

DATE: April 25, 2023

TO: Mayor and City Council
Management Team

FROM: Steve Groom, Finance Director
Chase Donnelly, Deputy Finance Director

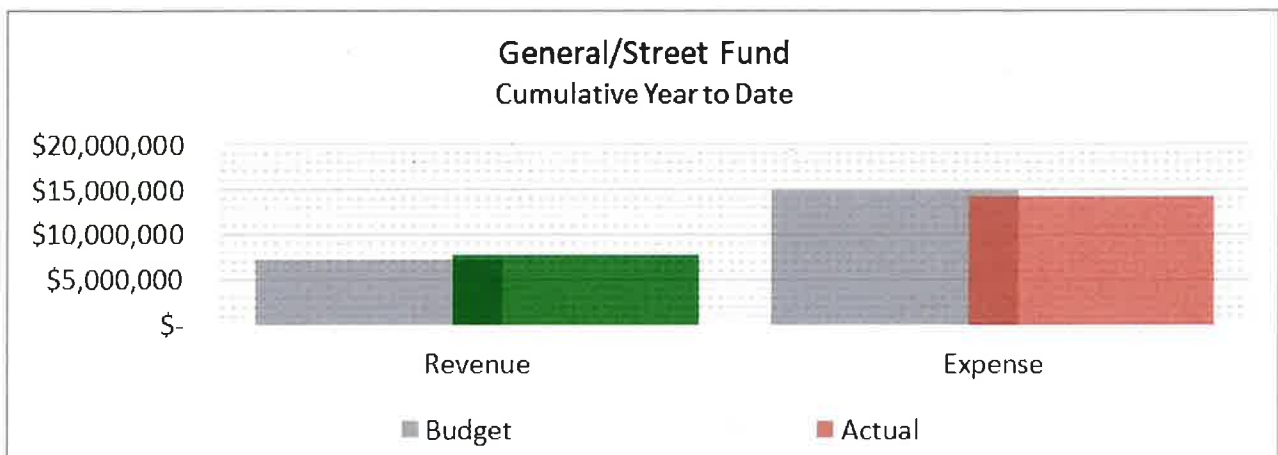
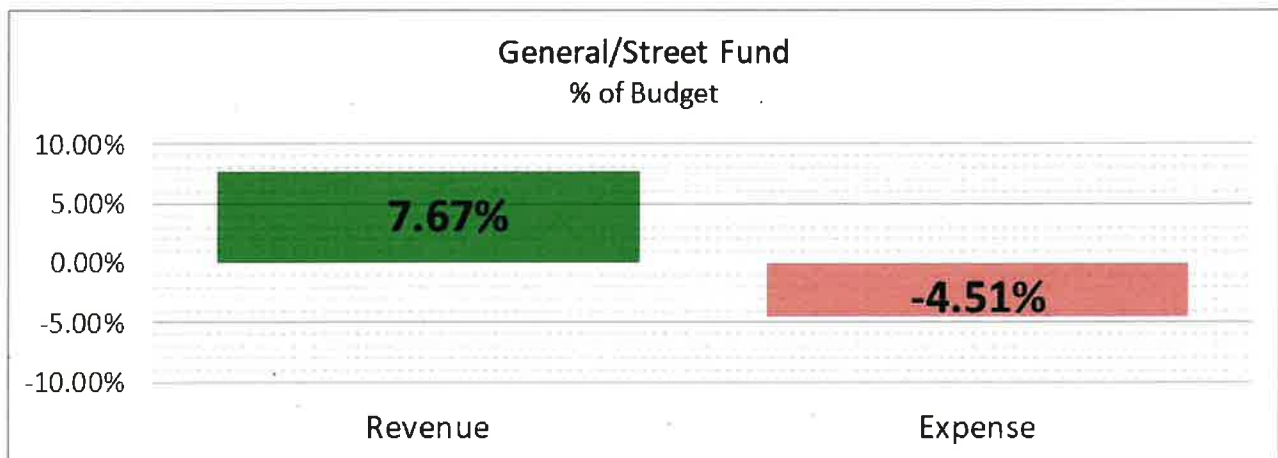
SUBJECT: Monthly Financial Report

This report is to brief you on monthly and year-to-date (YTD) revenues and expenses, compared to budget and prior year, on the city's cash and fund balance positions, and on the monthly investment performance, transactions and current holdings.

Generally, City's cash position continues to be strong, budgetary controls on expenditures are resulting in a slightly favorable variance and revenues are strongly positive.

General/Street Fund Summary:

Revenues & Transfers In are **favorable** to YTD budget of \$7.24M by \$0.56M or (7.7%).
Expenditures & Transfers Out are **favorable** to YTD budget of \$14.93M by \$0.67M or 4.5% primarily due to timing of ARPA spending.



Revenues and Expenditures:

General & Street Fund Financial Highlights

As detailed in the table below:

- Sales Tax revenue is trending favorably, \$0.07M or 2.1% above 2023 YTD budget, and \$0.41M or 13.8% above 2022 YTD collections. Retail sales and services are \$42K above 2022 YTD collections. This is an indicator of the health of the local economy.
- CD Permits & Fees revenue is trending favorably, \$0.53M or 64.1% above 2023 YTD budget, and \$0.63M or 88.1% above 2022 YTD collections.
- Total Expenditures & Transfer Out is below YTD budget by \$0.67M, but \$1.67M or 13.3% above 2022 YTD actuals. Expenditures are trending back to pre-pandemic levels. Compared to YTD budget, expenditures have been trending favorably, primarily due to timing of community service grant payments, filling of Police Department vacant positions, and timing of expenditures for ARPA spending.

GENERAL & STREET FUND SUMMARY	2022			2023			YTD Budget vs. Actual	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	Favorable/(Unfavorable)	
							\$	%
Beginning Fund Balance	\$21,339,329	\$21,339,329	\$21,339,329	\$12,626,515	\$12,626,515	\$27,859,862	n/a	n/a
Revenues:								
Covid-19/American Rescue Plan (ARPA) Grants	9,608,443	9,608,443	-	-	-	-	-	n/a
Sales Tax	18,349,755	19,204,963	2,937,556	19,825,000	3,272,719	3,342,668	69,949	2.1%
Property Taxes	11,357,280	11,590,675	625,440	11,761,639	634,665	573,134	(61,532)	-9.7%
State Shared Revenue	3,022,000	3,126,093	405,390	3,153,260	408,913	392,081	(16,832)	-4.1%
CD Permits & Fees	2,564,111	4,040,385	720,289	3,586,285	825,733	1,355,034	529,301	64.1%
Business License Fees	622,000	724,126	175,542	652,900	209,084	192,874	(16,210)	-7.8%
Admissions Tax	306,513	834,953	59,327	339,265	84,816	41,248	(43,568)	-51.4%
Other Revenues	11,678,849	12,541,936	1,352,397	12,606,713	1,803,909	1,898,084	94,175	5.2%
Transfers in from Other Funds to support operations	7,356,718	7,268,912	-	7,688,429	-	-	-	n/a
Total Revenues & Transfer In	64,865,669	68,940,486	6,275,940	59,613,491	7,239,840	7,795,123	555,283	7.7%
Total Expenditures & Transfer Out	76,102,125	62,419,954	12,582,144	62,547,898	14,930,334	14,256,567	673,767	4.5%
Total Ending Fund Balance	\$10,102,874	\$27,859,862	\$15,033,125	\$9,692,107	\$4,936,021	\$21,398,418	n/a	n/a

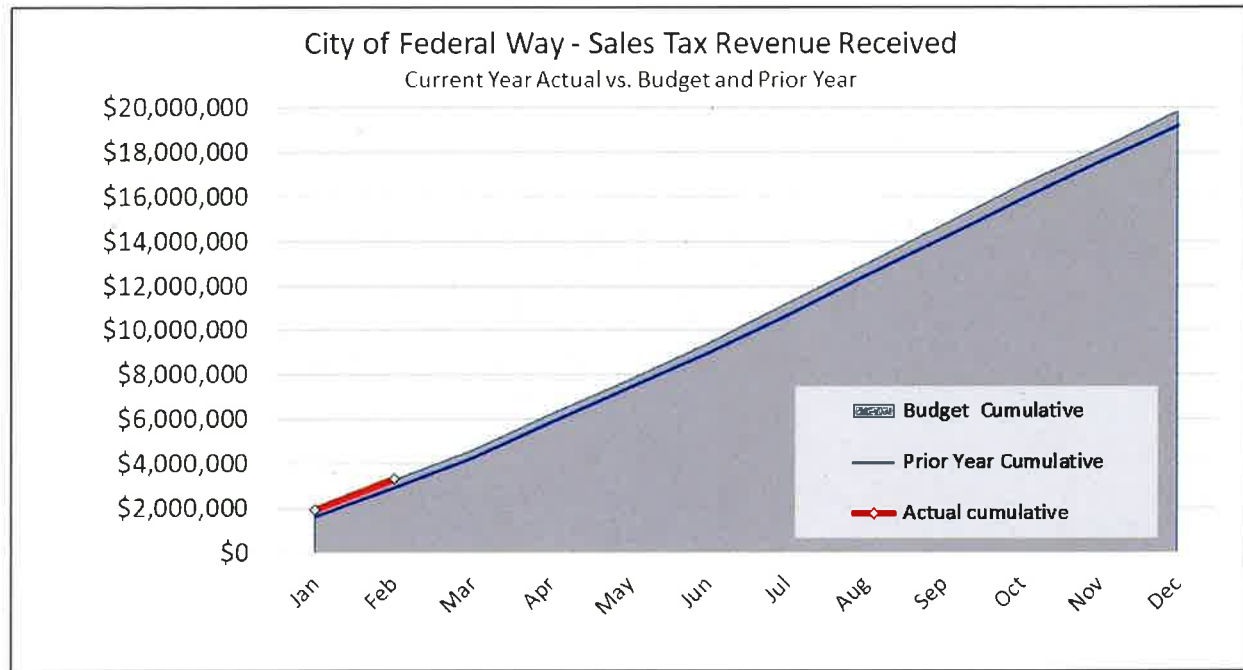
Other Fund Highlights

- Utility Tax revenue is trending favorably, \$0.47M or 15.7% above 2023 YTD budget, and \$0.12M or 3.7% above 2022 YTD actual. Utility tax on water/sewer and addition of 10% on solid waste services account for the increase.
- Real Estate Excise Tax (REET) is \$0.05M or 5.3% below 2023 YTD budget, and \$0.09M or 8.8% below 2022 YTD collections. This is an indicator of the Federal Way real estate market's volume and valuations.
- Expenditures & Transfer Out is favorable, \$1.14M or 21.1% below YTD budget, but \$0.86M above 2022 YTD actuals. The favorable variance to budget is primarily due to timing of arterial street overlay projects for residential streets, reduction in costs for city facilities due to activities not being at pre-pandemic levels.

