

DATE: September 26, 2023

TO: Mayor and City Council
Management Team

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

SUBJECT: Monthly Financial Report

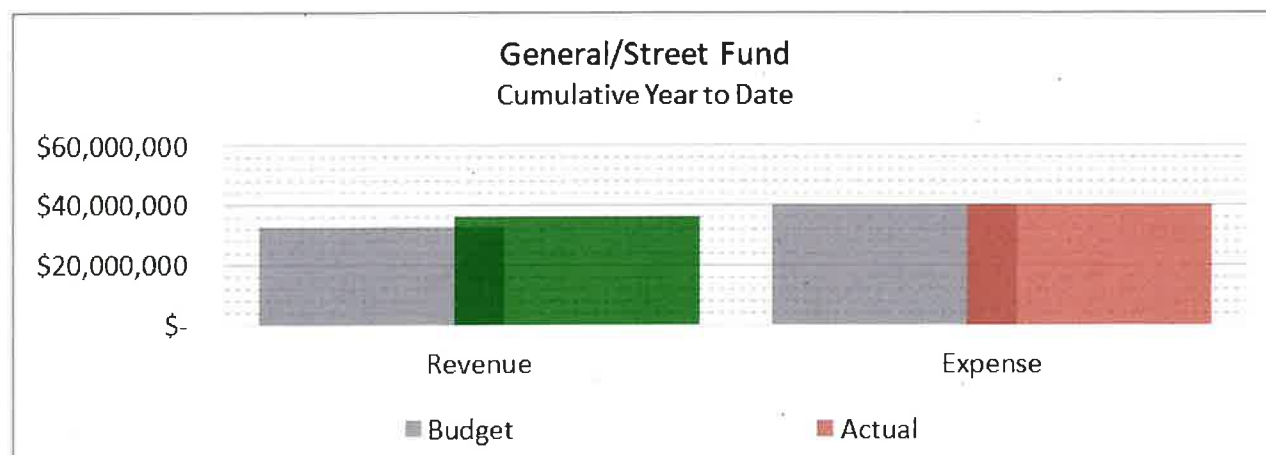
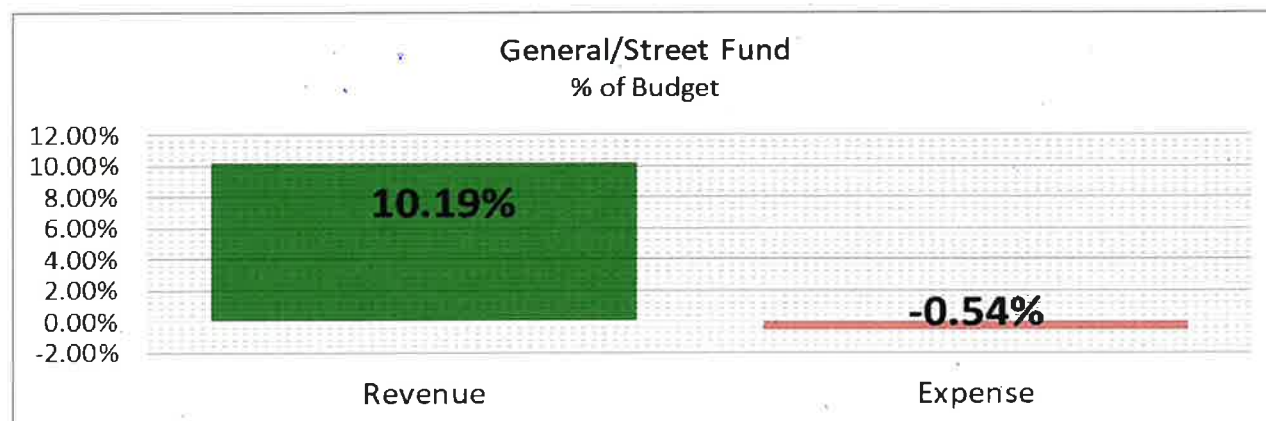
This report is to brief you on monthly and year-to-date (YTD) revenues and expenses, compared to budget and prior year, on the city's cash and fund balance positions, and on the monthly investment performance, transactions and current holdings.

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 \$32.91M by \$3.35M or (10.2%).

Expenditures & Transfers Out are **favorable** to YTD budget of \$40.43M by \$0.22M or 0.5% 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, \$0.78M or 7.0% above 2023 YTD budget, and \$1.36 or 12.7% above 2022 YTD collections. Retail sales and services are \$333K above 2022 YTD collections. This is an indicator of the health of the local economy.
- CD Permits & Fees revenue is trending favorably, \$1.03M or 40.0% above 2023 YTD budget, and \$1.37M or 61.8% above 2022 YTD collections.
- Total Expenditures & Transfer Out is below YTD budget by \$0.22M, but \$3.09M or 8.3% 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 Favorable/(Unfavorable)	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	\$	%
Beginning Fund Balance	\$21,339,329	\$21,339,329	\$21,339,329	\$27,859,856	\$27,859,856	\$ 27,709,986	n/a	n/a
Revenues:								
Covid-19/American Rescue Plan (ARPA) Grants	9,608,443	9,608,443	9,608,443	-	-	-	-	n/a
Sales Tax	18,349,755	19,204,963	10,658,390	19,886,555	11,232,849	12,015,591	782,742	7.0%
Property Taxes	11,357,280	11,590,675	6,347,418	11,762,933	6,441,752	6,346,287	(95,465)	-1.5%
State Shared Revenue	3,022,000	3,126,093	1,612,297	3,153,260	1,626,308	1,687,434	61,126	3.8%
CD Permits & Fees	2,564,111	4,040,385	2,222,270	4,052,070	2,567,588	3,594,528	1,026,939	40.0%
Business License Fees	622,000	724,126	497,553	652,900	464,774	512,567	47,793	10.3%
Admissions Tax	306,513	834,953	484,169	339,265	226,177	500,610	274,433	121.3%
Other Revenues	11,678,849	12,440,091	6,651,630	12,849,314	7,252,582	8,508,981	1,256,398	17.3%
Transfers in from Other Funds to support operations	7,356,718	7,268,912	5,705,912	8,119,085	3,100,610	3,100,610	-	0.0%
Total Revenues & Transfer In	64,865,669	68,838,642	43,788,081	60,815,381	32,912,640	36,266,607	3,353,967	10.2%
Total Expenditures & Transfer Out	76,102,125	62,467,985	37,127,078	78,620,929	40,432,558	40,212,822	219,736	0.5%
Total Ending Fund Balance	\$10,102,874	\$27,709,986	\$28,000,332	\$10,054,308	\$20,339,938	\$ 23,763,772	n/a	n/a

