

DATE: March 26, 2024

TO: Mayor and City Council
Management Team

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

SUBJECT: Monthly Financial Report

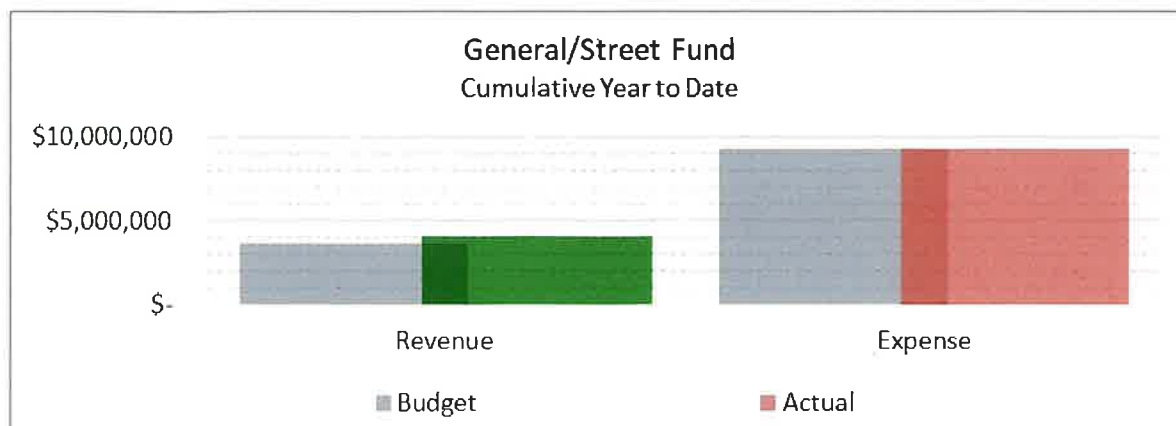
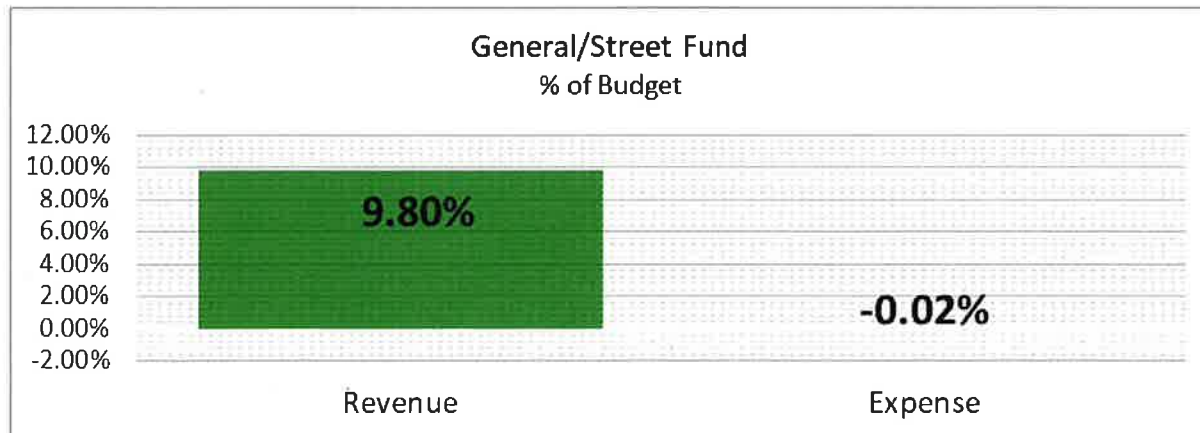
This report is to brief you on February's monthly and year-to-date (YTD) revenues and expenses, compared to budget and prior year, on the city's cash and fund balance positions, and on the monthly investment performance, transactions and current holdings.

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

General/Street Fund Summary:

Revenues & Transfers In are **favorable** to YTD budget of \$3.69M by \$0.36M or 9.8%.

Expenditures & Transfers Out are **favorable** to YTD budget of \$9.24M by \$2K primarily due to timing of ARPA spending, and filling of vacant Police Officer positions.



Revenues and Expenditures:

General & Street Fund Financial Highlights

As detailed in the table below:

- Sales Tax revenue is unfavorable to budget YTD by \$0.18M or 9.4%, and \$0.15M or 7.9% below prior year collections. Retail sales and services are \$44K above 2023 YTD collections. This is an indicator of the health of the local economy.
- CD Permits & Fees revenue is favorable to budget YTD by \$0.24M or 55.8, but \$0.08M or 10.6% below prior year actual.
- Total Expenditures & Transfer Out is unfavorable to budget YTD by \$2K, but \$0.34M or 3.9% above prior year actual. Compared to 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	2023			2024			YTD Budget vs. Actual	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	Favorable/(Unfavorable)	
							\$	%
Beginning Fund Balance	\$27,709,983	\$27,709,983	\$27,709,983	\$10,603,169	\$10,603,169	\$22,452,556	n/a	n/a
Revenues:								
Sales Tax	20,972,402	20,805,515	1,917,113	20,996,000	1,948,353	1,765,359	(182,994)	-9.4%
Property Taxes	11,762,933	11,662,976	62,678	11,938,554	64,159	110,967	46,808	73.0%
State Shared Revenue	3,153,260	3,192,206	74,426	3,194,233	74,474	76,643	2,169	2.9%
CD Permits & Fees	4,705,016	5,026,795	759,516	2,869,145	435,564	678,643	243,080	55.8%
Business License Fees	682,631	758,932	106,679	685,345	171,622	117,976	(53,646)	-31.3%
Admissions Tax	339,265	846,424	21,170	390,155	9,758	17,557	7,799	79.9%
Other Revenues	15,106,999	15,120,746	949,078	13,343,495	989,701	1,288,625	298,925	30.2%
Transfers in from Other Funds to support operations	8,635,016	4,574,790	-	11,149,389	-	-	-	n/a
Total Revenues & Transfer In	65,357,522	61,988,384	3,890,660	64,566,316	3,693,631	4,055,770	362,140	9.8%
Total Expenditures & Transfer Out	82,464,337	67,245,814	8,899,757	65,669,354	9,244,614	9,243,002	1,612	0.0%
Total Ending Fund Balance	\$10,603,168	\$22,452,553	\$22,700,886	\$9,500,130	\$5,052,185	\$17,265,324	n/a	n/a

Other Fund Financial Highlights

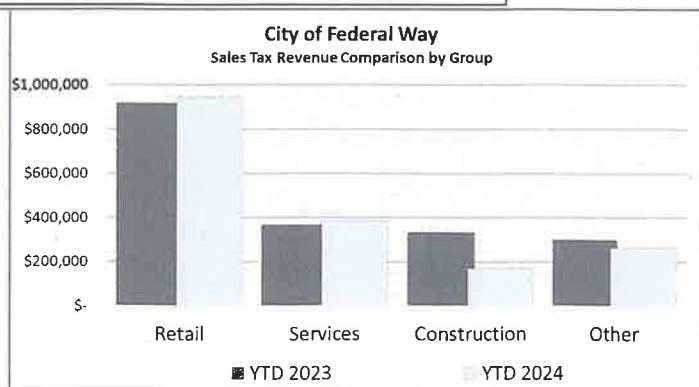
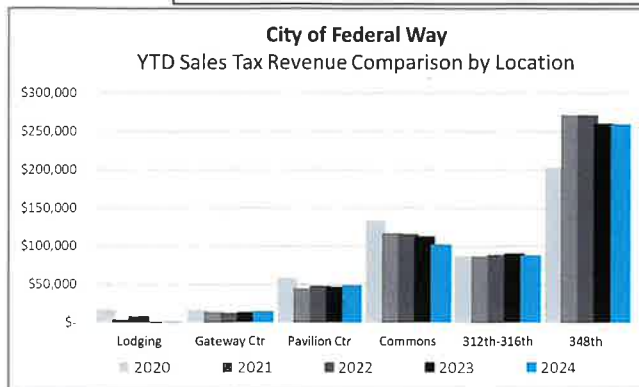
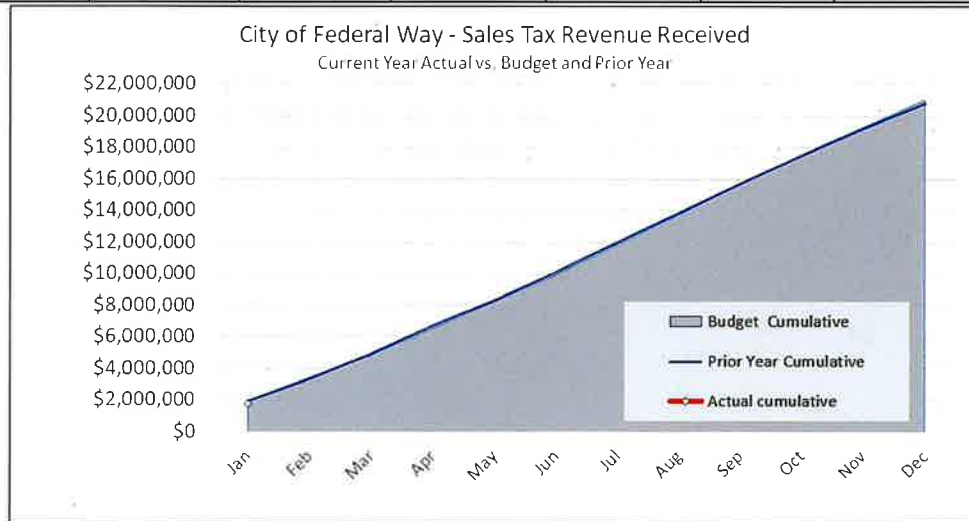
- Utility Taxes are favorable to budget YTD by \$0.33M or 22.0%, but \$5K or 0.3% below prior year actual. Utility tax on water/sewer and addition of 10% on solid waste services account for the increase above 2024 YTD budget.
- Real Estate Excise Tax (REET) is unfavorable to budget YTD by \$0.21M or 32.3%, and \$0.01M or 2.4% below prior year actual. This is an indicator of the Federal Way valuation and real estate volume of transactions.
- Expenditures & Transfer Out is favorable to budget YTD by \$0.61M or 16.9%, but \$0.98M above prior year actual. The favorable variance to budget is primarily due to timing of residential street overlay.

