000
J.I.S.	8,366	6,672	7,079	5,353	6,200
Criminal Traffic	37,877	37,013	35,715	33,152	35,000
Other	37,253	36,162	33,404	29,743	28,500
Public Defender Fees	16,066	17,604	18,591	19,271	18,000
Total Fines & Forfeitures	\$194,628	\$163,584	\$157,951	\$144,627	\$143,700

	2014	2015	2016	2017	2018
MISCELLANEOUS REVENUES	Actual	Actual	Actual	Actual	Projected
Investment/Interfund Loan Interest	\$266	\$2,478	\$6,311	\$5,148	\$2,500
Other Miscellaneous	148,577	171,111	138,513	152,973	150,448
Transfers In	538,226	773,798	905,559	921,723	1,075,674
Interfund Loan Repayments	270,000	250,000	200,000	100,000	0
Total Misc./Transfers/Loan Repay. Revenue	\$957,069	\$1,197,387	\$1,250,383	\$1,179,844	\$1,228,622