

DATE: November 28, 2023

TO: Mayor and City Council
Management Team

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

SUBJECT: Monthly Financial Report

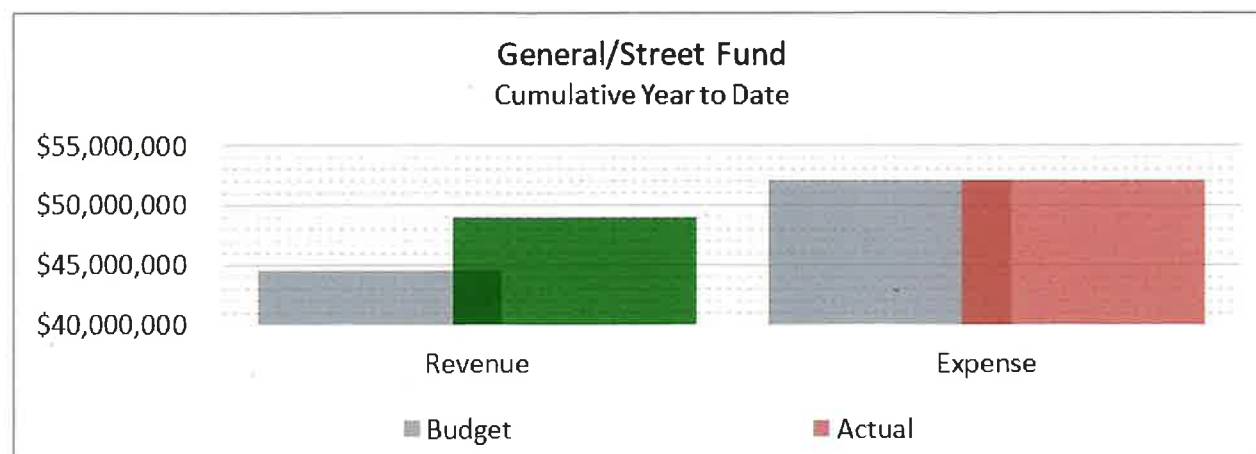
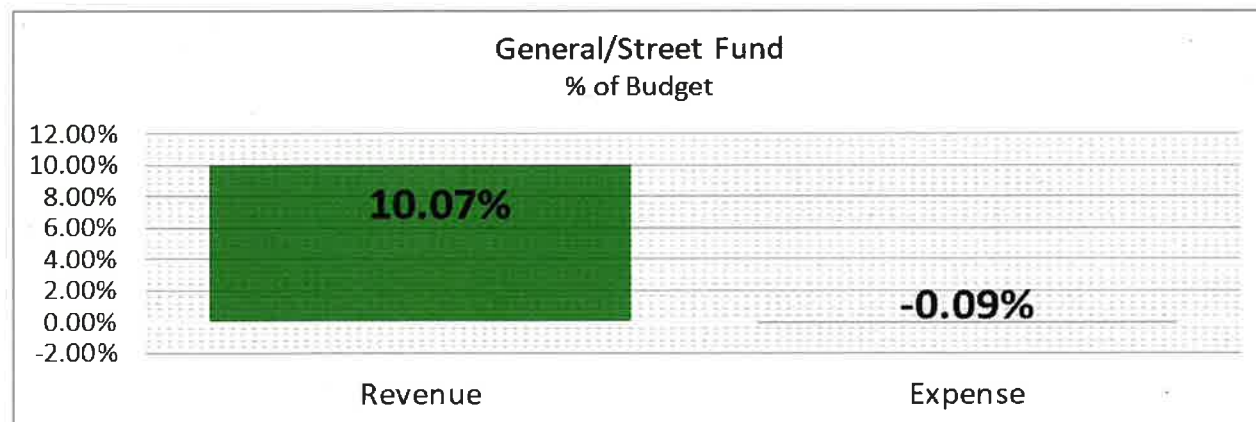
This report is to brief you on monthly and year-to-date (YTD) revenues and expenses, compared to budget and prior year, on the city's cash and fund balance positions, and on the monthly investment performance, transactions and current holdings.

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 \$44.55M by \$4.48M or (10.1%).

Expenditures & Transfers Out are **favorable** to YTD budget of \$52.16M by \$0.05M or 0.1% primarily due to timing of ARPA spending.



Other Fund Highlights

- Utility Tax revenue is trending favorably, \$0.67M or 5.0% above 2023 YTD budget, and \$0.92M or 7.1% 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 \$1.35M or 31.2% below 2023 YTD budget, and \$1.72M or 36.6% below 2022 YTD collections. This is an indicator of the Federal Way real estate market's volume and valuations.
- Expenditures & Transfer Out is unfavorable, \$0.08M or 0.3% above YTD budget, but \$0.66M below 2022 YTD actuals. The unfavorable variance to budget is primarily due to an increase in jail expenditures.

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	8,815,411	12,449,432	8,957,108	9,326,771	369,663	4.1%
Utility Tax - Prop 1 Voter Package	3,093,312	3,460,473	2,511,722	3,402,436	2,511,722	2,720,315	208,593	8.3%
Utility Tax - Solid Waste 10%	2,000,000	2,310,053	1,719,852	2,200,000	1,833,333	1,920,445	87,112	4.8%
Real Estate Excise Tax	4,421,454	5,117,985	4,696,808	5,521,000	4,323,740	2,976,021	(1,347,719)	-31.2%
Traffic Safety (Red Light/School Zone)	2,872,442	3,842,343	3,238,795	3,000,000	2,476,426	3,778,127	1,301,701	52.6%
Hotel/Motel Lodging Tax	150,000	281,845	209,422	293,000	225,402	216,425	(8,977)	-4.0%
Federal Way Community Center	1,690,875	1,761,950	1,191,425	1,930,875	1,609,063	1,288,012	(321,050)	-20.0%
Performing Arts & Event Ctr Operations	1,611,664	1,690,259	1,196,856	1,279,780	1,066,484	1,425,614	359,130	33.7%
Dumas Bay Centre Fund	535,151	591,019	424,925	527,698	439,748	696,476	256,728	58.4%
Total Revenues	26,959,192	30,914,819	24,005,216	30,604,221	23,443,025	24,348,205	905,180	3.9%
Expenditures & Transfers Out:								
Utility Tax Support to Other Funds for operations	9,734,702	9,837,985	7,874,034	11,804,598	6,327,446	6,327,446	-	0.0%
Utility Tax Proposition 1 operations	4,170,275	4,126,995	3,250,688	4,471,873	3,726,561	3,028,827	697,734	18.7%
Solid Waste 10% Utility Tax - Residential Streets Overlay	3,418,862	2,098,307	1,772,043	3,680,166	3,066,805	2,713,700	353,105	11.5%
Real Estate Excise Tax Support to Debt and Capital Projects	5,989,440	5,989,440	5,207,986	7,055,343	3,736,343	3,736,343	-	0.0%
Traffic Safety (Red Light/School Zone)	3,529,722	3,529,723	2,923,247	3,846,735	3,205,613	2,873,351	332,262	10.4%
Hotel/Motel Lodging Tax	155,000	20,598	16,308	65,000	54,167	75,949	(21,782)	-40.2%
Jail Fund Services	2,644,584	2,871,371	1,854,354	2,500,000	2,083,333	3,037,511	(954,178)	-45.8%
Federal Way Community Center	2,756,334	2,590,528	1,892,840	2,279,893	1,899,911	1,964,905	(64,994)	-3.4%
Performing Arts & Event Ctr Operations	2,631,641	2,631,378	2,049,003	2,483,359	2,069,466	2,378,511	(309,045)	-14.9%
Dumas Bay Centre Fund	1,000,110	845,470	696,417	764,097	636,747	745,316	(108,569)	-17.1%
Total Expenditures & Transfers Out	36,030,671	34,541,794	27,536,921	38,951,064	26,806,391	26,881,860	(75,468)	-0.3%
Ending Fund Balance								
Utility Tax (non-Prop 1)	3,385,633	4,646,109	4,011,026	4,791,900	-	7,645,431	n/a	n/a
Utility Tax - Prop 1 Voter Package	1,263,680	1,571,054	1,054,526	1,000,659	-	1,314,373	n/a	n/a
Utility Tax - Solid Waste 10%	-	1,632,240	1,368,404	152,073	-	838,985	n/a	n/a
Real Estate Excise Tax Fund	2,546,600	3,217,658	3,578,459	1,683,316	-	2,457,336	n/a	n/a
Traffic Safety Fund	2,124,096	2,493,443	2,450,906	1,646,708	-	3,398,219	n/a	n/a
Hotel/Motel Lodging Tax	1,605,161	1,868,015	1,797,898	2,096,015	-	2,008,491	n/a	n/a
Jail Fund	-	7,260	(2)	0	-	1	n/a	n/a
Federal Way Community Center	1,500,393	1,737,273	1,364,436	2,256,756	-	1,511,470	n/a	n/a
Performing Arts & Event Ctr Operations	873,587	873,936	21,443	778,344	-	1,029,025	n/a	n/a
Dumas Bay Centre Fund	1,500,001	1,710,510	1,393,468	2,102,259	-	1,661,669	n/a	n/a
Total Ending Fund Balance	\$ 14,799,148	\$ 19,757,498	\$ 17,040,565	\$ 16,508,031	\$ -	\$ 21,865,001	n/a	n/a

