

DATE: February 27, 2024

TO: Mayor and City Council
Management Team

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

SUBJECT: Monthly Financial Report

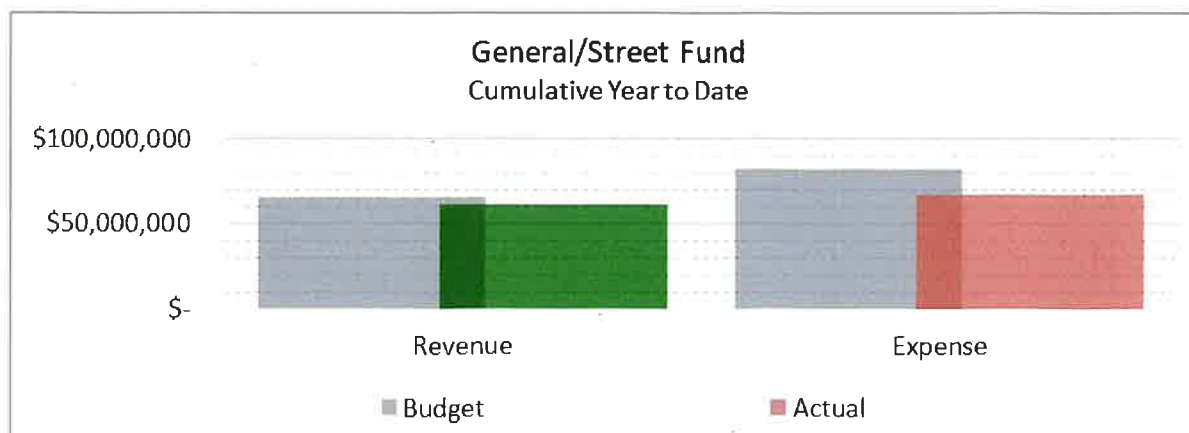
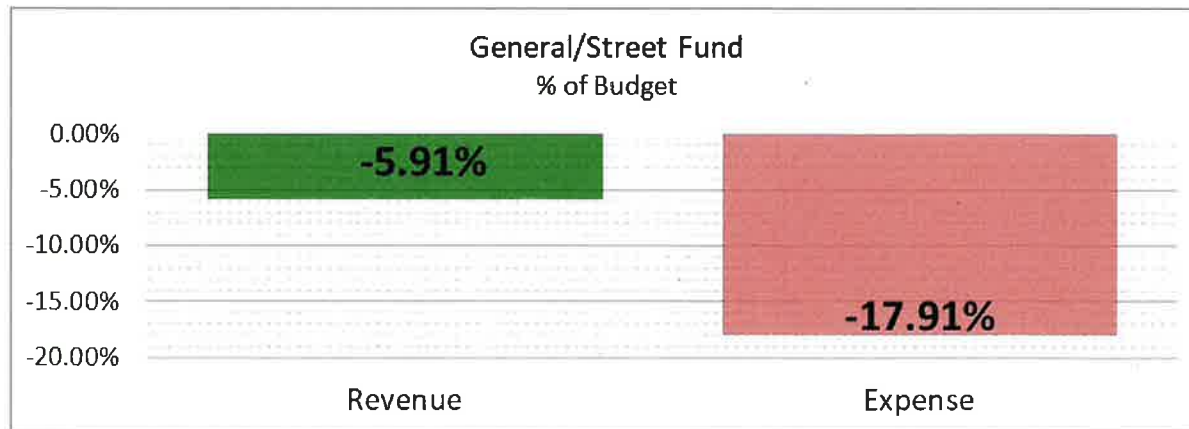
This report is to brief you on December's monthly and year-to-date (YTD) revenues and expenses, compared to budget and prior year, on the city's cash and fund balance positions, and on the monthly investment performance, transactions and current holdings.

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 **unfavorable** to YTD budget of \$65.36M by \$3.86M or (5.9%).

Expenditures & Transfers Out are **favorable** to YTD budget of \$82.46M by \$14.77M or 17.9% 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 unfavorable to 2023 YTD budget by \$0.17M or 0.8%, but \$1.60M or 8.3% above 2022 YTD collections. Retail sales and services are \$494K above 2022 YTD collections. This is an indicator of the health of the local economy.
- CD Permits & Fees revenue is trending favorably, \$0.32M or 6.8% above 2023 YTD budget, and \$0.99M or 24.4% above 2022 YTD collections.
- Total Expenditures & Transfer Out is below YTD budget by \$14.77M, but \$5.22M or 8.4% above 2022 YTD actuals. Compared to YTD budget, expenditures have been trending favorably, primarily due to 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	19,204,963	20,972,402	20,972,402	20,805,515	(166,887)	-0.8%
Property Taxes	11,357,280	11,590,675	11,590,675	11,762,933	11,762,933	11,623,454	(139,479)	-1.2%
State Shared Revenue	3,022,000	3,126,093	3,126,093	3,153,260	3,153,260	3,192,206	38,946	1.2%
CD Permits & Fees	2,564,111	4,040,385	4,040,385	4,705,016	4,705,015	5,026,806	321,791	6.8%
Business License Fees	622,000	724,126	724,126	682,631	682,631	758,413	75,782	11.1%
Admissions Tax	306,513	834,953	834,953	339,265	339,265	846,424	507,159	149.5%
Other Revenues	11,678,849	12,440,091	12,440,091	15,106,999	15,107,000	14,667,606	(439,394)	-2.9%
Transfers in from Other Funds to support operations	7,356,718	7,268,912	7,268,912	8,635,016	8,635,016	4,574,790	(4,060,226)	-47.0%
Total Revenues & Transfer In	64,865,669	68,838,642	68,838,642	65,357,522	65,357,521	61,495,214	(3,862,307)	-5.9%
Total Expenditures & Transfer Out	76,102,125	62,467,985	62,467,985	82,464,337	82,464,337	67,692,301	14,772,036	17.9%
Total Ending Fund Balance	\$10,102,874	\$27,709,986	\$27,709,986	\$10,603,168	\$10,603,167	\$21,512,899	n/a	n/a

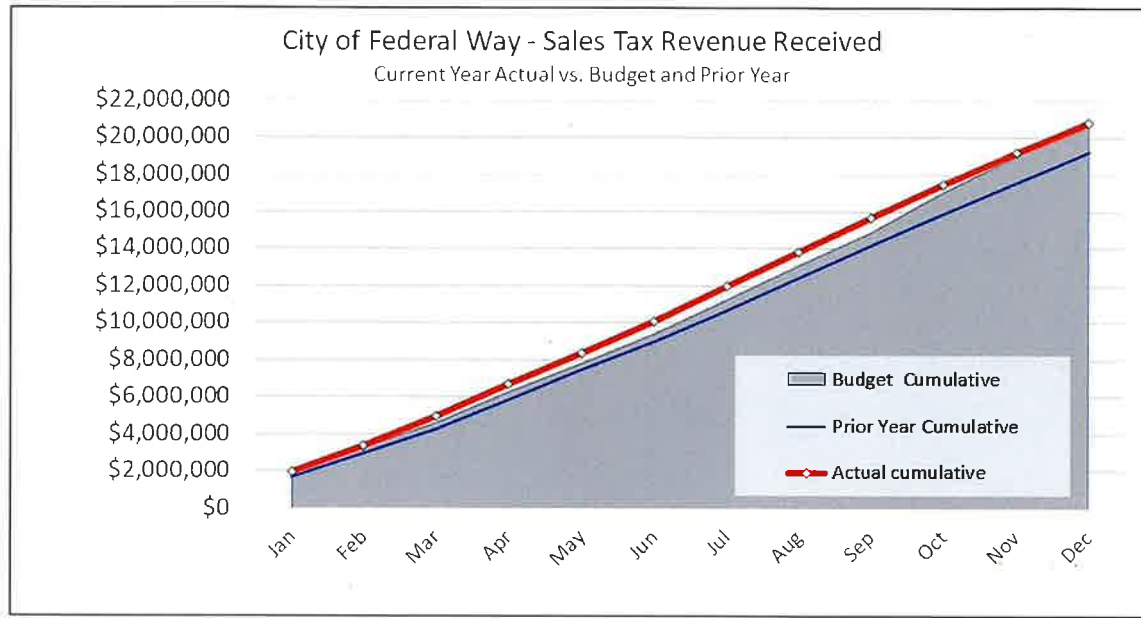
Other Fund Highlights

- Utility Tax revenue is trending favorably, \$0.20M or 1.1% above 2023 YTD budget, and \$0.78M or 4.4% 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 \$1.14M or 25.3% below 2023 YTD budget, and \$1.74M or 34.0% below 2022 YTD collections. This is an indicator of the Federal Way real estate market's volume and valuations.
- Expenditures & Transfer Out is favorable, \$6.99M or 17.1% below YTD budget, and \$0.63M below 2022 YTD actuals. The favorable variance to budget is primarily due to delay of REET transfer to capital projects.