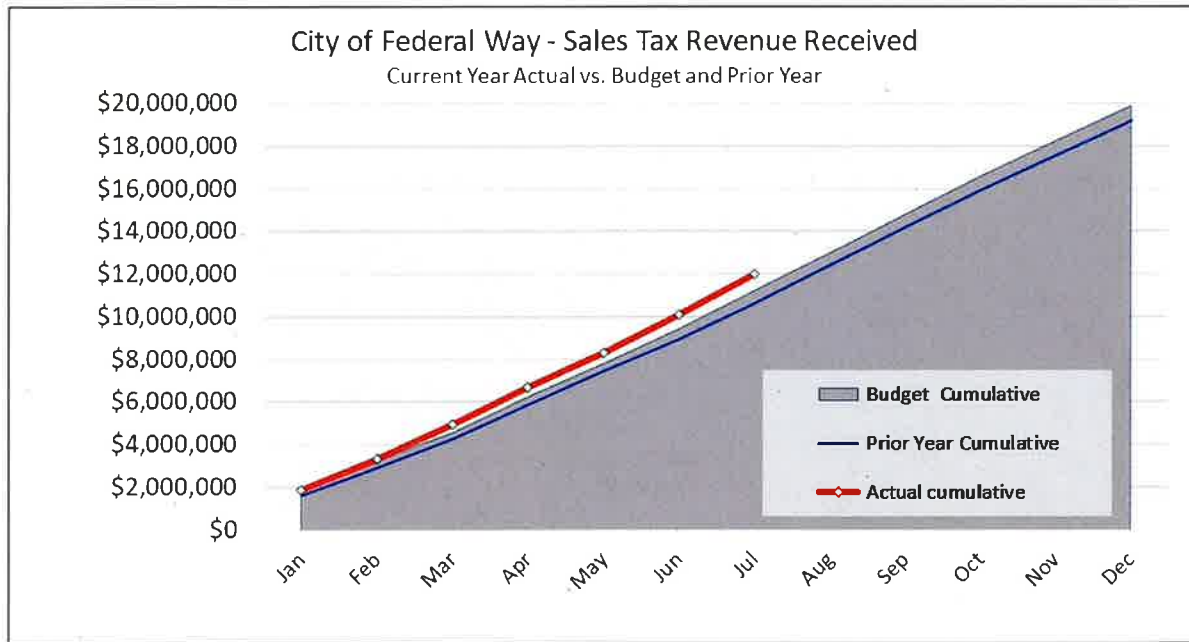
Other Fund Highlights

- Utility Tax revenue is trending favorably, \$0.57M or 5.4% above 2023 YTD budget, and \$0.65M or 6.3% 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 \$1.13M or 32.6% below 2023 YTD budget, and \$1.68M or 41.9% below 2022 YTD collections. This is an indicator of the Federal Way real estate market's volume and valuations.
- Expenditures & Transfer Out is favorable, \$0.56M or 2.5% below YTD budget, and \$1.45M below 2022 YTD actuals. The favorable variance to budget is primarily due to timing of arterial street overlay projects for residential streets.

OTHER SIGNIFICANT FUNDS OF NOTE	2022			2023			YTD Budget vs. Actual	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	Favorable/(Unfavorable)	
							\$	%
Revenues:								
Utility Tax	10,584,294	11,858,892	6,990,042	12,196,316	6,994,436	7,381,815	387,379	5.5%
Utility Tax - Prop 1 Voter Package	3,093,312	3,460,473	2,052,081	3,402,436	1,990,607	2,153,236	162,629	8.2%
Utility Tax - Solid Waste 10%	2,000,000	2,310,053	1,323,897	2,200,000	1,466,667	1,482,855	16,188	1.1%
Real Estate Excise Tax	4,421,454	5,117,985	4,003,348	5,521,000	3,453,425	2,327,645	(1,125,780)	-32.6%
Traffic Safety (Red Light/School Zone)	2,872,442	3,842,343	2,717,051	3,000,000	2,024,042	3,201,002	1,176,961	58.1%
Hotel/Motel Lodging Tax	150,000	281,845	146,973	293,000	159,620	154,252	(5,368)	-3.4%
Federal Way Community Center	1,690,875	1,761,950	980,408	1,930,875	1,287,250	969,077	(318,173)	-24.7%
Performing Arts & Event Ctr Operations	1,611,664	1,690,259	932,015	1,279,780	853,187	1,114,534	261,347	30.6%
Dumas Bay Centre Fund	535,151	591,019	328,231	527,698	351,799	526,524	174,725	49.7%
Total Revenues	26,959,192	30,914,819	19,474,046	30,351,105	18,581,032	19,310,940	729,908	3.9%
Expenditures & Transfers Out:								
Utility Tax Support to Other Funds for operations	9,734,702	9,837,985	7,354,217	11,551,482	5,947,500	5,947,500	-	0.0%
Utility Tax Proposition 1 operations	4,170,275	4,126,995	2,666,476	4,471,873	2,981,249	2,430,546	550,703	18.5%
Solid Waste 10% Utility Tax - Residential Streets Overlay	3,418,862	2,098,307	1,169,858	3,680,166	2,453,444	1,973,035	480,409	19.6%
Real Estate Excise Tax Support to Debt and Capital Projects	5,989,440	5,989,440	5,207,986	7,055,343	3,236,343	3,236,343	-	0.0%
Traffic Safety (Red Light/School Zone)	3,529,722	3,529,723	1,995,694	3,846,735	2,564,490	1,945,288	619,202	24.1%
Hotel/Motel Lodging Tax	155,000	20,598	13,308	65,000	43,333	19,949	23,384	54.0%
Jail Fund Services	2,644,584	2,871,371	1,339,537	2,500,000	1,666,667	2,409,161	(742,494)	-44.5%
Federal Way Community Center	2,756,334	2,590,528	1,503,384	2,279,893	1,519,929	1,578,212	(58,283)	-3.8%
Performing Arts & Event Ctr Operations	2,631,641	2,631,378	1,654,742	2,483,359	1,655,573	1,902,919	(247,346)	-14.9%
Dumas Bay Centre Fund	1,000,110	845,470	559,224	764,097	509,398	572,285	(62,887)	-12.3%
Total Expenditures & Transfers Out	36,030,671	34,541,794	23,464,426	38,697,948	22,577,925	22,015,238	562,687	2.5%
Ending Fund Balance								
Utility Tax (non-Prop 1)	3,385,633	4,646,109	2,884,570	4,789,743	-	6,080,423	n/a	n/a
Utility Tax - Prop 1 Voter Package	1,263,680	1,571,054	1,000,001	1,000,442	-	1,293,744	n/a	n/a
Utility Tax - Solid Waste 10%	-	1,632,240	1,574,634	152,012	-	1,142,060	n/a	n/a
Real Estate Excise Tax Fund	2,546,600	3,217,658	2,884,998	1,682,412	-	2,308,960	n/a	n/a
Traffic Safety Fund	2,124,096	2,493,443	2,856,715	1,598,570	-	3,749,158	n/a	n/a
Hotel/Motel Lodging Tax	1,605,161	1,868,015	1,738,449	2,095,690	-	2,002,318	n/a	n/a
Jail Fund	-	7,260	(2)	0	-	2	n/a	n/a
Federal Way Community Center	1,500,393	1,737,273	1,500,000	2,256,820	-	1,573,129	n/a	n/a
Performing Arts & Event Ctr Operations	873,587	873,936	150,863	778,055	-	836,316	n/a	n/a
Dumas Bay Centre Fund	1,500,001	1,710,510	1,433,968	2,101,965	-	1,664,748	n/a	n/a
Total Ending Fund Balance	\$ 14,799,148	\$ 19,757,498	\$ 16,024,197	\$ 16,455,710	\$ -	\$ 20,650,857	n/a	n/a

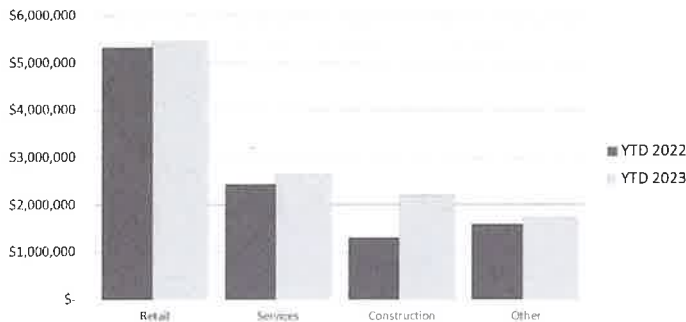
Sales Tax

Revenues are favorable to 2023 YTD budget by \$0.78M or 7.0% and above 2022 YTD actual by \$1.36M or 12.7%. 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.

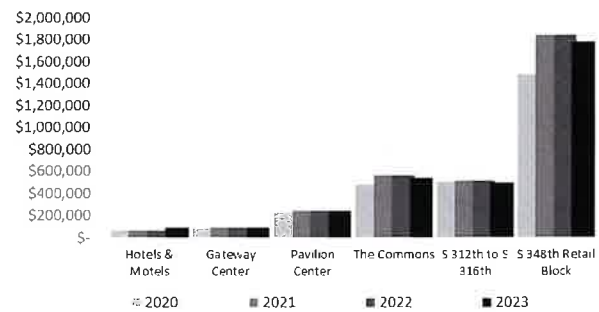


LOCAL RETAIL SALES TAX REVENUES							
YTD August							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
Jan	1,653,281	\$ 1,875,011	\$ 1,917,113	\$ 263,832	16.0%	\$ 42,102	2.2%
Feb	1,284,275	1,397,709	1,425,556	141,280	11.0%	27,847	2.0%
Mar	1,314,196	1,327,417	1,599,609	285,413	21.7%	272,192	20.5%
Apr	1,636,738	1,648,748	1,768,995	132,257	8.1%	120,247	7.3%
May	1,556,411	1,547,662	1,622,066	65,655	4.2%	74,404	4.8%
Jun	1,534,290	1,632,597	1,750,786	216,496	14.1%	118,189	7.2%
Jul	1,679,199	1,803,706	1,931,467	252,268	15.0%	127,762	7.1%
Aug	1,785,214	1,785,855	-	-	-	-	-
Sep	1,757,829	1,757,313	-	-	-	-	-
Oct	1,721,219	1,808,330	-	-	-	-	-
Nov	1,649,918	1,660,036	-	-	-	-	-
Dec	1,632,393	1,642,173	-	-	-	-	-
YTD Total	\$ 10,658,390	\$ 11,232,849	\$ 12,015,591	\$ 1,357,201	12.7%	\$ 782,742	7.0%
Annual Total	\$ 19,204,963	\$ 19,886,555	n/a	n/a	n/a	n/a	n/a

