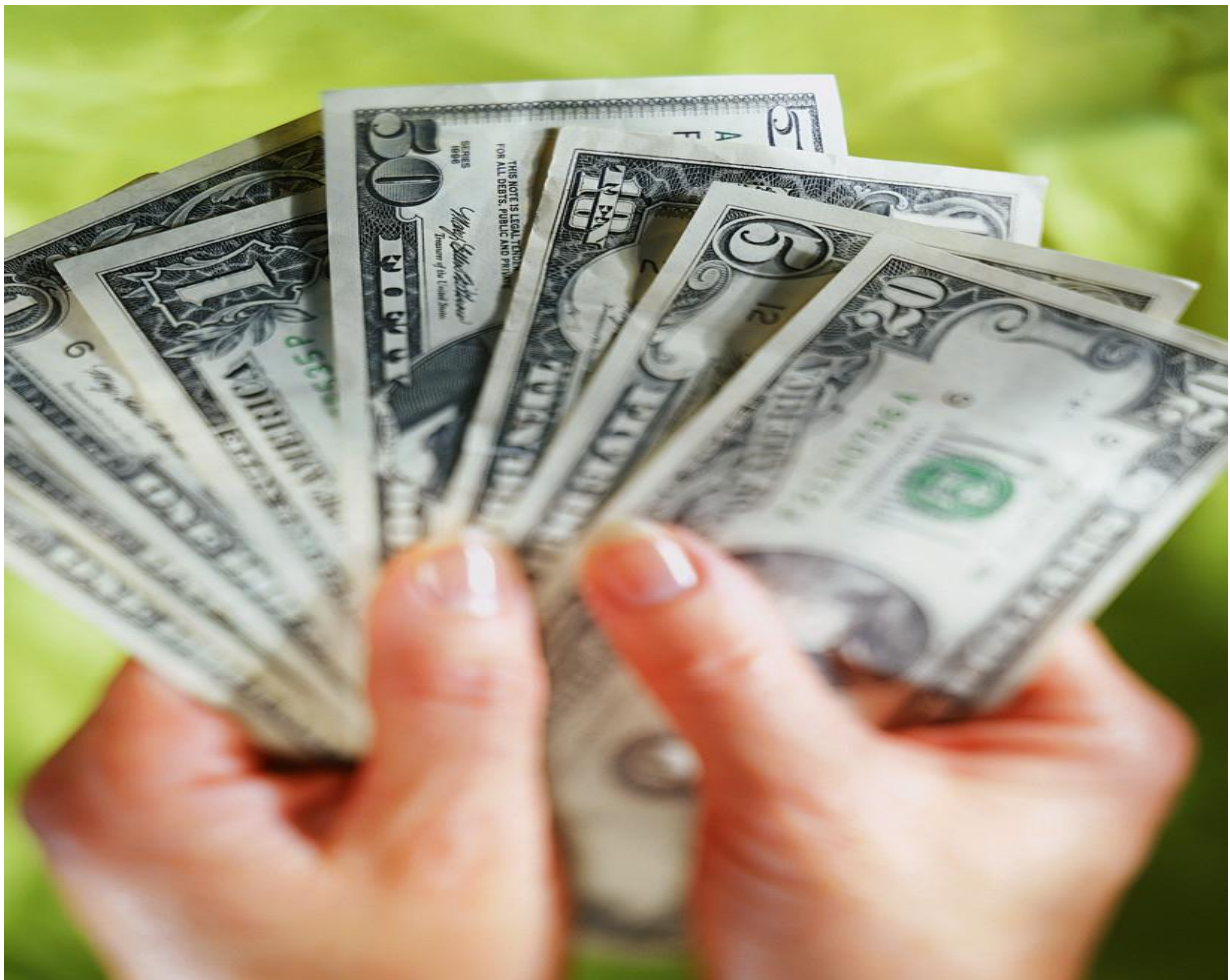




SECTION 4

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 2020 revenues.





CURRENT EXPENSE FUND

	2016	2017	2018	2019	2020
REVENUES	Actual	Actual	Actual	Actual	Budget
Taxes	\$4,697,931	\$5,099,945	\$5,502,150	\$5,754,311	\$5,856,024
Licenses & Permits	683,681	735,701	758,614	1,000,276	783,300
Intergovernmental	220,032	211,052	434,498	289,885	255,893
Charges for Services	1,155,339	1,035,442	983,374	1,339,398	1,106,633
Fines & Forfeitures	157,951	154,500	185,218	205,555	148,300
Misc. Rev./Transfers/Loans	1,250,383	1,250,383	1,250,476	1,485,054	1,494,744
Total	\$8,165,318	\$8,487,023	\$9,114,329	\$10,074,479	\$9,644,894

Dollar Change	\$321,705	\$627,306	\$960,150	(\$429,585)
Percent Change	3.94%	7.39%	10.53%	-4.26%

	2016	2017	2018	2019	2020
TAXES	Actual	Actual	Actual	Actual	Budget
Property Taxes	\$1,066,047	\$1,110,788	\$1,300,015	\$1,215,153	\$1,695,493
Sales Tax/Mitigation Payments	1,865,600	2,058,514	2,230,986	2,430,850	2,150,000
Sales Tax-EMS	159,093	174,567	188,523	197,556	182,750
Brokered Nat. Gas Tax	7,471	6,597	5,777	4,433	3,500
Electric Utility Tax	477,805	469,195	529,542	586,841	550,000
Natural Gas Utility Tax	154,681	192,521	218,685	191,687	215,000
Phone/Cell Phone Utility Tax	267,695	294,087	248,661	223,375	245,000
Water/Sewer/Storm Utility Tax	699,539	793,676	779,937	904,416	814,281
Total Taxes	\$4,697,931	\$5,099,945	\$5,502,126	\$5,754,311	\$5,856,024

Dollar Change	\$402,014	\$402,181	\$252,185	\$101,713
Percent Change	8.56%	7.89%	4.58%	1.77%



PROPERTY TAXES

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget
Property Taxes	\$1,066,047	\$1,110,788	\$1,300,015	\$1,215,153	\$1,695,493
Dollar Change		\$44,741	\$189,228	(\$84,863)	\$480,340
Percent Change		4.20%	17.04%	-6.53%	39.53%

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. 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. For 2020, the City Council approved \$473,437 of “banked” levy capacity to be assessed in addition to the 1% limitation.