OTHER SIGNIFICANT FUNDS OF NOTE	2023			2024			YTD Budget vs. Actual Favorable/(Unfavorable)	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	\$	%
Revenues:								
Utility Tax	12,339,431	12,189,955	1,360,927	11,782,564	866,288	1,227,168	360,880	41.7%
Utility Tax - Prop 1 Voter Package	3,662,436	3,657,523	241,103	3,360,436	227,073	354,422	127,349	56.1%
Utility Tax - Solid Waste 10%	2,200,000	2,558,785	205,051	2,300,000	383,333	220,151	(163,182)	-42.6%
Real Estate Excise Tax	4,521,000	3,377,887	445,348	5,576,000	642,339	434,874	(207,465)	-32.3%
Traffic Safety (Red Light/School Zone)	3,800,000	4,376,677	731,849	3,060,000	505,224	598,947	93,723	18.6%
Hotel/Motel Lodging Tax	293,000	299,459	16,787	308,000	21,257	16,832	(4,426)	-20.8%
Federal Way Community Center	1,411,875	1,619,063	218,404	1,930,875	321,813	315,221	(6,592)	-2.0%
Performing Arts & Event Ctr Operations	1,659,780	2,228,419	66,680	1,279,780	106,648	131,356	24,708	23.2%
Dumas Bay Centre Fund	727,698	757,060	72,377	527,698	87,950	119,360	31,410	35.7%
Total Revenues	30,615,221	31,064,827	3,358,525	30,125,354	3,161,925	3,418,330	256,405	8.1%
Expenditures & Transfers Out:								
Utility Tax Support to Other Funds for operations	12,067,413	8,637,396	273,203	13,829,040	554,625	554,625	-	0.0%
Utility Tax Proposition 1 operations	4,471,873	3,916,074	552,654	4,603,703	767,284	623,078	144,206	18.8%
Solid Waste 10% Utility Tax - Residential Streets Overlay	3,680,166	2,742,060	69,004	2,300,000	383,333	28,571	354,762	92.5%
Real Estate Excise Tax Support to Debt and Capital Projects	6,055,343	4,035,343	-	5,788,245	-	-	-	n/a
Traffic Safety (Red Light/School Zone)	3,871,735	3,519,748	347,923	4,272,419	712,070	522,245	189,825	26.7%
Hotel/Motel Lodging Tax	150,000	86,949	-	65,000	10,833	(18,733)	29,566	272.9%
Jail Fund Services	4,300,000	4,619,003	273,202	2,700,000	450,000	554,625	(104,625)	-23.3%
Federal Way Community Center	2,459,893	2,456,401	213,147	2,306,857	384,476	408,309	(23,833)	-6.2%
Performing Arts & Event Ctr Operations	2,983,359	3,418,881	184,123	2,483,359	206,947	214,261	(7,314)	-3.5%
Dumas Bay Centre Fund	864,097	898,127	96,616	773,784	128,964	103,637	25,328	19.6%
Total Expenditures & Transfers Out	40,903,879	34,329,982	2,009,871	39,122,407	3,598,532	2,990,617	607,915	16.9%
Ending Fund Balance								
Utility Tax (non-Prop 1)	4,789,743	8,283,287	5,733,833	1,500,000	-	9,168,201	n/a	n/a
Utility Tax - Prop 1 Voter Package	1,000,001	1,312,502	1,259,503	1,000,001	-	1,043,848	n/a	n/a
Utility Tax - Solid Waste 10%	152,073	1,448,965	1,768,287	152,073	-	1,425,374	n/a	n/a
Real Estate Excise Tax Fund	1,683,316	2,560,202	3,663,006	1,471,071	-	2,995,076	n/a	n/a
Traffic Safety Fund	2,421,708	3,350,372	2,877,369	1,209,289	-	3,427,072	n/a	n/a
Hotel/Motel Lodging Tax	2,011,015	2,080,525	1,884,802	2,254,015	-	2,116,090	n/a	n/a
Jail Fund	0	1	7,261	(0)	-	0	n/a	n/a
Federal Way Community Center	1,557,756	1,768,438	1,742,531	1,557,756	-	1,675,348	n/a	n/a
Performing Arts & Event Ctr Operations	658,344	791,461	756,493	434,743	-	708,558	n/a	n/a
Dumas Bay Centre Fund	2,202,259	2,197,592	1,686,271	2,221,171	-	2,213,315	n/a	n/a
Total Ending Fund Balance	\$16,476,216	\$23,793,346	\$ 21,379,356	\$ 11,800,119	\$ -	\$ 24,772,882	n/a	n/a

Sales Tax Revenue

Revenues are unfavorable to budget YTD by \$0.18M or 9.4% and below prior year actual by \$0.15M or 7.9%. 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.

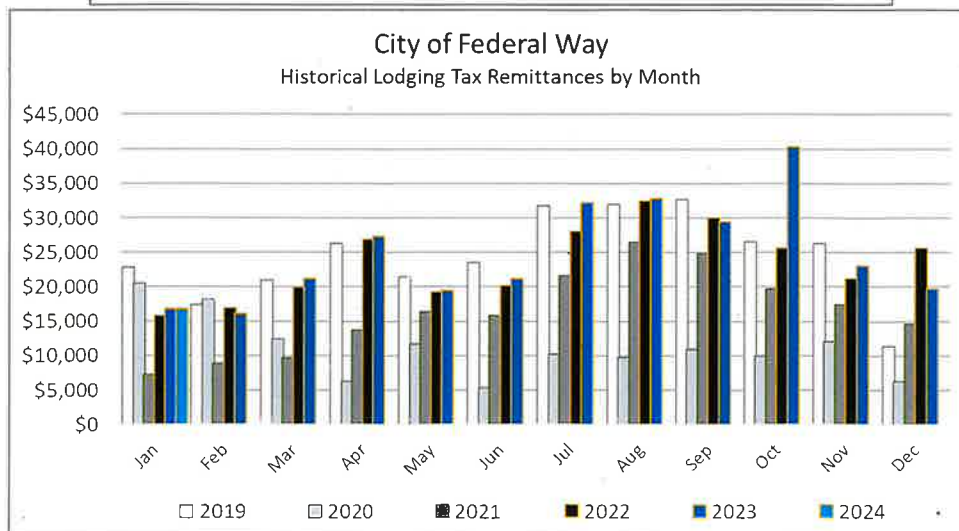
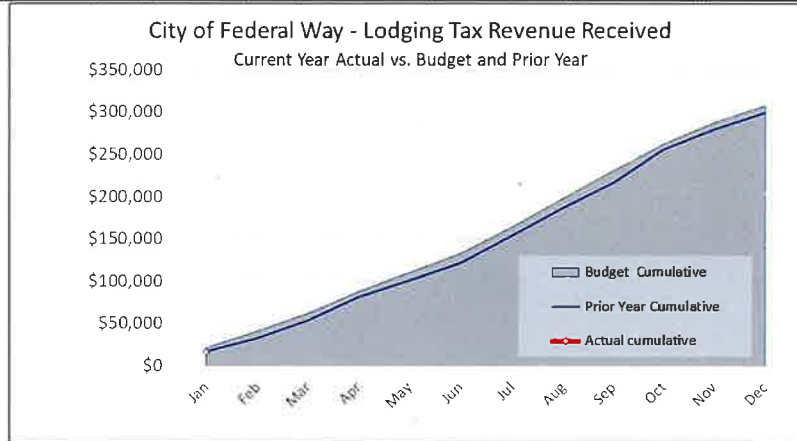
LOCAL RETAIL SALES TAX REVENUES							
YTD February							
Month	2023 Actual	2024		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2023		YTD Actual vs Budget	
				\$	%	\$	%
Jan	1,917,113	\$ 1,948,353	\$ 1,765,359	\$ (151,754)	-7.9%	\$ (182,994)	-9.4%
Feb	1,425,556	1,459,825	-	-	-	-	-
Mar	1,599,609	1,445,064	-	-	-	-	-
Apr	1,768,995	1,733,177	-	-	-	-	-
May	1,622,066	1,633,016	-	-	-	-	-
Jun	1,750,786	1,745,774	-	-	-	-	-
Jul	1,931,467	1,921,230	-	-	-	-	-
Aug	1,850,860	1,903,016	-	-	-	-	-
Sep	1,847,683	1,872,206	-	-	-	-	-
Oct	1,783,836	1,875,739	-	-	-	-	-
Nov	1,717,195	1,756,416	-	-	-	-	-
Dec	1,590,350	1,702,183	-	-	-	-	-
YTD Total	\$ 1,917,113	\$ 1,948,353	\$ 1,765,359	\$ (151,754)	-7.9%	\$ (182,994)	-9.4%
Annual Total	\$ 20,805,515	\$ 20,996,000	n/a	n/a	n/a	n/a	n/a



Lodging Tax Revenue

Revenues are unfavorable to budget YTD by \$4.4K or 20.8%, but on target with prior year.