City of Federal Way
Sales Tax Revenue Comparison by Group



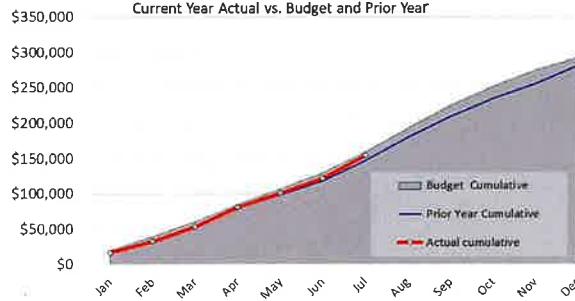
City of Federal Way
YTD Sales Tax Revenue Comparison by Location



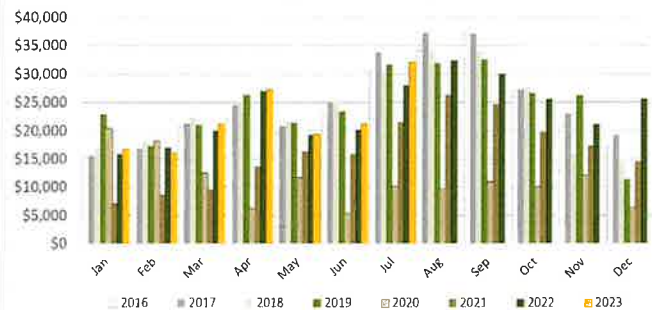
Hotel/Motel Lodging Tax

Revenues are unfavorable to 2023 YTD budget by \$5.4K or 3.4% but above 2022 YTD actuals by \$7.3K. 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



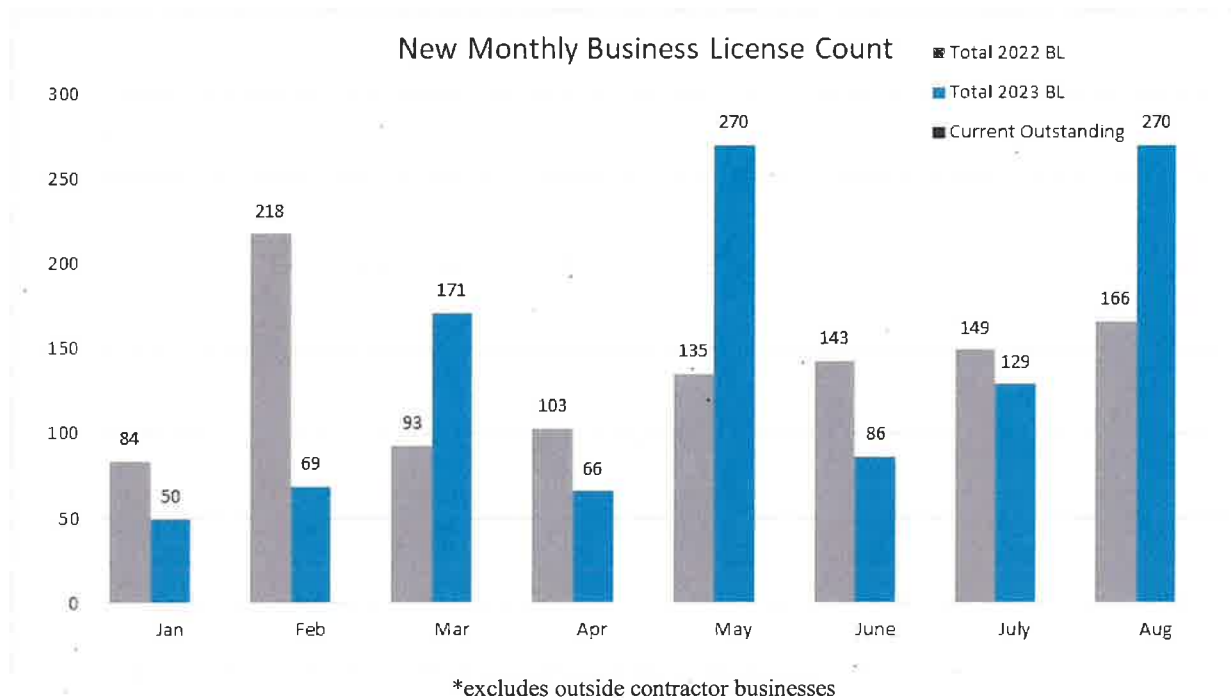
City of Federal Way
Historical Lodging Tax Remittances by Month



HOTEL/MOTEL LODGING TAX REVENUES							
Year-to-date thru August							
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	21,239	1,274	6.4%	222	1.1%
Apr	26,925	24,210	27,280	355	1.3%	3,070	12.7%
May	19,237	22,229	19,444	207	1.1%	(2,784)	-12.5%
Jun	20,135	22,154	21,163	1,028	5.1%	(992)	-4.5%
Jul	28,005	29,972	32,180	4,176	14.9%	2,208	7.4%
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	\$ 146,973	\$ 159,620	\$ 154,252	\$ 7,279	5.0%	\$ (5,368)	-3.4%
Annual Total	\$ 281,845	\$ 293,000	n/a	n/a	n/a	n/a	n/a

Business License Fees

Revenues are favorable to YTD budget by \$48K or 10.3% and above 2022 YTD actual by \$15K or 3.0%.



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	67,910	9,264	15.8%	18,019	36.1%
May	65,452	35,550	61,588	(3,863)	-5.9%	26,038	73.2%
Jun	70,861	71,348	76,843	5,982	8.4%	5,495	7.7%
Jul	52,477	45,887	59,531	7,055	13.4%	13,644	29.7%
Aug	74,576	53,013	53,820	(20,756)	-27.8%	807	1.5%
Sep	55,100	46,162	-	-	-	-	-
Oct	53,193	32,946	-	-	-	-	-
Nov	64,265	41,114	-	-	-	-	-
Dec	54,014	67,904	-	-	-	-	-
YTD Total	\$ 497,554	\$ 464,774	\$ 512,567	15,013	3.0%	47,793	10.3%
Annual Total	\$ 724,126	\$ 652,900	n/a	n/a	n/a	n/a	n/a

Community Development Permit Activity

Revenues are favorable to 2023 YTD budget by \$1.03M or 40.0% and above 2022 YTD actual by \$1.4M or 61.8%.

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 August							
Month	2022 Actual	2023		Change from 2022		Favorable/(Unfavorable) YTD Actual vs Budget	
		Budget	Actual	\$	%	\$	%
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	383,643	101,089	35.8%	70,457	22.5%
May	286,805	366,145	669,687	382,883	133.5%	303,542	82.9%
Jun	327,552	321,761	357,167	29,614	9.0%	35,406	11.0%
Jul	184,861	323,350	422,815	237,954	128.7%	99,465	30.8%
Aug	420,209	417,414	406,182	(14,027)	-3.3%	(11,232)	-2.7%
Sept	441,542	371,121	-	-	-	-	-
Oct	412,259	390,151	-	-	-	-	-
Nov	476,608	368,832	-	-	-	-	-
Dec	487,707	354,377	-	-	-	-	-
YTD Total	\$ 2,222,270	\$ 2,567,588	\$ 3,594,528	\$ 1,372,258	61.8%	\$ 1,026,939	40.0%
Annual Total	\$ 4,040,385	\$ 4,052,069	n/a	n/a	n/a	n/a	n/a

Real Estate Excise Tax

Revenues are unfavorable to 2023 YTD budget by \$1.13M or 32.6% and below 2022 YTD actual by \$1.68M or 41.9%. August 2023 activities include 96 real estate transactions. There were 95 taxable residential sales (total sales \$50.6M / \$250K tax) and one commercial sale.