OTHER SIGNIFICANT FUNDS OF NOTE	2022			2023			YTD Budget vs. Actual Favorable/(Unfavorable)	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	\$	%
Revenues:								
Utility Tax	10,584,294	11,858,892	2,283,452	11,830,565	1,801,815	2,357,235	555,419	30.8%
Utility Tax - Prop 1 Voter Package	3,093,312	3,460,473	677,681	3,360,436	635,571	687,678	52,107	8.2%
Utility Tax - Solid Waste 10%	2,000,000	2,310,053	373,428	2,200,000	550,000	411,842	(138,158)	-25.1%
Real Estate Excise Tax	4,421,454	5,117,985	969,262	5,521,000	933,043	883,660	(49,383)	-5.3%
Traffic Safety (Red Light/School Zone)	2,872,442	3,842,343	1,089,995	3,000,000	740,033	1,314,421	574,388	77.6%
Hotel/Motel Lodging Tax	150,000	281,845	32,707	293,000	40,037	32,946	(7,092)	-17.7%
Federal Way Community Center	1,690,875	1,762,013	309,713	1,930,875	482,719	327,574	(155,145)	-32.1%
Performing Arts & Event Ctr Operations	1,611,664	1,689,970	331,224	1,279,780	319,945	126,894	(193,051)	-60.3%
Dumas Bay Centre Fund	535,151	590,725	115,160	527,698	131,925	202,690	70,765	53.6%
Total Revenues	26,959,192	30,914,299	6,182,622	29,943,354	5,635,088	6,344,939	709,851	12.6%
Expenditures & Transfers Out:								
Utility Tax Support to Other Funds for operations	9,734,702	9,837,985	368,639	11,120,826	747,501	747,501	-	0.0%
Utility Tax Proposition 1 operations	4,170,275	4,126,995	952,107	4,471,873	1,117,968	870,888	247,080	22.1%
Solid Waste 10% Utility Tax - Residential Streets Overlay	3,418,862	2,098,307	5,363	2,200,000	550,000	83,884	466,116	84.7%
Real Estate Excise Tax Support to Debt and Capital Projects	5,989,440	5,989,440	-	7,055,343	-	-	-	n/a
Traffic Safety (Red Light/School Zone)	3,529,722	3,577,754	669,055	3,846,735	961,684	656,222	305,462	31.8%
Hotel/Motel Lodging Tax	155,000	20,598	11,675	65,000	16,250	5,000	11,250	69.2%
Jail Fund Services	2,644,584	2,871,371	314,742	2,500,000	625,000	754,988	(129,988)	-20.8%
Federal Way Community Center	2,756,334	2,590,528	490,462	2,279,893	569,973	552,205	17,768	3.1%
Performing Arts & Event Ctr Operations	2,631,641	2,631,378	439,888	2,483,359	620,840	425,520	195,320	31.5%
Dumas Bay Centre Fund	1,000,110	845,470	152,799	764,097	191,024	167,121	23,904	12.5%
Total Expenditures & Transfers Out	36,030,671	34,589,825	3,404,730	36,787,126	5,400,240	4,263,329	1,136,911	21.1%
Ending Fund Balance								
Utility Tax (non-Prop 1)	3,385,633	4,643,952	5,503,009	4,789,743	-	6,253,687	n/a	n/a
Utility Tax - Prop 1 Voter Package	1,263,680	1,570,838	1,000,246	1,000,000	-	1,387,626	n/a	n/a
Utility Tax - Solid Waste 10%	-	1,632,177	1,788,934	152,012	-	1,960,136	n/a	n/a
Real Estate Excise Tax Fund	2,546,600	3,216,754	5,058,898	2,576,557	-	4,100,414	n/a	n/a
Traffic Safety Fund	2,124,096	2,445,301	2,556,298	2,262,418	-	3,103,504	n/a	n/a
Hotel/Motel Lodging Tax	1,605,161	1,867,690	1,625,816	1,948,995	-	1,895,636	n/a	n/a
Jail Fund	-	7,486	674	0	-	2	n/a	n/a
Federal Way Community Center	1,500,393	1,737,337	1,500,336	1,500,000	-	1,512,706	n/a	n/a
Performing Arts & Event Ctr Operations	873,587	873,646	764,926	446,111	-	575,021	n/a	n/a
Dumas Bay Centre Fund	1,500,001	1,710,216	1,501,541	1,524,598	-	1,745,785	n/a	n/a
Total Ending Fund Balance	\$14,799,148	\$19,705,398	\$21,300,678	\$16,200,435	\$-	\$22,534,519	n/a	n/a

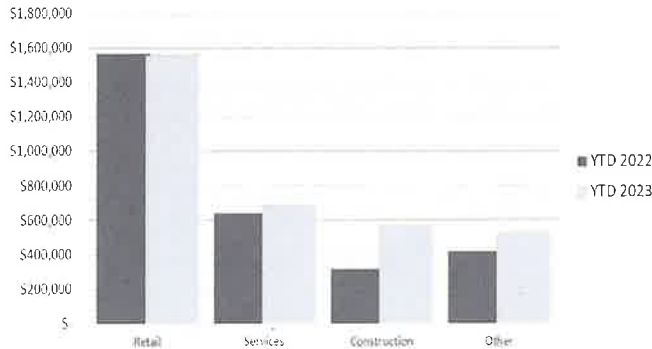
Sales Tax

Revenues are above 2022 YTD actual by \$0.41M or 13.8%, and above 2023 YTD budget by \$0.07M or 2.1%. The sales tax collected for transactions at point of sale is remitted to the City from the State on a two-month lag, after retailers remit to State the first month.

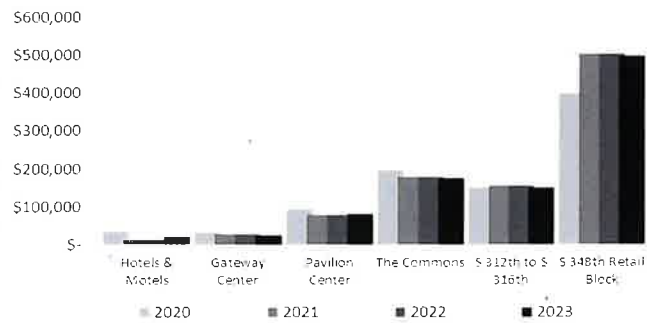


LOCAL RETAIL SALES TAX REVENUES							
YTD March							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
Jan	1,653,281	\$ 1,875,011	\$ 1,917,113	\$ 263,832	16.0%	\$ 42,102	2.2%
Feb	1,284,275	1,397,709	1,425,556	141,280	11.0%	27,847	2.0%
Mar	1,314,196	1,327,417	-	-	-	-	-
Apr	1,636,738	1,648,748	-	-	-	-	-
May	1,556,411	1,540,677	-	-	-	-	-
Jun	1,534,290	1,625,228	-	-	-	-	-
Jul	1,679,199	1,795,564	-	-	-	-	-
Aug	1,785,214	1,777,795	-	-	-	-	-
Sep	1,757,829	1,749,381	-	-	-	-	-
Oct	1,721,219	1,800,168	-	-	-	-	-
Nov	1,649,918	1,652,543	-	-	-	-	-
Dec	1,632,393	1,634,761	-	-	-	-	-
YTD Total	\$ 2,937,556	\$ 3,272,719	\$ 3,342,668	\$ 405,112	13.8%	\$ 69,949	2.1%
Annual Total	\$ 19,204,963	\$ 19,825,000	n/a	n/a	n/a	n/a	n/a

City of Federal Way
Sales Tax Revenue Comparison by Group



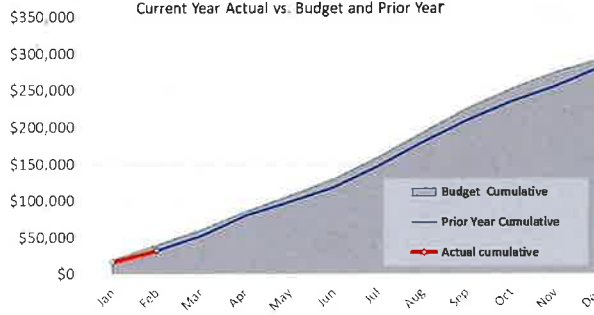
City of Federal Way
YTD Sales Tax Revenue Comparison by Location



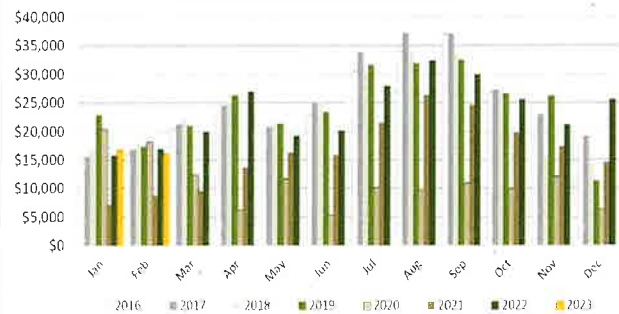
Hotel/Motel Lodging Tax

Revenues are favorable, on target with 2022 YTD actuals, but below 2023 YTD budget by \$7K or 17.7%. The travel, tourism, and hospitality industry was significantly impacted by COVID-19, but has nearly returned to pre-pandemic levels.