HOTEL/MOTEL LODGING TAX REVENUES							
Year-to-date thru February							
Month	2023 Actual	2024		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2023		YTD Actual vs Budget	
				\$	%	\$	%
Jan	\$ 16,787	\$ 21,257	\$ 16,832	\$ 45	0.3%	\$ (4,426)	-20.8%
Feb	16,159	19,804	-	-	-	-	-
Mar	21,239	21,550	-	-	-	-	-
Apr	27,280	25,724	-	-	-	-	-
May	19,444	22,579	-	-	-	-	-
Jun	21,163	21,992	-	-	-	-	-
Jul	32,180	31,636	-	-	-	-	-
Aug	32,746	34,077	-	-	-	-	-
Sept	29,427	32,689	-	-	-	-	-
Oct	40,254	31,253	-	-	-	-	-
Nov	23,106	25,606	-	-	-	-	-
Dec	19,674	19,834	-	-	-	-	-
YTD Total	\$ 16,787	\$ 21,257	\$ 16,832	\$ 45	0.3%	\$ (4,426)	-20.8%
Annual Total	\$ 299,459	\$ 308,000	n/a	n/a	n/a	n/a	n/a



Business Licenses

Revenues are unfavorable to budget YTD by \$54K or 31.3%, but above prior year actual by \$11K or 10.6%.



*excludes outside contractor businesses

Business License Revenue							
Month	2023 Actual	2024		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2023		YTD Actual vs Budget	
				\$	%	\$	%
Jan	\$ 62,005	\$ 106,396	\$ 67,071	5,066	8.2%	(39,325)	-37.0%
Feb	44,674	65,225	50,905	6,232	13.9%	(14,320)	-22.0%
Mar	86,195	47,853	-	-	-	-	-
Apr	67,910	48,132	-	-	-	-	-
May	61,588	37,317	-	-	-	-	-
Jun	76,843	74,893	-	-	-	-	-
Jul	59,531	48,167	-	-	-	-	-
Aug	53,820	55,648	-	-	-	-	-
Sep	72,038	48,456	-	-	-	-	-
Oct	52,727	34,583	-	-	-	-	-
Nov	62,891	47,395	-	-	-	-	-
Dec	58,709	71,278	-	-	-	-	-
YTD Total	\$ 106,679	\$ 171,622	\$ 117,976	11,297	10.6%	(53,646)	-31.3%
Annual Total	\$ 758,932	\$ 685,345	n/a	n/a	n/a	n/a	n/a

Community Development Permits

Revenues are favorable to budget YTD by \$0.24M or 55.8%, but below prior year actual by \$0.08M or 10.6%.

Annual Total

2019 - \$4,546,432

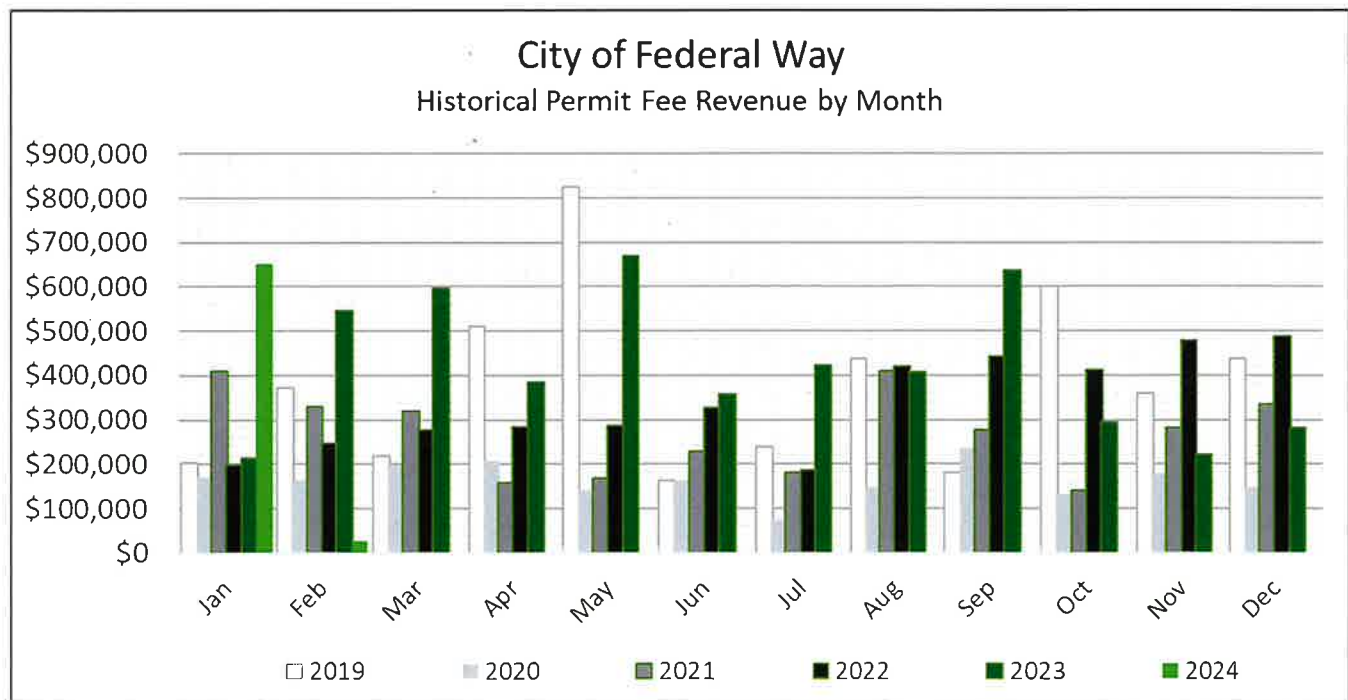
2020 - \$1,964,825

2021 - \$3,229,113

2022 - \$4,040,385

2023 - \$5,026,795

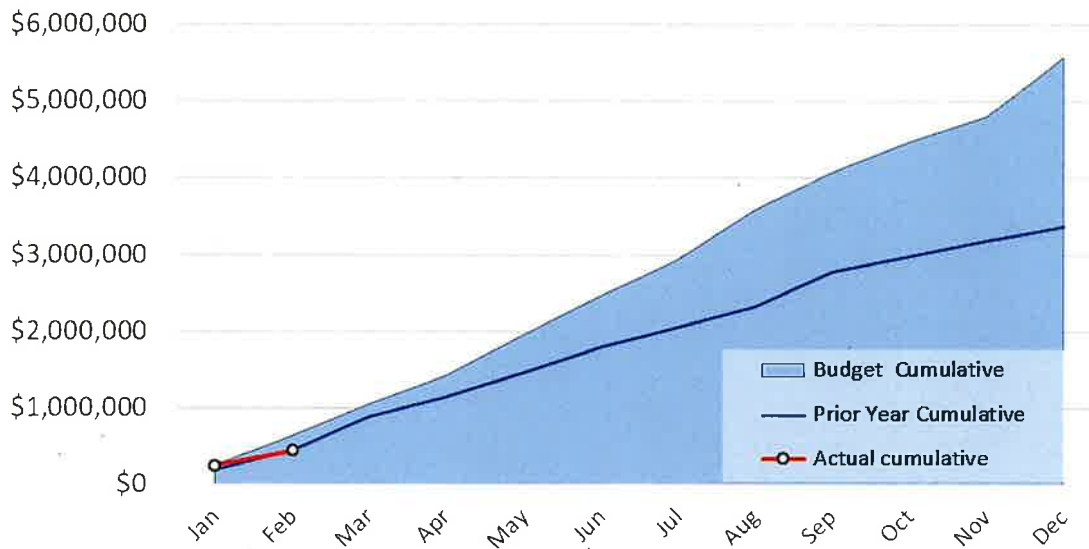
BUILDING & LAND USE PERMITS AND FEES (CD)							
Year-to-date thru February							
Month	2023 Actual	2024		Change from 2023		Favorable/(Unfavorable)	
		Budget	Actual	\$	%	YTD Actual vs Budget	
Jan	213,046	170,083	651,394	438,349	205.8%	481,311	283.0%
Feb	546,470	265,481	27,249	(\$19,222)	-95.0%	(238,232)	-89.7%
Mar	595,518	243,372	-	-	-	-	-
Apr	383,643	245,428	-	-	-	-	-
May	669,687	307,435	-	-	-	-	-
Jun	357,167	209,290	-	-	-	-	-
Jul	422,815	216,247	-	-	-	-	-
Aug	406,182	266,209	-	-	-	-	-
Sept	635,249	262,098	-	-	-	-	-
Oct	293,644	240,848	-	-	-	-	-
Nov	221,863	222,520	-	-	-	-	-
Dec	281,511	220,135	-	-	-	-	-
YTD Total	\$ 759,516	\$ 435,564	\$ 678,643	\$ (80,873)	-10.6%	\$ 243,080	55.8%
Annual Total	\$ 5,026,795	\$ 2,869,145	n/a	n/a	n/a	n/a	n/a



Real Estate Excise Tax (REET)

Revenues are unfavorable to 2024 YTD budget by \$0.21M or 32.2% and below 2023 YTD actual by \$0.01M or 2.4%. January and February 2024 activities include 133 real estate transactions. There were 124 taxable residential sales (total sales \$60.5M / \$300K tax) and nine commercial sales over \$1M.