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	11,858,675	11,858,676	12,339,432	12,339,431	12,186,584	(152,847)	-1.2%
Utility Tax - Prop 1 Voter Package	3,093,312	3,460,690	3,460,690	3,662,436	3,662,436	3,660,090	(2,346)	-0.1%
Utility Tax - Solid Waste 10%	2,000,000	2,310,053	2,310,053	2,200,000	2,200,000	2,558,785	358,785	16.3%
Real Estate Excise Tax	4,421,454	5,117,985	5,117,985	4,521,000	4,521,000	3,377,887	(1,143,113)	-25.3%
Traffic Safety (Red Light/School Zone)	2,872,442	3,842,343	3,842,343	3,800,000	3,800,000	4,376,418	576,418	15.2%
Hotel/Motel Lodging Tax	150,000	281,845	281,845	293,000	293,000	299,459	6,459	2.2%
Federal Way Community Center	1,690,875	1,761,950	1,761,949	1,411,875	1,411,875	1,585,051	173,176	12.3%
Performing Arts & Event Ctr Operations	1,611,664	1,690,259	1,690,259	1,659,780	1,659,780	2,228,419	568,639	34.3%
Dumas Bay Centre Fund	535,151	591,019	591,020	727,698	727,698	743,787	16,089	2.2%
Total Revenues	26,959,192	30,914,819	30,914,821	30,615,221	30,615,220	31,016,481	401,261	1.3%
Expenditures & Transfers Out:								
Utility Tax Support to Other Funds for operations	9,734,702	9,837,985	9,837,985	12,067,413	12,067,414	8,407,188	3,660,226	30.3%
Utility Tax Proposition 1 operations	4,170,275	4,126,995	4,126,995	4,471,873	4,471,873	3,916,074	555,799	12.4%
Solid Waste 10% Utility Tax - Residential Streets Overlay	3,418,862	2,098,307	2,098,307	3,680,166	3,680,166	2,742,060	938,106	25.5%
Real Estate Excise Tax Support to Debt and Capital Projects	5,989,440	5,989,440	5,989,440	6,055,343	6,055,343	4,035,343	2,020,000	33.4%
Traffic Safety (Red Light/School Zone)	3,529,722	3,529,723	3,529,723	3,871,735	3,871,735	3,485,870	385,865	10.0%
Hotel/Motel Lodging Tax	155,000	20,598	20,598	150,000	150,000	86,949	63,051	42.0%
Jail Fund Services	2,644,584	2,871,371	2,871,371	4,300,000	4,300,000	4,388,631	(88,631)	-2.1%
Federal Way Community Center	2,756,334	2,590,528	2,590,528	2,459,893	2,459,893	2,528,218	(68,324)	-2.8%
Performing Arts & Event Ctr Operations	2,631,641	2,631,378	2,631,378	2,983,359	2,983,359	3,418,881	(435,522)	-14.6%
Dumas Bay Centre Fund	1,000,110	845,470	845,470	864,097	864,097	906,226	(42,129)	-4.9%
Total Expenditures & Transfers Out	36,030,671	34,541,794	34,541,794	40,903,879	40,903,880	33,915,440	6,988,440	17.1%
Ending Fund Balance								
Utility Tax (non-Prop 1)	3,385,633	4,646,109	4,646,109	4,789,743	-	8,507,324	n/a	n/a
Utility Tax - Prop 1 Voter Package	1,263,680	1,571,054	1,571,055	1,000,001	-	1,315,070	n/a	n/a
Utility Tax - Solid Waste 10%	-	1,632,240	1,632,239	152,073	-	1,448,965	n/a	n/a
Real Estate Excise Tax Fund	2,546,600	3,217,658	3,217,658	1,683,316	-	2,560,202	n/a	n/a
Traffic Safety Fund	2,124,096	2,493,443	2,493,443	2,421,708	-	3,383,991	n/a	n/a
Hotel/Motel Lodging Tax	1,605,161	1,868,015	1,868,015	2,011,015	-	2,080,525	n/a	n/a
Jail Fund	-	7,260	7,258	0	-	165	n/a	n/a
Federal Way Community Center	1,500,393	1,737,273	1,737,273	1,557,756	-	1,662,609	n/a	n/a
Performing Arts & Event Ctr Operations	873,587	873,936	873,935	658,344	-	791,461	n/a	n/a
Dumas Bay Centre Fund	1,500,001	1,710,510	1,710,510	2,202,259	-	2,176,219	n/a	n/a
Total Ending Fund Balance	\$ 14,799,148	\$ 19,757,498	\$ 19,757,494	\$ 16,476,216	\$ -	\$ 23,926,532	n/a	n/a

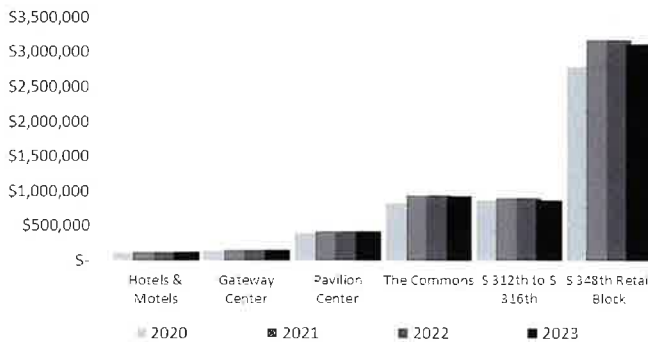
Sales Tax

Revenues are unfavorable to 2023 YTD budget by \$0.17M or 0.8% and above 2022 YTD actual by \$1.60M or 8.3%. 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.

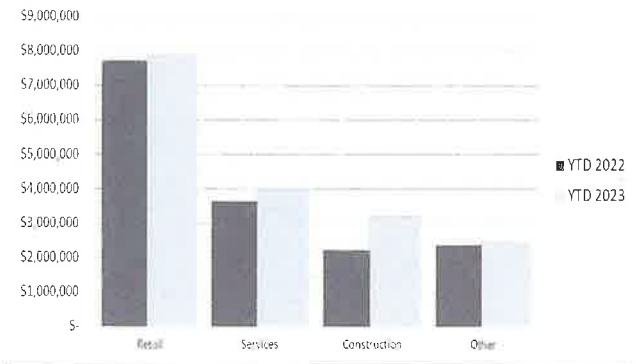


LOCAL RETAIL SALES TAX REVENUES							
Annual 2023							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
Jan	1,653,281	\$ 1,875,011	\$ 1,917,113	\$ 263,832	16.0%	\$ 42,102	2.2%
Feb	1,284,275	1,397,709	1,425,556	141,280	11.0%	27,847	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	2,134,921	1,783,836	62,616	3.6%	(351,085)	-16.4%
Nov	1,649,918	1,981,755	1,717,195	67,276	4.1%	(264,561)	-13.3%
Dec	1,632,393	1,963,306	1,590,350	(42,043)	-2.6%	(372,956)	-19.0%
YTD Total	\$ 19,204,963	\$ 20,972,402	\$ 20,805,515	\$ 1,600,552	8.3%	\$ (166,887)	-0.8%
Annual Total	\$ 19,204,963	\$ 20,972,402	n/a	n/a	n/a	n/a	n/a