Revenues and Expenditures:

General & Street Fund Financial Highlights

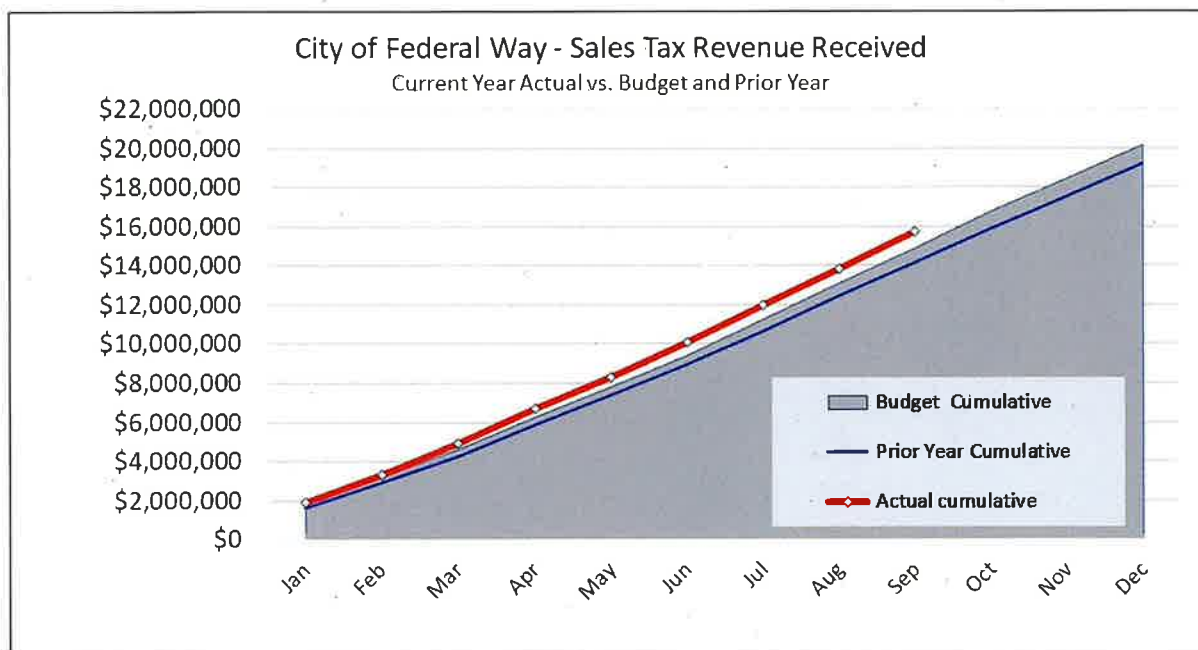
As detailed in the table below:

- Sales Tax revenue is trending favorably, \$0.82M or 5.5% above 2023 YTD budget, and \$1.51M or 10.7% above 2022 YTD collections. Retail sales and services are \$425K above 2022 YTD collections. This is an indicator of the health of the local economy.
- CD Permits & Fees revenue is trending favorably, \$1.05M or 30.2% above 2023 YTD budget, and \$1.45M or 47.1% above 2022 YTD collections.
- Total Expenditures & Transfer Out is below YTD budget by \$0.05M, but \$5.55M or 11.9% 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.

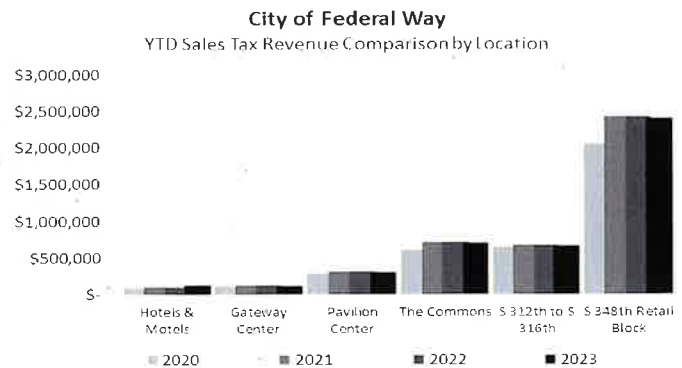
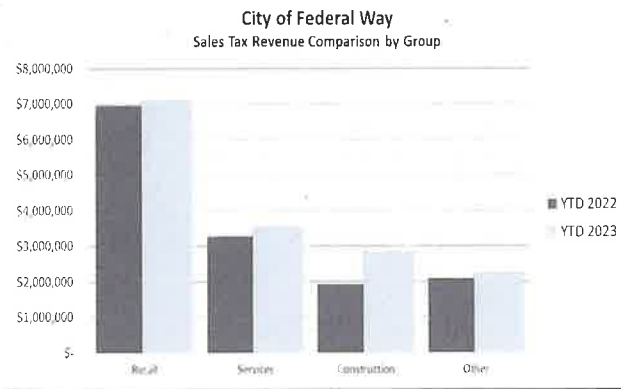
GENERAL & STREET FUND SUMMARY	2022			2023			YTD Budget vs. Actual	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	Favorable/(Unfavorable)	
							\$	%
Beginning Fund Balance	\$21,339,329	\$21,339,329	\$21,339,329	\$27,709,983	\$27,709,983	\$27,709,986	n/a	n/a
Revenues:								
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	14,201,433	20,170,852	14,892,419	15,714,134	821,715	5.5%
Property Taxes	11,357,280	11,590,675	9,551,103	11,762,933	10,292,566	10,680,142	387,576	3.8%
State Shared Revenue	3,022,000	3,126,093	2,363,126	3,153,260	2,383,663	2,409,933	26,270	1.1%
CD Permits & Fees	2,564,111	4,040,385	3,076,070	4,333,019	3,472,937	4,523,421	1,050,484	30.2%
Business License Fees	622,000	724,126	605,846	682,631	556,385	637,331	80,947	14.5%
Admissions Tax	306,513	834,953	724,030	339,265	282,721	734,091	451,370	159.7%
Other Revenues	11,678,849	12,440,091	8,833,911	13,052,802	9,564,266	11,230,080	1,665,815	17.4%
Transfers in from Other Funds to support operations	7,356,718	7,268,912	5,705,912	8,372,201	3,100,610	3,100,610	-	0.0%
Total Revenues & Transfer In	64,865,669	68,838,642	54,669,875	61,866,962	44,545,566	49,029,744	4,484,177	10.1%
Total Expenditures & Transfer Out	76,102,125	62,467,985	46,556,958	79,507,401	52,157,503	52,108,810	48,693	0.1%
Total Ending Fund Balance	\$10,102,874	\$27,709,986	\$29,452,246	\$10,069,544	\$20,098,046	\$24,630,920	n/a	n/a

Sales Tax

Revenues are favorable to 2023 YTD budget by \$0.82M or 5.5% and above 2022 YTD actual by \$1.51M or 10.7%. 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.