City of Federal Way - Lodging Tax Revenue Received
Current Year Actual vs. Budget and Prior Year



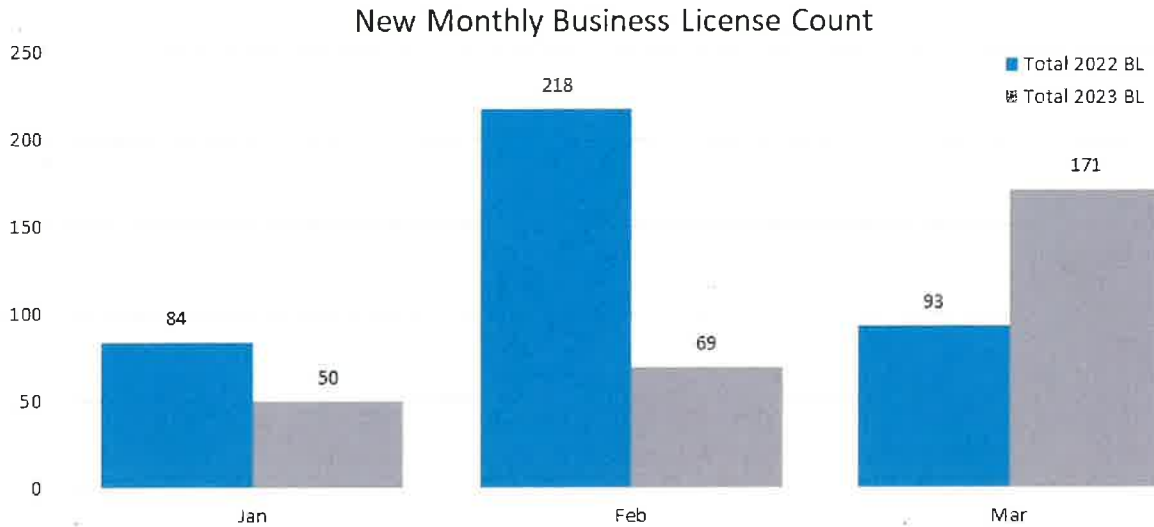
City of Federal Way
Historical Lodging Tax Remittances by Month



HOTEL/MOTEL LODGING TAX REVENUES							
Year-to-date thru March							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
Jan	\$ 15,770	\$ 20,487	\$ 16,787	\$ 1,017	6.4%	\$ (3,701)	-18.1%
Feb	16,937	19,550	16,159	(778)	-4.6%	(3,391)	-17.3%
Mar	19,965	21,018	-	-	-	-	-
Apr	26,925	24,210	-	-	-	-	-
May	19,237	22,229	-	-	-	-	-
Jun	20,135	22,154	-	-	-	-	-
Jul	28,005	29,972	-	-	-	-	-
Aug	32,422	33,167	-	-	-	-	-
Sept	30,027	32,614	-	-	-	-	-
Oct	25,640	26,984	-	-	-	-	-
Nov	21,186	22,800	-	-	-	-	-
Dec	25,598	17,814	-	-	-	-	-
YTD Total	\$ 32,707	\$ 40,037	\$ 32,946	\$ 239	0.7%	\$ (7,092)	-17.7%
Annual Total	\$ 281,845	\$ 293,000	n/a	n/a	n/a	n/a	n/a

Business License Fees

Revenues are above 2022 YTD actual by \$17K or 9.9%, but below 2023 YTD budget by \$16K or 7.8%.



*excludes outside contractor businesses

Business License Revenue							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
Jan	\$ 52,893	\$ 101,359	\$ 62,005	9,113	17.2%	(39,354)	-38.8%
Feb	50,062	62,138	44,674	(5,388)	-10.8%	(17,464)	-28.1%
Mar	72,588	45,587	86,195	13,608	18.7%	40,608	89.1%
Apr	58,647	49,891	-	-	-	-	-
May	65,452	35,550	-	-	-	-	-
Jun	70,861	71,348	-	-	-	-	-
Jul	52,477	45,887	-	-	-	-	-
Aug	74,576	53,013	-	-	-	-	-
Sep	55,100	46,162	-	-	-	-	-
Oct	53,193	32,946	-	-	-	-	-
Nov	64,265	41,114	-	-	-	-	-
Dec	54,014	67,904	-	-	-	-	-
YTD Total	\$ 175,542	\$ 209,084	\$ 192,874	17,332	9.9%	(16,210)	-7.8%
Annual Total	\$ 724,126	\$ 652,900	n/a	n/a	n/a	n/a	n/a

Community Development Permit Activity

Revenues are above 2022 YTD actual by \$635K or 88.1%, and above 2023 YTD budget by \$0.53M or 64.1%.

Annual Total

2017 - \$2,019,477

2018 - \$2,595,395

2019 - \$4,546,432

2020 - \$1,964,825

2021 - \$3,229,113

2022 - \$4,040,385

BUILDING & LAND USE PERMITS AND FEES (CD)							
Year-to-date thru March							
Month	2022 Actual	2023		Change from 2022		Favorable/(Unfavorable)	
		Budget	Actual	\$	%	YTD Actual vs Budget \$	%
Jan	198,005	224,348	213,046	15,041	7.6%	(11,302)	-5.0%
Feb	245,722	320,583	546,470	300,749	122.4%	225,888	70.5%
Mar	276,562	280,803	595,518	318,956	115.3%	314,715	112.1%
Apr	282,554	313,185	-	-	-	-	-
May	286,805	366,145	-	-	-	-	-
Jun	327,552	262,919	-	-	-	-	-
Jul	184,861	264,217	-	-	-	-	-
Aug	420,209	341,080	-	-	-	-	-
Sept	441,542	303,252	-	-	-	-	-
Oct	412,259	318,802	-	-	-	-	-
Nov	476,608	301,382	-	-	-	-	-
Dec	487,707	289,570	-	-	-	-	-
YTD Total	\$ 720,289	\$ 825,733	\$ 1,355,034	\$ 634,745	88.1%	\$ 529,301	64.1%
Annual Total	\$ 4,040,385	\$ 3,586,285	n/a	n/a	n/a	n/a	n/a

Real Estate Excise Tax

Revenues are below 2022 YTD actual by \$0.09M or 8.8%, and below 2023 YTD budget by \$0.05M or 5.3%. March 2023 activities include 116 real estate transactions. There were 114 taxable residential sales (total sales \$55.5M / \$275K tax) and 2 commercial sales.

REAL ESTATE EXCISE TAX REVENUES							
Year-to-date thru March							
Month	2022 Actual	2023		Change from 2022		Favorable/(Unfavorable)	
		Budget	Actual	\$	%	YTD Actual vs Budget \$	%
Jan	\$ 241,514	\$ 244,931	\$ 192,302	\$ (49,213)	-20.4%	\$ (52,630)	-21.5%
Feb	269,472	352,972	253,046	(16,426)	-6.1%	(99,926)	-28.3%
Mar	458,276	335,140	438,312	(19,964)	-4.4%	103,172	30.8%
Apr	489,224	427,888	-	-	-	-	-
May	927,268	505,047	-	-	-	-	-
Jun	544,704	483,411	-	-	-	-	-
Jul	653,733	481,686	-	-	-	-	-
Aug	419,157	622,350	-	-	-	-	-
Sep	406,732	417,540	-	-	-	-	-
Oct	286,728	452,775	-	-	-	-	-
Nov	247,639	342,962	-	-	-	-	-
Dec	173,537	854,298	-	-	-	-	-
YTD Total	969,262	933,043	883,660	(85,602)	-8.8%	(49,383)	-5.3%
Annual Total	\$ 5,117,985	\$ 5,521,000	n/a	n/a	n/a	n/a	n/a

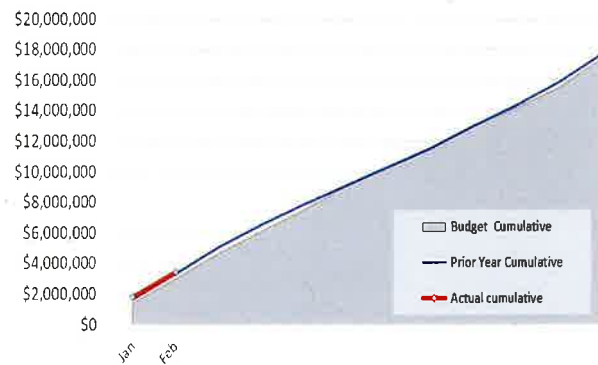
Utility Tax

Revenues are above 2022 YTD actual by \$0.12M or 3.7%, and above 2023 YTD budget by \$0.47M or 15.7%, due to increase in water/sewer utility tax, and additional 10% on solid waste services. The utility tax collected by utility companies is remitted to city on a 2-month lag.

UTILITY TAXES							
Year-to-date thru March							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$ Var	% Var	\$ Var	% Var
Jan	\$ 1,692,180	\$ 1,435,012	\$ 1,807,080	\$ 114,900	6.8%	\$ 372,068	25.9%
Feb	1,642,378	1,552,872	1,650,189	7,811	0.5%	97,317	6.3%
Mar	1,755,285	1,650,233	-	-	-	-	-
Apr	1,413,785	1,485,650	-	-	-	-	-
May	1,389,291	1,377,315	-	-	-	-	-
Jun	1,213,829	1,562,311	-	-	-	-	-
Jul	1,260,575	1,239,420	-	-	-	-	-
Aug	1,221,401	1,171,241	-	-	-	-	-
Sept	1,459,563	1,488,061	-	-	-	-	-
Oct	1,275,498	1,235,293	-	-	-	-	-
Nov	1,507,296	1,292,058	-	-	-	-	-
Dec	1,800,115	1,903,843	-	-	-	-	-
YTD Subtotal	\$ 3,334,558	\$ 2,987,884	\$ 3,457,269	\$ 122,711	3.7%	\$ 469,385	15.7%
Rebate	-	(498)	(515)	(515)	0.0%	(17)	3.4%
YTD Total	\$ 3,334,558	\$ 2,987,386	\$ 3,456,754	\$ 122,196	3.7%	\$ 469,368	15.7%
Annual Total	\$ 16,992,709	\$ 17,391,000	n/a	n/a	n/a	n/a	n/a

UTILITY TAXES - by Type				
Year-to-date thru March				
Utility Type	2022 Actual	2023 Actual	Favorable/(Unfavorable) Change from 2022	
			\$	%
Electric	\$ 1,301,953	\$ 1,165,798	\$ (136,155)	-10.5%
Gas	512,270	\$ 575,357	63,087	12.3%
Water/Sewer	377,451	515,662	138,211	36.6%
Solid Waste	289,406	319,178	29,771	10.3%
Solid Waste - 10%	373,428	411,842	38,415	n/a
Cable	270,185	263,873	(6,312)	-2.3%
Other	209,865	205,559	(4,306)	-2.1%
Tax Rebate	-	(515)	(515)	n/a
YTD Total	\$ 3,334,558	\$ 3,456,754	\$ 122,196	3.7%

City of Federal Way - Utility Tax Revenue Received



The City has a utility tax rebate program that opens January 1st and closes May 31st of each year for qualifying low-income residents. The City processed 41 rebates in 2021, for a total of \$2,310. The City processed 24 rebates in 2022 for \$1,305. The city has processed 11 rebates for a total of \$515 in 2023.

The 2023 rebate program has been posted to the city website and information material has been distributed to known past users and communicated to those who can relay to potential new ones.

Proposition 1 Voter-Approved Utility Tax

Revenues are above 2023 YTD budget by \$0.05M or 8.2%. The increase in collections is due to a decrease in water/sewer utility tax.