City of Federal Way
YTD Sales Tax Revenue Comparison by Location



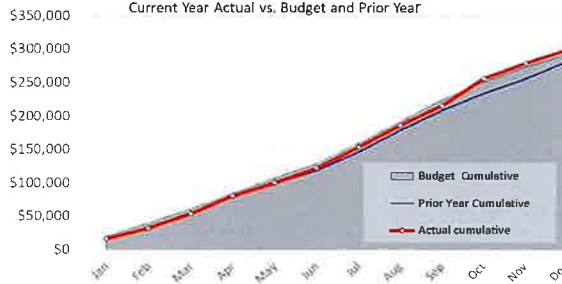
City of Federal Way
Sales Tax Revenue Comparison by Group



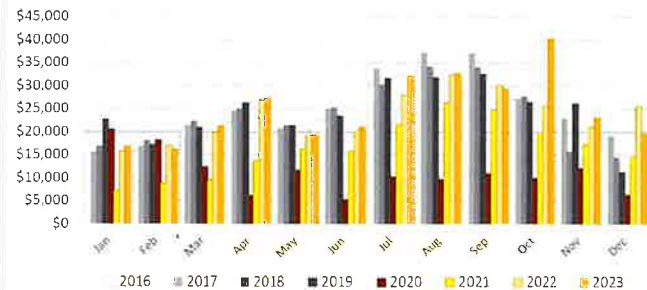
Hotel/Motel Lodging Tax

Revenues are favorable to 2023 YTD budget by \$6.5K or 2.2% and above 2022 YTD actuals by \$17.6K. 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



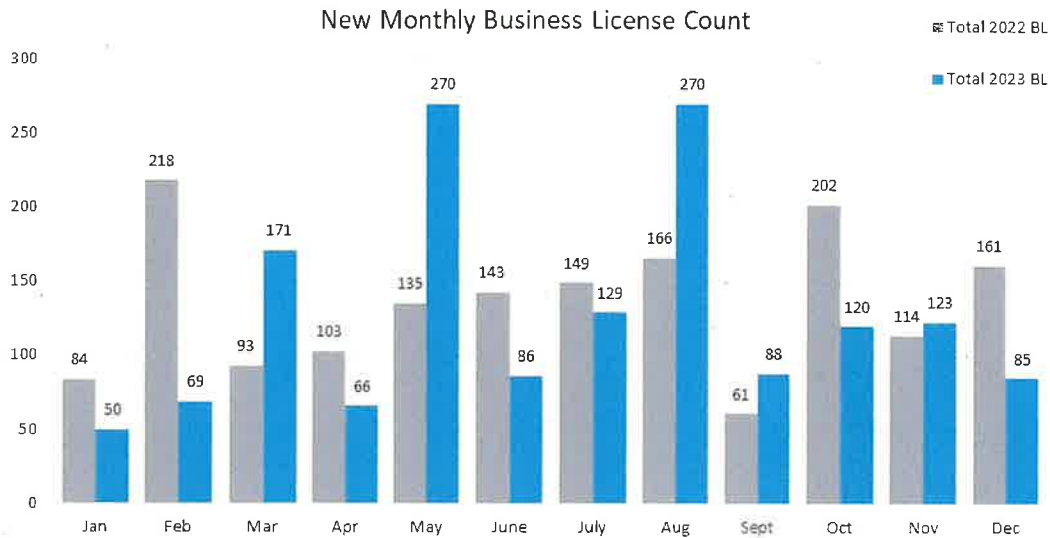
City of Federal Way
Historical Lodging Tax Remittances by Month



HOTEL/MOTEL LODGING TAX REVENUES							
Year-to-date thru December							
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	40,254	14,615	57.0%	13,270	49.2%
Nov	21,186	22,800	23,106	1,921	9.1%	306	1.3%
Dec	25,598	17,814	19,674	(5,925)	-23.1%	1,860	10.4%
YTD Total	\$ 281,845	\$ 293,000	\$ 299,459	\$ 17,614	6.2%	\$ 6,459	2.2%
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 \$76K or 11.1% and above 2022 YTD actual by \$34K or 4.7%.



*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	62,891	(1,374)	-2.1%	15,280	32.1%
Dec	54,014	78,635	58,190	4,176	7.7%	(20,445)	-26.0%
YTD Total	\$ 724,126	\$ 682,631	\$ 758,413	34,287	4.7%	75,782	11.1%
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 \$0.32M or 6.8% and above 2022 YTD actual by \$1.0M or 24.4%.

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)							
Annual 2023							
Month	2022 Actual	2023		Change from 2022		Favorable/(Unfavorable)	
		Budget	Actual	\$	%	YTD Actual vs Budget	
						\$	%
Jan	198,005	224,348	213,046	15,041	7.6%	(11,302)	-5.0%
Feb	245,722	320,583	546,470	300,749	122.4%	225,888	70.5%
Mar	276,562	280,803	595,518	318,956	115.3%	314,715	112.1%
Apr	282,554	313,185	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	624,634	221,863	(254,744)	-53.4%	(402,771)	-64.5%
Dec	487,707	607,444	281,522	(206,185)	-42.3%	(325,922)	-53.7%
YTD Total	\$ 4,040,385	\$ 4,705,015	\$ 5,026,806	\$ 986,421	24.4%	\$ 321,791	6.8%
Annual Total	\$ 4,040,385	\$ 4,705,015	n/a	n/a	n/a	n/a	n/a

Real Estate Excise Tax

Revenues are unfavorable to 2023 YTD budget by \$1.14M or 25.3% and below 2022 YTD actual by \$1.74M or 34.0%. December 2023 activities include 68 real estate transactions. There were 63 taxable residential sales (total sales \$30.7M / \$151K tax) and five commercial sales over \$1M.

REAL ESTATE EXCISE TAX REVENUES							
Annual 2023							
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	56,506	203,407	(44,232)	-17.9%	146,901	260.0%
Dec	173,537	140,754	198,459	24,922	14.4%	57,705	41.0%
YTD Total	5,117,985	4,521,000	3,377,887	(1,740,098)	-34.0%	(1,143,113)	-25.3%
Annual Total	\$ 5,117,985	\$ 4,521,000	n/a	n/a	n/a	n/a	n/a

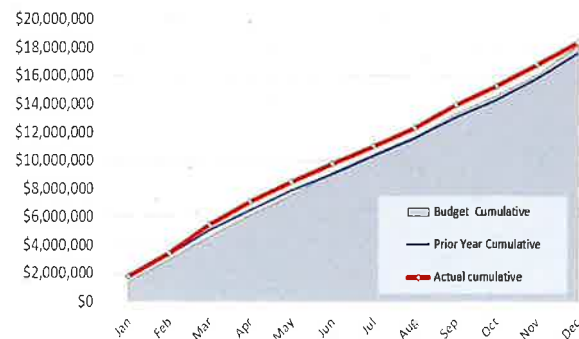
Utility Tax

Revenues are favorable to 2023 YTD budget by \$0.20M or 1.1% and above 2022 YTD actual by \$0.78M or 4.4%, 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							
Annual 2023							
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	1,314,130	38,632	3.0%	(9,956)	-0.8%
Nov	1,507,296	1,459,930	1,506,323	(973)	-0.1%	46,393	3.2%
Dec	1,800,115	2,115,690	1,617,511	(182,604)	-10.1%	(498,179)	-23.5%
YTD Subtotal	\$ 17,631,196	\$ 18,204,177	\$ 18,406,400	\$ 775,204	4.4%	\$ 202,223	1.1%
Rebate	(1,305)	(2,310)	(940)	365	0.0%	1,370	-59.3%
YTD Total	\$ 17,629,891	\$ 18,201,867	\$ 18,405,460	\$ 775,569	4.4%	\$ 203,593	1.1%
Annual Total	\$ 17,629,891	\$ 18,201,867	n/a	n/a	n/a	n/a	n/a

UTILITY TAXES - by Type				
Annual 2023				
Utility Type	2022 Actual	2023 Actual	Favorable/(Unfavorable) Change from 2022	
			\$	%
Electric	\$ 5,701,615	\$ 5,983,655	\$ 282,040	4.9%
Gas	1,914,383	2,087,332	172,949	9.0%
Water/Sewer	2,678,235	2,630,220	(48,015)	-1.8%
Solid Waste	1,790,504	1,983,059	192,555	10.8%
Solid Waste - 10%	2,310,327	2,558,785	248,458	n/a
Cable	1,599,447	1,509,172	(90,275)	-5.6%
Other	1,636,685	1,654,177	17,492	1.1%
Tax Rebate	(1,305)	(940)	365	n/a
YTD Total	\$ 17,629,891	\$ 18,405,460	\$ 775,569	4.4%

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 19 rebates for a total of \$940 in 2023.