The City of Ferndale currently has approximately \$946,875 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

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
2020	\$1,764,597,294

Property Taxes Levy Rates

\$1.79976
\$1.87221
\$1.86523
\$1.98158
\$1.98643
\$2.07510
\$2.10205
\$2.10530
\$.87003
\$.85558
\$.92543
\$.76865
\$.98678



SALES TAXES – Current Expense Fund

(Including Mitigation Payments)

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget
Sales Taxes/Mitigation Payments	\$1,865,600	\$2,058,514	\$2,230,986	\$2,430,850	\$2,150,000
Dollar Change		\$192,914	\$172,471	\$199,864	(\$280,850)
Percent Change		10.34%	8.38%	8.96%	-11.55%

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	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget
Brokered Nat. Gas Tax	\$7,471	\$6,597	\$5,777	\$4,433	\$3,500
Electric Utility Tax	477,805	469,195	529,542	586,841	550,000
Natural Gas Utility Tax	154,681	192,521	218,685	191,687	215,000
Phone/Cell Phone Utility Tax	267,695	294,087	248,661	223,375	245,000
Water/Sewer/Storm Utility Tax	699,539	793,676	779,937	904,416	814,281
Total	\$1,607,191	\$1,756,076	\$1,782,602	\$1,910,752	\$1,827,781



	2016	2017	2018	2019	2020
LICENSES & PERMITS	Actual	Actual	Actual	Actual	Budget
Business Licenses	\$104,769	\$53,625	\$95,932	\$106,858	\$80,000
Franchise Fees	246,606	275,991	308,238	391,298	300,000
Single Family Building Permits	147,407	235,653	174,675	276,755	230,000
Multi-Family Building Permits	42,767	3,989	9,045	0	30,000
Mechanical Permits	33,732	32,711	32,836	48,872	30,000
Plumbing Permits	20,741	24,923	19,550	32,695	20,000
Commercial Building Permits	31,601	47,234	40,557	54,524	45,000
Commercial Remodel/T.I. Permits	8,277	12,310	18,596	7,350	14,000
Other Miscellaneous	47,782	49,265	59,187	81,924	34,300
SEPA/Shoreline/Critical Areas Permits	0	0	0	0	0
Total License & Permits	\$683,681	\$735,701	\$758,614	\$1,000,276	\$783,300

	2016	2017	2018	2019	2020
INTERGOVERNMENTAL	Actual	Actual	Actual	Actual	Budget
DUI Fees	\$2,014	\$2,008	\$1,991	\$1,901	\$2,000
Liquor Excise Tax	60,280	63,867	68,094	74,576	78,507
Liquor Profits	111,297	111,868	111,611	111,190	114,686
Other/Intergovernmental Grants	46,441	31,051	252,801	102,218	60,700
Total Intergovernmental Revenue	\$220,032	\$208,793	\$434,498	\$289,885	\$255,893

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.



	2016	2017	2018	2019	2020
CHARGES FOR SERVICES	Actual	Actual	Actual	Actual	Budget
School SRO Charges	\$52,000	\$61,000	\$0	\$149,275	\$66,813
Probation Fees	41,072	33,700	30,870	24,236	25,000
Housing of Prisoners	38,452	25,321	19,118	29,887	20,000
Development Review Fees	389,148	187,066	131,101	173,018	230,000
Plan Check Fees	182,387	230,698	142,814	272,559	170,000
Park/Athletic Field Fees	13,719	6,125	5,460	14,464	6,500
Other Fees and Charges	81,470	126,756	144,875	151,710	79,185
Charges for Central Services	357,091	364,776	509,135	524,249	509,135
Total Charges for Services	\$1,155,339	\$1,035,442	\$983,374	\$1,339,398	\$1,106,633

	2016	2017	2018	2019	2020
FINES & FORFEITURES	Actual	Actual	Actual	Actual	Budget
Traffic Infractions	\$63,162	\$57,109	\$16,581	\$105,339	\$68,000
J.I.S.	7,079	5,353	12,108	11,479	5,650
Criminal Traffic	35,715	33,152	31,559	37,764	32,000
Other	39,037	43,066	105,689	37,685	26,650
Public Defender Fees	18,591	19,271	19,281	13,288	16,000
Total Fines & Forfeitures	\$163,584	\$157,951	\$185,218	\$205,555	\$148,300

	2016	2017	2018	2018	2020
MISCELLANEOUS REVENUES	Actual	Actual	Actual	Actual	Budget
Investment/Interfund Loan Interest	\$6,311	\$5,148	\$29,962	\$57,222	\$25,000
Other Miscellaneous	138,513	152,973	172,629	305,828	167,244
Transfers In	905,559	921,723	1,043,820	1,116,018	1,300,000
Interfund Loan Repayments	200,000	100,000	0	0	0
Total Misc./Transfers/Loan Repay. Revenue	\$1,250,383	\$1,179,844	\$1,246,411	\$1,479,068	\$1,492,244