



## 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 2019 revenues.





# CURRENT EXPENSE FUND

	2015	2016	2017	2018	2019
<b>REVENUES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Taxes	\$5,994,607	\$4,697,931	\$5,099,945	\$5,502,150	\$5,361,683
Licenses & Permits	603,554	683,681	735,701	758,614	873,700
Intergovernmental	261,684	220,032	211,052	434,498	258,112
Charges for Services	946,761	1,155,339	1,035,442	983,374	997,207
Fines & Forfeitures	163,584	157,951	154,500	185,218	136,000
Misc. Rev./Transfers/Loans	1,197,387	1,250,383	1,250,383	1,250,476	1,407,341
<b>Total</b>	<b>\$9,167,577</b>	<b>\$8,165,318</b>	<b>\$8,487,023</b>	<b>\$9,114,329</b>	<b>\$9,034,042</b>

Dollar Change (\$1,002,259)      \$321,705      \$627,306      (\$80,286)  
 Percent Change      -10.93%      3.94%      7.39%      -0.88%

	2015	2016	2017	2018	2019
<b>TAXES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Property Taxes	\$2,448,196	\$1,066,047	\$1,110,788	\$1,300,015	\$1,191,683
Sales Tax/Mitigation Payments	1,796,454	1,865,600	2,058,514	2,230,986	2,150,000
Sales Tax-EMS	152,683	159,093	174,567	188,523	175,000
Brokered Nat. Gas Tax	8,638	7,471	6,597	5,777	5,000
Electric Utility Tax	431,112	477,805	469,195	529,542	485,000
Natural Gas Utility Tax	182,298	154,681	192,521	218,685	215,000
Phone/Cell Phone Utility Tax	269,733	267,695	294,087	248,685	300,000
Water/Sewer/Storm Utility Tax	705,493	699,539	793,676	779,937	840,000
<b>Total Taxes</b>	<b>\$5,994,607</b>	<b>\$4,697,931</b>	<b>\$5,099,945</b>	<b>\$5,502,150</b>	<b>\$5,361,683</b>

Dollar Change (\$1,296,676)      \$402,014      \$402,204      (\$140,467)  
 Percent Change      -21.63%      8.56%      7.89%      -2.55%



**PROPERTY TAXES**

	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Projected</b>
<b>Property Taxes</b>	\$2,448,196	\$1,066,047	\$1,110,764	\$1,300,015	\$1,191,683
Dollar Change		(\$1,382,149)	\$44,717	\$189,251	(\$108,333)
Percent Change		-56.46%	4.19%	17.04%	-8.33%

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 2019, the City Council “returned” the \$160,000 to banked levy capacity, lowering the property taxes. 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 \$1,420,313 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
2019	\$1,589,867,326

**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
\$.93543
\$.76865



## SALES TAXES – Current Expense Fund

(Including Mitigation Payments)

	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Projected</b>
<b>Sales Taxes/Mitigation Payments</b>	\$1,796,454	\$1,865,600	\$2,058,514	\$2,230,986	\$2,150,000
Dollar Change		\$69,146	\$192,914	\$172,471	(\$80,986)
Percent Change		3.85%	10.34%	8.38%	-3.63%

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%.

<b>Utility Taxes</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Projected</b>
Brokered Nat. Gas Tax	\$8,638	\$7,471	\$6,597	\$5,777	\$5,000
Electric Utility Tax	431,112	477,805	469,195	529,542	485,000
Natural Gas Utility Tax	182,298	154,681	192,521	218,685	215,000
Phone/Cell Phone Utility Tax	269,733	267,695	294,087	248,661	300,000
Water/Sewer/Storm Utility Tax	705,493	699,539	793,676	779,937	840,000
<b>Total</b>	<b>\$1,597,274</b>	<b>\$1,607,191</b>	<b>\$1,756,076</b>	<b>\$1,782,602</b>	<b>\$1,845,000</b>