City of Federal Way - REET Revenue Received



REAL ESTATE EXCISE TAX REVENUES							
Year-to-date thru February							
Month	2023 Actual	2024		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2023		YTD Actual vs Budget	
				\$	%	\$	%
Jan	\$ 192,302	\$ 254,304	\$ 238,836	\$ 46,534	24.2%	\$ (15,468)	-6.1%
Feb	\$ 253,046	388,035	196,038	(57,008)	-22.5%	(191,996)	-49.5%
Mar	\$ 438,312	395,863		-	-	-	-
Apr	\$ 254,266	381,237		-	-	-	-
May	\$ 313,961	533,283		-	-	-	-
Jun	\$ 342,809	509,250		-	-	-	-
Jul	\$ 248,329	474,462		-	-	-	-
Aug	\$ 284,620	642,919		-	-	-	-
Sep	\$ 453,885	493,431		-	-	-	-
Oct	\$ 194,491	415,953		-	-	-	-
Nov	\$ 203,407	319,602		-	-	-	-
Dec	\$ 198,459	767,660		-	-	-	-
YTD Total	445,348	642,339	434,874	(10,474)	-2.4%	(207,465)	-32.3%
Annual Total	\$ 3,377,887	\$ 5,576,000	n/a	n/a	n/a	n/a	n/a

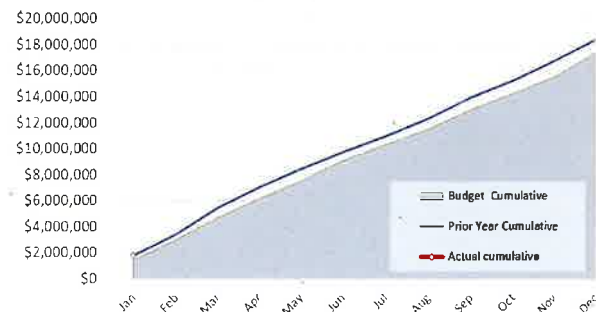
Utility Tax Revenues

Revenues are favorable to 2024 YTD budget by \$0.33M or 22.0% but below 2023 YTD actual by \$5K or 0.3%. The increase above year-to-date budget is primarily due to an 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 February							
Month	2023 Actual	2024		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2023		YTD Actual vs Budget	
				\$ Var	% Var	\$ Var	% Var
Jan	\$ 1,807,080	\$ 1,477,037	\$ 1,802,136	\$ (4,944)	-0.3%	\$ 325,099	22.0%
Feb	1,650,189	1,536,875		-	-	-	-
Mar	2,017,092	1,715,542		-	-	-	-
Apr	1,585,574	1,445,367		-	-	-	-
May	1,412,840	1,380,249		-	-	-	-
Jun	1,291,342	1,535,563		-	-	-	-
Jul	1,254,694	1,243,098		-	-	-	-
Aug	1,309,112	1,191,724		-	-	-	-
Sept	1,640,513	1,512,405		-	-	-	-
Oct	1,314,130	1,237,756		-	-	-	-
Nov	1,506,325	1,313,483		-	-	-	-
Dec	1,618,314	1,856,212		-	-	-	-
YTD Subtotal	\$ 1,807,080	\$ 1,477,037	\$ 1,802,136	\$ (4,944)	-0.3%	\$ 325,099	22.0%
Rebate	-	(342)	(395)	(395)	0.0%	(53)	15.4%
YTD Total	\$ 1,807,080	\$ 1,476,694	\$ 1,801,741	\$ (5,339)	-0.3%	\$ 325,047	22.0%
Annual Total	\$ 18,406,264	\$ 17,443,000	n/a	n/a	n/a	n/a	n/a

UTILITY TAXES - by Type				
Year-to-date thru February				
Utility Type	2023 Actual	2024 Actual	Favorable/(Unfavorable) Change from 2023	
			\$	%
Electric	\$ 581,255	\$ 680,670	\$ 99,415	17.1%
Gas	295,630	273,798	(21,832)	-7.4%
Water/Sewer	349,039	259,187	(89,852)	-25.7%
Solid Waste	158,915	170,617	11,702	7.4%
Solid Waste - 10%	205,051	220,151	15,100	n/a
Cable	130,527	116,593	(13,934)	-10.7%
Other	86,663	81,120	(5,543)	-6.4%
Tax Rebate	-	(395)	(395)	n/a
YTD Total	\$ 1,807,080	\$ 1,801,741	\$ (5,339)	-0.3%

City of Federal Way - Utility Tax Revenue Received



The City has a utility tax rebate program that opens January 1st and closes May 31st of each year for qualifying low-income residents. The City processed 41 rebates in 2021 (total of \$2,310), 24 rebates in 2022 (total of \$1,305), 19 rebates in 2023 (total of \$940) and 10 rebates (total of \$395) to date in 2024.

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 favorable to budget YTD by \$0.13M or 56.1%. The fund continues to maintain a fund balance within the reserve policy of \$1M.

PROP 1 Utility Tax Fund	2023		2024			YTD Budget vs. Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	Budget	YTD Budget	YTD Actual	\$	%
Beginning Balance:	1,571,054	1,571,054	1,000,000	\$ 1,000,000	1,312,504	312,504	31.3%
Total Prop 1 Revenues:	3,662,436	\$ 3,657,523	3,360,436	\$ 227,073	\$ 354,422	\$ 127,349	56.1%
Transfer in from Utility Tax Fund	238,384	-	1,243,268	\$ -	-	-	n/a
Public Safety Improvement Positions & Costs:							
Police Services (includes 1 Records Specialist, 16 Police Officers, & 2 Lieutenants)	2,974,715	2,619,317	3,085,654	\$ 514,276	475,113	39,163	7.6%
Court Services (includes .50 Judge, 1 Court Clerk, and Pro Tem Pay, Public Defender contract, 1.5 Prosecutors)	1,163,732	915,212	1,189,682	\$ 198,280	58,639	139,642	70.4%
Total Public Safety Improvement Costs	4,138,447	3,534,529	4,275,336	\$ 712,556	533,751	178,805	25.1%
Community Safety Program Costs:							
1 Code Enforcement Officer	120,465	126,134	124,925	\$ 20,821	28,624	(7,803)	-37.5%
.5 Assistant City Attorney	94,411	78,411	82,345	\$ 13,724	14,271	(546)	-4.0%
1 Parks Maintenance Worker I & Security	118,550	176,998	121,097	\$ 20,183	46,432	(26,249)	-130.1%
Total Community Safety Improvement Costs	333,427	381,543	328,368	54,728	89,326	(34,599)	-63.2%
Total Prop 1 Expenditures:	4,471,873	3,916,072	4,603,704	\$ 767,284	623,078	144,206	18.8%
Total Ending Fund Balance:	\$ 1,000,000	\$ 1,312,504	\$ 1,000,000	\$ 459,790	\$ 1,043,849	\$ (584,059)	-127.0%

Traffic Safety – Red Light / School Zone

Revenues are favorable to budget YTD by \$0.09M or 18.6%, but below prior year actual by \$0.13M or 18.2%.

Traffic Safety Fund - Red Light Photo Revenue							
Month	2023 Actual	2024		Favorable/(Unfavorable)			
				Change from 2023		YTD Actual vs Budget	
		Budget	Actual	\$	%	\$	%
Jan	\$ 305,897	\$ 262,385	\$ 312,250	\$ 6,353	2.1%	\$ 49,865	19.0%
Feb	425,952	242,839	286,697	(139,255)	-32.7%	\$ 43,858	18.1%
Mar	582,573	249,610	-	-	-	\$ -	-
Apr	502,534	259,603	-	-	-	\$ -	-
May	424,939	257,290	-	-	-	\$ -	-
Jun	401,659	307,973	-	-	-	\$ -	-
Jul	294,140	284,056	-	-	-	\$ -	-
Aug	263,310	200,766	-	-	-	\$ -	-
Sep	228,474	198,764	-	-	-	\$ -	-
Oct	348,651	262,668	-	-	-	\$ -	-
Nov	319,588	301,792	-	-	-	\$ -	-
Dec	278,962	232,254	-	-	-	\$ -	-
YTD Total	\$ 731,849	\$ 505,224	\$ 598,947	\$ (132,902)	-18.2%	\$ 93,723	18.6%
Annual Total	\$ 4,376,677	\$ 3,060,000	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

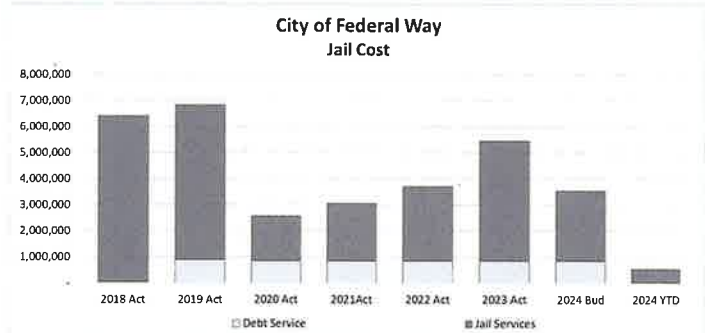
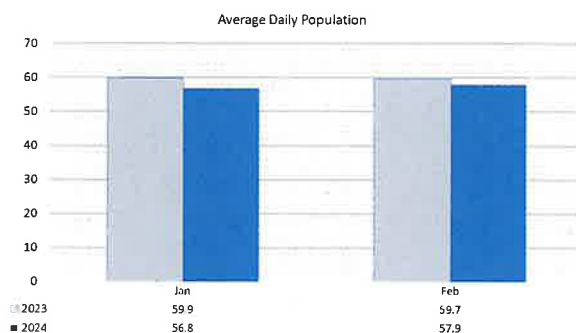
Year-to-date PD overtime is \$1K or 0.3% above prior year actual.