PROP 1 Utility Tax Fund	2022		2023			YTD Budget vs. Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	Budget	YTD Budget	YTD Actual	\$	%
Beginning Balance:	1,263,679	1,263,679	1,612,395	\$ 1,612,395	1,570,837	(41,558)	-2.6%
Total Prop 1 Revenues:	3,093,312	\$ 3,460,474	3,360,436	\$ 635,571	\$ 687,677	\$ 52,107	8.2%
Transfer in from Utility Tax Fund	1,076,964	973,681	499,042	\$ -	-	-	#DIV/0!
Public Safety Improvement Positions & Costs:							
Police Services (includes 1 Records Specialist, 16 Police Officers, & 2 Lieutenants)	2,832,128	2,687,253	2,974,715	\$ 743,679	651,502	92,177	12.4%
Court Services (includes .50 Judge, 1 Court Clerk, and Pro Tem Pay, Public Defender contract, 1.5 Prosecutors)	1,038,769	1,196,054	1,163,732	\$ 290,933	139,263	151,670	52.1%
Total Public Safety Improvement Costs	3,870,898	3,883,307	4,138,447	\$ 1,034,612	790,765	243,847	23.6%
Community Safety Program Costs:							
1 Code Enforcement Officer	109,114	113,446	120,465	\$ 30,116	30,647	(531)	-1.8%
.5 Assistant City Attorney	85,462	54,895	94,411	\$ 23,603	18,296	5,306	22.5%
1 Parks Maintenance Worker I & Security	104,802	75,349	118,550	\$ 29,638	31,181	(1,543)	-5.2%
Total Community Safety Improvement Costs	299,378	243,689	333,427	83,357	80,124	3,232	3.9%
Total Prop 1 Expenditures:	4,170,275	4,126,996	4,471,873	\$ 1,117,968	870,889	247,080	22.1%
Total Ending Fund Balance:	\$ 1,263,679	\$ 1,570,837	\$ 1,000,000	\$ 1,129,997	\$ 1,387,626	\$ (257,628)	-22.8%

Traffic Safety – Red Light / School Zone

Revenues are above 2023 YTD budget by \$0.57M or 77.6%, and above 2022 YTD actual by \$0.22M or 20.6%.

Traffic Safety Fund - Red Light Photo Revenue							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
Jan	\$ 344,394	\$ 257,240	\$ 305,897	\$ (38,497)	-11.2%	\$ 48,657	18.9%
Feb	338,105	238,078	425,952	87,847	26.0%	\$ 187,874	78.9%
Mar	407,496	244,716	582,573	175,077	43.0%	\$ 337,857	138.1%
Apr	337,133	254,512	-	-	-	\$ -	-
May	322,696	252,245	-	-	-	\$ -	-
Jun	366,055	301,935	-	-	-	\$ -	-
Jul	271,128	278,487	-	-	-	\$ -	-
Aug	330,043	196,829	-	-	-	\$ -	-
Sep	256,120	194,867	-	-	-	\$ -	-
Oct	265,625	257,518	-	-	-	\$ -	-
Nov	319,241	295,874	-	-	-	\$ -	-
Dec	284,307	227,700	-	-	-	\$ -	-
YTD Total	\$ 1,089,995	\$ 740,033	\$ 1,314,421	\$ 224,426	20.6%	\$ 574,388	77.6%
Annual Total	\$ 3,842,343	\$ 3,000,000	n/a	n/a	n/a	n/a	n/a

Traffic Safety Fund pays for 1 Lieutenant, 8 Police Officers, 3 City Traffic positions, Municipal Court security services, red light photo services, Valleycomm emergency communication services, School Zone Enhancements capital improvement projects, and patrol vehicles.

Police Department Overtime

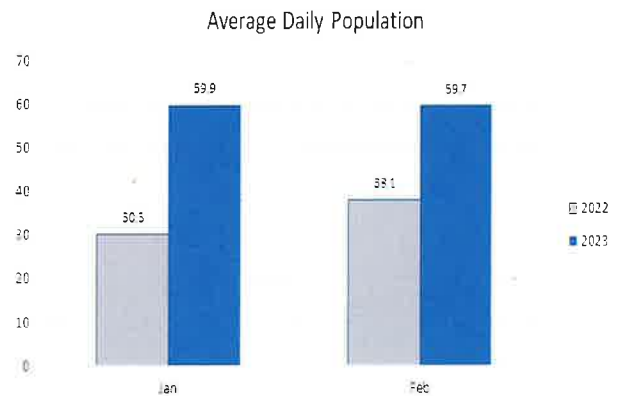
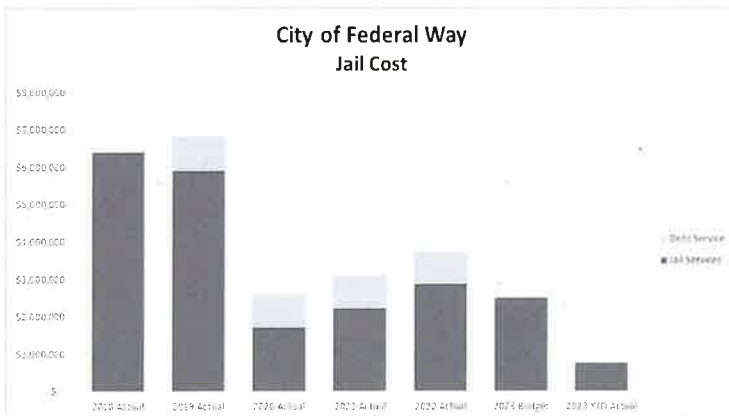
March PD overtime is \$21K below 2022 YTD actual.

The City's portion (unbillable) is \$0.16M or 68.4% above YTD budget, and is funded entirely by PD vacancies.

Overtime incurred is primarily due to service required for special events, shift call-in, shift extension, and special emphasis proactive activities.

PD Overtime by Month Year-to-date thru March							
Month	2022 Actual	2023		(Favorable)/Unfavorable		YTD Actual vs Budget	
		Budget	Actual	Change from 2022		\$	%
				\$	%		
Jan	\$ 145,407	\$ 85,627	\$ 116,488	\$ (28,919)	-19.9%	\$ 30,861	36.0%
Feb	150,708	75,667	142,906	(7,802)	-5.2%	67,239	88.9%
Mar	151,497	70,419	130,707	(20,790)	-13.7%	60,288	85.6%
Apr	137,102	79,909	-	-	-	-	-
May	135,111	92,139	-	-	-	-	-
Jun	133,057	78,666	-	-	-	-	-
Jul	171,487	127,159	-	-	-	-	-
Aug	138,911	85,169	-	-	-	-	-
Sep	147,445	80,227	-	-	-	-	-
Oct	119,010	94,443	-	-	-	-	-
Nov	134,420	93,601	-	-	-	-	-
Dec	127,130	92,573	-	-	-	-	-
City Portion	447,612	231,714	390,101	(57,511)	-12.8%	158,387	68.4%
Billable	112,016	66,842	110,383	(1,634)	-1.5%	43,541	65.1%
YTD Total	\$ 559,629	\$ 298,556	\$ 500,484	\$ (59,145)	-10.6%	\$ 201,928	67.6%
Billable	\$ 309,877	\$ 265,535	\$ -	\$ -	-	\$ -	-
Annual Total	\$ 2,113,178	\$ 1,387,975	n/a	n/a	n/a	n/a	n/a

Jail Services



Jail and Alternatives to Confinement							
	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023	
						Annual Budget	YTD Actual
Total Jail Operations	\$6,417,479	\$5,932,095	\$1,712,883	\$ 2,223,602	\$2,871,368	\$ 2,500,000	\$ 754,988
Debt Service Payments for SCORE Jail	-	889,718	847,566	851,925	852,425	851,925	-
Total Jail Cost	\$6,417,479	\$6,821,813	\$2,560,449	\$ 3,075,527	\$3,723,793	\$ 3,351,925	\$ 754,988

The City maintains multiple contracts with other governmental agencies for its jail services, after it discontinued its owner relationship with SCORE Jail in December 2019. The budgeted average daily population (ADP) is 70, and average ADP was 59.8 for the first two months.

The City continues to be liable for its portion of the debt service on the SCORE building. The total remaining principal debt the City owes as of 12/31/2022 for SCORE is \$9,765,000, and continues to be reduced by principal payments of about \$0.9 million a year.

Federal Way Community Center

Revenues are below 2023 YTD budget by \$0.16M or 32.1%, but above 2022 YTD actual by \$0.02M, primarily due to slowly coming back to pre-pandemic levels, and the pool closure.

Expenditures are \$0.02M or 3.1% below the 2023 YTD budget.

Community Center remaining building construction debt service principal as of 12/31/2022 was \$7.73M.

Federal Way Community Center as of 03/31/2023	2022			2023			YTD Budget vs Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	\$	%
Beginning Fund Balance	\$ 1,502,625	\$ 1,502,625	\$ 1,502,625	\$ 980,517	\$ 980,517	\$ 1,737,337	n/a	n/a
Total Revenues	1,690,875	1,762,013	309,713	1,930,875	482,719	327,574	(155,145)	-32.1%
Total Expenditures	2,756,334	2,590,528	490,462	2,279,893	569,973	552,205	17,768	3.1%
Revenues Over / (Under) Expenditures	(1,065,459)	(828,515)	(180,748)	(349,018)	(87,255)	(224,631)	(137,377)	157.4%
Recovery Ratio	61.3%	68.0%	63.1%	84.7%	84.7%	59.3%	n/a	n/a
Total Transfer In from General Fund/Utility Tax	1,063,227	1,063,227	178,459	868,501	-	-	-	n/a
Ending Fund Balance	\$ 1,500,392	\$ 1,737,337	\$ 1,500,336	\$ 1,500,000	\$ 893,263	\$ 1,512,706	\$ 619,443	69.3%
Debt Service Payments	820,123	820,423	820,423	822,123	-	-	-	n/a
Debt Service Refunding	-	-	-	-	-	-	-	n/a
Total FWCC Cost	\$ 3,576,457	\$ 3,410,951	\$ 1,310,885	\$ 3,102,016	\$ 569,973	\$ 552,205	\$ 17,768	3.1%
Total City Support	\$ 1,883,350	\$ 1,883,650	\$ 998,882	\$ 1,690,624	\$ -	\$ -	-	-

Dumas Bay Centre

Revenues are above 2023 YTD budget by \$0.07M or 53.6%, and above 2022 YTD actual by \$0.09M. The facility reopened as of the beginning of August 2021.

Expenditures are \$0.02M or 12.5% below 2023 YTD budget of \$0.2M.

Dumas Bay Centre Fund as of 03/31/2023	2022			2023			YTD Budget vs Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	\$	%
Beginning Fund Balance	\$1,500,001	\$1,500,001	\$1,500,000	\$1,132,849	\$1,132,849	\$1,710,216	n/a	n/a
Total Revenues	535,151	590,725	115,160	527,698	131,925	202,690	70,765	53.6%
Total Expenses	1,000,110	845,470	152,799	764,097	191,024	167,121	23,904	12.5%
Revenues Over/(Under) Expenses	(464,959)	(254,744)	(37,639)	(236,399)	(59,100)	35,569	94,669	-160.2%
Recovery Ratio	53.51%	69.87%	75.37%	69.06%	69.06%	121.28%	n/a	n/a
Total Transfer In	464,959	464,959	39,180	628,148	157,037	-	(157,037)	-100.0%
Ending Fund Balance	\$1,500,000	\$1,710,216	\$1,501,541	\$1,524,599	\$1,230,787	\$1,745,785	\$514,999	41.8%

Performing Arts & Event Center Operations (PAEC)

Revenues are below 2023 YTD budget by \$0.19M or 12.0% primarily due to the facility reopening, and operations slowly coming back to pre-pandemic levels.