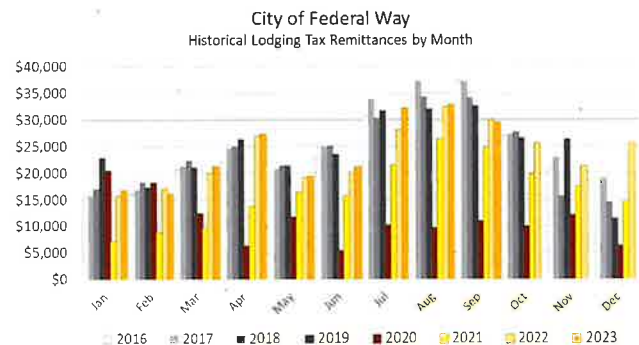
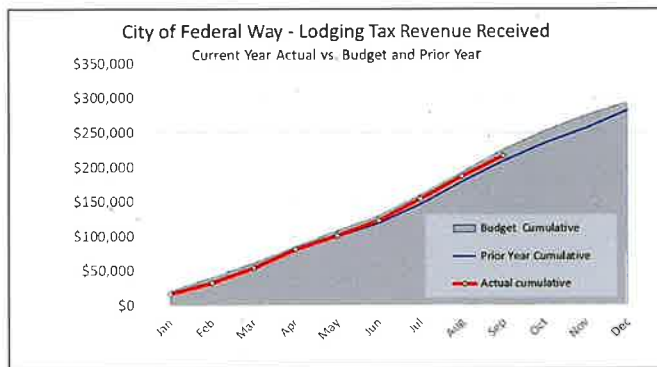


LOCAL RETAIL SALES TAX REVENUES							
YTD October							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
Jan	1,653,281	\$ 1,875,011	\$ 1,917,113	\$ 263,832	16.0%	\$ 42,102	2.2%
Feb	1,284,275	1,397,709	1,425,556	141,280	11.0%	27,847	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	1,844,525	1,850,860	65,646	3.7%	6,335	0.3%
Sep	1,757,829	1,815,045	1,847,683	89,854	5.1%	32,638	1.8%
Oct	1,721,219	1,867,738	-	-	-	-	-
Nov	1,649,918	1,714,572	-	-	-	-	-
Dec	1,632,393	1,696,122	-	-	-	-	-
YTD Total	\$ 14,201,433	\$ 14,892,419	\$ 15,714,134	\$ 1,512,702	10.7%	\$ 821,715	5.5%
Annual Total	\$ 19,204,963	\$ 20,170,852	n/a	n/a	n/a	n/a	n/a



Hotel/Motel Lodging Tax

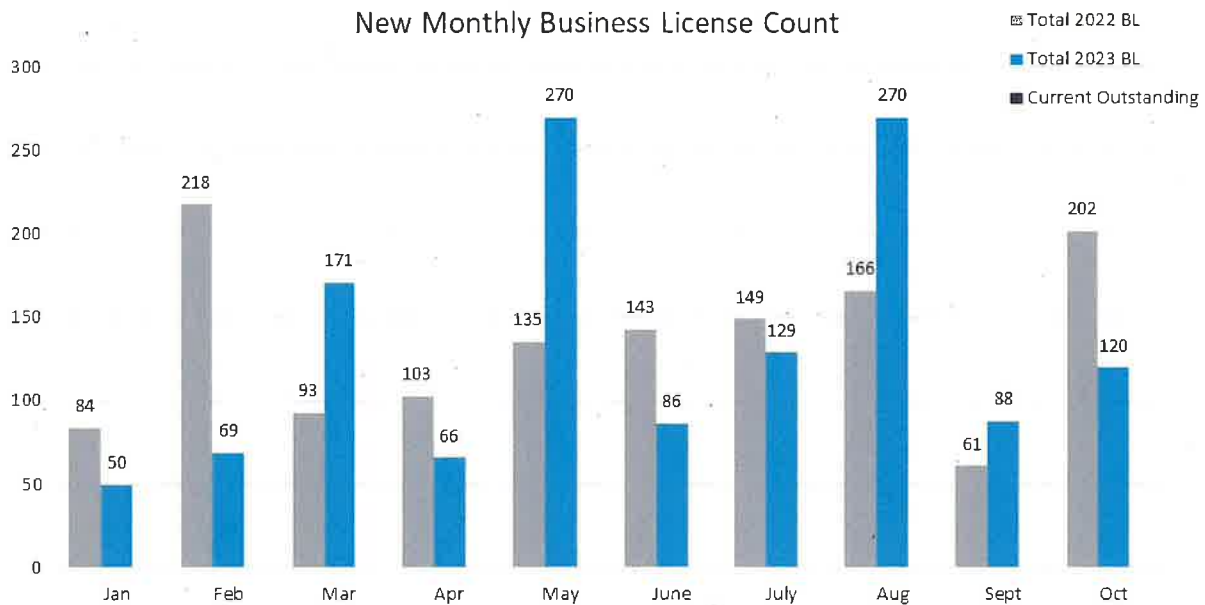
Revenues are unfavorable to 2023 YTD budget by \$9.0K or 4.0% but above 2022 YTD actuals by \$7.0K. The travel, tourism, and hospitality industry was significantly impacted by COVID-19, but has nearly returned to pre-pandemic levels.



HOTEL/MOTEL LODGING TAX REVENUES							
Year-to-date thru October							
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	32,746	324	1.0%	(422)	-1.3%
Sept	30,027	32,614	29,427	(599)	-2.0%	(3,187)	-9.8%
Oct	25,640	26,984	-	-	-	-	-
Nov	21,186	22,800	-	-	-	-	-
Dec	25,598	17,814	-	-	-	-	-
YTD Total	\$ 209,422	\$ 225,402	\$ 216,425	\$ 7,003	3.3%	\$ (8,977)	-4.0%
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 \$81K or 14.5% and above 2022 YTD actual by \$31K or 5.2%.



*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	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	53,458	72,038	16,938	30.7%	18,580	34.8%
Oct	53,193	38,153	52,727	(466)	-0.9%	14,574	38.2%
Nov	64,265	47,611	-	-	-	-	-
Dec	54,014	78,635	-	-	-	-	-
YTD Total	\$ 605,847	\$ 556,385	\$ 637,331	31,485	5.2%	80,947	14.5%
Annual Total	\$ 724,126	\$ 682,631	n/a	n/a	n/a	n/a	n/a

Community Development Permit Activity

Revenues are favorable to 2023 YTD budget by \$1.05M or 30.2% and above 2022 YTD actual by \$1.4M or 47.1%.