The City's portion (unbillable) is \$0.09M or 57.3% 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, training, and special emphasis proactive activities.

PD Overtime by Month Year-to-date thru February							
Month	2023 Actual	2024		(Favorable)/Unfavorable			
		Budget	Actual	Change from 2023		YTD Actual vs Budget	
				\$	%	\$	%
Jan	\$ 116,488	\$ 86,391	\$ 128,863	\$ 12,375	10.6%	\$ 42,472	49.2%
Feb	142,906	76,342	127,091	(15,815)	-11.1%	50,749	66.5%
Mar	130,707	71,047	-	-	-	-	-
Apr	114,651	80,621	-	-	-	-	-
May	139,773	92,960	-	-	-	-	-
Jun	133,025	79,368	-	-	-	-	-
Jul	154,339	128,292	-	-	-	-	-
Aug	142,134	85,928	-	-	-	-	-
Sep	127,772	80,943	-	-	-	-	-
Oct	131,878	95,285	-	-	-	-	-
Nov	143,126	94,435	-	-	-	-	-
Dec	137,511	93,398	-	-	-	-	-
City Portion	259,394	162,733	255,954	(3,440)	-1.3%	93,221	57.3%
Billable	77,845	44,953	82,329	4,484	5.8%	37,376	83.1%
YTD Total	\$ 337,239	\$ 207,686	\$ 338,283	\$ 1,044	0.3%	\$ 130,597	62.9%
Billable	\$ 344,048	\$ 278,012	-	\$ -	-	\$ -	-
Annual Total	\$ 2,023,529	\$ 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 Actual	2024	
							Annual Budget	YTD Actual
Total Jail Operations	\$6,417,479	\$5,932,095	\$1,712,883	\$ 2,223,602	\$2,871,368	\$4,619,002	\$ 2,700,000	\$ 554,625
Debt Service Payments for SCORE Jail	-	889,718	847,566	851,925	852,425	852,275	850,425	-
Total Jail Cost	\$6,417,479	\$6,821,813	\$2,560,449	\$ 3,075,527	\$3,723,793	\$5,471,277	\$ 3,550,425	\$ 554,625

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 57.4 for the first two months.

The City continues to be liable for its portion of the debt service on the SCORE building. The total remaining principal debt the City owes as of 12/31/2023 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 below 2024 YTD budget by \$7K or 2.0%, but above 2023 YTD actual by \$0.10M, primarily due to increased memberships.

Expenditures are above 2024 YTD budget of \$0.38M by \$0.02M or 6.2%.

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

Federal Way Community Center as of 02/29/2024	2023			2024			YTD Budget vs Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	\$	%
Beginning Fund Balance	\$ 1,737,273	\$ 1,737,273	\$ 1,737,273	\$ 1,557,756	\$ 1,557,756	\$ 1,768,436	n/a	n/a
Total Revenues	1,411,875	1,619,063	218,404	1,930,875	321,813	315,221	(6,592)	-2.0%
Total Expenditures	2,459,893	2,456,401	213,147	2,306,857	384,476	408,309	(23,833)	-6.2%
Revenues Over / (Under) Expenditures	(1,048,018)	(837,339)	5,257	(375,982)	(62,664)	(93,088)	(30,424)	48.6%
Recovery Ratio	57.4%	65.9%	102.5%	83.7%	83.7%	77.2%	n/a	n/a
Total Transfer In from General Fund/Utility Tax	868,501	868,501	-	375,982	62,664	-	(62,664)	-100.0%
Ending Fund Balance	\$ 1,557,756	\$ 1,768,436	\$ 1,742,531	\$ 1,557,756	\$ 1,557,756	\$ 1,675,348	\$ 117,592	7.5%
Debt Service Payments	822,123	822,123	822,473	827,873	-	-	-	n/a
Total FWCC Cost	\$ 3,282,016	\$ 3,278,524	\$ 1,035,619	\$ 3,134,730	\$ 384,476	\$ 408,309	\$ (23,833)	-6.2%
Total City Support	\$ 1,690,624	\$ 1,690,624	\$ 822,473	\$ 1,203,855	\$ 62,664	\$ -		

Dumas Bay Centre

Revenues are above 2024 YTD budget by \$0.03M or 35.7%, and above 2023 YTD actual by \$0.05M. The facility reopened as of the beginning of August 2021.

Expenditures are above 2024 YTD budget of \$0.13M by \$0.03M or 19.6%.

Dumas Bay Centre Fund as of 02/29/2024	2023			2024			YTD Budget vs Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	\$	%
Beginning Fund Balance	\$1,710,510	\$ 1,710,510	\$ 1,710,510	\$2,202,259	\$ 2,202,259	\$ 2,197,592	n/a	n/a
Total Revenues	727,698	757,060	72,377	527,698	87,950	119,360	31,410	35.7%
Total Expenses	864,097	898,127	96,616	773,784	128,964	103,637	25,328	19.6%
Revenues Over/(Under) Expenses	(136,399)	(141,067)	(24,239)	(246,086)	(41,014)	15,723	56,737	-138.3%
Recovery Ratio	84.21%	84.29%	74.91%	68.20%	68.20%	115.17%	n/a	n/a
Total Transfer In	628,148	628,149	-	264,998	-	-	-	n/a
Ending Fund Balance	\$ 2,202,259	\$ 2,197,592	\$ 1,686,271	\$ 2,221,171	\$ 2,161,245	\$ 2,213,315	\$ 52,070	2.4%

Performing Arts & Event Center Operations (PAEC)

Revenues are above year-to-date budget of \$0.1M by \$0.02M primarily due to the facility reopening, and operations coming back to pre-pandemic levels.

Expenditures are \$7K or 3.5% 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)	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	YTD Budget	2024 YTD Actual	YTD Budget vs. Actual Favorable/(Unfavorable)
Beginning Balance	(447,382)	(110,546)	-	873,590	873,936	658,344	658,344	791,462	\$ %
Total Revenue	1,410,377	591,152	1,443,088	1,690,259	2,228,419	1,279,780	106,648	131,356	24,708 23.2%
Total Transfer In from Utility Tax/General Fund	1,516,000	972,310	1,083,942	941,464	1,107,987	979,977	81,665	-	(81,665) -100.0%
Total Expenditures	2,589,541	1,452,916	1,653,440	2,631,377	3,418,880	2,483,359	206,947	214,260	(7,314) -3.5%
Total PAEC Operation Balance	\$ (110,546)	\$ 0	\$ 873,590	\$ 873,936	\$ 791,462	\$ 434,743	\$ 639,711	\$ 708,558	\$ 68,847 10.8%
Debt Service Payments	-	538,247	563,255	781,330	772,671	772,320	-	-	- n/a
Total PAEC Cost	\$ 2,589,541	\$ 1,991,163	\$ 2,206,695	\$ 3,412,707	\$ 4,191,551	\$ 3,255,679	\$ 206,947	\$ 214,260	\$ (7,314) -3.5%
Total City Support	\$ 1,510,557	\$ 1,637,197	\$ 1,722,794	\$ 1,880,658	\$ 1,752,297	\$ 81,665	\$ -	\$ 81,665	100.0%