The 2024 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 on target with 2023 YTD budget. The fund continues to maintain a fund balance within the reserve policy of \$1M.

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	3,662,436	\$ 3,662,436	\$ 3,660,090	\$ (2,346)	-0.1%
Transfer in from Utility Tax Fund	1,076,964	973,681	238,384	\$ -	-	-	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	\$ 2,974,715	2,619,317	355,397	11.9%
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	\$ 1,163,732	915,212	248,520	21.4%
Total Public Safety Improvement Costs	3,870,898	3,883,307	4,138,447	\$ 4,138,447	3,534,529	603,918	14.6%
Community Safety Program Costs:							
1 Code Enforcement Officer	109,114	113,446	120,465	\$ 120,465	126,134	(5,669)	-4.7%
.5 Assistant City Attorney	85,462	54,895	94,411	\$ 94,411	78,411	16,000	16.9%
1 Parks Maintenance Worker I & Security	104,802	75,349	118,550	\$ 118,550	176,998	(58,448)	-49.3%
Total Community Safety Improvement Costs	299,378	243,689	333,427	333,427	381,543	(48,117)	-14.4%
Total Prop 1 Expenditures:	4,170,275	4,126,996	4,471,873	\$ 4,471,873	3,916,072	555,801	12.4%
Total Ending Fund Balance:	\$ 1,263,679	\$ 1,571,054	\$ 1,000,000	\$ 761,616	\$ 1,315,072	\$ (553,456)	-72.7%

Traffic Safety – Red Light / School Zone

Revenues are above 2023 YTD budget by \$0.58M or 15.2%, and above 2022 YTD actual by \$0.53M or 13.9%.

Traffic Safety Fund - Red Light Photo Revenue							
Month	2022 Actual	2023		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2022		YTD Actual vs Budget	
				\$	%	\$	%
Jan	\$ 344,394	\$ 257,240	\$ 305,897	\$ (38,497)	-11.2%	\$ 48,657	18.9%
Feb	338,105	238,078	425,952	87,847	26.0%	\$ 187,874	78.9%
Mar	407,496	244,716	582,573	175,077	43.0%	\$ 337,857	138.1%
Apr	337,133	254,512	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	695,874	319,588	347	0.1%	\$ (376,286)	-54.1%
Dec	284,307	627,700	278,703	(5,604)	-2.0%	\$ (348,996)	-55.6%
YTD Total	\$ 3,842,343	\$ 3,800,000	\$ 4,376,418	\$ 534,075	13.9%	\$ 576,418	15.2%
Annual Total	\$ 3,842,343	\$ 3,800,000	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

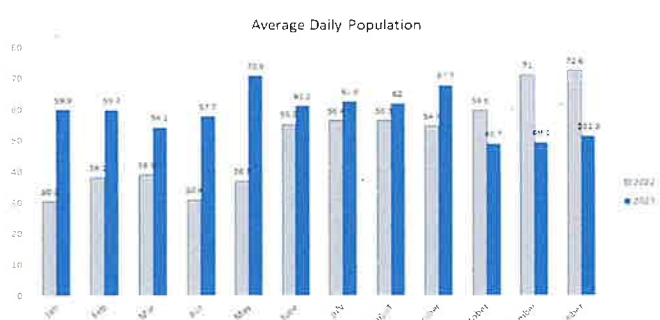
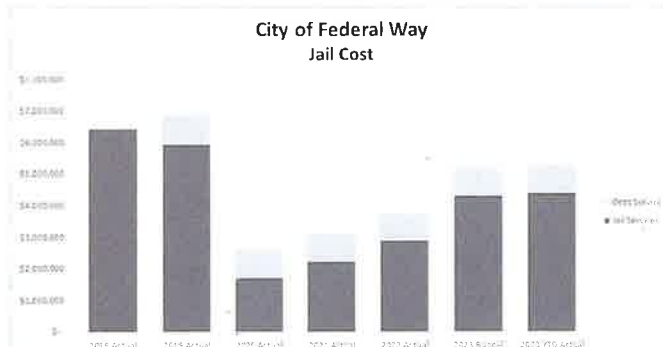
December PD overtime is \$10K or 8.2% above December 2022 actual.

The City's portion (unbillable) is \$0.56M or 52.9% 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 December 2023							
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	143,126	8,706	6.5%	49,525	52.9%
Dec	127,130	92,573	137,511	10,380	8.2%	44,938	48.5%
City Portion	1,691,285	1,055,598	1,614,308	(76,976)	-4.6%	558,710	52.9%
Billable	421,893	332,377	409,220	(12,673)	-3.0%	76,844	23.1%
YTD Total	\$ 2,113,178	\$ 1,387,975	\$ 2,023,529	\$ (89,649)	-4.2%	\$ 635,554	45.8%
Billable	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
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	\$ 4,300,000	\$ 4,388,630
Debt Service Payments for SCORE Jail	-	889,718	847,566	851,925	852,425	851,925	852,275
Total Jail Cost	\$6,417,479	\$6,821,813	\$2,560,449	\$ 3,075,527	\$3,723,793	\$ 5,151,925	\$ 5,240,905

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 58.7 for twelve 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 12/31/2023 for SCORE is \$9,335,000, and continues to be reduced by principal payments of about \$0.9 million a year.

Federal Way Community Center

Revenues are above 2023 YTD budget by \$0.17M or 12.3%, but below 2022 YTD actual by \$0.18M, primarily due to the pool closure.

Expenditures are above 2023 YTD budget of \$2.46M by \$0.07M or 2.8%.

Community Center remaining building construction debt service principal as of 12/31/2023 was \$7.13M.

Federal Way Community Center as of 12/31/2023	2022			2023			YTD Budget vs Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	\$	%
Beginning Fund Balance	\$ 1,502,625	\$ 1,502,625	\$ 1,502,625	\$ 1,737,273	\$ 1,737,273	\$ 1,737,273	n/a	n/a
Total Revenues	1,690,875	1,761,950	1,761,949	1,411,875	1,411,875	1,585,051	173,176	12.3%
Total Expenditures	2,756,334	2,590,528	2,590,528	2,459,893	2,459,893	2,528,218	(68,324)	-2.8%
Revenues Over / (Under) Expenditures	(1,065,459)	(828,578)	(828,579)	(1,048,018)	(1,048,018)	(943,167)	104,851	-10.0%
Recovery Ratio	61.3%	68.0%	68.0%	57.4%	57.4%	62.7%	n/a	n/a
Total Transfer In from General Fund/Utility Tax	1,063,227	1,063,227	1,063,227	868,501	868,501	868,501	-	0.0%
Ending Fund Balance	\$ 1,500,392	\$ 1,737,274	\$ 1,737,274	\$ 1,557,756	\$ 1,557,756	\$ 1,662,608	\$ 104,852	6.7%
Debt Service Payments	820,123	820,423	820,423	822,123	822,123	822,473	(350)	0.0%
Total FWCC Cost	\$ 3,576,457	\$ 3,410,951	\$ 3,410,951	\$ 3,282,016	\$ 3,282,016	\$ 3,350,690	\$ (68,674)	-2.1%
Total City Support	\$ 1,883,350	\$ 1,883,650	\$ 1,883,650	\$ 1,690,624	\$ 1,690,624	\$ 1,690,974		

Dumas Bay Centre

Revenues are above 2023 YTD budget by \$0.02M or 2.2%, and above 2022 YTD actual by \$0.15M. The facility reopened as of the beginning of August 2021.

Expenditures are above 2023 YTD budget of \$0.86M by \$0.04M or 4.9%.