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 October							
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	441,358	635,249	193,707	43.9%	193,891	43.9%
Oct	412,259	463,990	293,644	(118,615)	-28.8%	(170,346)	-36.7%
Nov	476,608	438,636	-	-	-	-	-
Dec	487,707	421,445	-	-	-	-	-
YTD Total	\$ 3,076,070	\$ 3,472,937	\$ 4,523,421	\$ 1,447,351	47.1%	\$ 1,050,484	30.2%
Annual Total	\$ 4,040,385	\$ 4,333,018	n/a	n/a	n/a	n/a	n/a

Real Estate Excise Tax

Revenues are unfavorable to 2023 YTD budget by \$1.35M or 31.2% and below 2022 YTD actual by \$1.72M or 36.6%. October 2023 activities include 83 real estate transactions. There were 82 taxable residential sales (total sales \$38.0M / \$188K tax) and one commercial sale.

REAL ESTATE EXCISE TAX REVENUES							
Year-to-date thru October							
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	453,885	47,153	11.6%	36,345	8.7%
Oct	286,728	452,775	194,491	(92,238)	-32.2%	(258,284)	-57.0%
Nov	247,639	342,962	-	-	-	-	-
Dec	173,537	854,298	-	-	-	-	-
YTD Total	4,696,808	4,323,740	2,976,021	(1,720,787)	-36.6%	(1,347,719)	-31.2%
Annual Total	\$ 5,117,985	\$ 5,521,000	n/a	n/a	n/a	n/a	n/a

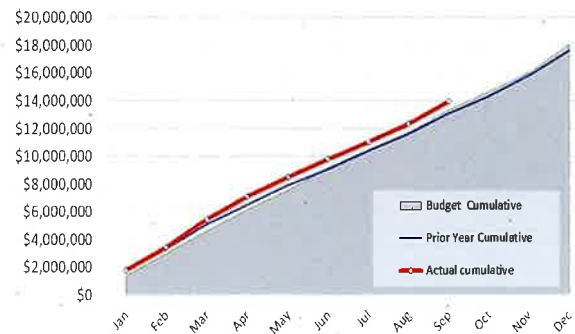
Utility Tax

Revenues are favorable to 2023 YTD budget by \$0.67M or 5.0% and above 2022 YTD actual by \$0.92M or 7.1%, 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 October							
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	1,255,430	1,309,112	87,711	7.2%	53,682	4.3%
Sept	1,459,563	1,595,022	1,640,513	180,950	12.4%	45,491	2.9%
Oct	1,275,498	1,324,086	-	-	-	-	-
Nov	1,507,296	1,384,930	-	-	-	-	-
Dec	1,800,115	2,040,690	-	-	-	-	-
YTD Subtotal	\$ 13,048,287	\$ 13,304,471	\$ 13,968,436	\$ 920,149	7.1%	\$ 663,965	5.0%
Rebate	(1,305)	(2,308)	(905)	400	0.0%	1,403	-60.8%
YTD Total	\$ 13,046,982	\$ 13,302,163	\$ 13,967,531	\$ 920,549	7.1%	\$ 665,368	5.0%
Annual Total	\$ 16,992,709	\$ 18,051,867	n/a	n/a	n/a	n/a	n/a

UTILITY TAXES - by Type				
Year-to-date thru October				
Utility Type	2022 Actual	2023 Actual	Favorable/(Unfavorable)	
			\$	%
Electric	\$ 4,295,609	\$ 4,485,890	\$ 190,281	4.4%
Gas	1,362,369	1,583,383	221,014	16.2%
Water/Sewer	1,828,293	2,002,265	173,972	9.5%
Solid Waste	1,332,886	1,488,345	155,459	11.7%
Solid Waste - 10%	1,719,852	1,920,445	200,593	n/a
Cable	1,213,952	1,157,065	(56,887)	-4.7%
Other	1,295,326	1,331,043	35,717	2.8%
Tax Rebate	(1,305)	(905)	400	n/a
YTD Total	\$ 13,046,982	\$ 13,967,531	\$ 920,549	7.1%

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 \$0.26M or 10.4%. 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	1,571,054	\$ 1,571,054	1,571,054	-	0.0%
Total Prop 1 Revenues:	3,093,312	\$ 3,460,691	3,402,436	\$ 2,511,722	\$ 2,772,145	\$ 260,424	10.4%
Transfer in from Utility Tax Fund	1,076,964	973,681	499,042	\$ -	-	-	n/a
<i>Public Safety Improvement Positions & Costs:</i>							
Police Services (includes 1 Records Specialist, 16 Police Officers, & 2 Lieutenants)	2,832,128	2,687,253	2,974,715	\$ 2,478,929	2,119,590	359,339	14.5%
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	\$ 969,777	627,030	342,747	35.3%
Total Public Safety Improvement Costs	3,870,898	3,883,307	4,138,447	\$ 3,448,706	2,746,620	702,086	20.4%
<i>Community Safety Program Costs:</i>							
1 Code Enforcement Officer	109,114	113,446	120,465	\$ 100,388	103,896	(3,509)	-3.5%
.5 Assistant City Attorney	85,462	54,895	94,411	\$ 78,676	61,423	17,253	21.9%
1 Parks Maintenance Worker I & Security	104,802	75,349	118,550	\$ 98,792	116,888	(18,096)	-18.3%
Total Community Safety Improvement Costs	299,378	243,689	333,427	277,855	282,207	(4,351)	-1.6%
Total Prop 1 Expenditures:	4,170,275	4,126,996	4,471,873	\$ 3,726,561	3,028,827	697,734	18.7%
Total Ending Fund Balance:	\$ 1,263,679	\$ 1,571,054	\$ 1,000,658	\$ 356,214	\$ 1,314,372	\$ (958,158)	-269.0%

Traffic Safety – Red Light / School Zone

Revenues are above 2023 YTD budget by \$1.30M or 52.6%, and above 2022 YTD actual by \$0.54M or 16.7%.

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	87,874	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	228,474	(27,646)	-10.8%	\$ 33,607	17.2%
Oct	265,625	257,518	348,651	83,026	31.3%	\$ 91,133	35.4%
Nov	319,241	295,874	-	-	-	\$ -	-
Dec	284,307	227,700	-	-	-	\$ -	-
YTD Total	\$ 3,238,795	\$ 2,476,426	\$ 3,778,127	\$ 539,332	16.7%	\$ 1,301,701	52.6%
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

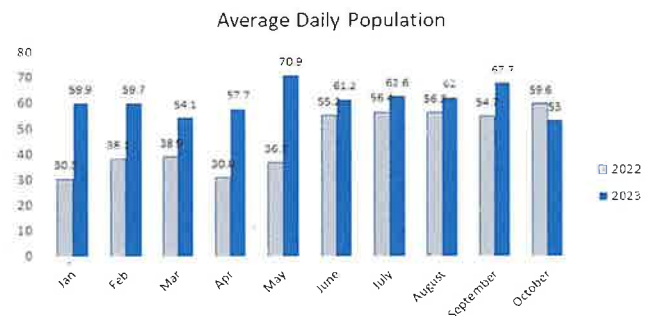
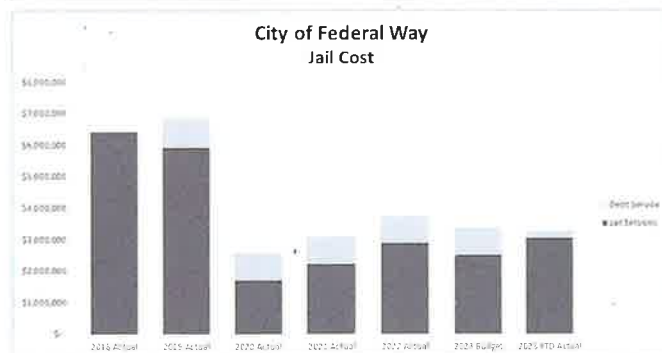
October PD overtime is \$13K or 10.8% above October 2022 actual.