REAL ESTATE EXCISE TAX REVENUES							
Year-to-date thru August							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		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	254,266	(234,958)	-48.0%	(173,623)	-40.6%
May	927,268	505,047	313,961	(613,306)	-66.1%	(191,085)	-37.8%
Jun	544,704	483,411	342,809	(201,895)	-37.1%	(140,602)	-29.1%
Jul	653,733	481,686	248,329	(405,404)	-62.0%	(233,357)	-48.4%
Aug	419,157	622,350	284,620	(134,537)	-32.1%	(337,730)	-54.3%
Sep	406,732	417,540	-	-	-	-	-
Oct	286,728	452,775	-	-	-	-	-
Nov	247,639	342,962	-	-	-	-	-
Dec	173,537	854,298	-	-	-	-	-
YTD Total	4,003,348	3,453,425	2,327,645	(1,675,702)	-41.9%	(1,125,780)	-32.6%
Annual Total	\$ 5,117,985	\$ 5,521,000	n/a	n/a	n/a	n/a	n/a

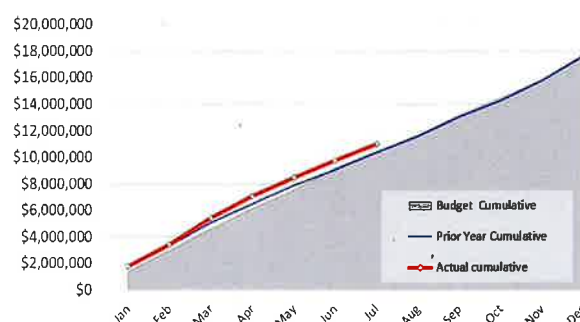
Utility Tax

Revenues are favorable to 2023 YTD budget by \$0.57M or 5.4% and above 2022 YTD actual by \$0.65M or 6.3%, 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 August							
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	2,017,092	261,807	14.9%	366,858	22.2%
Apr	1,413,785	1,485,650	1,585,574	171,789	12.2%	99,924	6.7%
May	1,389,291	1,427,149	1,412,840	23,549	1.7%	(14,309)	-1.0%
Jun	1,213,829	1,618,838	1,291,342	77,513	6.4%	(327,496)	-20.2%
Jul	1,260,575	1,284,264	1,254,694	(5,881)	-0.5%	(29,570)	-2.3%
Aug	1,221,401	1,213,619	-	-	-	-	-
Sept	1,459,563	1,541,901	-	-	-	-	-
Oct	1,275,498	1,279,988	-	-	-	-	-
Nov	1,507,296	1,338,807	-	-	-	-	-
Dec	1,800,115	1,972,727	-	-	-	-	-
YTD Subtotal	\$ 10,367,323	\$ 10,454,019	\$ 11,018,811	\$ 651,488	6.3%	\$ 564,791	5.4%
Rebate	(1,305)	(2,310)	(905)	400	0.0%	1,405	-60.8%
YTD Total	\$ 10,366,018	\$ 10,451,710	\$ 11,017,906	\$ 651,888	6.3%	\$ 566,196	5.4%
Annual Total	\$ 16,992,709	\$ 17,798,751	n/a	n/a	n/a	n/a	n/a

UTILITY TAXES - by Type Year-to-date thru August				
Utility Type	2022 Actual	2023 Actual	Favorable/(Unfavorable) Change from 2022	
			\$	%
Electric	\$ 3,520,829	\$ 3,614,521	\$ 93,692	2.7%
Gas	1,240,995	1,431,971	190,976	15.4%
Water/Sewer	1,358,939	1,490,014	131,075	9.6%
Solid Waste	1,026,021	1,149,213	123,192	12.0%
Solid Waste - 10%	1,323,897	1,482,855	158,958	n/a
Cable	951,208	912,226	(38,982)	-4.1%
Other	945,434	938,011	(7,423)	-0.8%
Tax Rebate	(1,305)	(905)	400	n/a
YTD Total	\$10,366,018	\$ 11,017,906	\$ 651,888	6.3%

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 processed 18 rebates for a total of \$905 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 favorable to 2023 YTD budget by \$0.16M or 8.2%. The increase in collections is due to an increase 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	1,570,837	\$ 1,570,837	1,571,054	217	0.0%
Total Prop 1 Revenues:	3,093,312	\$ 3,460,691	3,402,436	\$ 1,990,607	\$ 2,153,236	\$ 162,629	8.2%
Transfer in from Utility Tax Fund	1,076,964	973,681	499,042	\$ -	-	-	n/a
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	\$ 1,487,357	1,729,697	(242,339)	-16.3%
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	\$ 581,866	476,703	105,163	18.1%
Total Public Safety Improvement Costs	3,870,898	3,883,307	4,138,447	\$ 2,069,223	2,206,400	(137,176)	-6.6%
Community Safety Program Costs:							
1 Code Enforcement Officer	109,114	113,446	120,465	\$ 60,233	83,042	(22,810)	-37.9%
.5 Assistant City Attorney	85,462	54,895	94,411	\$ 47,206	51,350	(4,144)	-8.8%
1 Parks Maintenance Worker I & Security	104,802	75,349	118,550	\$ 59,275	89,754	(30,478)	-51.4%
Total Community Safety Improvement Costs	299,378	243,689	333,427	166,713	224,145	(57,432)	-34.4%
Total Prop 1 Expenditures:	4,170,275	4,126,996	4,471,873	\$ 2,235,937	2,430,545	(194,608)	-8.7%
Total Ending Fund Balance:	\$ 1,263,679	\$ 1,571,054	\$ 1,000,441	\$ 1,325,507	\$ 1,293,745	\$ 31,763	2.4%

Traffic Safety – Red Light / School Zone

Revenues are above 2023 YTD budget by \$1.18M or 58.1%, and above 2022 YTD actual by \$0.48M or 17.8%.

Traffic Safety Fund - Red Light Photo Revenue							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
				Change from 2022		YTD Actual vs Budget	
		Budget	Actual	\$	%	\$	%
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	502,534	165,400	49.1%	\$ 248,021	97.4%
May	322,696	252,245	424,939	102,243	31.7%	\$ 172,694	68.5%
Jun	366,055	301,935	401,659	35,603	9.7%	\$ 99,724	33.0%
Jul	271,128	278,487	294,140	23,012	8.5%	\$ 15,653	5.6%
Aug	330,043	196,829	263,310	(66,733)	-20.2%	\$ 66,480	33.8%
Sep	256,120	194,867	-	-	-	\$ -	-
Oct	265,625	257,518	-	-	-	\$ -	-
Nov	319,241	295,874	-	-	-	\$ -	-
Dec	284,307	227,700	-	-	-	\$ -	-
YTD Total	\$ 2,717,051	\$ 2,024,042	\$ 3,201,002	\$ 483,952	17.8%	\$ 1,176,961	58.1%
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

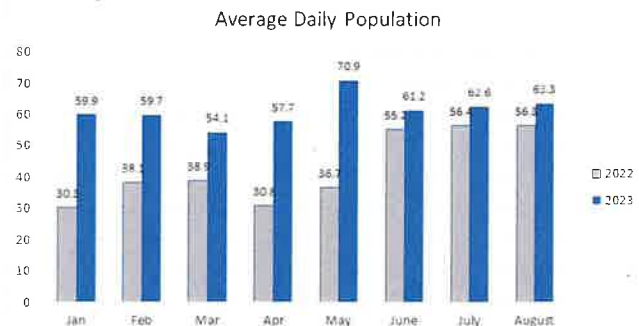
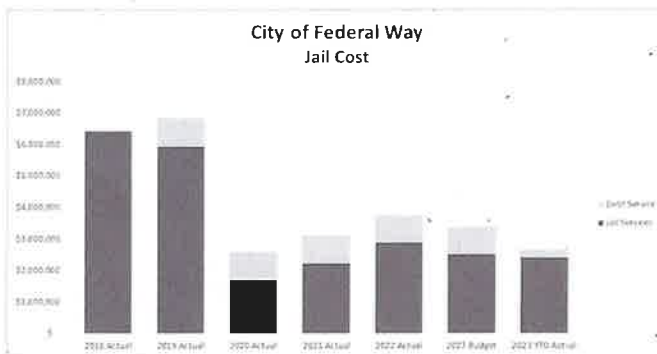
August PD overtime is \$3K or 2.3% above July 2022 actual.