Dumas Bay Centre Fund as of 12/31/2023	2022			2023			YTD Budget vs Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	\$	%
Beginning Fund Balance	\$1,500,001	\$1,500,001	\$1,500,000	\$1,710,510	\$1,710,510	\$1,710,510	n/a	n/a
Total Revenues	535,151	591,019	591,019	727,698	727,698	743,787	16,089	2.2%
Total Expenses	1,000,110	845,470	845,470	864,097	864,097	906,226	(42,129)	-4.9%
Revenues Over/(Under) Expenses	(464,959)	(254,450)	(254,451)	(136,399)	(136,399)	(162,439)	(26,040)	19.1%
Recovery Ratio	53.51%	69.90%	69.90%	84.21%	84.21%	82.08%	n/a	n/a
Total Transfer In	464,959	464,959	464,959	628,148	628,148	628,149	1	n/a
Ending Fund Balance	\$ 1,500,000	\$ 1,710,510	\$ 1,710,508	\$ 2,202,259	\$ 2,202,259	\$ 2,176,220	\$ (26,040)	-1.2%

Performing Arts & Event Center Operations (PAEC)

Revenues are above year-to-date budget of \$1.7M by \$0.57M primarily due to the facility reopening, and operations coming back to pre-pandemic levels.

Expenditures are \$0.44M or 14.6% above the YTD budget.

Performing Arts & Event Center remaining building construction debt service principal as of 12/31/2023 was \$4.95M.

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)	-	873,590	873,936	873,936	873,936	\$ %
Total Revenue	323,827	653,629	1,410,377	691,162	1,443,068	1,590,269	1,659,780	1,659,780	2,228,419	568,639 34.3%
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	1,107,987	1,107,987	- 0.0%
Total Expenditures	1,195,466	1,628,160	2,589,541	1,462,916	1,663,440	2,631,377	2,983,369	2,983,369	3,418,880	(436,521) -14.6%
Total PAEC Operation Balance	\$ 477	\$ (447,382)	\$ (110,546)	\$ 0	\$ 873,590	\$ 873,936	\$ 668,344	\$ 668,344	\$ 791,462	\$ 123,118 20.2%
Debt Service Payments	-	-	-	538,247	553,255	781,330	772,320	772,320	772,671	(351) 0%
Total PAEC Cost	\$ 1,195,466	\$ 1,628,160	\$ 2,589,541	\$ 1,901,163	\$ 2,206,696	\$ 3,412,707	\$ 3,755,679	\$ 3,755,679	\$ 4,191,551	\$ (436,872) -11.6%
Total City Support				\$ 1,610,567	\$ 1,637,197	\$ 1,722,794	\$ 1,880,307	\$ 1,880,307	\$ 1,880,568	\$ (351) 0.0%

Fund Activity Summary

Fund #/Fund Name	Begin Balance 1/1/2023	YTD Revenues	YTD Expenditures	YTD Net Income/(loss)	Ending Balance 12/31/2023*	Required Fund Balance
001/101 General/Street Fund**	\$ 27,709,983	\$ 64,227,279	70,424,361	\$ (6,197,082)	\$ 21,512,901	\$ 9,500,000
<i>Special Revenue Funds:</i>						
102 Arterial Street	998,845	1,596,672	1,615,084	(18,412)	980,433	100,000
103 Utility Tax(*)	4,646,109	12,268,403	8,407,188	3,861,216	8,507,325	1,500,000
104 Affordable & Supportive Housing Sales Tax	148,016	131,465	133,558	(2,093)	145,923	-
106 Solid Waste & Recycling	395,459	726,880	663,609	63,271	458,731	-
107 Special Contracts/Studies Fund	987,302	37,047	-	37,047	1,024,349	-
109 Hotel/Motel Lodging Tax	1,868,015	299,459	86,949	212,510	2,080,525	200,000
111 Federal Way Community Center	1,737,273	2,453,552	2,528,218	(74,666)	1,662,608	1,500,000
112 Traffic Safety Fund	2,493,443	4,376,418	3,485,872	890,546	3,383,989	1,200,000
113 Real Estate Excise Tax Fund	3,217,658	3,377,887	4,035,343	(657,456)	2,560,202	2,000,000
114 Prop 1 Utility Tax	1,571,054	3,660,090	3,916,072	(255,982)	1,315,072	1,000,000
115 Performing Arts & Event Ctr Operations	873,936	3,336,406	3,418,880	(82,474)	791,462	-
116 Solid Waste 10% Utility Tax	1,632,240	2,558,785	2,742,059	(183,273)	1,448,966	-
119 CDBG	25,107	916,006	873,406	42,600	67,707	-
120 Path & Trails	1,888,688	376,537	401,376	(24,839)	1,863,850	-
121 Technology	459,999	278,410	109,319	169,091	629,091	-
122 Jail Fund	7,260	4,381,534	4,388,630	(7,096)	164	-
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	40,775,552	36,805,562	3,969,990	31,055,635	\$11,625,000
201 Debt Service Fund	(1,366,565)	2,461,368	2,447,418	13,950	(1,352,615)	-
<i>Capital Project Funds:</i>						
301 Downtown Redevelopment	4,499,350	1,033,533	205,000	828,533	5,327,884	-
302 Municipal Facilities	175,507	-	-	-	175,507	-
303 Parks	2,032,064	717,426	293,258	424,168	2,456,232	-
304 Surface Water Management	4,570,673	2,034,979	283,114	1,751,865	6,322,537	-
306 Transportation	15,939,217	6,806,679	8,444,827	(1,638,148)	14,301,069	-
307 Capital Project Reserve Fund	370,343	-	-	-	370,343	-
Subtotal Capital Project Funds	27,587,154	10,592,618	9,226,199	1,366,419	28,953,573	-
<i>Enterprise Funds:</i>						
401 Surface Water Management	4,511,222	7,694,299	6,437,967	1,256,332	5,767,554	690,000
402 Dumas Bay Centre Fund	1,710,510	1,371,936	906,226	465,710	2,176,220	1,500,000
Subtotal Enterprise Funds	6,221,732	9,066,235	7,344,194	1,722,042	7,943,773	\$ 2,190,000
<i>Internal Service Funds</i>						
501 Risk Management	1,516,845	2,479,371	2,235,366	244,005	1,760,850	600,000
502 Information Systems	4,260,137	3,776,012	3,270,507	505,505	4,765,642	-
503 Mail & Duplication	279,203	138,519	133,353	5,165	284,368	-
504 Fleet & Equipment	8,548,261	3,317,088	3,624,183	(307,095)	8,241,166	-
505 Buildings & Furnishings	2,115,458	1,336,289	706,733	629,556	2,745,014	2,000,000
506 Health Self Insurance Fund	3,660,088	5,358,097	4,956,132	401,965	4,062,053	-
507 Unemployment Insurance Fund	252,036	162,964	68,230	94,734	346,769	250,000
Subtotal Internal Service Funds	20,632,027	16,568,340	14,994,504	1,573,836	22,205,863	\$ 2,850,000
Total All Funds	\$ 107,869,976	\$ 143,691,391	\$ 141,242,238	\$ 2,449,154	\$ 110,319,130	\$ 26,165,000