Fund Activity Summary

Fund #/Fund Name	Begin Balance 1/1/2024	YTD Revenues	YTD Expenditures	YTD Net Income/(loss)	Ending Balance 02/29/2024*	Required Fund Balance
001/101 General/Street Fund**	\$ 22,452,556	\$ 4,055,770	9,243,002	\$ (5,187,232)	\$ 17,265,324	\$ 9,500,000
<i>Special Revenue Funds:</i>						
102 Arterial Street	980,433	35,229	75,747	(40,518)	939,916	100,000
103 Utility Tax (*)	8,283,288	1,439,538	554,625	884,913	9,168,201	1,500,000
104 Affordable & Supportive Housing Sales Tax	145,923	15,333	-	15,333	161,256	-
106 Solid Waste & Recycling	458,902	92,351	68,135	24,216	483,118	-
107 Special Contracts/Studies Fund	1,035,701	-	-	-	1,035,701	-
109 Hotel/Motel Lodging Tax	2,080,525	16,832	(18,733)	35,565	2,116,090	200,000
111 Federal Way Community Center	1,768,436	315,221	408,309	(93,088)	1,675,348	1,500,000
112 Traffic Safety Fund	3,350,370	598,947	522,245	76,702	3,427,073	1,200,000
113 Real Estate Excise Tax Fund	2,560,202	434,874	-	434,874	2,995,076	2,000,000
114 Prop 1 Utility Tax	1,312,504	354,422	623,078	(268,656)	1,043,848	1,000,000
115 Performing Arts & Event Ctr Operations	791,462	131,356	214,260	(82,904)	708,558	-
116 Solid Waste 10% Utility Tax	1,448,966	4,978	28,571	(23,593)	1,425,374	-
119 CDBG	63,358	-	36,241	(36,241)	27,117	-
120 Path & Trails	1,863,850	680	-	680	1,864,530	-
121 Technology	660,867	67,659	-	67,659	728,526	-
122 Jail Fund	0	554,625	554,625	(0)	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	30,940,027	4,062,045	3,067,102	994,943	31,934,970	\$11,625,000
201 Debt Service Fund	(1,362,628)	-	29,931	(29,931)	(1,392,559)	-
<i>Capital Project Funds:</i>						
301 Downtown Redevelopment	5,327,997	370	-	370	5,328,367	-
302 Municipal Facilities	175,507	-	-	-	175,507	-
303 Parks	2,451,323	4,620	1,001	3,619	2,454,941	-
304 Surface Water Management	6,322,537	-	7,682	(7,682)	6,314,856	-
306 Transportation	14,736,122	(683,192)	1,785,033	(2,468,225)	12,267,897	-
307 Capital Project Reserve Fund	370,343	-	-	-	370,343	-
Subtotal Capital Project Funds	29,383,830	(678,203)	1,793,716	(2,471,918)	26,911,912	-
<i>Enterprise Funds:</i>						
401 Surface Water Management	5,744,574	62,791	629,874	(567,083)	5,177,492	690,000
402 Dumas Bay Centre Fund	2,197,592	119,360	103,637	15,723	2,213,315	1,500,000
Subtotal Enterprise Funds	7,942,166	182,151	733,511	(551,360)	7,390,806	\$ 2,190,000
<i>Internal Service Funds</i>						
501 Risk Management	1,760,850	420,617	2,642,128	(2,221,511)	(460,661)	600,000
502 Information Systems	4,288,639	596,268	935,379	(339,111)	3,949,528	-
503 Mail & Duplication	274,203	23,086	8,312	14,775	288,978	-
504 Fleet & Equipment	8,159,943	525,625	546,159	(20,534)	8,139,409	-
505 Buildings & Furnishings	2,712,141	100,516	100,812	(296)	2,711,845	2,000,000
506 Health Self Insurance Fund	4,020,794	694,939	64,314	630,626	4,651,419	-
507 Unemployment Insurance Fund	346,769	-	-	-	346,769	250,000
Subtotal Internal Service Funds	21,563,339	2,361,053	4,297,105	(1,936,052)	19,627,287	\$ 2,850,000
Total All Funds	\$ 110,919,290	\$ 9,982,816	\$ 19,164,366	\$ (9,181,550)	\$ 101,737,739	\$ 26,165,000

Monthly Treasury Positions and Activity

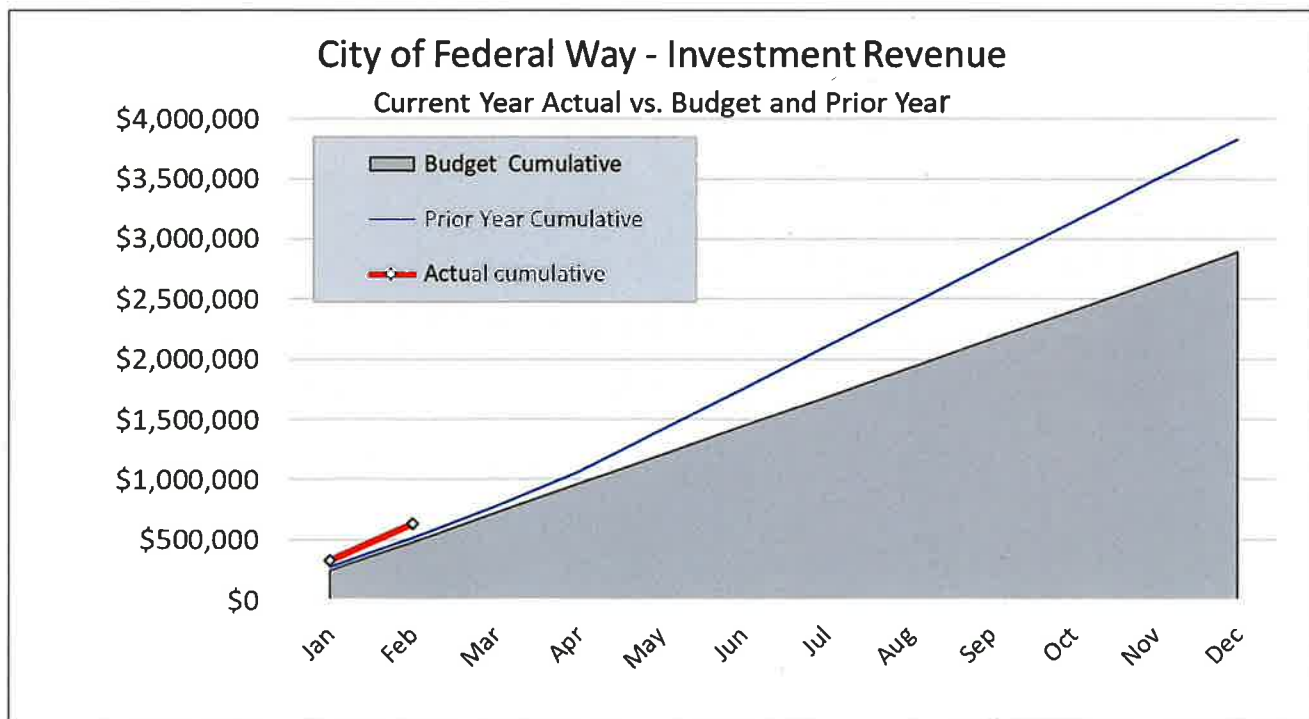
This monthly report of all investment transactions to the city council via FEDRAC complies with RCW 35.39.032. The following pages provide a summary of the current investment portfolio holdings and the individual transactions and activity during the month.

Portfolio Yield: The City's total annualized yield was 3.7%. The City's position in LGIP was \$27.8 million and the laddered portfolio was \$65 million.

	Face Value	Cost	Yield %	Annual Yield \$
City Portfolio:	65,000,000	62,713,074	3.174%	2,063,039
State Investment Pool:	27,801,772	27,801,772	4.847%	1,347,454
Total:	\$ 92,801,772	\$ 90,514,846	3.675%	\$ 3,410,493

Interest Revenue Compared to Budget and Prior Year

Year-to-date interest revenue through February of \$628,000 exceeds budget of \$481,000 by \$147,000 or 31% and exceeds prior year by \$113,000 or 22%. Accrual basis interest for the month was \$302,000.



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



Acct Name: CITY OF FEDERAL WAY	SUMMARY - USD	Page 1
Acct Number: XXXXXXX033		For period 02/01/2024 - 02/29/2024

ACTIVITY - Settled/Cleared Cash Activity

Transaction Type	Amount	Your Sales Representative is: SAFEKEEPING OPERATIONS (800) 236-4221
Purchases	0.00	Statement Contents *Summary *Activity - Settled/Cleared Cash Activity *Activity - Projected Activity for Next Statement Period *Holdings
Purchase Reversals	0.00	
Sales	0.00	
Sale Reversals	0.00	
Withdrawals	0.00	
Receipts	(3,042,039.11)	
Deliveries	0.00	
Principal Reversals	0.00	
Interest	163,475.00	
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	(876,564.11)	

HOLDINGS - Custody

Category	Par/Shares	Original Face	Principal Cost	Market Value
Treasury Obligations	46,000,000.00000	46,000,000.00000	43,829,053.91	43,734,609.34
US Government Agency Securities	18,000,000.00000	18,000,000.00000	18,000,816.08	17,687,880.87
Corporate Securities	1,000,000.00000	1,000,000.00000	943,200.00	945,757.31
Total Custody Holdings	65,000,000.00000	65,000,000.00000	62,773,069.99	62,368,247.32

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

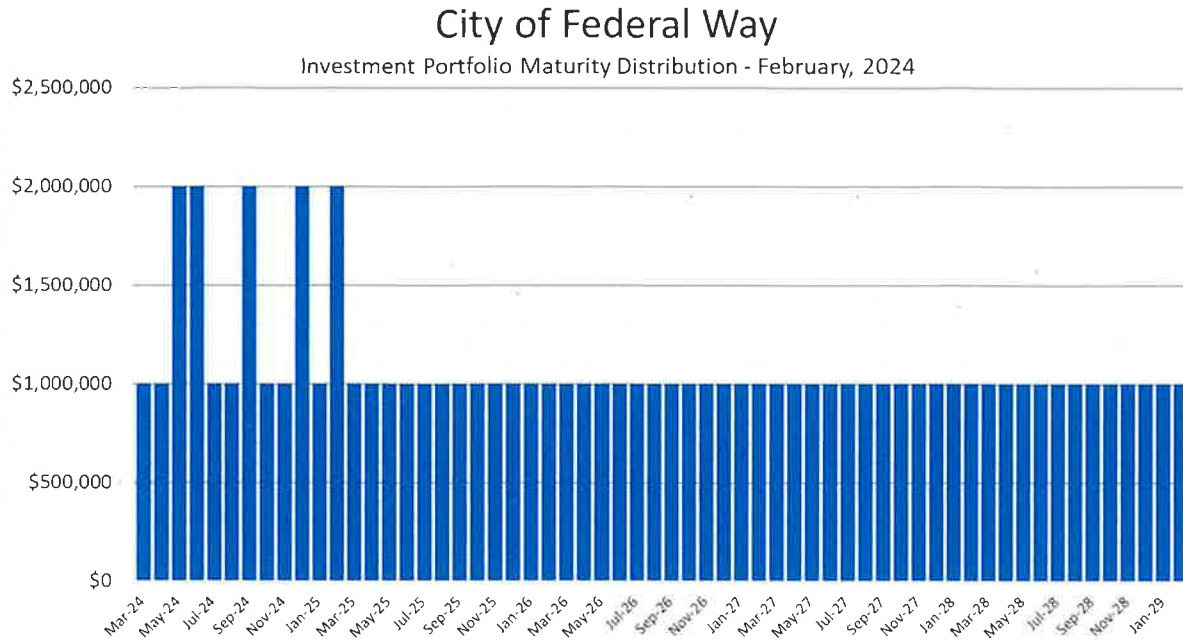
Maturities: During the month, the following investment matured:

