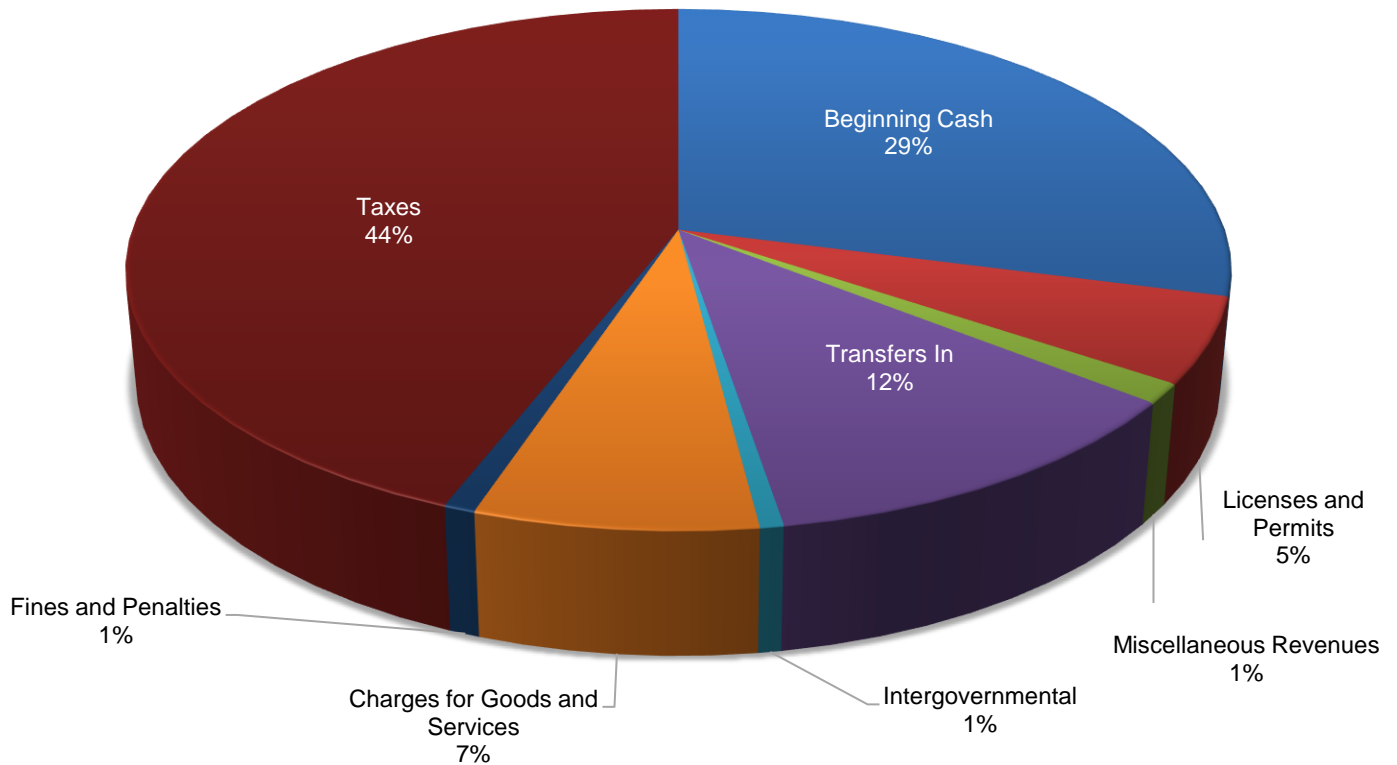




SECTION 4

CURRENT EXPENSE FUND REVENUES

Most 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 2021 revenues.





CURRENT EXPENSE FUND

	2017	2018	2019	2020	2021
Revenues	Actual	Actual	Actual	Budget	Forecast
Taxes	\$5,099,945	\$5,502,150	\$5,754,311	\$5,856,024	\$6,136,601
Licenses & Permits	735,701	758,614	1,000,276	783,300	766,500
Intergovernmental	208,793	434,498	289,885	430,493	306,458
Charges for Services	1,035,442	983,374	1,339,398	1,106,633	1,041,249
Fines & Forfeitures	144,627	185,218	205,555	148,300	116,630
Misc. Rev./Transfers/Loans	1,182,103	1,250,476	1,485,054	1,669,744	1,879,575
Total	\$8,406,611	\$9,114,329	\$10,074,479	\$9,994,494	\$10,247,013

Dollar Change		\$707,717	\$960,150	(\$79,985)	\$252,519
Percent Change		8.42%	10.53%	-0.79%	2.53%