Monthly Treasury Positions and Activity

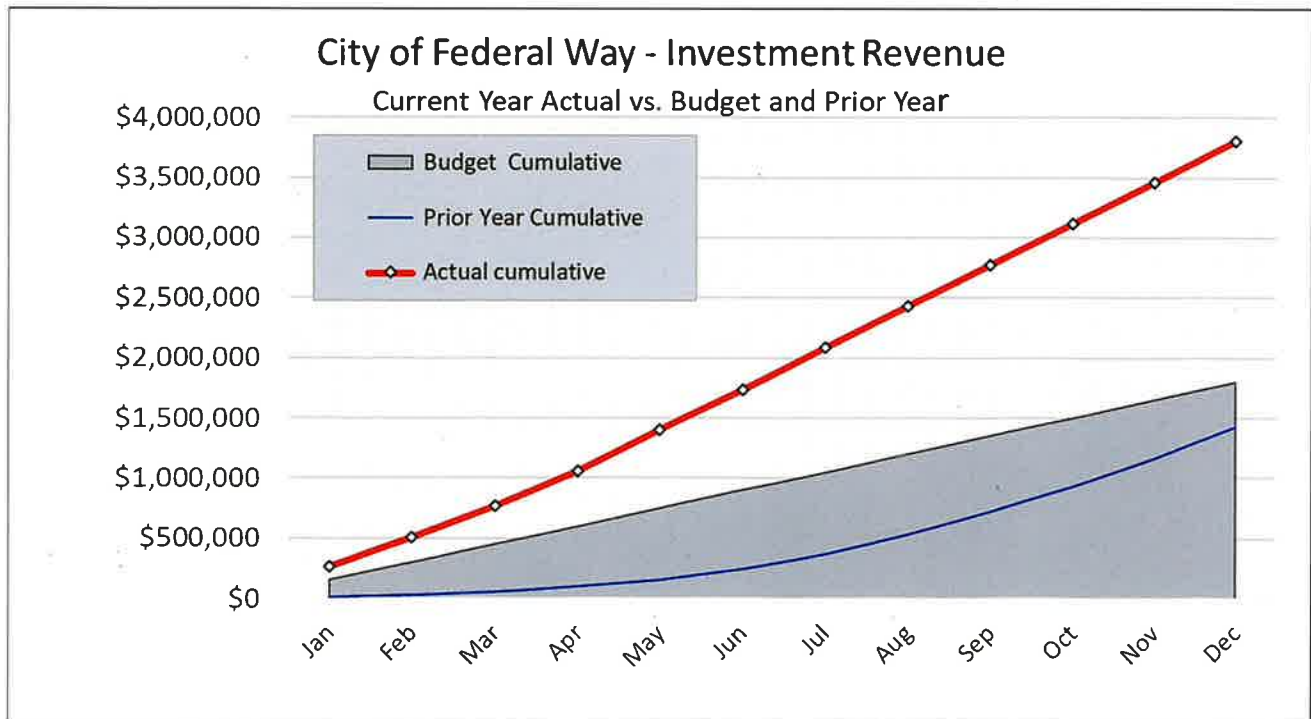
This monthly report of all investment transactions to the city council via FEDRAC complies with RCW 35.39.032. The following pages provide a summary of the current investment portfolio holdings and the individual transactions and activity during the month.

Portfolio Yield: The City's total annualized yield was 4.0%. The City's position in LGIP was \$41.8 million earning a 5.4% yield and the laddered portfolio was \$62 million earning a 3.0% yield.

	Face Value	Cost	Yield %	Annual Yield \$
City Portfolio:	62,000,000	59,989,857	3.042%	1,886,121
State Investment Pool:	41,750,976	41,750,976	5.397%	2,253,467
Total:	\$ 103,750,976	\$ 101,740,833	3.990%	\$4,139,588

Interest Revenue Compared to Budget and Prior Year

Year-to-date interest revenue through December of \$3,799,000 exceeds budget of \$1,800,000 by 1,999,000 or 111% and exceeds prior year by \$2,370,000. Accrual basis interest for the month was \$336,000, 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 01/01/2024 - 01/31/2024

ACTIVITY - Settled/Cleared Cash Activity

Transaction Type	Amount
Purchases	0.00
Purchase Reversals	0.00
Sales	0.00
Sale Reversals	0.00
Withdrawals	0.00
Receipts	(2,773,635.39)
Deliveries	0.00
Principal Reversals	0.00
Interest	150,000.00
Interest Reversals	0.00
Interest Adjustments	0.00
Maturities	1,000,000.00
Calls	0.00
Puts	0.00
Paydowns	0.00
Paydown Adjustments	0.00
Payups	0.00
Payup Adjustments	0.00
Cash Dividends	0.00
Balance Changes	0.00
Stock Dividends	0.00
Closeouts	0.00
Closeout Dividends	0.00
Net Activity	(1,623,635.39)

Your Sales Representative is: SAFEKEEPING OPERATIONS
(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	45,000,000.00000	45,000,000.00000	42,829,483.60	43,000,976.53
US Government Agency Securities	18,000,000.00000	18,000,000.00000	18,007,401.00	17,708,986.02
Corporate Securities	1,000,000.00000	1,000,000.00000	943,200.00	955,068.54
Total Custody Holdings	64,000,000.00000	64,000,000.00000	61,780,084.60	61,665,031.09

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.

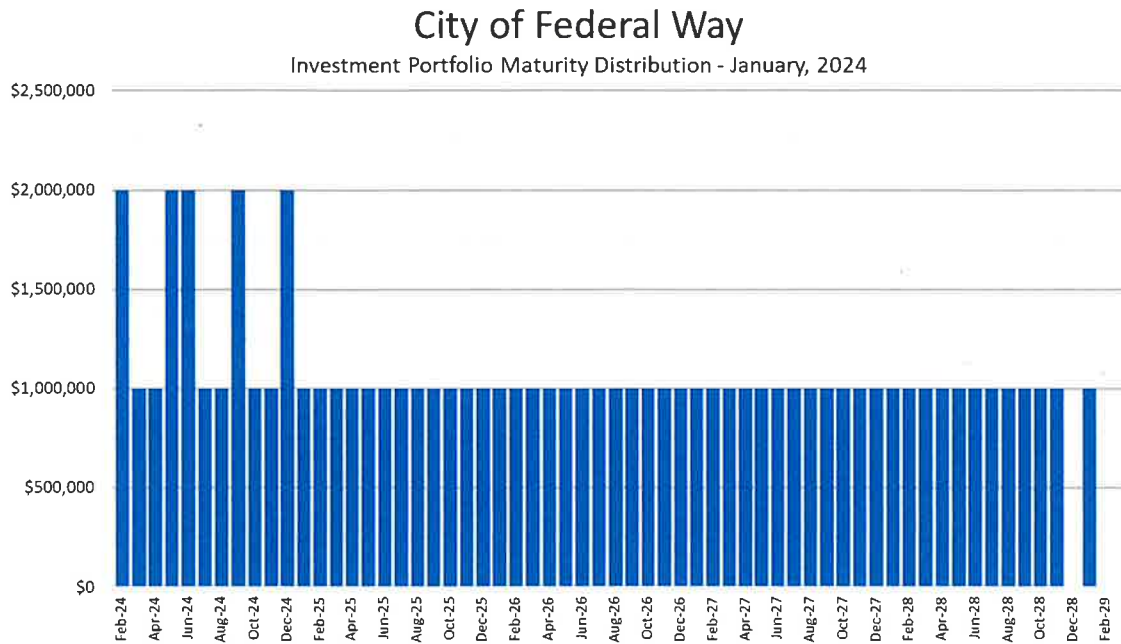
Maturities: During the month, the following investment matured:

- 2022-012 US Treasury \$1,000,000, matured January 2024, yielding 0.71%

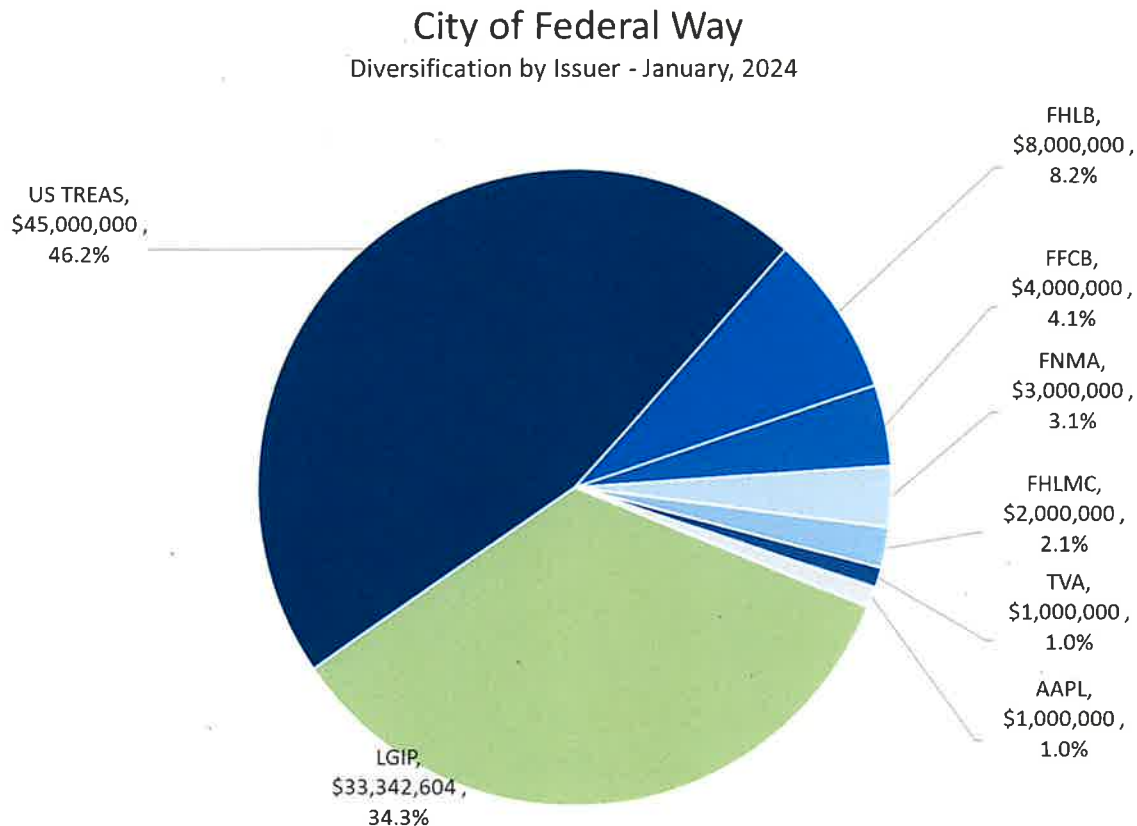
Purchases: During the month, the following investments were purchased, maximizing yield at the time of purchase for the maturity date being filled, having first assured safety and liquidity of the entire portfolio (see addendum for complete rationale):