- 2021-011 FNMA \$1,000,000, matured February 2024, yielding 0.7%
- 2023-057 FHLB \$1,000,000, matured February 2024, yielding 5.2%

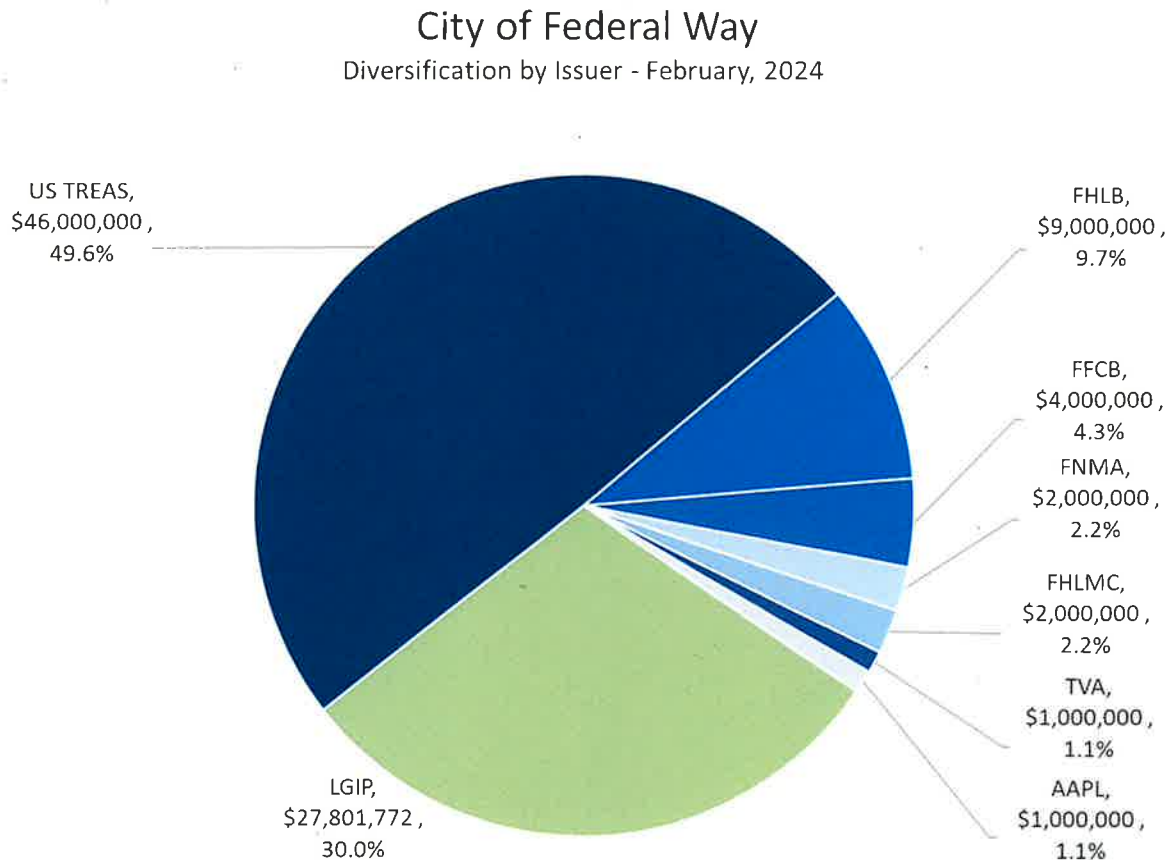
Purchases: During the month, the following investments were purchased, maximizing yield at the time of purchase for the maturity date being filled, having first assured safety and liquidity of the entire portfolio (see addendum for complete rationale):

- 2023-083 FHLB \$1,000,000, matures December 2028, yielding 4.0%
- 2023-084 FHLB \$1,000,000, matures February 2025, yielding 4.8%
- 2023-085 US Treasury \$1,000,000, matures February 2029, yielding 4.3%

The maturity distribution of the ladderized 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 02/29/2024 - 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	994,804.69
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	994,101.56
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	991,640.62
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	985,351.56
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	995,888.44	974,101.56
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	971,992.19
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	969,453.12
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	967,070.31
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	953,203.12
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	948,632.81
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	943,828.12

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 02/29/2024 - 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	940,898.44
07/31/2025	91282CAB7 392224067	.250 06/22	U S TREASURY NOTE 25 NOTES 25	1,000,000.00 1,000,000.00	918,125.00	937,500.00
10/31/2025	91282CAT8 392224292	.250 07/22	U.S. Treasury Notes .250, 10/31/2025	1,000,000.00 1,000,000.00	911,640.63	928,242.19
12/31/2025	9128285T3 392224349	2.625 07/22	U.S. TREASURY NOTES 2.625 NOTE 25	1,000,000.00 1,000,000.00	983,828.13	963,867.19
01/31/2026	9128286A3 751014661	2.625 07/22	U S TREASURY NOTE 2.625 NOTE 2026	1,000,000.00 1,000,000.00	984,218.75	962,890.62
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	953,359.38
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	921,328.12
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	918,867.19
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	919,687.50
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	939,570.31
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	916,210.94
11/15/2026	912828U24 751015708	2.000 10/22	U S TREASURY NOTE 2 NOTE 26	1,000,000.00 1,000,000.00	917,031.25	937,265.62

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 02/29/2024 - 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	917,421.88
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	920,273.44
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	1,062,187.50
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	945,078.12
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	951,054.69
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	964,609.38
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	947,851.56
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	958,828.12
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	991,250.00
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	991,367.19
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	964,580.00	982,773.44
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	969,140.62

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 02/29/2024 - 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	941,875.00
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	885,039.06
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	968,007.81
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	943,867.19
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	881,093.75
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	867,382.81
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	941,289.06
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	1,012,968.75
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	887,109.38	877,500.00
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	888,385.94	880,976.56
02/28/2029	91282CKD2 819030992	4.250 02/24	U S TREASURY NOTE 4.250, 02/28/2029	1,000,000.00 1,000,000.00	999,570.31	998,906.25
Treasury Obligations Total				46,000,000.00000	43,829,053.91	43,734,609.34
US Government Agency Securities				46,000,000.00000		

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 02/29/2024 - USD	Page 9
Acct Number: XXXXXX033		

CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
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	999,424.47
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	999,277.38
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	987,970.10
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	982,640.00
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	997,929.94
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	966,151.46
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	994,559.52
02/06/2025	3130AYS49 751020561	4.750 02/24	FEDERAL HOME LOAN BANK CONS BD 4.75%25	1,000,000.00 1,000,000.00	999,134.08	996,815.80
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	966,886.60
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	936,531.89
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	933,800.51
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	1,030,400.20

Acct Name: CITY OF FEDERAL WAY	HOLDINGS AS OF 02/29/2024 - USD	Page 10
Acct Number: XXXXXX033		