	2015	2016	2017	2018	2019
<b>LICENSES &amp; PERMITS</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Business Licenses	\$56,717	\$104,769	\$53,625	\$95,932	\$80,000
Franchise Fees	232,220	246,606	275,991	308,238	410,000
Single Family Building Permits	150,404	147,407	235,653	174,675	225,000
Multi-Family Building Permits	13,028	42,767	3,989	9,045	30,000
Mechanical Permits	27,478	33,732	32,711	32,836	30,000
Plumbing Permits	18,707	20,741	24,923	19,550	20,000
Commercial Building Permits	34,488	31,601	47,234	40,557	35,000
Commercial Remodel/T.I. Permits	18,121	8,277	12,310	18,596	14,000
Other Miscellaneous	52,391	47,782	49,265	59,187	29,700
SEPA/Shoreline/Critical Areas Permits	0	0	0	0	0
<b>Total License &amp; Permits</b>	<b>\$603,554</b>	<b>\$683,681</b>	<b>\$735,701</b>	<b>\$758,614</b>	<b>\$873,700</b>

	2015	2016	2017	2018	2019
<b>INTERGOVERNMENTAL</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
DUI Fees	\$1,925	\$2,014	\$2,008	\$1,991	\$2,000
Liquor Excise Tax	34,604	60,280	63,867	68,094	67,000
Liquor Profits	111,369	111,297	111,868	111,611	111,666
Other/Intergovernmental Grants	53,058	46,441	31,051	252,801	77,446
<b>Total Intergov. Revenue</b>	<b>\$200,956</b>	<b>\$220,032</b>	<b>\$208,793</b>	<b>\$434,498</b>	<b>\$258,112</b>

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



	2015	2016	2017	2018	2019
<b>CHARGES FOR SERVICES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
School SRO Charges	\$52,000	\$52,000	\$61,000	\$0	\$61,000
Probation Fees	36,677	41,072	33,700	30,870	27,000
Housing of Prisoners	19,658	38,452	25,321	19,118	20,000
Development Review Fees	236,566	389,148	187,066	131,101	250,000
Plan Check Fees	180,035	182,387	230,698	142,814	170,000
Park/Athletic Field Fees	14,758	13,719	6,125	5,460	2,700
Other Fees and Charges	104,972	81,470	126,756	144,875	197,642
Charges for Central Services	302,095	357,091	364,776	509,135	389,000
<b>Total Charges for Services</b>	<b>\$946,761</b>	<b>\$1,155,339</b>	<b>\$1,035,442</b>	<b>\$983,374</b>	<b>\$1,117,342</b>

	2015	2016	2017	2018	2019
<b>FINES &amp; FORFEITURES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Traffic Infractions	\$66,133	\$63,162	\$57,109	\$16,581	\$53,200
J.I.S.	6,672	7,079	5,353	12,108	5,700
Criminal Traffic	37,013	35,715	33,152	31,559	32,000
Other	67,206	39,037	43,066	105,689	27,100
Public Defender Fees	17,604	18,591	19,271	19,281	18,000
<b>Total Fines &amp; Forfeitures</b>	<b>\$194,628</b>	<b>\$163,584</b>	<b>\$157,951</b>	<b>\$185,218</b>	<b>\$136,000</b>

	2015	2016	2017	2018	2018
<b>MISCELLANEOUS REVENUES</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Investment/Interfund Loan Interest	\$2,478	\$6,311	\$5,148	\$29,962	\$20,000
Other Miscellaneous	171,111	138,513	152,973	172,629	151,840
Transfers In	773,798	905,559	921,723	1,043,820	1,288,497
Interfund Loan Repayments	250,000	200,000	100,000	0	0
<b>Total Misc./Transfers/Loan Repay. Revenue</b>	<b>\$1,197,387</b>	<b>\$1,250,383</b>	<b>\$1,179,844</b>	<b>\$1,246,411</b>	<b>\$1,460,337</b>