- 2023-080 US Treasury \$1,000,000, matures October 2028, yielding 3.98%
- 2023-081 US Treasury \$1,000,000, matures November 2028, yielding 4.05%
- 2023-082 US Treasury \$1,000,000, matures January 2029, yielding 4.04%

The maturity distribution of the ladder portion of the portfolio shows that \$1-2 million will mature each month for the next 60 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 01/31/2024 - 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						
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	992,421.88
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	991,914.06
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	989,179.69
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	981,718.75
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	971,484.38
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	969,804.69
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	967,695.31
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	966,757.81
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	952,929.69
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	948,554.69
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	944,101.56

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 01/31/2024 - USD	Page 6
Acct Number: XXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
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	941,523.44
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	938,437.50
10/31/2025	91282CAT6 392224292	.250 07/22	U.S. Treasury Notes .250, 10/31/2025	1,000,000.00 1,000,000.00	911,640.63	930,234.38
12/31/2025	912828ST3 392224349	2.625 07/22	U.S. TREASURY NOTES 2.625 NOTE 25	1,000,000.00 1,000,000.00	983,828.13	968,164.06
01/31/2026	912828GA3 751014661	2.625 07/22	U S TREASURY NOTE 2.625 NOTE 2026	1,000,000.00 1,000,000.00	984,218.75	967,382.81
03/31/2026	912828L9 751015129	2.250 08/22	U S TREASURY NOTE 2.25 NOTE 26	1,000,000.00 1,000,000.00	964,630.00	958,164.06
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	925,078.12
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	922,851.56
06/30/2026	91282CCJ8 392224738	.875 09/22	U.S. Treasury Notes 91282CCJ8 06/30/2026	1,000,000.00 1,000,000.00	906,718.75	924,257.81
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	945,039.06
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	924,765.62
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	943,281.25

Acct Name: CITY OF FEDERAL WAY

HOLDINGS AS OF 01/31/2024 - USD
Page 7

Acct Number: XXXXXX033

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
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	926,289.06
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	929,765.62
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	1,071,562.50
03/31/2027	91282CEF4 392225993	2.500 01/23	U.S. TREASURY NOTES 2.50 NOTE 2027	1,000,000.00 1,000,000.00	956,406.25	952,617.19
04/30/2027	91282CEN7 392226190	2.750 02/23	U.S. Treasury Notes 91282CEN7 04/30/2027	1,000,000.00 1,000,000.00	955,507.81	962,578.12
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	973,437.50
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	956,484.38
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	968,164.06
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	1,001,601.56
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	1,005,781.25
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	997,617.19
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	979,570.31

Acct Name: CITY OF FEDERAL WAY

HOLDINGS AS OF 01/31/2024 - USD
Page 8

Acct Number: XXXXXX033

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
02/15/2028	9128283W8 819029420	2.750 09/23	U S TREASURY NOTE 2.75 NOTE 28	1,000,000.00 1,000,000.00	931,250.00	951,718.75
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	893,945.31
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	978,906.25
05/15/2028	9128284N7 819030430	2.875 11/23	U.S. Treasury Notes 9128284N7 5/15/28	1,000,000.00 1,000,000.00	940,312.50	954,531.25
05/31/2028	91282CCE9 931000049	1.250 11/23	U.S. Treasury Notes 91282CCE9 5/31/2028	1,000,000.00 1,000,000.00	860,215.81	890,078.12
07/31/2028	91282CCR0 931000391	1.000 12/23	U S TREASURY NOTE 07/31/2028	1,000,000.00 1,000,000.00	868,476.56	876,406.25
08/15/2028	9128284V9 931000566	2.875 12/23	U.S. Treasury Notes 9128284V9 8/15/28	1,000,000.00 1,000,000.00	943,867.19	952,382.81
09/30/2028	91282CJA0 751019815	4.625 12/23	U.S. TREASURY NOTE 4.625 NOTE 9/30/2028	1,000,000.00 1,000,000.00	1,031,679.69	1,025,351.56
10/31/2028	91282CDF5 931000934	1.375 01/24	U.S. TREASURY NOTES 1.375 NOTE 2028	1,000,000.00 1,000,000.00	867,109.38	891,289.06
11/30/2028	91282CDL2 819030919	1.500 01/24	U.S. TREASURY NOTES 1.50 NOTE 2028	1,000,000.00 1,000,000.00	888,395.94	895,156.25
Treasury Obligations Total				45,000,000.00000	42,829,483.60	43,000,976.53
US Government Agency Securities				45,000,000.00000		
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	999,670.49

Acct Name: CITY OF FEDERAL WAY
HOLDINGS AS OF 01/31/2024 - USD
Page 9
Acct Number: XXXXXX033
CUSTODY

Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
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	999,516.90
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	996,864.57
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	999,254.03
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	985,417.00
08/15/2024	3130AGWK7 751013093	1.500 10/21	FEDERAL HOME LOAN BANK 05/15/2024	1,000,000.00 1,000,000.00	1,023,285.00	980,255.83
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	998,493.80
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	964,711.44
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	997,588.51
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	967,146.14
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	937,595.23
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	934,754.62
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	1,035,822.00

Acct Name: CITY OF FEDERAL WAY
HOLDINGS AS OF 01/31/2024 - USD
Page 10
Acct Number: XXXXXX033
CUSTODY

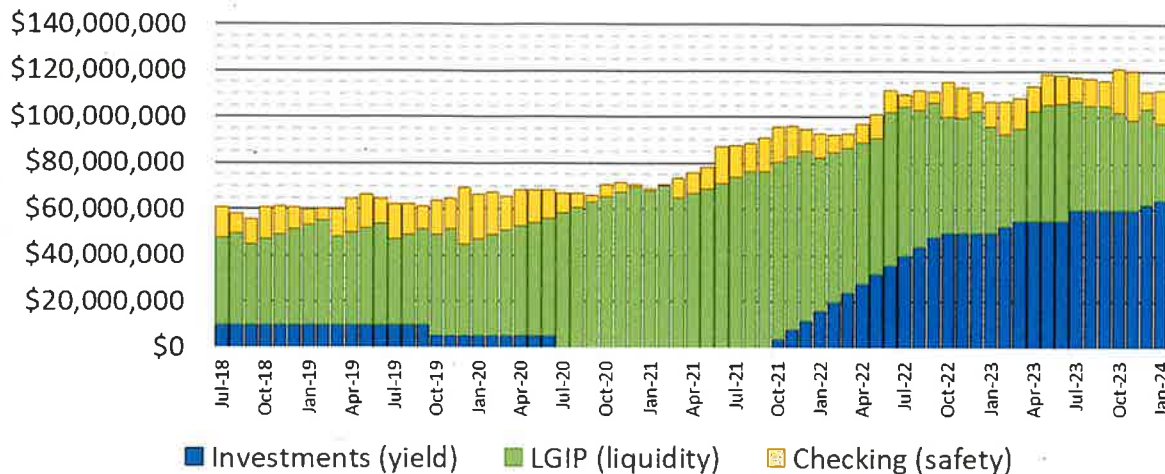
Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
02/25/2026	3133ENJ35 751015104	3.320 08/22	FEDERAL FARM CREDIT BANK CONS BD 3.32%26	1,000,000.00 1,000,000.00	998,689.00	978,700.17
08/03/2026	3133END80 392224855	3.000 09/22	FEDERAL FARM CREDIT BANK CONS BD 3%26	1,000,000.00 1,000,000.00	974,853.00	968,810.95
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	989,158.40
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	983,042.67
01/18/2029	3133EPWB4 751020462	3.875 01/24	FEDERAL FARM CREDIT BANK CONS BD 3.875%29	1,000,000.00 1,000,000.00	992,500.00	992,183.27
US Government Agency Securities Total				18,000,000.00000	18,007,401.00	17,708,986.02
Corporate Securities				18,000,000.00000		
11/13/2027	037833DK3 392229402	3.000 07/23	APPLE INC SR GLBL NT 3%27	1,000,000.00 1,000,000.00	943,200.00	955,068.54
Corporate Securities Total				1,000,000.00000	943,200.00	955,068.54
				1,000,000.00000		
Total Custody Holdings				64,000,000.00000	61,780,084.60	61,665,031.09
				64,000,000.00000		