The City's portion (unbillable) is \$0.38M or 54.6% 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 August							
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	114,651	(22,451)	-16.4%	34,742	43.5%
May	135,111	92,139	139,773	4,663	3.5%	47,635	51.7%
Jun	133,057	78,666	133,025	(32)	0.0%	54,358	69.1%
Jul	171,487	127,159	154,339	(17,147)	-10.0%	27,181	21.4%
Aug	138,911	85,169	142,134	3,223	2.3%	56,965	66.9%
Sep	147,445	80,227	-	-	-	-	-
Oct	119,010	94,443	-	-	-	-	-
Nov	134,420	93,601	-	-	-	-	-
Dec	127,130	92,573	-	-	-	-	-
City Portion	1,163,279	694,755	1,074,023	(89,257)	-7.7%	379,268	54.6%
Billable	282,856	189,357	253,467	(29,389)	-10.4%	64,110	33.9%
YTD Total	\$ 1,446,136	\$ 884,112	\$ 1,327,490	\$ (118,646)	-8.2%	\$ 443,378	50.1%
Billable	\$ 139,037	\$ 143,019	\$ -	\$ -	-	\$ -	-
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	\$ 2,409,161
Debt Service Payments for SCORE Jail	-	889,718	847,566	851,925	852,425	851,925	210,963
Total Jail Cost	\$6,417,479	\$6,821,813	\$2,560,449	\$ 3,075,527	\$3,723,793	\$ 3,351,925	\$ 2,620,124

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 61.2 for the first eight 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 \$0.32M or 24.7%, and below 2022 YTD actual by \$0.01M, primarily due to slowly coming back to pre-pandemic levels, and the pool closure.

Expenditures are above 2023 YTD budget of \$1.52M by \$0.06M or 3.8%.

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

Federal Way Community Center as of 08/31/2023	2022			2023			YTD Budget vs Actual	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	Favorable/(Unfavorable)	
							\$	%
Beginning Fund Balance	\$ 1,502,625	\$ 1,502,625	\$ 1,502,625	\$ 1,737,337	\$ 1,737,337	\$ 1,737,273	n/a	n/a
Total Revenues	1,690,875	1,761,950	980,408	1,930,875	1,287,250	969,077	(318,173)	-24.7%
Total Expenditures	2,756,334	2,590,528	1,503,384	2,279,893	1,519,929	1,578,212	(58,283)	-3.8%
Revenues Over / (Under) Expenditures	(1,065,459)	(828,578)	(522,976)	(349,018)	(232,679)	(609,135)	(376,456)	161.8%
Recovery Ratio	61.3%	68.0%	65.2%	84.7%	84.7%	61.4%	n/a	n/a
Total Transfer In from General Fund/Utility Tax	1,063,227	1,063,227	520,351	868,501	579,001	444,989	(134,012)	-23.1%
Ending Fund Balance	\$ 1,500,392	\$ 1,737,274	\$ 1,500,000	\$ 2,256,820	\$ 2,083,659	\$ 1,573,128	\$ (510,531)	-24.5%
Debt Service Payments	820,123	820,423	820,423	822,123	111,061	111,061	-	0.0%
Total FWCC Cost	\$ 3,576,457	\$ 3,410,951	\$ 2,323,807	\$ 3,102,016	\$ 1,630,990	\$ 1,689,273	\$ (58,283)	-3.6%
Total City Support	\$ 1,883,350	\$ 1,883,650	\$ 1,340,774	\$ 1,690,624	\$ 690,062	\$ 556,050		

Dumas Bay Centre

Revenues are above 2023 YTD budget by \$0.17M or 49.7%, and above 2022 YTD actual by \$0.20M. The facility reopened as of the beginning of August 2021.

Expenditures are above 2023 YTD budget of \$0.51M by \$0.06M or 12.3%.

Dumas Bay Centre Fund as of 08/31/2023	2022			2023			YTD Budget vs Actual	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	Favorable/(Unfavorable) \$	%
Beginning Fund Balance	\$1,500,001	\$1,500,001	\$1,500,000	\$1,710,216	\$1,710,216	\$1,710,510	n/a	n/a
Total Revenues	535,151	591,019	328,232	527,698	351,799	526,524	174,725	49.7%
Total Expenses	1,000,110	845,470	559,224	764,097	509,398	572,285	(62,887)	-12.3%
Revenues Over/(Under) Expenses	(464,959)	(254,450)	(230,992)	(236,399)	(157,599)	(45,761)	111,838	-71.0%
Recovery Ratio	53.51%	69.90%	58.69%	69.06%	69.06%	92.00%	n/a	n/a
Total Transfer In	464,959	464,959	164,959	628,148	418,765	-	(418,765)	n/a
Ending Fund Balance	\$1,500,000	\$1,710,510	\$1,433,968	\$2,101,965	\$1,971,382	\$1,664,749	\$(306,634)	-15.6%

Performing Arts & Event Center Operations (PAEC)

Revenues are above year-to-date budget of \$0.9M by \$0.26M primarily due to the facility reopening, and operations slowly coming back to pre-pandemic levels.

Expenditures are \$0.25M or 9.4% above the YTD budget.

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

115 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)	-	873,680	873,647	873,647	873,936	\$	%
Total Revenue	323,827	553,529	1,410,377	591,152	1,443,088	1,690,259	1,279,780	853,187	1,114,534	261,347	16.2%
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	738,658	750,765	12,107	1.2%
Total Expenditures	1,195,466	1,628,150	2,589,541	1,452,916	1,653,440	2,631,377	2,483,359	1,655,573	1,902,919	(247,346)	-9.4%
Total PAEC Operation Balance	\$ 477	\$ (447,382)	\$ (110,546)	\$ 0	\$ 873,580	\$ 873,936	\$ 778,055	\$ 809,919	\$ 836,316	\$ 26,397	na
Debt Service Payments	-	-	-	538,247	553,255	781,330	772,320	265,173	265,173	-	0%
Total PAEC Cost	\$ 1,195,466	\$ 1,628,150	\$ 2,589,541	\$ 1,991,163	\$ 2,206,695	\$ 3,412,707	\$ 3,255,679	\$ 1,920,746	\$ 2,168,092	\$ (247,346)	-7.2%
Total City Support				\$ 1,510,557	\$ 1,637,197	\$ 1,722,794	\$ 1,880,307	\$ 1,003,831	\$ 1,015,938	\$ (12,107)	-0.7%