The City's portion (unbillable) is \$0.46M or 53.4% 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 October							
Month	2022 Actual	2023		(Favorable)/Unfavorable			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
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	127,772	(19,674)	-13.3%	47,544	59.3%
Oct	119,010	94,443	131,878	12,868	10.8%	37,435	39.6%
Nov	134,420	93,601	-	-	-	-	-
Dec	127,130	92,573	-	-	-	-	-
City Portion	1,429,735	869,425	1,333,672	(96,062)	-6.7%	464,248	53.4%
Billable	357,936	265,977	327,839	(30,097)	-8.4%	61,861	23.3%
YTD Total	\$ 1,787,670	\$ 1,135,402	\$ 1,661,511	\$ (126,159)	-7.1%	\$ 526,109	46.3%
Billable	\$ 63,958	\$ 66,399	\$ -	\$ -	-	\$ -	-
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	\$ 3,037,511
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	\$ 3,248,473

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 60.9 for the first ten 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.

Fund Activity Summary

Fund #/Fund Name	Begin Balance 1/1/2023	YTD Revenues	YTD Expenditures	YTD Net Income/(loss)	Ending Balance 10/31/2023*	Required Fund Balance
001/101 General/Street Fund**	\$ 27,709,983	\$ 51,201,670	54,280,731	\$ (3,079,061)	\$ 24,630,922	\$ 9,500,000
<i>Special Revenue Funds:</i>						
102 Arterial Street	998,845	1,407,033	1,504,359	(97,325)	901,520	100,000
103 Utility Tax(*)	4,646,109	9,326,768	6,327,446	2,999,322	7,645,431	1,500,000
104 Affordable & Supportive Housing Sales Tax	148,016	87,540	133,558	(46,018)	101,998	-
106 Solid Waste & Recycling	395,459	551,026	529,307	21,719	417,178	-
107 Special Contracts/Studies Fund	987,302	25,250	-	25,250	1,012,553	-
109 Hotel/Motel Lodging Tax	1,868,015	216,425	75,949	140,476	2,008,491	200,000
111 Federal Way Community Center	1,737,273	1,739,101	1,964,905	(225,804)	1,511,469	1,500,000
112 Traffic Safety Fund	2,493,443	3,778,127	2,873,353	904,774	3,398,217	1,200,000
113 Real Estate Excise Tax Fund	3,217,658	2,976,021	3,736,343	(760,322)	2,457,336	2,000,000
114 Prop 1 Utility Tax	1,571,054	2,772,146	3,028,827	(256,681)	1,314,373	1,000,000
115 Performing Arts & Event Ctr Operations	873,936	2,533,601	2,378,510	155,090	1,029,026	-
116 Solid Waste 10% Utility Tax	1,632,240	1,920,446	2,713,699	(793,253)	838,986	-
119 CDBG	25,107	438,814	862,539	(423,725)	(398,619)	-
120 Path & Trails	1,888,688	202,568	366,376	(163,808)	1,724,881	-
121 Technology	459,999	243,485	77,147	166,338	626,337	-
122 Jail Fund	7,260	3,030,250	3,037,511	(7,261)	(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	31,248,600	29,609,828	1,638,772	28,724,417	\$11,625,000
201 Debt Service Fund	(1,366,565)	2,446,368	588,247	1,858,121	491,556	-
<i>Capital Project Funds:</i>						
301 Downtown Redevelopment	4,499,350	858,944	205,000	653,944	5,153,294	-
302 Municipal Facilities	175,507	-	-	-	175,507	-
303 Parks	2,032,064	448,226	186,996	261,230	2,293,294	-
304 Surface Water Management	4,570,673	4,275	257,714	(253,438)	4,317,234	-
306 Transportation	15,939,217	4,071,387	3,517,865	553,522	16,492,739	-
307 Capital Project Reserve Fund	370,343	-	-	-	370,343	-
Subtotal Capital Project Funds	27,587,154	5,382,832	4,167,574	1,215,258	28,802,412	-
<i>Enterprise Funds:</i>						
401 Surface Water Management	4,511,222	6,876,669	3,336,145	3,540,524	8,051,746	690,000
402 Dumas Bay Centre Fund	1,710,510	696,476	745,316	(48,840)	1,661,670	1,500,000
Subtotal Enterprise Funds	6,221,732	7,573,145	4,081,462	3,491,684	9,713,416	\$ 2,190,000
<i>Internal Service Funds</i>						
501 Risk Management	1,516,845	2,068,775	2,200,332	(131,557)	1,385,288	600,000
502 Information Systems	4,260,137	3,028,714	2,324,984	703,730	4,963,867	-
503 Mail & Duplication	279,203	115,432	67,230	48,201	327,405	-
504 Fleet & Equipment	8,548,261	2,732,009	2,930,708	(198,699)	8,349,562	-
505 Buildings & Furnishings	2,115,458	906,749	507,386	399,364	2,514,821	2,000,000
506 Health Self Insurance Fund	3,660,088	4,573,570	4,007,146	566,424	4,226,512	-
507 Unemployment Insurance Fund	252,036	-	60,037	(60,037)	191,999	250,000
Subtotal Internal Service Funds	20,632,027	13,425,249	12,097,824	1,327,425	21,959,452	\$ 2,850,000
Total All Funds	\$ 107,869,976	\$ 111,277,863	\$ 104,825,665	\$ 6,452,199	\$ 114,322,175	\$ 26,165,000

Monthly Treasury Positions and Activity

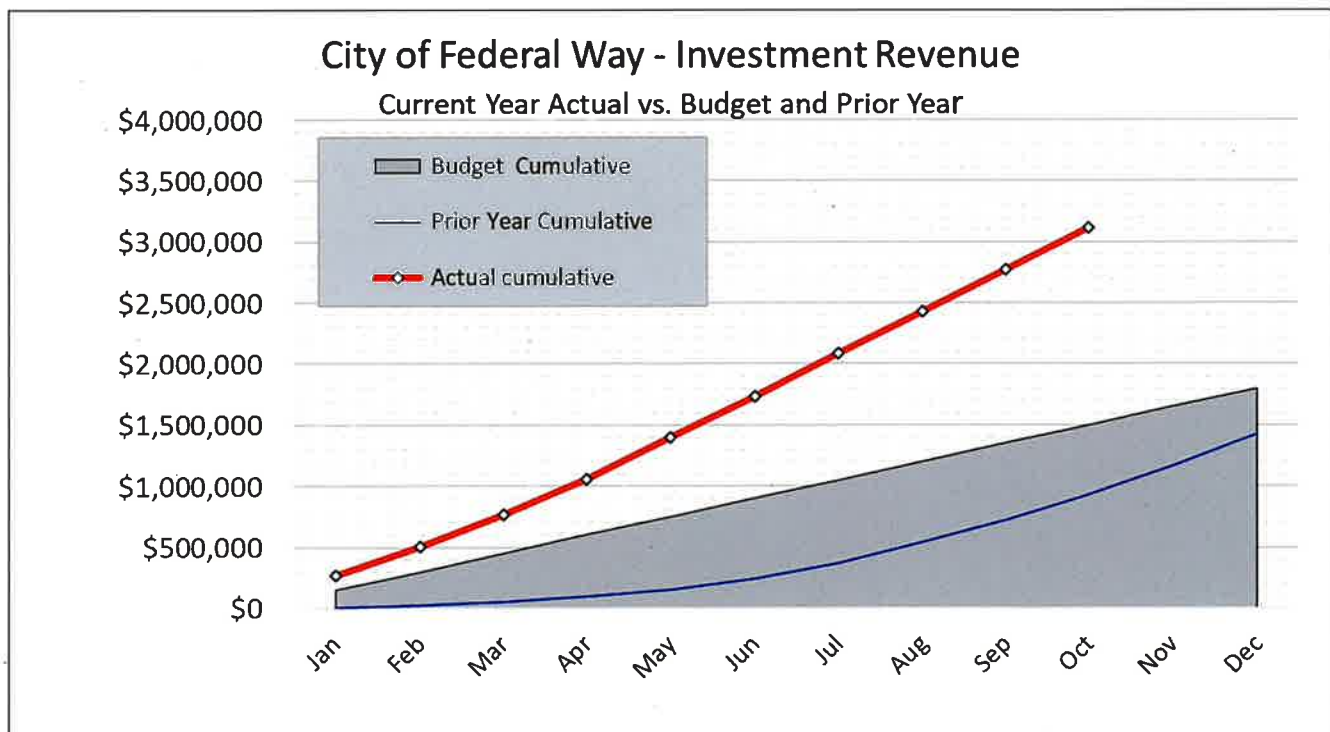
This monthly report of all investment transactions to the city council via FEDRAC complies with RCW 35.39.032. The following pages provide a summary of the current investment portfolio holdings and the individual transactions and activity during the month.