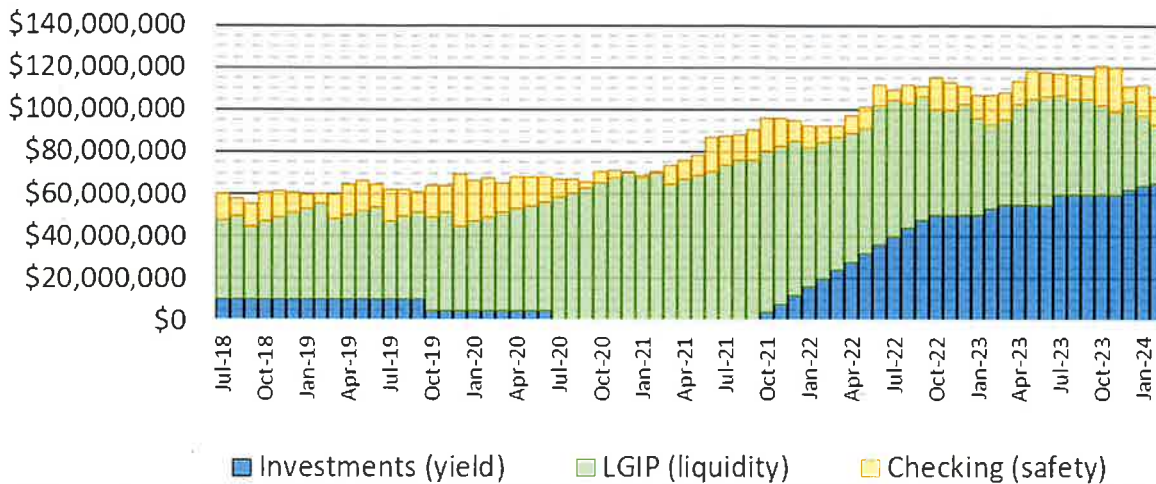
CUSTODY Maturity	Security ID Ticket	Rate Acq Date	Description	Par/Shares Original Face	Principal Cost	Market Value NAV
02/25/2026	3133ENJ35 751015104	3.320 08/22	FEDERAL FARM CREDIT BANK CONS BD 3.32%26	1,000,000.00 1,000,000.00	998,689.00	975,299.68
08/03/2026	3133END80 392224855	3.000 09/22	FEDERAL FARM CREDIT BANK CONS BD 3%26	1,000,000.00 1,000,000.00	974,853.00	962,950.54
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	982,351.10
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	974,910.92
12/08/2028	3130AXQK7 931001147	4.750 02/24	FEDERAL HOME LOAN BANKS CONS BD 4.75%28	1,000,000.00 1,000,000.00	1,030,800.00	1,018,666.72
01/18/2029	3133EPW84 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	981,313.84
US Government Agency Securities Total				18,000,000.00000 18,000,000.00000	18,000,816.08	17,687,880.67
Corporate Securities						
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	945,757.31
Corporate Securities Total				1,000,000.00000 1,000,000.00000	943,200.00	945,757.31
Total Custody Holdings				65,000,000.00000 65,000,000.00000	62,773,089.99	62,368,247.32

Cash Balance and Investment Positions:

The City's cash balance trend is shown below:

- Total cash decreased from \$111.8 million to 106.6 million.
- Laddered investments increased from \$64.0 million to \$65.0 million.
- The LGIP Investment Pool position decreased from \$33.3 million to \$27.8 million.

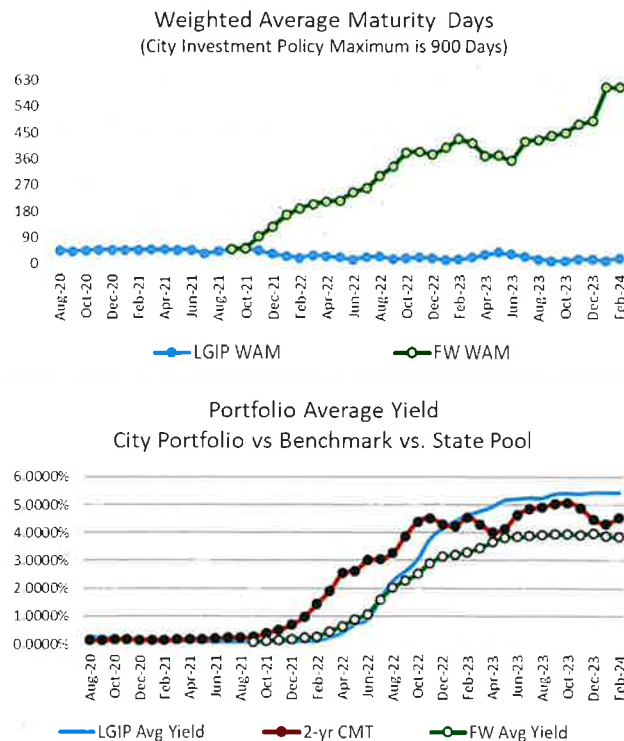
City of Federal Way
Cash and Investments - Historical Trend



Benchmark and Portfolio

Weighted Average Maturity (WAM) of the City's portfolio, including position in LGIP, is 606 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 20 days in February. 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 3.8%, compared to 4.5% for the 2-year Constant Maturity Treasury index and 5.4% for the LGIP.



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

Date: February 2, 2024

Investment # 2024-083 is a 5-year Federal Home Loan Bank (FHLB), face value \$1,000,000, maturing December 8, 2028, purchased at 103.08 (premium) to yield 4.04%. This trade settles February 5, 2024 with Wedbush Securities, US Bank Safekeeping, reducing the city's position in LGIP.

Liquidity: At January 31st month-end, total city cash was \$111.8 million, checking account balance was \$14.5 million (target minimum is \$8 Million), investment portfolio was \$64.0 million (target is \$65 million for Treasuries and Agencies). State LGIP investment pool balance was \$33.3 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 3 basis point over the 5-year Treasury benchmark.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	5.44%	www.secureaccess.wa.gov
2-year Treasury	4.39%	Bloomberg.com
Same maturity Agency	None available	Broker live inquiry
5-year Treasury	4.01%	Bloomberg.com

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

Diversification. This purchase puts this issuer at 9.2% of total portfolio.

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

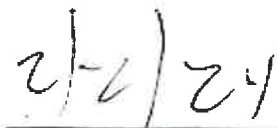
Outlook. The yield curve is currently completely inverted, with peak yield around 5.51% at 2 month then downward sloping to 2-year at 4.39, the 5-year at 4.01%. The Federal Reserve Bank last executed no change in rate as uncertainty remains over inflation, money supply and Fed moves.

Staff review:

Deputy Finance Director: _____



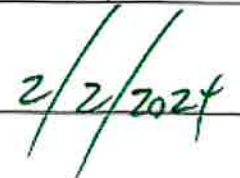
Date



Finance Director: _____



Date



Staff Review of Investment Rationale

Date: February 8, 2024

Investment # 2024-084 is a 1-year Federal Home Loan Bank (FHLB), face value \$1,000,000, maturing February 6, 2025, purchased at 99.9 (discount) to yield 4.84%. This trade settles February 9, 2024 with Stifel Nicolaus Co, US Bank Safekeeping, replacing a \$1 million FNMA maturity that yielded 0.73%.

Liquidity: At January 31st month-end, total city cash was \$111.8 million, checking account balance was \$14.5 million (target minimum is \$8 Million), investment portfolio was \$64.0 million (target is \$65 million for Treasuries and Agencies). State LGIP investment pool balance was \$33.3 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 4.84%. *This investment is 1 basis point over the 1-year Treasury benchmark.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	5.44%	www.secureaccess.wa.gov
1-year Treasury	4.83%	Bloomberg.com
Same maturity Agency	None available	Broker live inquiry
5-year Treasury	4.11%	Bloomberg.com

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

Diversification. This purchase puts this issuer at 10.2% of total portfolio.

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

Outlook. The yield curve is currently completely inverted, with peak yield around 5.49% at 2 month then downward sloping to 2-year at 4.44, the 5-year at 4.11%. 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: 2/8/24Finance Director: Date: 2/8/2024

Staff Review of Investment Rationale

Date: February 23, 2024

Investment # 2024-085 is a 5-year US Treasury (T), face value \$1,000,000, maturing February 28, 2029, purchased at 99.96 (discount) to yield 4.26%. This trade settles February 29, 2024 with Wedbush Securities, US Bank Safekeeping, replacing a \$1 million FHLB maturity that yielded 5.23%.

Liquidity: At January 31st month-end, total city cash was \$111.8 million, checking account balance was \$14.5 million (target minimum is \$8 Million), investment portfolio was \$64.0 million (target is \$65 million for Treasuries and Agencies). State LGIP investment pool balance was \$33.3 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 Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 4.26%. *This investment is the 5-year Treasury benchmark.* Comparable yields evaluated at time of purchase were:

LGIP current 30-day yield	5.42%	www.secureaccess.wa.gov
2-year Treasury	4.69%	Bloomberg.com
Same maturity Agency	4.25	Broker live inquiry
5-year Treasury	4.26%	Bloomberg.com

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

Diversification. This purchase puts this issuer at 46.8% of total portfolio.

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

Outlook. The yield curve is currently completely inverted, with peak yield of 5.51% at 2 months then downward sloping to 2-year at 4.69, the 5-year at 4.26%. 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 _____

COUNCIL MEETING DATE: April 2, 2024

ITEM #:

CITY OF FEDERAL WAY

CITY COUNCIL

AGENDA BILL

SUBJECT: FEBRUARY 2024 MONTHLY FINANCIAL REPORT**POLICY QUESTION:** Should the Council approve the February 2024 Monthly Financial Report?**COMMITTEE:** FINANCE, ECONOMIC DEVELOPMENT AND REGIONAL AFFAIRS COMMITTEE (FEDRAC)**MEETING DATE:** Mar. 26, 2024**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:** February 2024 Monthly Financial Report**Options to Consider:**

1. Approve the February 2024 Monthly Financial Report as presented
2. Deny approval of the February 2024 Monthly Financial Report and provide direction to staff

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

Committee Initial/Date

Council Initial/Date
DIRECTOR APPROVAL:

Initial/Date
COMMITTEE RECOMMENDATION: *I move to forward the February 2024 Monthly Financial Report to the April 2, 2024 consent agenda for approval.*

 Committee Chair


 Committee Member


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

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

COUNCIL ACTION:

☒ **APPROVED** Jan 04/27/24

☐ **DENIED**

☐ **TABLED/DEFERRED/NO ACTION**

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

REVISED – 1/2022

COUNCIL BILL #

First reading

Enactment reading

ORDINANCE #**RESOLUTION #**