Fund Activity Summary

Fund #/Fund Name	Begin Balance 1/1/2023	YTD Revenues	YTD Expenditures	YTD Net Income/(loss)	Ending Balance 08/31/2023*	Required Fund Balance
001/101 General/Street Fund**	\$ 27,709,983	\$ 38,024,981	41,971,190	\$ (3,946,208)	\$ 23,763,775	\$ 9,500,000
<i>Special Revenue Funds:</i>						
102 Arterial Street	998,845	1,314,317	989,239	325,079	1,323,924	100,000
103 Utility Tax(*)	4,646,109	7,381,814	5,947,500	1,434,314	6,080,423	1,500,000
104 Affordable & Supportive Housing Sales Tax	148,016	55,607	133,558	(77,951)	70,065	-
106 Solid Waste & Recycling	395,459	439,822	434,731	5,092	400,551	-
107 Special Contracts/Studies Fund	987,302	25,250	-	25,250	1,012,553	-
109 Hotel/Motel Lodging Tax	1,868,015	154,252	19,949	134,302	2,002,318	200,000
111 Federal Way Community Center	1,737,273	1,414,066	1,578,212	(164,146)	1,573,128	1,500,000
112 Traffic Safety Fund	2,493,443	3,201,002	1,945,290	1,255,712	3,749,155	1,200,000
113 Real Estate Excise Tax Fund	3,217,658	2,327,645	3,236,343	(908,698)	2,308,960	2,000,000
114 Prop 1 Utility Tax	1,571,054	2,153,236	2,430,545	(277,309)	1,293,745	1,000,000
115 Performing Arts & Event Ctr Operations	873,936	1,865,299	1,902,919	(37,620)	836,316	-
116 Solid Waste 10% Utility Tax	1,632,240	1,482,855	1,973,034	(490,179)	1,142,061	-
119 CDBG	25,107	250,016	499,405	(249,388)	(224,281)	-
120 Path & Trails	1,888,688	197,519	-	197,519	2,086,207	-
121 Technology	459,999	211,023	38,824	172,199	632,199	-
122 Jail Fund	7,260	2,401,901	2,409,161	(7,260)	0	-
188 Strategic Reserve Fund	3,002,082	-	-	-	3,002,082	3,000,000
189 Parks Reserve Fund	1,133,157	-	-	-	1,133,157	1,125,000
Subtotal Special Revenue Funds	27,085,646	24,875,626	23,538,709	1,336,917	28,422,563	\$11,625,000
201 Debt Service Fund	(1,366,565)	2,223,343	588,247	1,635,096	268,531	-
<i>Capital Project Funds:</i>						
301 Downtown Redevelopment	4,499,350	430,360	-	430,360	4,929,710	-
302 Municipal Facilities	175,507	-	-	-	175,507	-
303 Parks	2,032,064	81,850	91,472	(9,622)	2,022,442	-
304 Surface Water Management	4,570,673	4,275	156,975	(152,700)	4,417,973	-
306 Transportation	15,939,217	2,382,292	2,768,021	(385,729)	15,553,488	-
307 Capital Project Reserve Fund	370,343	-	-	-	370,343	-
Subtotal Capital Project Funds	27,587,154	2,898,777	3,016,468	(117,691)	27,469,463	-
<i>Enterprise Funds:</i>						
401 Surface Water Management	4,511,222	4,421,746	2,572,980	1,848,766	6,359,987	690,000
402 Dumas Bay Centre Fund	1,710,510	526,524	572,285	(45,761)	1,664,749	1,500,000
Subtotal Enterprise Funds	6,221,732	4,948,270	3,145,266	1,803,004	8,024,736	\$ 2,190,000
<i>Internal Service Funds</i>						
501 Risk Management	1,516,845	1,656,223	2,092,375	(436,152)	1,080,692	600,000
502 Information Systems	4,260,137	2,253,416	1,841,439	411,977	4,672,114	-
503 Mail & Duplication	279,203	92,345	51,810	40,535	319,738	-
504 Fleet & Equipment	8,548,261	2,181,930	1,937,497	244,432	8,792,693	-
505 Buildings & Furnishings	2,115,458	485,399	409,602	75,797	2,191,255	2,000,000
506 Health Self Insurance Fund	3,660,088	3,581,684	3,104,687	476,997	4,137,085	-
507 Unemployment Insurance Fund	252,036	-	45,328	(45,328)	206,707	250,000
Subtotal Internal Service Funds	20,632,027	10,250,996	9,482,740	768,257	21,400,284	\$ 2,850,000
Total All Funds	\$ 107,869,976	\$ 83,221,994	\$ 81,742,619	\$ 1,479,376	\$ 109,349,352	\$ 26,165,000

Monthly Treasury Positions and Activity

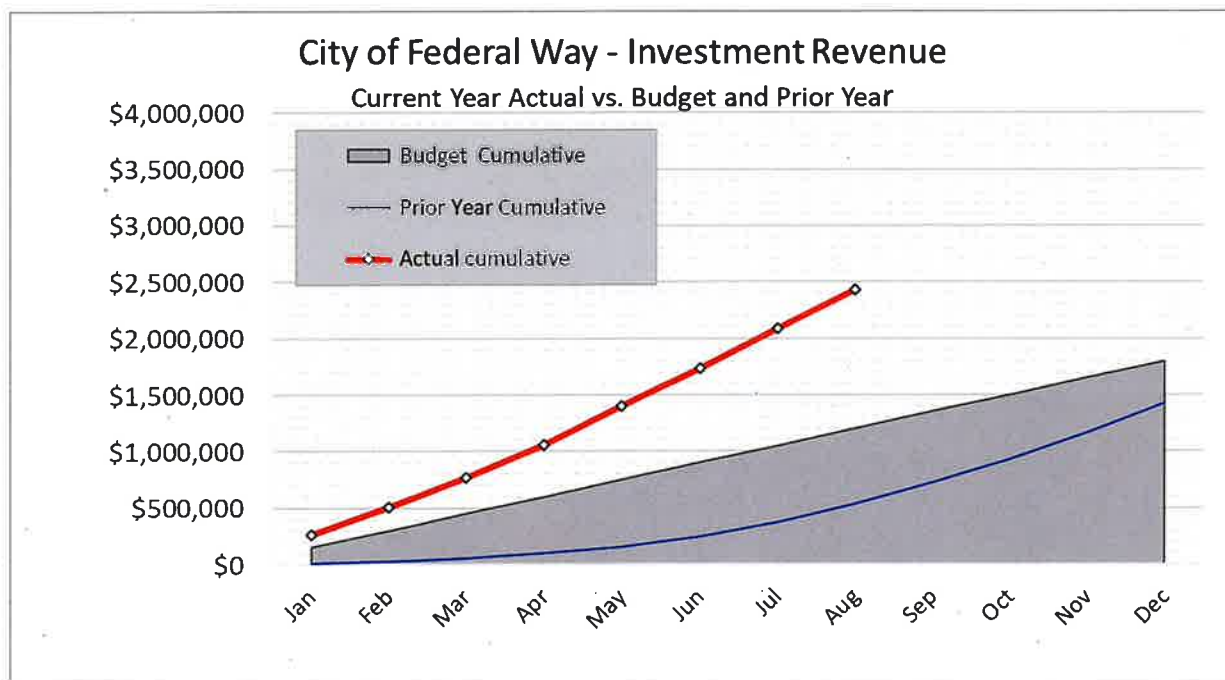
This monthly report of all investment transactions to the city council via FEDRAC complies with RCW 35.39.032. The following pages provide a summary of the current investment portfolio holdings and the individual transactions and activity during the month.

Portfolio Yield: The City's total annualized yield was 3.2%. The City's position in LGIP was \$45.0 million earning a 3.7% yield and the laddered portfolio was \$60 million earning a 2.8% yield.

	Face Value	Cost	Yield %	Annual Yield \$
City Portfolio:	60,000,000	58,538,699	2.838%	1,702,762
State Investment Pool:	45,046,259	45,046,259	3.680%	1,657,870
Total:	<u>\$ 105,046,259</u>	<u>\$ 103,584,958</u>	3.199%	<u>\$ 3,360,632</u>

Interest Revenue Compared to Budget and Prior Year

Year-to-date interest revenue through July of \$2,429,000 exceeds budget of \$1,200,000 by 1,229,000 or 102% and exceeds prior year by \$1,892,000. Accrual basis interest for the month was \$343,000.



The following city portfolio 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 08/01/2023 - 08/31/2023

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	(973,980.98)
Deliveries	0.00
Principal Reversals	0.00
Interest	136,600.00
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	162,619.02

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(800) 236-4221

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	40,000,000.00000	40,000,000.00000	38,654,880.34	38,014,377.67
US Government Agency Securities	19,000,000.00000	19,000,000.00000	19,000,616.00	18,472,619.06
Corporate Securities	1,000,000.00000	1,000,000.00000	943,200.00	937,015.93
Total Custody Holdings	60,000,000.00000	60,000,000.00000	58,598,696.34	57,424,012.66

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.