Portfolio Yield: The City's total annualized yield was 3.7%. The City's position in LGIP was \$42.3 million earning a 4.8% yield and the ladder portfolio was \$60 million earning a 2.9% yield.

	Face Value	Cost	Yield %	Annual Yield \$
City Portfolio:	60,000,000	58,297,464	2.930%	1,757,895
State Investment Pool:	42,290,496	42,290,496	4.823%	2,039,704
Total:	\$ 102,290,496	\$ 100,587,960	3.713%	\$3,797,599

Interest Revenue Compared to Budget and Prior Year

Year-to-date interest revenue through September of \$2,772,000 exceeds budget of \$1,350,000 by 1,422,000 or 105% and exceeds prior year by \$2,052,000. Accrual basis interest for the month was \$343,000, level with prior month.



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 10/01/2023 - 10/31/2023

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	(971,239.61)
Deliveries	0.00
Principal Reversals	0.00
Interest	148,125.00
Interest Reversals	0.00
Interest Adjustments	0.00
Maturities	2,000,000.00
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	1,176,885.19

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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	38,413,645.28	37,658,327.25
US Government Agency Securities	19,000,000.00000	19,000,000.00000	19,000,616.00	18,490,290.84
Corporate Securities	1,000,000.00000	1,000,000.00000	943,200.00	920,064.41
Total Custody Holdings	60,000,000.00000	60,000,000.00000	58,357,461.28	57,068,682.50

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.

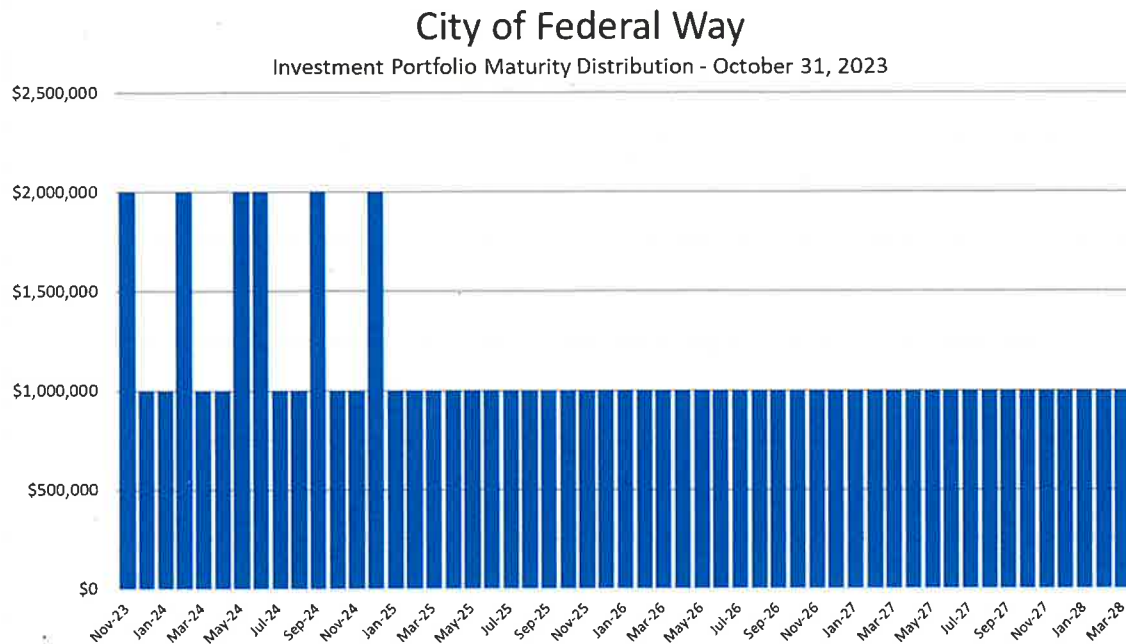
Maturities: During the month, the following investment matured:

- 2022-016 US Treasury \$1,000,000, matured October 2023, **yielding 1.07%**

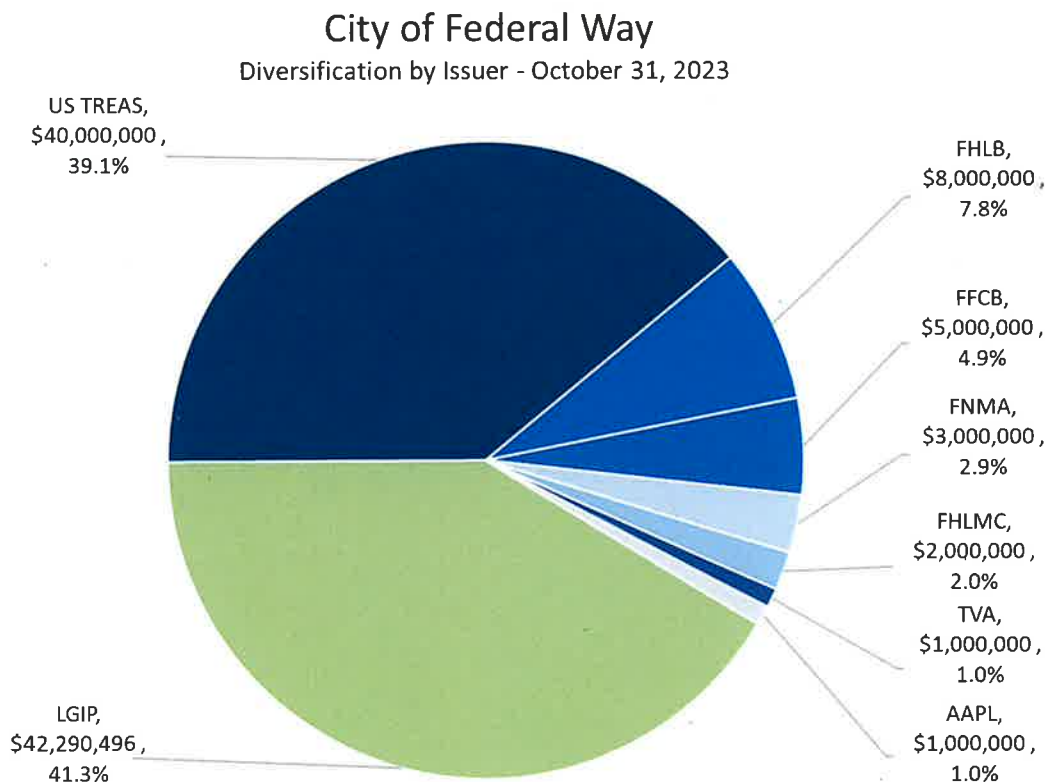
Purchases: During the month, the following investment was purchased, maximizing yield at the time of purchase for the maturity date being filled, having first assured safety and liquidity of the entire portfolio (see addendum for complete rationale):

- 2023-074 US Treasury \$1,000,000, matures April 2028, **yielding 4.59%**

The maturity distribution of the laddered portion of the portfolio shows that \$1-2 million will mature each month for the next 54 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, then US Government Agency Securities., and Corporate Securities last.



Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 10/31/2023 - USD	Page	5
Acct Number: XXXXXX033			

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
Treasury Obligations						
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	996,139.78
01/31/2024	912828529 382220927	2.500 12/21	U.S. Treasury Notes 912828529 01/31/2024	1,000,000.00 1,000,000.00	1,037,773.44	992,656.25
04/30/2024	9128286R6 382220608	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	983,984.38
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	969,380.00	984,179.69
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	980,000.00
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	967,929.69
09/15/2024	91282CCX7 382219201	.375 10/21	U S TREASURY NOTE .375 NOTE 9/15/2024	1,000,000.00 1,000,000.00	995,898.44	956,875.00
10/15/2024	91282CDB4 382219779	.625 10/21	U S TREASURY NOTE .625 NOTE 2024	1,000,000.00 1,000,000.00	1,000,000.00	955,507.81
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	953,281.25
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	952,890.62
03/31/2025	912828ZF0 382222253	.500 03/22	U.S. Treasury Notes 912828ZF0 03/31/2025	1,000,000.00 1,000,000.00	963,437.50	935,820.31

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 10/31/2023 - USD	Page	6
Acct Number: XXXXXX033			

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
04/30/2025	912828ZL7 382223184	.375 04/22	U.S. TREASURY NOTES 912828ZL7 0.375 04/30/25	1,000,000.00 1,000,000.00	932,343.75	930,898.44
05/31/2025	912828ZT0 382223819	.250 05/22	U S TREASURY NOTE .25 NOTE 25	1,000,000.00 1,000,000.00	924,648.44	925,703.12
06/30/2025	912828ZW3 382224043	.250 06/22	U.S. Treasury Notes .250, 06/30/2025	1,000,000.00 1,000,000.00	928,164.00	922,578.12
07/31/2025	91282CAB7 382224087	.250 06/22	U S TREASURY NOTE .25 NOTES 25	1,000,000.00 1,000,000.00	918,125.00	919,140.62
10/31/2025	91282CAT8 382224292	.250 07/22	U.S. Treasury Notes .250, 10/31/2025	1,000,000.00 1,000,000.00	911,640.63	909,570.31
12/31/2025	9128285T3 382224349	2.625 07/22	U.S. TREASURY NOTES 2.625 NOTE 25	1,000,000.00 1,000,000.00	963,828.13	951,328.12
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	964,218.75	949,687.50
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	938,945.31
04/30/2026	91282CBW0 382224636	.750 08/22	U.S. Treasury Notes 91282CBW0 04/30/2026	1,000,000.00 1,000,000.00	909,960.94	902,773.44
05/31/2026	91282CCF5 382224637	.750 08/22	U S TREASURY NOTE .75 NOTE 2026	1,000,000.00 1,000,000.00	907,968.75	899,687.50
06/30/2026	91282CCJ8 382224738	.875 09/22	U.S. Treasury Notes 91282CCJ8 06/30/2026	1,000,000.00 1,000,000.00	906,718.75	901,367.19
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	922,851.56

Acct Name: CITY OF FEDERAL WAY
Acct Number: XXXXXX033

HOLDINGS AS OF 10/31/2023 - USD

Page 7

CUSTODY	Security ID	Rate	Description	Par/Shares	Principal Cost	Market Value
Maturity	Ticket	Acq Date		Original Face		NAV
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	896,015.62
11/15/2026	91282BU24 751015708	2.000 10/22	U S TREASURY NOTE 2 NOTE 26	1,000,000.00 1,000,000.00	917,031.25	919,648.44
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	897,031.25
01/31/2027	91282Z78 392225551	1.500 11/22	U.S. Treasury Notes 91282Z78 1/31/2027	1,000,000.00 1,000,000.00	903,100.00	899,414.06
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	1,051,875.00
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	927,265.62
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	932,187.50
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	946,914.06
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	928,398.44
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	940,117.19
08/30/2027	91282CFM8 392229146	4.125 07/23	US TREASURY NOTE 4.125, 08/30/2027	1,000,000.00 1,000,000.00	999,726.56	974,492.19
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	973,203.12

Acct Name: CITY OF FEDERAL WAY
Acct Number: XXXXXX033

HOLDINGS AS OF 10/31/2023 - USD

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CUSTODY	Security ID	Rate	Description	Par/Shares	Principal Cost	Market Value
Maturity	Ticket	Acq Date		Original Face		NAV
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	984,580.00	963,281.25
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	949,218.75
02/15/2028	912823W8 819029420	2.750 09/23	U S TREASURY NOTE 2.75 NOTE 28	1,000,000.00 1,000,000.00	931,250.00	919,843.75
03/31/2028	91282CBS9 819029478	1.250 09/23	U S TREASURY NOTE 1.25 NOTE 28	1,000,000.00 1,000,000.00	867,080.00	858,476.56
04/30/2028	91282CHA2 819029935	3.500 10/23	US TREASURY NOTE 3.500, 04/30/2028	1,000,000.00 1,000,000.00	955,546.88	947,148.44
Treasury Obligations Total				40,000,000.00000	38,413,645.28	37,658,327.25
US Government Agency Securities				40,000,000.00000		
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	996,792.48
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	993,383.29
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	992,149.66
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	996,989.00	998,443.35
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	989,110.92
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	996,260.00	998,326.81

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 10/31/2023 - USD	Page 9
Acct Number: XXXXXXXX033		

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	975,625.70
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	969,444.00
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	994,149.75
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	948,916.78
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	991,201.35
02/12/2025	3137EAEP0 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	952,843.49
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	917,175.01
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	914,869.25
11/01/2025	880591CJ9 751014409	6.750 07/22	TENN VALLEY AUTHORITY 11/01/2025	1,000,000.00 1,000,000.00	1,115,085.00	1,027,042.34
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	960,688.64
08/03/2026	3133END80 382224855	3.000 09/22	FEDERAL FARM CREDIT BANK CONS BD 3%26	1,000,000.00 1,000,000.00	974,853.00	946,775.84
09/11/2026	3130ATFH5 382224959	3.750 09/22	FEDERAL HOME LOAN BANKS CONS BD 3.75%26	1,000,000.00 1,000,000.00	984,536.00	967,982.95