Expenditures are \$0.20M or 7.4% below the YTD budget.

Performing Arts & Event Center remaining building construction debt service principal as of 12/31/2022 was \$5.58M.

116 Performing Arts & Event Center Operations (PAEC)	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	YTD Budget	2023 YTD Actual	YTD Budget vs. Actual Favorable/(Unfavorable)
Beginning Balance	177,413	477	(447,382)	(110,546)	-	873,590	541,702	541,702	873,647	\$ - %
Total Revenue	323,827	553,529	1,410,377	591,162	1,443,088	1,689,970	1,279,780	319,946	126,894	(193,051) -12.0%
Total Transfer In from Utility Tax/General Fund	694,703	626,762	1,516,000	972,310	1,083,942	941,464	1,107,987	276,997	-	(276,997) -27.2%
Total Expenditures	1,195,466	1,628,150	2,589,541	1,462,916	1,553,440	2,631,377	2,483,359	620,840	426,520	195,320 7.4%
Total PAEC Operation Balance	\$ 477	\$ (447,382)	\$ (110,546)	\$ 0	\$ 873,590	\$ 873,647	\$ 446,111	\$ 517,804	\$ 575,022	\$ 57,217 na
Debt Service Payments	-	-	-	538,247	553,255	781,330	772,320	32,013	32,013	- -
Total PAEC Cost	\$ 1,195,466	\$ 1,628,150	\$ 2,589,541	\$ 1,991,163	\$ 2,206,695	\$ 3,412,707	\$ 3,256,679	\$ 652,863	\$ 457,533	\$ 195,320 5.7%
Total City Support	\$ 1,810,557	\$ 1,637,197	\$ 1,722,794	\$ 1,880,307	\$ 309,010	\$ 32,013	\$ 276,997	15.4%		

Fund Activity Summary

Fund #/Fund Name	Begin Balance 1/1/2023	YTD Revenues	YTD Expenditures	YTD Net Income/(loss)	Ending Balance 03/31/2023*	Required Fund Balance
001/101 General/Street Fund**	\$ 27,859,856	\$ 7,795,123	14,256,563	\$ (6,461,441)	\$ 21,398,415	\$ 9,500,000
<i>Special Revenue Funds:</i>						
102 Arterial Street	999,047	76,893	108,518	(31,625)	967,422	100,000
103 Utility Tax (*)	4,643,952	2,357,237	747,501	1,609,736	6,253,687	1,500,000
104 Affordable & Supportive Housing Sales Tax	147,938	23,743	-	23,743	171,680	-
106 Solid Waste & Recycling	395,438	106,538	134,970	(28,432)	367,006	-
107 Special Contracts/Studies Fund	987,117	-	-	-	987,117	-
109 Hotel/Motel Lodging Tax	1,867,690	32,946	5,000	27,946	1,895,636	200,000
111 Federal Way Community Center	1,737,337	327,574	552,205	(224,631)	1,512,706	1,500,000
112 Traffic Safety Fund	2,445,305	1,314,421	656,222	658,199	3,103,504	1,200,000
113 Real Estate Excise Tax Fund	3,216,755	883,660	-	883,660	4,100,414	2,000,000
114 Prop 1 Utility Tax	1,570,837	687,678	870,889	(183,211)	1,387,626	1,000,000
115 Performing Arts & Event Ctr Operations	873,647	126,894	425,520	(298,625)	575,021	-
116 Solid Waste 10% Utility Tax	1,632,178	411,842	83,884	327,958	1,960,136	-
119 CDBG	25,107	(17,746)	81,940	(99,687)	(74,580)	-
120 Path & Trails	1,888,280	1,460	-	1,460	1,889,739	-
121 Technology	459,967	98,075	19,362	78,713	538,680	-
122 Jail Fund	7,487	747,501	754,988	(7,487)	0	-
188 Strategic Reserve Fund	3,001,354	-	-	-	3,001,354	3,000,000
189 Parks Reserve Fund	1,132,882	-	-	-	1,132,882	1,125,000
Subtotal Special Revenue Funds	27,032,318	7,178,714	4,440,999	2,737,714	29,770,032	\$11,625,000
201 Debt Service Fund	(1,367,880)	-	32,013	(32,013)	(1,399,893)	-
<i>Capital Project Funds:</i>						
301 Downtown Redevelopment	4,498,575	1,634	-	1,634	4,500,209	-
302 Municipal Facilities	175,412	-	-	-	175,412	-
303 Parks	2,031,573	81,850	7,820	74,030	2,105,603	-
304 Surface Water Management	4,570,034	-	28,250	(28,250)	4,541,784	-
306 Transportation	15,937,599	(536,370)	889,248	(1,425,618)	14,511,981	-
307 Capital Project Reserve Fund	370,253	-	-	-	370,253	-
Subtotal Capital Project Funds	27,583,447	(452,886)	925,319	(1,378,204)	26,205,243	-
<i>Enterprise Funds:</i>						
401 Surface Water Management	4,510,546	356,703	840,223	(483,520)	4,027,026	690,000
402 Dumas Bay Centre Fund	1,710,216	202,690	167,121	35,569	1,745,785	1,500,000
Subtotal Enterprise Funds	6,220,762	559,393	1,007,344	(447,951)	5,772,811	\$ 2,190,000
<i>Internal Service Funds</i>						
501 Risk Management	1,516,609	608,319	1,906,306	(1,297,987)	218,622	600,000
502 Information Systems	4,259,029	826,827	786,162	40,666	4,299,695	-
503 Mail & Duplication	279,133	34,629	17,790	16,839	295,972	-
504 Fleet & Equipment	8,545,676	780,119	602,967	177,152	8,722,828	-
505 Buildings & Furnishings	2,114,858	182,025	116,048	65,977	2,180,835	2,000,000
506 Health Self Insurance Fund	3,659,129	1,275,497	1,447,728	(172,231)	3,486,898	-
507 Unemployment Insurance Fund	252,016	-	-	-	252,016	250,000
Subtotal Internal Service Funds	20,626,449	3,707,417	4,877,001	(1,169,585)	19,456,864	\$ 2,850,000
Total All Funds	\$ 107,954,951	\$ 18,787,761	\$ 25,539,239	\$ (6,751,479)	\$ 101,203,473	\$ 26,165,000

Monthly Treasury Positions and Activity

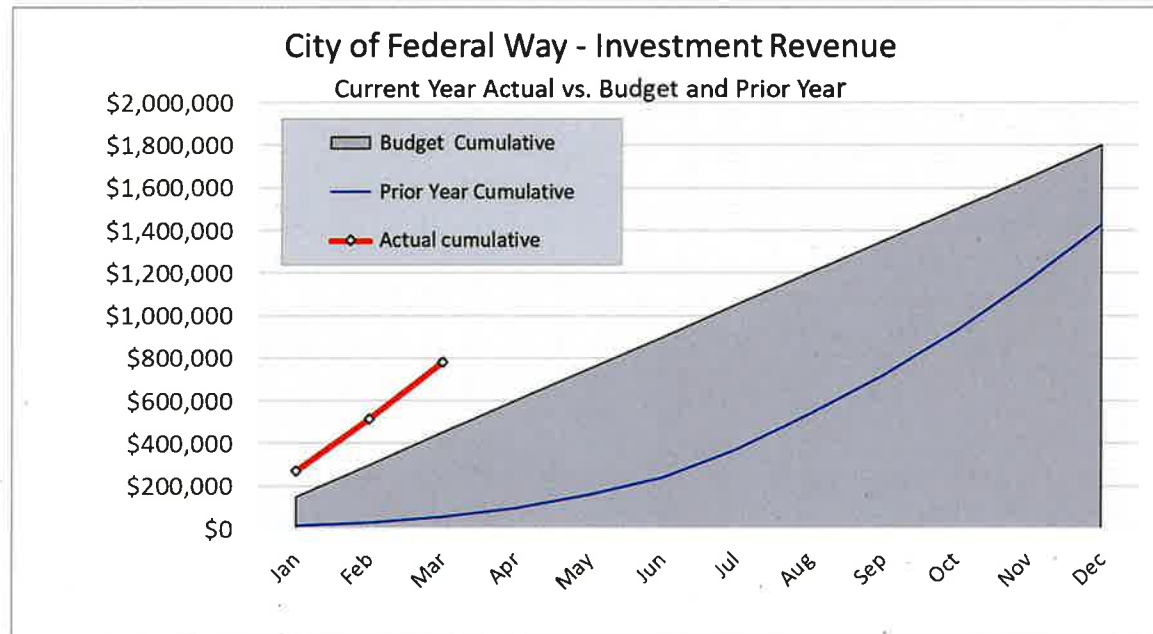
This monthly report of all investment transactions to the city council via FEDRAC complies with RCW 35.39.032. The following pages provide a summary of the current investment portfolio holdings and the individual transactions and activity during the month.

Portfolio Yield: The City's total annualized yield was 2.7%. The City's position in LGIP was \$40.3 million with a 3.0% yield and the laddered portfolio was \$55 million with a 2.5% yield.

	Face Value	Cost	Yield %	Annual Yield \$	Coupon Yield %
City Portfolio:	55,000,000	53,810,672	2.494%	1,371,645	
State Investment Pool:	40,285,561	40,285,561	2.985%	1,202,430	
Total:	\$ 95,285,561	\$ 94,096,233	2.701%	\$ 2,574,075	

Interest Revenue Compared to Budget and Prior Year

Year-to-date interest revenue through March of \$780,000 exceeds budget of \$450,000 by \$330,000 or 73% and exceeds prior year by \$726,000 or 1,335%. Interest for the month was \$265,000.