	2017	2018	2019	2020	2021
TAXES	Actual	Actual	Actual	Budget	Forecast
Property Taxes	\$1,110,788	\$1,300,040	\$1,215,153	\$1,695,493	\$1,755,330
Sales Tax/Mitigation Payments	2,058,514	2,230,986	2,430,850	2,150,000	2,350,000
Sales Tax-EMS	174,567	188,523	197,556	182,750	199,750
Brokered Nat. Gas Tax	6,597	5,777	4,433	3,500	2,000
Electric Utility Tax	469,195	529,542	586,841	550,000	550,000
Natural Gas Utility Tax	192,521	218,685	191,687	215,000	215,000
Phone/Cell Phone Utility Tax	294,087	248,661	223,375	245,000	220,000
Water/Sewer/Storm Utility Tax	793,676	779,937	904,416	814,281	844,521
Total Taxes	\$5,099,945	\$5,502,151	\$5,754,311	\$5,856,024	\$6,136,601



PROPERTY TAXES

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Forecast
Property Taxes	\$1,110,788	\$1,300,040	\$1,215,153	\$1,695,493	\$1,755,330
Dollar Change		\$189,252	(\$84,887)	\$480,340	\$59,837
Percent Change		17.04%	-6.53%	39.53%	3.53%

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

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
2021	\$1,839,170,165*

Property Taxes Levy Rates

\$1.98643
\$2.07510
\$2.10205
\$2.10530
\$.87003
\$.85558
\$.92543
\$.76865
\$.98678
*

*Final numbers will be included when received by the County Assessor.



SALES TAXES – Current Expense Fund

(Including Mitigation Payments)

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 Forecast
Sales Taxes/Mitigation Payments	\$2,058,514	\$2,230,986	\$2,430,850	\$2,150,000	\$2,350,000
Dollar Change		\$172,471	\$199,864	(\$280,850)	\$200,000
Percent Change		8.38%	8.96%	-11.55%	9.30%

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	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Forecast
Brokered Nat. Gas Tax	\$6,597	\$5,777	\$4,433	\$3,500	\$2,000
Electric Utility Tax	469,195	529,542	586,841	550,000	550,000
Natural Gas Utility Tax	192,521	218,685	191,687	215,000	215,000
Phone/Cell Phone Utility Tax	294,087	248,661	223,375	245,000	220,000
Water/Sewer/Storm Utility Tax	793,676	779,937	904,416	814,281	844,521
Total	\$1,756,076	\$1,782,602	\$1,910,752	\$1,827,781	\$1,831,521



	2017	2018	2019	2020	2021
LICENSES & PERMITS	Actual	Actual	Actual	Budget	Forecast
Business Licenses	\$53,625	\$95,932	\$106,858	\$80,000	\$80,000
Franchise Fees	275,991	308,238	391,298	300,000	295,000
Single Family Building Permits	235,653	174,675	276,755	230,000	230,000
Commercial Building Permits	47,234	40,557	54,524	45,000	50,000
Other	123,468	139,214	170,841	128,300	111,500
Total License & Permits	\$735,701	\$758,614	\$1,000,276	\$783,300	\$766,500

	2017	2018	2019	2020	2021
INTERGOVERNMENTAL	Actual	Actual	Actual	Budget	Forecast
DUI Fees	\$2,008	\$1,991	\$1,901	\$2,000	\$1,500
Liquor Excise Tax/Profits	175,735	179,706	185,766	193,193	197,976
Other/Intergovernmental Grants	31,051	252,801	102,218	235,300	106,982
Total Intergovernmental Revenue	\$208,794	\$434,498	\$289,885	\$430,493	\$306,458

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.



	2017	2018	2019	2020	2021
CHARGES FOR SERVICES	Actual	Actual	Actual	Budget	Forecast
School SRO Charges	\$61,000	\$0	\$149,275	\$0	\$0
Probation Fees	33,700	30,870	24,236	25,000	25,000
Housing of Prisoners	25,321	19,118	29,887	20,000	20,000
Development Review Fees	187,066	131,101	173,018	230,000	230,000
Plan Check Fees	230,698	142,814	272,559	170,000	170,000
Other Fees and Charges	139,006	156,460	172,299	152,498	72,000
Charges for Central Services	364,776	509,135	524,249	509,135	524,249
Total Charges for Services	\$1,035,442	\$983,374	\$1,339,398	\$1,106,633	\$1,041,249

	2017	2018	2019	2020	2021
FINES & FORFEITURES	Actual	Actual	Actual	Budget	Forecast
Traffic Infractions	\$57,119	\$16,581	\$105,339	\$68,000	\$62,000
Criminal Traffic	33,152	31,559	37,764	32,000	25,000
Other	78,979	161,702	87,076	48,300	29,630
Total Fines & Forfeitures	\$144,627	\$185,218	\$205,555	\$148,300	\$116,630

	2017	2018	2019	2020	2021
MISCELLANEOUS Revenues	Actual	Actual	Actual	Budget	Forecast
Other Miscellaneous	\$160,380	\$206,656	\$369,036	\$194,744	\$176,175
Transfers In	921,723	1,043,820	1,116,018	1,475,000	1,703,400
Interfund Loan Repayments	100,000	0	0	0	0
Total Misc./Transfers/Loan Repay. Revenue	\$1,182,103	\$1,250,476	\$1,485,054	\$1,669,744	\$1,879,575