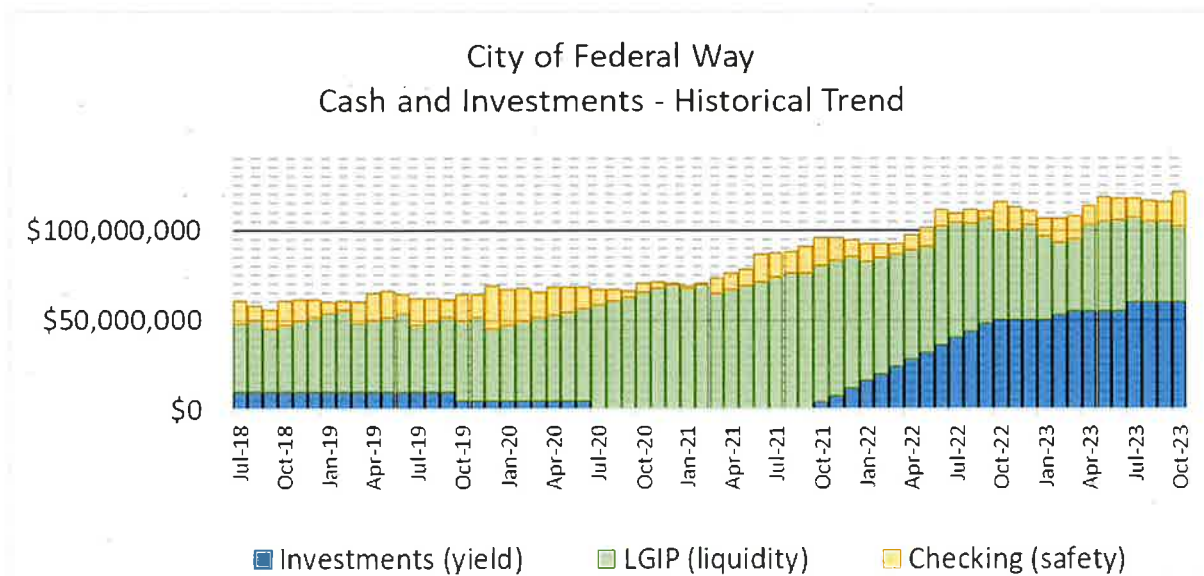
Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 10/31/2023 - USD	Page 10
Acct Number: XXXXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
05/12/2027	3133EPJP1 382228113	3.625 05/23	FEDERAL FARM CR BKS CONS BD 3.625%27	1,000,000.00 1,000,000.00	996,867.00	955,359.23
US Government Agency Securities Total				19,000,000.00000	19,000,616.00	18,490,290.84
Corporate Securities				19,000,000.00000		
11/13/2027	037833DK3 382229402	3.000 07/23	APPLE INC SR GLBL NT 3%27	1,000,000.00 1,000,000.00	943,200.00	920,064.41
Corporate Securities Total				1,000,000.00000	943,200.00	920,064.41
Total Custody Holdings				60,000,000.00000	58,357,481.28	57,088,882.50
				60,000,000.00000		

Cash Balance and Investment Positions:

The City's cash balance trend is shown below:

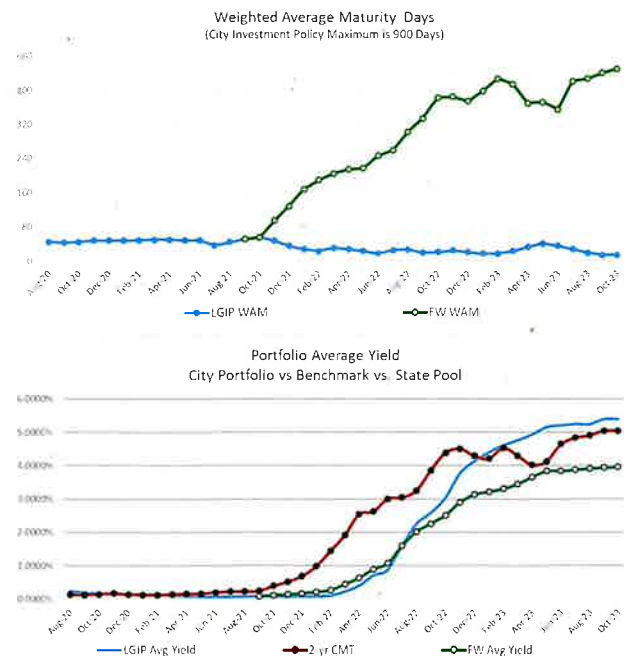
- Total cash decreased to 12.0 million from \$115.8 million.
- Laddered investments remained level at \$60 million.
- The LGIP Investment Pool position decreased from \$45.2 million to \$42.3 million.



Benchmark and Portfolio

Weighted Average Maturity (WAM) of the City's portfolio, including position in LGIP, is 451 days, an indicator of the portfolio's exposure to reinvestment risk as well as rate volatility. The portfolio is within the City's Investment Policy limit of 2.5 years or 900 days. The LGIP State Pool WAM was 12 days in September. The City's average maturity increased in part due to the decrease in cash balance at the LGIP and extending ladder out two months with purchases.

Average Yield of the City's portfolio was 3.9%, and continuing to climb slightly, compared to 5.0% for the 2-year Constant Maturity Treasury index and 5.4% for the LGIP.



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

Date: October 11, 2023

Investment # 2023-074 is a 4-year 6-month Treasury (T), face value \$1,000,000, maturing April 30, 2028, purchased at 95.6 (discount) to yield 4.59%. This trade settles October 20, 2023 with Wedbush Securities, US Bank Safekeeping, replacing a \$1M October 2023 maturity yielding 1.07%.

Liquidity: At September 30th month-end, total city cash was \$115.8 million, checking account balance was \$10.6 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 \$45.1 million (target minimum is \$20 million, excluding unspent ARPA).

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

Yield. Yield is 4.59%. *This investment is 1 basis point below the 5-year benchmark.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	5.40%	www.secureaccess.wa.gov
2-year Treasury	5.00%	Bloomberg.com
Same maturity Agency	None available	Broker live inquiry
5-year Treasury	4.60%	Bloomberg.com

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

Diversification. This purchase puts this issuer at 38.0% of total portfolio.

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

Outlook. The yield curve is currently inverted, with peak yield around 5.56% at 6 months then inverted to 2-year at 5.00%, the 5-year at 4.60%. The Federal Reserve Bank last executed a 0.25% rate hike in July as uncertainty remains over inflation, money supply and Fed moves.

Staff review:

Deputy Finance Director:



Date

10/12/23

Finance Director:



Date

10/11/2023

CITY OF FEDERAL WAY

CITY COUNCIL

AGENDA BILL

SUBJECT: OCTOBER 2023 MONTHLY FINANCIAL REPORT

POLICY QUESTION: Should the Council approve the October 2023 Monthly Financial Report?

COMMITTEE: FINANCE, ECONOMIC DEVELOPMENT AND REGIONAL AFFAIRS COMMITTEE (FEDRAC)

MEETING DATE: Nov. 28, 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: October 2023 Monthly Financial Report

Options to Consider:

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

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

MAYOR APPROVAL:

[Signature] *11/14/23*
Committee Initial Date

DIRECTOR APPROVAL:

[Signature] *11/15/23*
Initial Date

COMMITTEE RECOMMENDATION: *I move to forward the October 2023 Monthly Financial Report to the December 5, 2023 consent agenda for approval.*

[Signature]
Committee Chair

[Signature]
Committee Member

[Signature]
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** *12/05/2023*
- ☐ **DENIED**
- ☐ **TABLED/DEFERRED/NO ACTION**
- ☐ **MOVED TO SECOND READING** (*ordinances only*)
- REVISED – 1/2022

COUNCIL BILL #

First reading

Enactment reading

ORDINANCE #

RESOLUTION #