The following summary is provided by our third-party custodian, US Bank, and summarizes both the ending position and the activity within the month:



Acct Name: CITY OF FEDERAL WAY	SUMMARY - USD	Page 1
Acct Number: XXXXXX033		For period 03/01/2023 - 03/31/2023

ACTIVITY - Settled/Cleared Cash Activity

Transaction Type	Amount
Purchases	0.00
Purchase Reversals	0.00
Sales	0.00
Sale Reversals	0.00
Withdrawals	0.00
Receipts	(2,985,967.42)
Deliveries	0.00
Principal Reversals	0.00
Interest	91,750.00
Interest Reversals	0.00
Interest Adjustments	0.00
Maturities	1,000,000.00
Calls	0.00
Puts	0.00
Paydowns	0.00
Paydown Adjustments	0.00
Payups	0.00
Payup Adjustments	0.00
Cash Dividends	0.00
Balance Changes	0.00
Stock Dividends	0.00
Closeouts	0.00
Closeout Dividends	0.00
Net Activity	(1,894,237.42)

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Statement Contents

*Summary
*Activity - Settled/Cleared Cash Activity
*Activity - Projected Activity for Next Statement Period
*Holdings

HOLDINGS - Custody

Category	Par/Shares	Original Face	Principal Cost	Market Value
Treasury Obligations	34,000,000.00000	34,000,000.00000	32,824,109.96	32,331,190.00
US Government Agency Securities	21,000,000.00000	21,000,000.00000	20,966,560.00	20,533,214.00
Total Custody Holdings	55,000,000.00000	55,000,000.00000	53,810,669.96	52,864,404.00

Market Value is currently below both Original Face Value, the value we'll receive at maturity, and Principal Cost, what we paid. This is partially due to purchasing at discounts and also because rates have risen, so the investments purchased in the past, at lower rates, aren't as desirable on the secondary market, to those who trade actively. This is an unrealized change in market value, since all investments will be held to maturity, receiving full value. All investments are bullets, or uncallable, therefore full face value will be realized at maturity, received in cash.

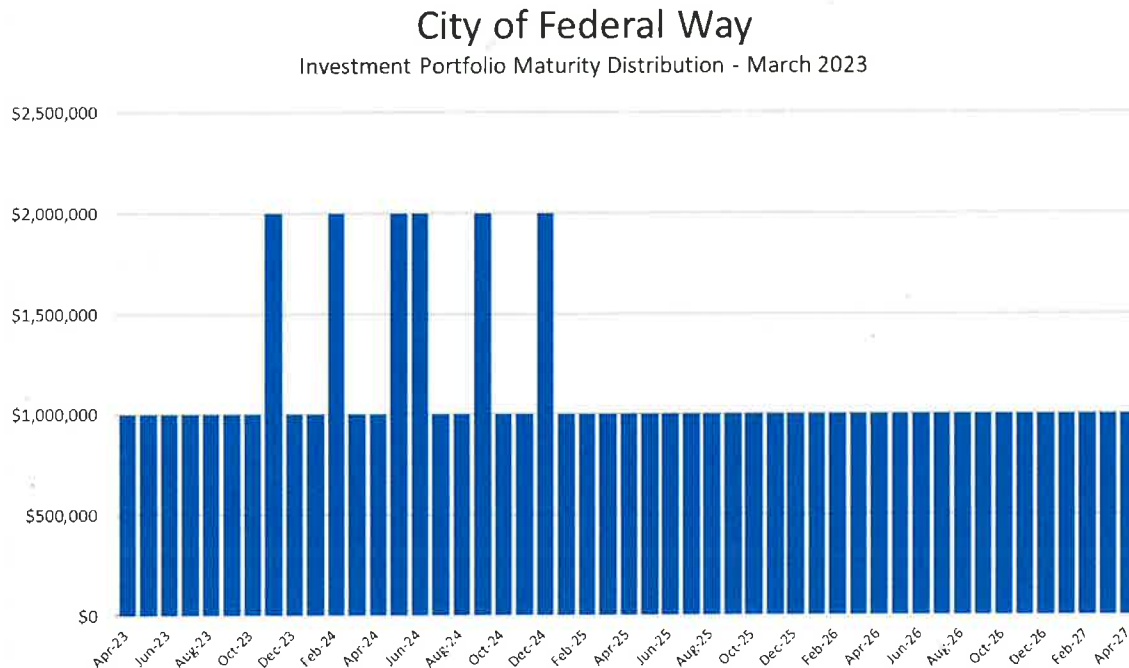
Maturities: During the month, the following investment matured:

- 2021-026 US Treasury \$1,000,000, matured Mar. 2023, **yielding 1.78%**

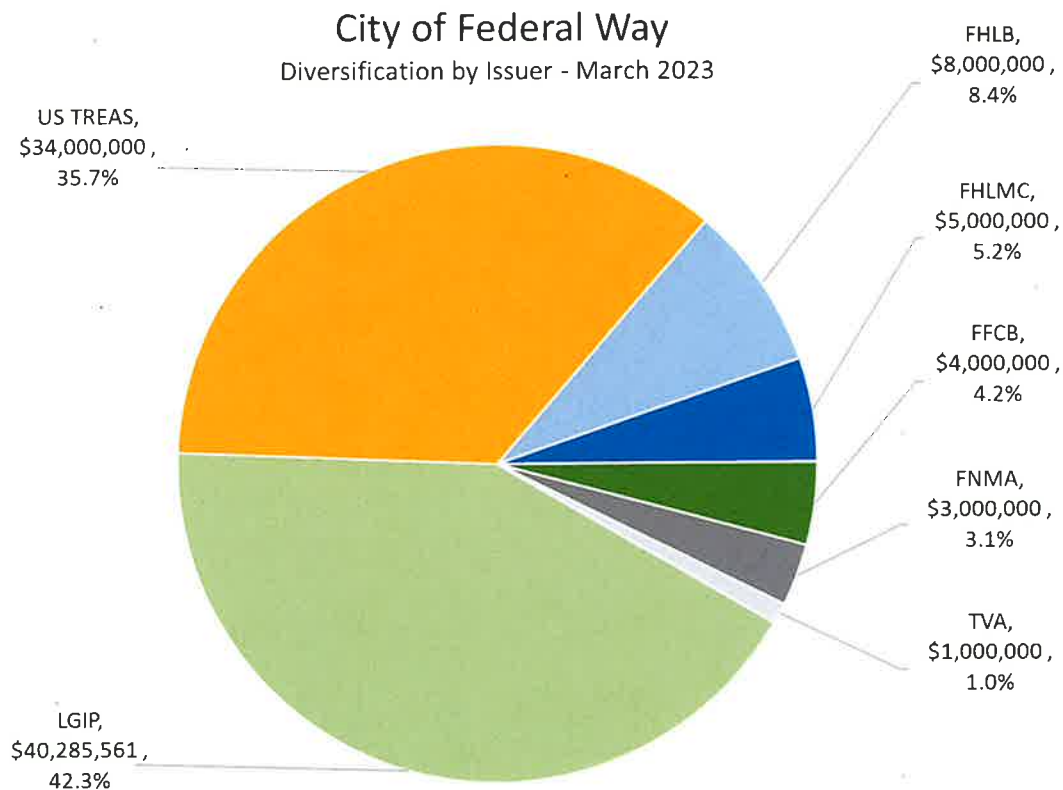
Purchases: During the month, the following investment was purchased, maximizing yield at the time of purchase for the maturity date being filled, having first assured safety and liquidity of the entire portfolio (see addendum for complete rationale):

- 2023-059 FHLB \$1,000,000, matures Sep. 2024, **yielding 5.25%**
- 2023-060 US Treasury \$1,000,000, matures May. 2024, **yielding 5.15%**
- 2023-061 FHLB \$1,000,000, matures June, 2024, **yielding 5.40%**

The maturity distribution of the laddered portion of the portfolio shows that \$1-2 million will mature each month for the next 48 months, mitigating reinvestment (interest rate) risk, as follows:



and the diversification distribution partially mitigating credit risk, as follows:



Safekeeping Report Detail

This monthly safekeeping report of all investment transactions held in safekeeping by US Bank lists securities by maturity date, first obligations of the US Treasury and then US Government Agency Securities. All holdings are rated Aaa/AA+ rating by Moody's and S&P.



Acct Name: CITY OF FEDERAL WAY	SUMMARY - USD	Page 1
Acct Number: XXXXXX033		For period 03/01/2023 - 03/31/2023

ACTIVITY - Settled/Cleared Cash Activity

Transaction Type	Amount
Purchases	0.00
Purchase Reversals	0.00
Sales	0.00
Sale Reversals	0.00
Withdrawals	0.00
Receipts	(2,985,987.42)
Deliveries	0.00
Principal Reversals	0.00
Interest	91,750.00
Interest Reversals	0.00
Interest Adjustments	0.00
Maturities	1,000,000.00
Calls	0.00
Puts	0.00
Paydowns	0.00
Paydown Adjustments	0.00
Payups	0.00
Payup Adjustments	0.00
Cash Dividends	0.00
Balance Changes	0.00
Stock Dividends	0.00
Closeouts	0.00
Closeout Dividends	0.00
Net Activity	(1,894,237.42)

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Statement Contents

- *Summary
- *Activity - Settled/Cleared Cash Activity
- *Activity - Projected Activity for Next Statement Period
- *Holdings

HOLDINGS - Custody

Category	Par/Shares	Original Face	Principal Cost	Market Value
Treasury Obligations	34,000,000.00000	34,000,000.00000	32,824,109.96	32,331,190.00
US Government Agency Securities	21,000,000.00000	21,000,000.00000	20,966,560.00	20,533,214.00
Total Custody Holdings	55,000,000.00000	55,000,000.00000	53,810,669.96	52,864,404.00

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 03/31/2023 - USD	Page 4
Acct Number: XXXXXX033		

CUSTODY						
Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
Treasury Obligations						
05/15/2023	912828VB3 392222870	1.750 03/22	U.S. Treasury Notes 912828VB3 5/15/23	1,000,000.00 1,000,000.00	1,000,898.44	996,304.00
07/31/2023	91282CCN9 392222036	.125 02/22	U S TREASURY NOTE .125 NOTE 23	1,000,000.00 1,000,000.00	982,187.50	964,922.00
09/30/2023	912828SD8 819021819	2.875 02/22	U S TREASURY NOTE 2.875, 09/30/2023	1,000,000.00 1,000,000.00	1,029,570.31	991,172.00
10/31/2023	91282CDD0 819021740	.375 01/22	U S TREASURY NOTE .375 NOTE 2023	1,000,000.00 1,000,000.00	987,929.69	974,863.00
11/30/2023	91282CDM0 819027289	.500 02/23	UNITED STATES TREAS NTS .50 NOTES 11/30/23	1,000,000.00 1,000,000.00	966,445.31	972,422.00
01/31/2024	912828S29 392220927	2.500 12/21	U.S. Treasury Notes 912828S29 01/31/2024	1,000,000.00 1,000,000.00	1,037,773.44	982,031.00
04/30/2024	9128286R6 392220608	2.250 11/21	U.S. Treasury Notes 2.250, 04/30/2024	1,000,000.00 1,000,000.00	1,036,093.75	975,234.00
05/15/2024	912828WJ5 819027333	2.500 03/23	U.S. TREASURY NOTES 912828WJ5 05/15/24	1,000,000.00 1,000,000.00	969,390.00	977,227.00
05/31/2024	912828XT2 819020999	2.000 11/21	U S TREASURY NOTE 2 NOTE 2024	1,000,000.00 1,000,000.00	1,032,226.56	971,289.00
06/15/2024	91282CCG4 751013140	.250 11/21	U S TREASURY NOTE .25 NOTE 2024	1,000,000.00 1,000,000.00	991,679.69	950,000.00
09/15/2024	91282CCX7 392219201	.375 10/21	U S TREASURY NOTE .375 NOTE 9/15/2024	1,000,000.00 1,000,000.00	995,898.44	943,594.00