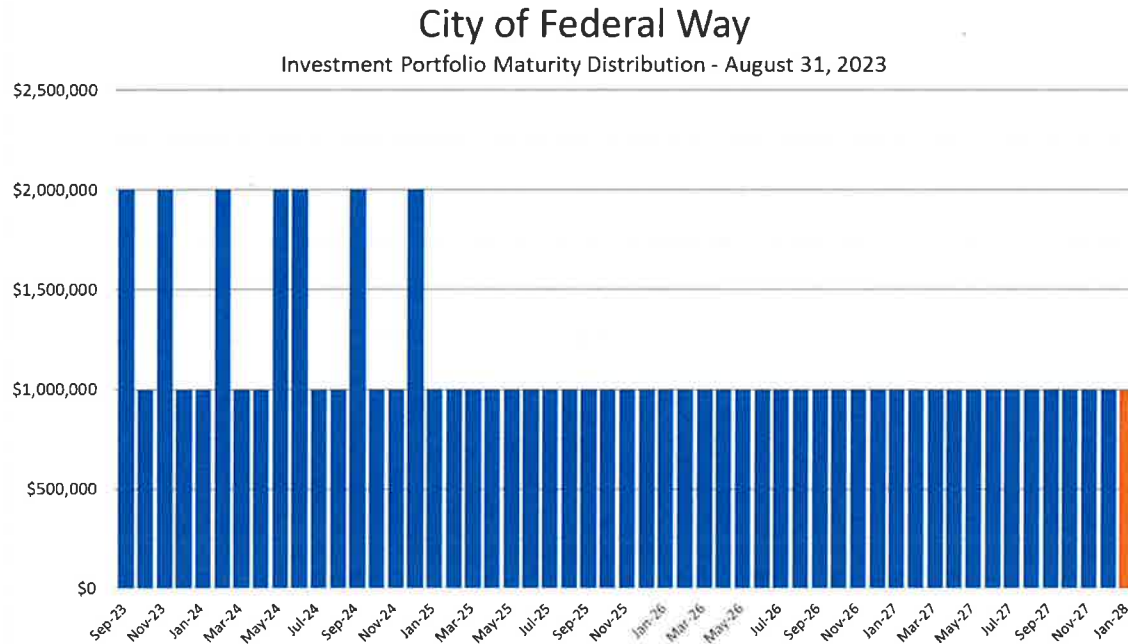
Maturities: During the month, the following investment matured:

- 2021-019 FHLMC \$1,000,000, matured August 2023, yielding 1.44%

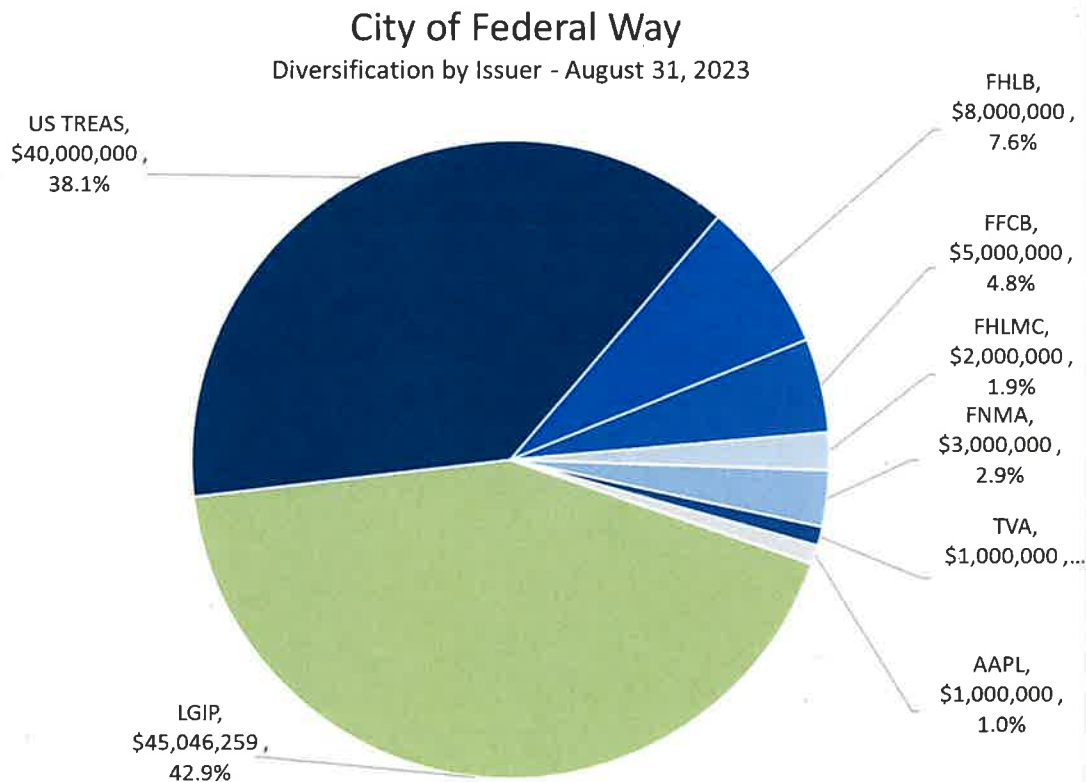
Purchases: During the month, the following investment was purchased, maximizing yield at the time of purchase for the maturity date being filled, having first assured safety and liquidity of the entire portfolio (see addendum for complete rationale):

- 2023-071 US Treasury \$1,000,000, matures January 2028, yielding 4.16%

The maturity distribution of the laddered portion of the portfolio shows that \$1-2 million will mature each month for the next 53 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.

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 08/31/2023 - 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						
09/28/2023	912796C56 392227577	DI 04/23	US TREASURY BILLS BILLS 09/28/23	1,000,000.00 1,000,000.00	977,611.94	995,887.89
09/30/2023	9128285D8 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	997,864.81
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	991,640.62
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	988,046.88
01/31/2024	9128285Z9 392220927	2.500 12/21	U.S. Treasury Notes 9128285Z9 01/31/2024	1,000,000.00 1,000,000.00	1,037,773.44	987,812.50
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	979,257.81
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	979,570.31
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	974,921.88
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	960,390.62
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	949,843.75
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	949,140.62

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 08/31/2023 - USD	Page 5
Acct Number: XXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
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	947,460.94
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	948,398.44
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	930,859.38
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	926,015.62
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	920,820.31
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	918,320.31
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	915,351.58
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	907,109.38
12/31/2025	9128285T3 392224349	2.625 07/22	U.S. TREASURY NOTES 2.625 NOTE 25	1,000,000.00 1,000,000.00	983,828.13	953,398.44
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	952,304.69
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	942,265.62
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	903,632.81

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 08/31/2023 - USD	Page 6
Acct Number: XXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
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	901,015.62
06/30/2026	91282CCJ8 392224738	.875 09/22	U.S. Treasury Notes 91282CCJ8 06/30/2026	1,000,000.00 1,000,000.00	908,718.75	903,164.06
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	926,757.81
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	901,328.12
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	924,843.75
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	903,007.81
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	906,914.06
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	1,067,773.44
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	936,093.75
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	943,671.88
06/30/2027	91282CEW7 392228443	3.250 06/23	US TREASURY NOTE 3.250, 06/30/2027	1,000,000.00 1,000,000.00	973,920.00	958,828.12
07/31/2027	91282CFB2 392228878	2.750 07/23	US TREASURY NOTE 2.750, 07/31/2027	1,000,000.00 1,000,000.00	942,460.94	940,195.31

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 08/31/2023 - USD	Page 7
Acct Number: XXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
08/31/2027	91282CFH9 751017327	3.125 07/23	US TREASURY NOTE 91282CFH9 08/31/2027	1,000,000.00 1,000,000.00	965,468.75	953,085.94
09/30/2027	91282CFM8 392229146	4.125 07/23	US TREASURY NOTE 4.125, 09/30/2027	1,000,000.00 1,000,000.00	999,726.56	989,570.31
10/31/2027	91282CFU0 392229236	4.125 07/23	US TREASURY NOTE 4.125 NOTE 2027	1,000,000.00 1,000,000.00	996,953.13	990,507.81
12/31/2027	91282CGC9 392229416	3.875 07/23	US TREASURY NOTES 3.875% NOTE 12/31/27	1,000,000.00 1,000,000.00	984,590.00	981,484.38
01/31/2028	91282CGH8 392229538	3.500 08/23	UNITED STATES TREAS NTS 3.5%01/31/28	1,000,000.00 1,000,000.00	973,125.00	965,820.31
Treasury Obligations Total				40,000,000.00000 40,000,000.00000	38,654,880.34	38,014,377.67
US Government Agency Securities						
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	987,816.18
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	985,438.22
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	987,003.06
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	998,241.06
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	983,376.78
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	998,331.92

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 08/31/2023 - USD	Page 8
Acct Number: XXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
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	969,230.37
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	963,687.03
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	994,621.56
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	943,193.53
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	991,610.55
02/12/2025	3137EAEPO 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	945,988.36
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	915,019.35
09/23/2025	3137EAEX3 751014307	.375 06/22	FEDERAL HOME LOAN MTG CORP 09/23/2025	1,000,000.00 1,000,000.00	915,848.00	911,203.74
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	1,035,205.77
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	996,689.00	964,579.71
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	953,246.90
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	976,522.05