Cash Balance and Investment Positions:

The City's cash balance trend is shown below:

- Total cash increased from \$111.3 million to 111.8 million.
- Laddered investments increased from \$62.0 million to \$64.0 million.
- The LGIP Investment Pool position decreased from \$41.8.0 million to \$33.3 million.

City of Federal Way Cash & Investments Trend

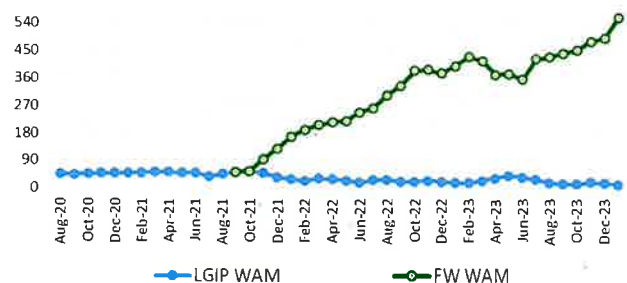


Benchmark and Portfolio

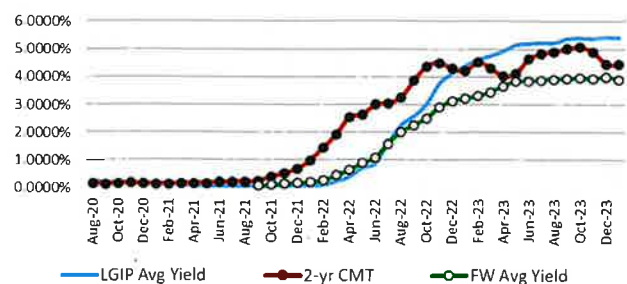
Weighted Average Maturity (WAM) of the City's portfolio, including position in LGIP, is 557 days, an indicator of the portfolio's exposure to reinvestment risk as well as rate volatility. The portfolio is within the City's Investment Policy limit of 2.5 years or 900 days. The LGIP State Pool WAM was 11 days in December. 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%, compared to 4.5% for the 2-year Constant Maturity Treasury index and 5.4% for the LGIP.

Weighted Average Maturity Days (City Investment Policy Maximum is 900 Days)



Portfolio Average Yield City Portfolio vs Benchmark vs. State Pool



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

Date: January 10, 2024

Investment # 2023-080 is a 4-year 9-month Treasury (T), face value \$1,000,000, maturing October 31, 2028, purchased at 88.7109 (discount) to yield 3.98%. This trade settles January 11, 2024 with Wedbush Securities, US Bank Safekeeping, reducing the city's position in LGIP.

Liquidity: At December 31st month-end, total city cash was \$111.3 million, checking account balance was \$7.5 million (target minimum is \$8 Million), investment portfolio was \$62.0 million (target is \$65 million for Treasuries and Agencies). State LGIP investment pool balance was \$41.7 million (target minimum is \$20 million, excluding unspent ARPA and property acquisition of \$8 million is in-process).

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 3.98%. *This investment is 2 basis point over the 5-year benchmark.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	5.43%	www.secureaccess.wa.gov
2-year Treasury	4.35%	Bloomberg.com
Same maturity Agency	None available	Broker live inquiry
5-year Treasury	3.96%	Bloomberg.com

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

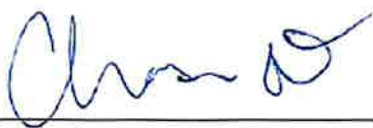
Diversification. This purchase puts this issuer at 43.5% of total portfolio.

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

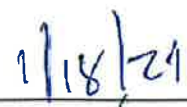
Outlook. The yield curve is currently inverted, with peak yield around 5.47% at 3 months then inverted to 2-year at 4.35, the 5-year at 3.96%. The Federal Reserve Bank last executed no change in rate as uncertainty remains over inflation, money supply and Fed moves.

Staff review:

Deputy Finance Director: _____



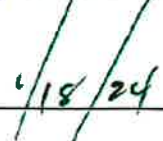
Date



Finance Director: _____



Date



Staff Review of Investment Rationale

Date: January 18, 2024

Investment # 2023-081 is a 4-year 10-month Treasury (T), face value \$1,000,000, maturing November 30, 2028, purchased at 88.8396 (discount) to yield 4.05%. This trade settles January 18, 2024 with Stifel Nicolaus & Co, US Bank Safekeeping, reducing the city's position in LGIP.

Liquidity: At December 31st month-end, total city cash was \$111.3 million, checking account balance was \$7.5 million (target minimum is \$8 Million), investment portfolio was \$62.0 million (target is \$65 million for Treasuries and Agencies). State LGIP investment pool balance was \$41.7 million (target minimum is \$20 million, excluding unspent ARPA and property acquisition of \$8 million is in-process).

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 4.05%. *This investment is 2 basis point over the 5-year benchmark.* Comparable yields evaluated at time of purchase were:


LGIP current 30-day yield	5.44%	www.secureaccess.wa.gov
2-year Treasury	4.34%	Bloomberg.com
Same maturity Agency	None available	Broker live inquiry
5-year Treasury	4.03%	Bloomberg.com

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

Diversification. This purchase puts this issuer at 43.0% 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 5.47% at 3 months then inverted to 2-year at 4.34, the 5-year at 4.03%. The Federal Reserve Bank last executed no change in rate as uncertainty remains over inflation, money supply and Fed moves.

Staff review:Deputy Finance Director: Date 1/18/24Finance Director: Date 1/18/24

Staff Review of Investment Rationale

Date: January 25, 2024

Investment # 2024-082 is a 5-year Federal Farm Credit Bank (FFCB), face value \$1,000,000, maturing January 18, 2029, purchased at 99.25 (discount) to yield 4.04%. This trade settles January 26, 2024 with Mischler Financial Group, US Bank Safekeeping, reducing the city's position in LGIP.

Liquidity: At December 31st month-end, total city cash was \$111.3 million, checking account balance was \$7.5 million (target minimum is \$8 Million), investment portfolio was \$62.0 million (target is \$65 million for Treasuries and Agencies). State LGIP investment pool balance was \$41.7 million (target minimum is \$20 million, excluding unspent ARPA and property acquisition of \$8 million is in-process).

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

Yield. Yield is 4.04%. *This investment is 1 basis point over the 5-year benchmark.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	5.43%	www.secureaccess.wa.gov
2-year Treasury	4.31%	Bloomberg.com
Same maturity Agency	None available	Broker live inquiry
5-year Treasury	4.03%	Bloomberg.com

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

Diversification. This purchase puts this issuer at 3.8% of total portfolio.

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

Outlook. The yield curve is currently completely inverted, with peak yield around 5.54% at 1 month then downward sloping to 2-year at 4.31, the 5-year at 4.03%. The Federal Reserve Bank last executed no change in rate as uncertainty remains over inflation, money supply and Fed moves.

Staff review:

Deputy Finance Director:



Date

1/25/24

Finance Director:



Date

1/25/24