Acct Name: CITY OF FEDERAL WAY
Acct Number: XXXXXX033

HOLDINGS AS OF 03/31/2023 - USD

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CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
10/15/2024	91282CDB4 392219779	.625 10/21	U S TREASURY NOTE .625 NOTE 2024	1,000,000.00 1,000,000.00	1,000,000.00	944,609.00
11/15/2024	91282CDH1 819020954	.750 11/21	U.S. Treasury Notes 91282CDH1 11/15/2024	1,000,000.00 1,000,000.00	1,001,171.88	944,102.00
01/31/2025	912828Z52 819021510	1.375 01/22	U S TREASURY NOTE 1.375 NOTE 2025	1,000,000.00 1,000,000.00	1,006,718.75	950,312.00
03/31/2025	912828ZF0 392222253	.500 03/22	U.S. Treasury Notes 912828ZF0 03/31/2025	1,000,000.00 1,000,000.00	963,437.50	931,289.00
04/30/2025	912828ZL7 392223194	.375 04/22	U.S. TREASURY NOTES 912828ZL7 0.375 04/30/25	1,000,000.00 1,000,000.00	932,343.75	926,055.00
05/31/2025	912828ZT0 392223819	.250 05/22	U S TREASURY NOTE .25 NOTE 25	1,000,000.00 1,000,000.00	924,648.44	921,172.00
06/30/2025	912828ZW3 392224043	.250 06/22	U.S. Treasury Notes .250, 06/30/2025	1,000,000.00 1,000,000.00	928,164.00	920,000.00
07/31/2025	91282CAB7 392224087	.250 06/22	U S TREASURY NOTE .25 NOTES 25	1,000,000.00 1,000,000.00	918,125.00	916,602.00
10/31/2025	91282CAT8 392224292	.250 07/22	U.S. Treasury Notes .250, 10/31/2025	1,000,000.00 1,000,000.00	911,640.63	909,570.00
12/31/2025	912828ST3 392224349	2.625 07/22	U.S. TREASURY NOTES 2.625 NOTE 25	1,000,000.00 1,000,000.00	983,828.13	965,742.00
01/31/2026	9128286A3 751014661	2.625 07/22	U S TREASURY NOTE 2.625 NOTE 2026	1,000,000.00 1,000,000.00	984,218.75	965,117.00
03/31/2026	9128286L9 751015129	2.250 08/22	U S TREASURY NOTE 2.25 NOTE 26	1,000,000.00 1,000,000.00	964,630.00	954,102.00

Acct Name: CITY OF FEDERAL WAY
Acct Number: XXXXXX033

HOLDINGS AS OF 03/31/2023 - USD

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CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
04/30/2026	91282CBW0 392224636	.750 08/22	U.S. Treasury Notes 91282CBW0 04/30/2026	1,000,000.00 1,000,000.00	909,960.94	909,297.00
05/31/2026	91282CCF6 392224637	.750 08/22	U S TREASURY NOTE .75 NOTE 2026	1,000,000.00 1,000,000.00	907,968.75	907,188.00
06/30/2026	91282CCJ8 392224738	.875 09/22	U.S. Treasury Notes 91282CCJ8 06/30/2026	1,000,000.00 1,000,000.00	906,718.75	909,102.00
07/31/2026	912828Y95 751015330	1.875 09/22	U.S. Treasury Notes 1.875, 07/31/2026	1,000,000.00 1,000,000.00	943,437.50	938,438.00
10/31/2026	91282cdg3 392225109	1.125 10/22	U.S. TREASURY NOTES 1.125 NOTE 2026	1,000,000.00 1,000,000.00	888,240.00	911,289.00
11/15/2026	912828U24 751015708	2.000 10/22	U S TREASURY NOTE 2 NOTE 26	1,000,000.00 1,000,000.00	917,031.25	937,930.00
11/30/2026	91282CDK4 751015831	1.250 10/22	UNITED STATES TREAS NTS 1.25 NOTES 11/30/26	1,000,000.00 1,000,000.00	880,781.25	913,945.00
01/31/2027	912828Z78 392225551	1.500 11/22	U.S. Treasury Notes 912828Z78 1/31/2027	1,000,000.00 1,000,000.00	903,100.00	919,766.00
02/15/2027	912810EZ7 392225738	6.625 12/22	U S TREASURY BOND SER 2027	1,000,000.00 1,000,000.00	1,105,937.50	1,101,445.00
03/31/2027	91282CEF4 392225993	2.500 01/23	U.S. TREASURY NOTES 2.50 NOTE 2027	1,000,000.00 1,000,000.00	956,406.25	952,188.00
04/30/2027	91282CEN7 392226190	2.750 02/23	U.S. Treasury Notes 91282CEN7 04/30/2027	1,000,000.00 1,000,000.00	955,507.81	962,852.00
Treasury Obligations Total				34,000,000.00000	32,824,109.96	32,331,190.00
				34,000,000.00000		

US Government Agency Securities

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 03/31/2023 - USD	Page 7
Acct Number: XXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
04/20/2023	3137EAEQ8 392222986	.375 03/22	FEDERAL HOME LOAN MTG CORP 04/20/2023	1,000,000.00 1,000,000.00	985,471.00	997,364.00
06/19/2023	3137EAE5 392222403	2.750 03/22	FEDERAL HOME LOAN MTG CORP 06/19/23	1,000,000.00 1,000,000.00	1,015,200.00	995,016.00
08/24/2023	3137EAEV7 819021968	.250 02/22	FEDERAL HOME LOAN MTG CORP 08/24/2023	1,000,000.00 1,000,000.00	982,140.00	981,820.00
11/24/2023	3133ENEX4 819021739	.550 01/22	FEDERAL FARM CR BKS CONS BD 0.55%23	1,000,000.00 1,000,000.00	989,745.00	973,241.00
12/20/2023	3133ENHR4 819021509	.680 01/22	FEDERAL FARM CREDIT BANK 3133ENHR4 12/20/23	1,000,000.00 1,000,000.00	995,970.00	971,001.00
02/05/2024	3135G0V34 392220903	2.500 12/21	FEDERAL NATL MORTGAGE ASSN 02/05/24	1,000,000.00 1,000,000.00	1,037,530.00	982,728.00
02/27/2024	3130AV4V1 819027290	5.125 02/23	FEDERAL HOME LOAN BANK MTN 5.125, 02/27/2024	1,000,000.00 1,000,000.00	998,989.00	1,000,107.00
03/08/2024	3130AB3H7 751013276	2.375 12/21	FEDERAL HOME LOAN BANK 03/08/24	1,000,000.00 1,000,000.00	1,036,546.00	979,254.00
06/14/2024	3130AV7F3 392226815	5.250 03/23	FEDERAL HOME LOAN BANKS CONS BD 5.25%24	1,000,000.00 1,000,000.00	998,260.00	1,006,560.00
07/02/2024	3135G0V75 751013094	1.750 10/21	FEDERAL NATL MORTGAGE ASSN 07/02/24	1,000,000.00 1,000,000.00	1,029,480.00	963,758.00
08/15/2024	3130AGWK7 751013093	1.500 10/21	FEDERAL HOME LOAN BANK 05/15/2024	1,000,000.00 1,000,000.00	1,023,285.00	958,950.00
09/13/2024	3130ATVD6 819027332	4.875 03/23	FEDERAL HOME LOAN BANKS CONS BD 4.875%24	1,000,000.00 1,000,000.00	994,500.00	1,005,007.00

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 03/31/2023 - USD	Page 8
Acct Number: XXXXXX033		

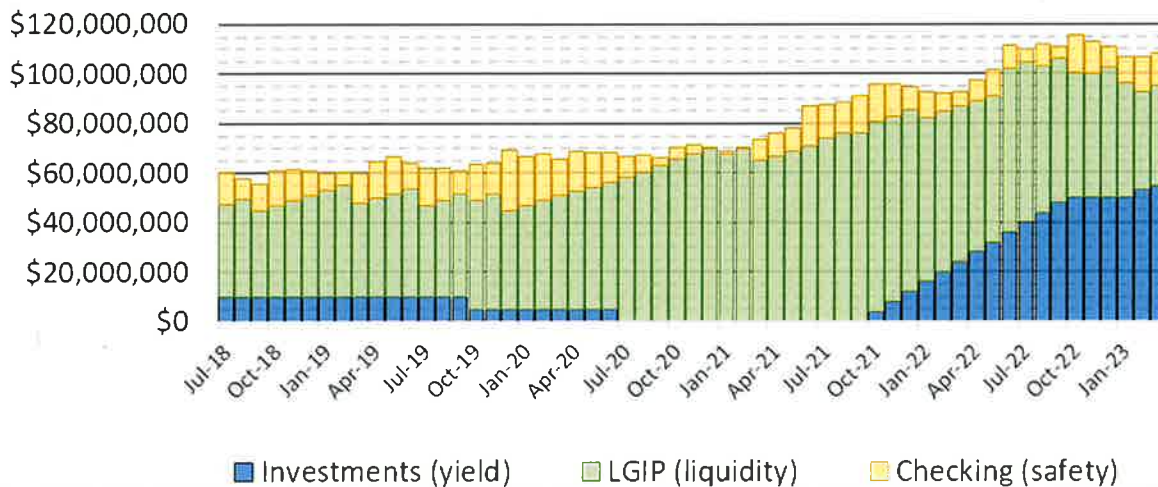
CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
12/13/2024	3130APR80 751013275	.750 12/21	FEDERAL HOME LOAN BANK 12/13/2024	1,000,000.00 1,000,000.00	995,541.00	939,238.00
12/13/2024	3130ATUR6 819027291	4.625 02/23	FEDERAL HOME LOAN BANKS CONS BD 4.625%24	1,000,000.00 1,000,000.00	992,652.00	1,003,422.00
02/12/2025	3137EAE5 819021816	1.500 02/22	FEDERAL HOME LOAN MTG CORP 02/12/25	1,000,000.00 1,000,000.00	1,002,357.00	950,523.00
08/25/2025	3135G05X7 751014188	.375 06/22	FEDERAL NATL MORTGAGE ASSN 08/25/25	1,000,000.00 1,000,000.00	909,873.00	913,842.00
09/23/2025	3137EAE5 751014307	.375 06/22	FEDERAL HOME LOAN MTG CORP 09/23/2025	1,000,000.00 1,000,000.00	915,848.00	911,873.00
11/01/2025	880591CJ9 751014409	6.750 07/22	TENN VALLEY AUTHORITY 11/01/2025	1,000,000.00 1,000,000.00	1,115,095.00	1,063,563.00
02/25/2026	3133ENJ35 751015104	3.320 08/22	FEDERAL FARM CREDIT BANK CONS BD 3.32%26	1,000,000.00 1,000,000.00	998,689.00	977,933.00
08/03/2026	3133END80 392224855	3.000 09/22	FEDERAL FARM CREDIT BANK CONS BD 3%26	1,000,000.00 1,000,000.00	974,853.00	966,317.00
09/11/2026	3130ATFH5 392224959	3.750 09/22	FEDERAL HOME LOAN BANKS CONS BD 3.75%26	1,000,000.00 1,000,000.00	994,536.00	991,597.00
US Government Agency Securities Total				21,000,000.00000 21,000,000.00000	20,986,660.00	20,533,214.00
Total Custody Holdings				55,000,000.00000 55,000,000.00000	53,810,689.96	52,864,404.00