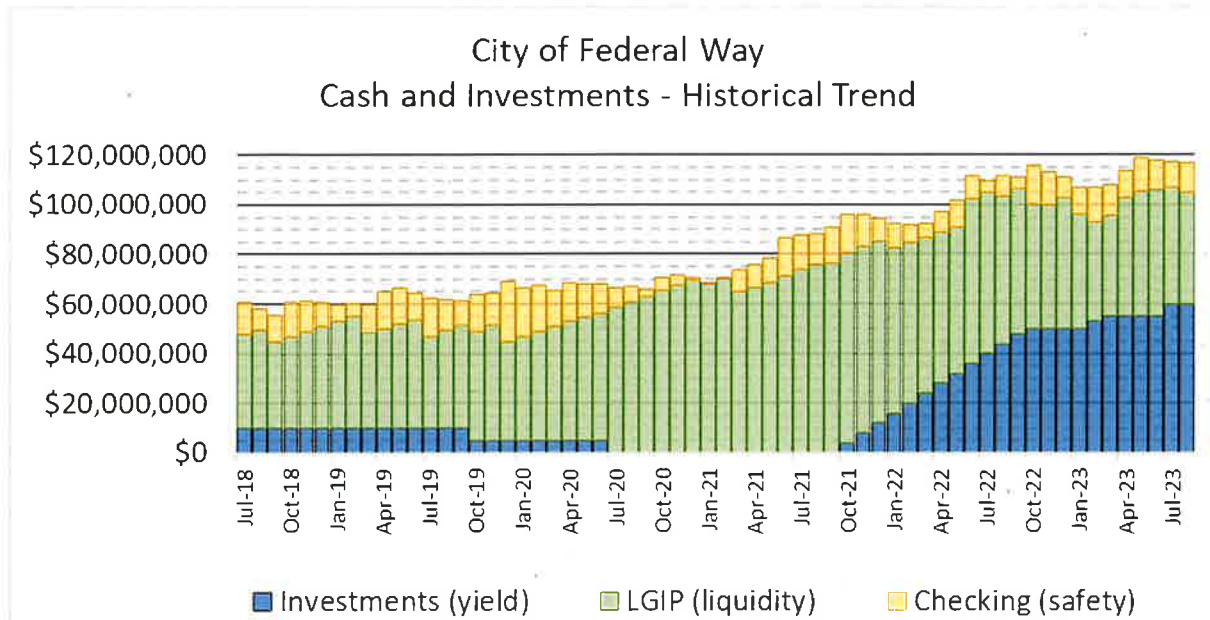
Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 08/31/2023 - USD	Page 9
Acct Number: XXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
05/12/2027	3133EPJP1 392228113	3.625 05/23	FEDERAL FARM CR BKS CONS BD 3.625%27	1,000,000.00 1,000,000.00	996,867.00	965,302.92
US Government Agency Securities Total				19,000,000.00000	19,000,616.00	18,472,619.06
Corporate Securities				19,000,000.00000		
11/13/2027	037833DK3 392229402	3.000 07/23	APPLE INC SR GBL NT 3%27	1,000,000.00 1,000,000.00	943,200.00	937,015.93
Corporate Securities Total				1,000,000.00000	943,200.00	937,015.93
Total Custody Holdings				60,000,000.00000	58,598,696.34	57,424,012.66
				60,000,000.00000		

Cash Balance and Investment Positions:

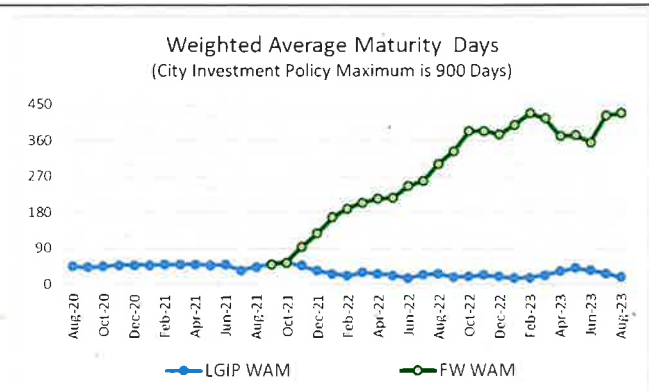
The City's cash balance trend is shown below:

- Total cash decreased to 116.6 million from \$117.5 million.
- Laddered investments now level at \$60 million.
- The LGIP Investment Pool position decreased from \$47.1 million to \$45.0 million.

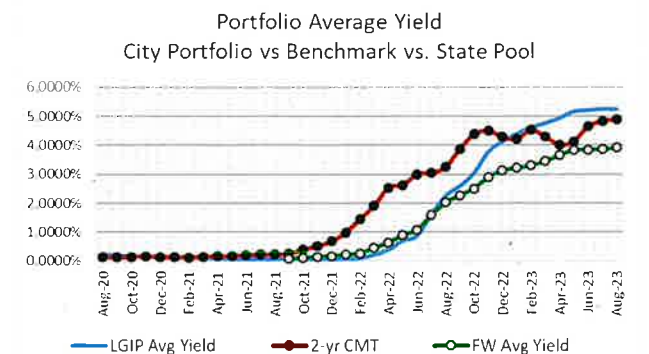


Benchmark and Portfolio

Weighted Average Maturity (WAM) of the City's portfolio, including position in LGIP, is 427 days, and within the City's Investment Policy limit of 2.5 years or 900 days. The LGIP State Pool WAM was 17 days in August. The City's average maturity increased in part due to the decrease in cash balance at the LGIP.



Average Yield of the City's portfolio was 3.9%, and continuing to climb, compared to 4.9% for the 2-year Constant Maturity Treasury index and 5.2% for the LGIP.



Addendum – Investment Rationale

Staff Review of Investment Rationale

Date: August 8, 2023

Investment # 2023-071 is a 4-year 5-month Treasury (T), face value \$1,000,000, maturing January 31, 2028, purchased at 97.3 (discount) to yield 4.16%. This trade settles August 9, 2023 with Wedbush Securities, US Bank Safekeeping, replacing a \$1M August 2023 maturity yielding 1.44%.

Liquidity: At July 30th month-end, total city cash was \$117.5 million, checking account balance was \$10.4 million (target minimum is \$8 Million), investment portfolio was \$60.0 million (target is \$60 million for Treasuries and Agencies). State LGIP investment pool balance was \$47.1 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 4.16%. *This investment is 5 basis points above the 5-year benchmark.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	5.25%	www.secureaccess.wa.gov
2-year Treasury	4.75%	Bloomberg.com
Same maturity Agency	None available	Broker live inquiry
5-year Treasury	4.11%	Bloomberg.com

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

Diversification. This purchase puts this issuer at 37.4% of total portfolio.

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

Outlook. The yield curve is currently inverted, with peak yield around 5.49% at 6 months then inverted to 2-year at 4.75%, the 5-year at 4.11%. The Federal Reserve Bank last executed a no rate hike in June as uncertainty remains over inflation, money supply and Fed moves.

Staff review:

Deputy Finance Director:



Date

8/8/23

Finance Director:



Date

8/8/2023

COUNCIL MEETING DATE: October 3, 2023

ITEM #:

CITY OF FEDERAL WAY

CITY COUNCIL

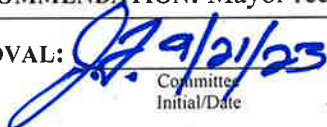
AGENDA BILL

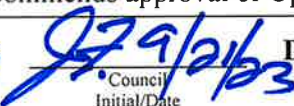
SUBJECT: AUGUST 2023 MONTHLY FINANCIAL REPORT**POLICY QUESTION:** Should the Council approve the August 2023 Monthly Financial Report?**COMMITTEE:** FINANCE, ECONOMIC DEVELOPMENT AND REGIONAL AFFAIRS COMMITTEE (FEDRAC)**MEETING DATE:** Sept. 26, 2023**CATEGORY:**

<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:** August 2023 Monthly Financial Report**Options to Consider:**

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

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


Committee Initial/Date


Council Initial/Date
DIRECTOR APPROVAL:


Initial/Date
COMMITTEE RECOMMENDATION: *I move to forward the August 2023 Monthly Financial Report to the October 3, 2023 consent agenda for approval.*


Committee Chair


Committee Member


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** (10/13/2023)

☐ **DENIED**

☐ **TABLED/DEFERRED/NO ACTION**

☐ **MOVED TO SECOND READING** (ordinances only)

REVISED – 1/2022

COUNCIL BILL #

First reading

Enactment reading

ORDINANCE #**RESOLUTION #**