Cash Balance and Investment Positions:

The City's cash balance trend is shown below:

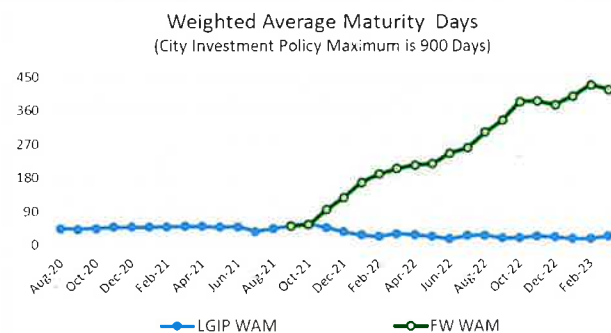
- Total cash increased from \$106.8 million in Feb. to \$108.1 million at end of Mar.
- Laddered investments increased from \$53 to \$55 million.
- The LGIP Investment Pool position increased from \$39.9 million to \$40.3 million.

City of Federal Way
Cash and Investments - Historical Trend

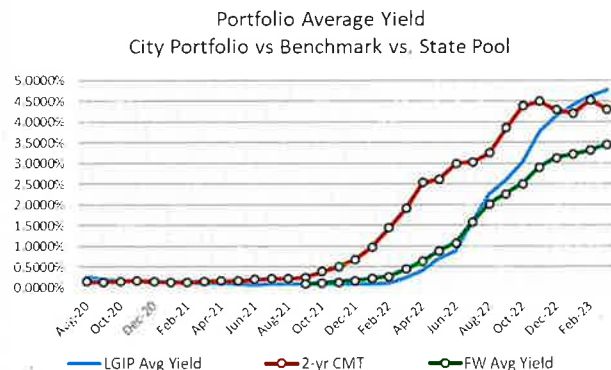


Benchmark and Portfolio

Weighted Average Maturity (WAM) of the City's portfolio, including position in LGIP, is 415 days, and within the City's Investment Policy limit of 2.5 years or 900 days. The LGIP State Pool WAM was 22 days in February.



Average Yield of the City's portfolio was 3.45%, compared to 4.3% for the 2-year Constant Maturity Treasury index and 4.8% for the LGIP.



Addendum – Investment Rationale**Staff Review of Investment Rationale**

Date: March 1, 2023

Investment # 2023-059 is a 18-month Federal Home Loan Bank (FHLB), face value \$1,000,000, maturing September 13, 2024, 4.8750% coupon purchased at 99.45 (discount) to yield 5.25%. This trade settles March 2, 2023 with Mischler Financial Group, US Bank Safekeeping, reducing the City's position in LGIP, locking in 5% yield.

Liquidity: At February 28th month-end, total city cash was \$106.8 million, checking account balance was \$13.9 million (target minimum is \$8 Million), investment portfolio was \$53.0 million (target is \$60 million for Treasuries and Agencies). State LGIP investment pool balance was \$39.9 million (target minimum is \$20 million, excluding unspent ARPA).

Safety: This purchase is a debt issue of a government-sponsored enterprise (GSE), that carries an explicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 5.25%. *This investment is 66 basis points above LGIP.* Comparable yields evaluated at time of purchase were:


LGIP current 30-day yield	4.59%	www.secureaccess.wa.gov
2-year Treasury	4.88%	Bloomberg.com
Same maturity Treasury	5.08%	Broker live inquiry
5-year Treasury	4.26%	Bloomberg.com

Callability. This investment is not callable (a bullet).

Diversification. This purchase puts this issuer at 7.5% of total portfolio.

This purchase adds a maturity date previously not covered to city's laddered portfolio.

Outlook. The yield curve has been rising very slightly with peak yield around 5% at 1 year: 2-year at 4.88%, then slightly inverted to the 5-year at 4.26%. The Federal Reserve Bank last executed a 0.25% rate hike on Feb. 1st as inflationary measures and great uncertainty remains over inflation, money supply and Fed moves.

Staff review:Deputy Finance Director: Date 3/2/23Finance Director: Date 3/1/2023

Staff Review of Investment Rationale

Date: March 1, 2023

Investment # 2023-060 is a 14-month US Treasury (T), face value \$1,000,000, maturing May 15, 2024, 2.5000% coupon purchased at 96.94 (discount) to yield 5.15%. This trade settles March 2, 2023 with Mischler Financial Group, US Bank Safekeeping, reducing the City's position in LGIP, locking in 5% yield.

Liquidity: At February 28th month-end, total city cash was \$106.8 million, checking account balance was \$13.9 million (target minimum is \$8 Million), investment portfolio was \$53.0 million (target is \$60 million for Treasuries and Agencies). State LGIP investment pool balance was \$39.9 million (target minimum is \$20 million, excluding unspent ARPA).

Safety: This purchase is a debt issue of the Federal government, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 5.15%. *This investment is 56 basis points above LGIP.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	4.59%	www.secureaccess.wa.gov
2-year Treasury	4.88%	Bloomberg.com
Same maturity Agency	None available	Broker live inquiry
5-year Treasury	4.26%	Bloomberg.com

Callability. This investment is not callable (a bullet).

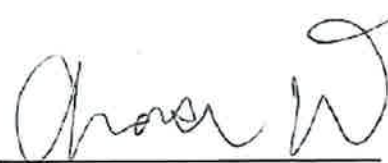
Diversification. This purchase puts this issuer at 36.2% of total portfolio.

This purchase adds a maturity date previously not covered to city's ladder portfolio.

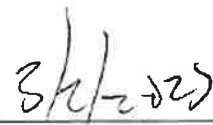
Outlook. The yield curve has been rising very slightly with peak yield around 5% at 1 year: 2-year at 4.88%, then slightly inverted to the 5-year at 4.26%. The Federal Reserve Bank last executed a 0.25% rate hike on Feb. 1st as inflationary measures and great uncertainty remains over inflation, money supply and Fed moves.

Staff review:

Deputy Finance Director:



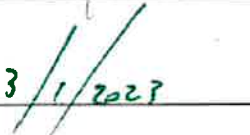
Date



Finance Director:



Date



Staff Review of Investment Rationale

Date: March 7, 2023

Investment # 2023-061 is a 15-month Federal Home Loan Bank (FHLB), face value \$1,000,000, maturing June 14, 2024, 4.8750% coupon purchased at 99.83 (discount) to yield 5.40%. This trade settles March 8, 2023 with Wedbush Securities, US Bank Safekeeping, reducing the City's position in LGIP, locking in 5%+ yield.

Liquidity: At February 28th month-end, total city cash was \$106.8 million, checking account balance was \$13.9 million (target minimum is \$8 Million), investment portfolio was \$53.0 million (target is \$60 million for Treasuries and Agencies). State LGIP investment pool balance was \$39.9 million (target minimum is \$20 million, excluding unspent ARPA).

Safety: This purchase is a debt issue of a government-sponsored enterprise (GSE), that carries an explicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 5.40%. *This investment is 78 basis points above LGIP.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	4.62%	www.secureaccess.wa.gov
2-year Treasury	4.95%	Bloomberg.com
Same maturity Treasury	5.22%	Broker live inquiry
5-year Treasury	4.29%	Bloomberg.com

Callability. This investment is not callable (a bullet).

Diversification. This purchase puts this issuer at 8.4% of total portfolio.

This purchase doubles up on a maturity date previously covered on the short end.

Outlook. The yield curve has been rising very slightly with peak yield around 5% at 6 mos. to 1 year. 2-year at 4.95%, then slightly inverted to the 5-year at 4.29%. The Federal Reserve Bank last executed a 0.25% rate hike on Feb. 1st as inflationary measures and great uncertainty remains over inflation, money supply and Fed moves.

Staff review:

Deputy Finance Director:



Date

5/8/23

Finance Director:



Date

3/7/2023

COUNCIL MEETING DATE: May 02, 2023

ITEM #: _____

CITY OF FEDERAL WAY

CITY COUNCIL

AGENDA BILL

SUBJECT: MARCH 2023 MONTHLY FINANCIAL REPORT**POLICY QUESTION:** Should the Council approve the March 2023 Monthly Financial Report?**COMMITTEE:** FINANCE, ECONOMIC DEVELOPMENT AND REGIONAL AFFAIRS COMMITTEE (FEDRAC)**MEETING DATE:** April 25, 2023**CATEGORY:**

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Consent | <input type="checkbox"/> Ordinance | <input type="checkbox"/> Public Hearing |
| <input type="checkbox"/> City Council Business | <input type="checkbox"/> Resolution | <input type="checkbox"/> Other |

STAFF REPORT BY: Steve Groom, Finance Director**DEPT:** Finance**Attachments:** March 2023 Monthly Financial Report**Options to Consider:**

1. Approve the March 2023 Monthly Financial Report as presented
2. Deny approval of the March 2023 Monthly Financial Report and provide direction to staff

MAYOR'S RECOMMENDATION: Mayor recommends approval of Option 1.**MAYOR APPROVAL:**

[Signature] 4/19/23 *[Signature]* 4/19/23

Committee Initial/Date Council Initial/Date

DIRECTOR APPROVAL:

[Signature] 4/18/2023

Initial/Date

COMMITTEE RECOMMENDATION: *I move to forward the March 2023 Monthly Financial Report to the May 2, 2023 consent agenda for approval.**Tran - Excused*

Hoang Tran, Committee Chair

[Signature]

Jack Dovey, Committee Member

Norton - Via Zoom

Erica Norton, Committee Member

PROPOSED COUNCIL MOTION: *"I move approval of the Monthly Financial Report."*

(BELOW TO BE COMPLETED BY CITY CLERK'S OFFICE)

COUNCIL ACTION:

- ☒ **APPROVED** 5/2/2023
- ☐ **DENIED**
- ☐ **TABLED/DEFERRED/NO ACTION**
- ☐ **MOVED TO SECOND READING** (*ordinances only*)
- REVISED – 1/2022

COUNCIL BILL #

First reading

Enactment reading

ORDINANCE #**RESOLUTION #**