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COUNCIL MEETING DATE: August 13, 2019 **ITEM #:**

CITY OF FEDERAL WAY
CITY COUNCIL
AGENDA BILL

SUBJECT: JUNE 2019 MONTHLY FINANCIAL REPORT

POLICY QUESTION: Should the Council approve the June 2019 Monthly Financial Report?

COMMITTEE: Finance, Economic Development and Regional Affairs Committee **MEETING DATE:** July 23, 2019

CATEGORY:

☒ **Consent**	☐ **Ordinance**	☐ **Public Hearing**
☐ **City Council Business**	☐ **Resolution**	☐ **Other**

STAFF REPORT BY: Adé Ariwoola, Finance Director **DEPT:** Finance

Attachments:

- June 2019 Monthly Financial Report

Options Considered:

1. Approve the June 2019 Monthly Financial Report as presented
2. Deny approval of the June 2019 Monthly Financial Report and provide direction to staff.

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

MAYOR APPROVAL: 7/16/19 Committee 7/16/19 Council **DIRECTOR APPROVAL:** CD on behalf of Adé Ariwoola 7/16/19 Initial

COMMITTEE RECOMMENDATION: *I move to forward the June 2019 Monthly Financial Report to the August 13, 2019 consent agenda for approval.*

Committee Chair | Committee Member | Committee Member

PROPOSED COUNCIL MOTION: *"I move approval of the June 2019 Monthly Financial Report."*

(BELOW TO BE COMPLETED BY CITY CLERKS OFFICE)

COUNCIL ACTION:

- ☒ **APPROVED** 8-13-2019
- ☐ **DENIED**
- ☐ **TABLED/DEFERRED/NO ACTION**
- ☐ **MOVED TO SECOND READING** *(ordinances only)*

REVISED – 08/12/2010

COUNCIL BILL #
1ST reading
Enactment reading
ORDINANCE #
RESOLUTION #

CITY OF Federal Way *June 2019 Monthly Financial Report - Highlights*

The following are highlights of the June 2019 Monthly Financial Report. Detailed financial information can be found in the June 2019 Monthly Financial Report detail.

Notable Areas

1. CD Permits & Fees is $1.0M or 79.9% above 2019 year-to-date budget and $1.2M or 105.4% above 2018 year-to-date collections.
2. Business License Fees are 14K or 7.2% below 2019 year-to-date budget, but $19K or 12.1% above 2018 year-to-date collections.

General & Street Fund Summary

Revenues are above the year-to-date budget by $1.3M or 7.1%. Property Tax, sales tax, criminal justice sales tax, admissions tax, gambling tax, state shared revenue, CD & PW permits & fees, passport agency fees, park and general recreation fees, and interest earnings account for the increase in revenue above the year-to-date budget. Leasehold tax, court and probation revenue, business license fees, lakehaven franchise fees, and Police Services revenue fell behind their year-to-date projection.

Total General & Street Fund expenditures are below the year-to-date budget by $724K or 3.1%. Police is under the year-to-date budget by $228K or 2.2% primarily due to timing of expenditures and hiring of officers.

Property tax is above 2018 year-to-date actual by $104K or 1.8%, and above 2019 year-to-date budget by $15K or 0.3%.

Sales tax is above 2018 year-to-date actual by $104K or 1.7%, but below 2019 year-to-date budget by $19K or 0.3%.

Additionally, **criminal justice sales tax** collected county-wide is above 2018 year-to-date actual by $52K or 4.5%, and above 2019 year-to-date budget by $138K or 12.9%.

Community Development permits and fees are above the 2018 year-to-date actual by $1.2M or 105.4%, and above 2019 year-to-date budget by $1.0M or 79.9%. Major permits and review fees this year include Traditions at FW senior housing, Davita healthcare office park, TILT 348 office, and Federal Way premier storage.

Court revenue is below 2018 year-to-date actual by $6K or 1.2% and below 2019 year-to-date budget by $110K or 17.8%. The Court's traffic and non-parking infractions are below 2019 year-to-date budget due to the reallocation of the traffic unit to assist patrol officers in the gun violence initiative, and state law on indigents.

Probation revenue is below 2018 year-to-date actual by $38K. As of the end of June, probation revenue is $75K less than expenditures, although the probation division was intended to be self-sufficient. New state law prevents the City from aggressive collection of both court and probation fees from indigent individuals; most individuals in our courts are identified as indigents.

Admissions Tax was a new source of revenue in 2017. It is being paid monthly and as of the end of June, the City has collected $198K, which is 2K below year-to-date actuals last year.

Business License Fees is below 2019 year-to-date budget by $14K or 7.2%, but above 2018 year-to-date actual by $19K or 12.1%. We plan to go on to the State system this year, the State will charge fees for using the State system in addition to the City's fee for their administration.

Park & General Recreation Fees is above 2019 year-to-date budget by $6K or 1.4%, but below 2018 year-to-date actual by $40K or 8.0%.

Designated Operating Funds

Expenditures are below 2019 year-to-date budget by $469K or 5.6% and are primarily due to timing of payments in Solid Waste & Recycling, Hotel/Motel Lodging Tax, Traffic Safety, Utility Tax Prop 1, Performing Arts & Events Center, and Surface Water Management.

Utility tax revenues received year-to-date as reported on the monthly financial report totals $5.0M and is $429K or 7.9% below 2018 year-to-date actual and $446K or 8.2% below 2019 year-to-date budget.

The following is the comparison of 2019 year-to-date actual to 2018 year-to-date actual utility taxes by category:

Electricity – current year-to-date decrease by $133K or 5.5%
Gas – current year-to-date decrease by $78K or 9.3%
Solid Waste – current year-to-date increase by $30K or 6.7%
Cable – current year-to-date decrease by $27K or 3.6%
Cellular – current year-to-date decrease by $205K or 35.8%

Real estate excise tax 2019 year-to-date revenues of $2.1M is above 2018 year-to-date actual by $323K or 18.0%, and above the 2019 year-to-date budget by $519K or 32.6%. There were 159 taxable residential sales (total sales $63.2M / $313K tax), and 5 commercial sales (total sales $36.4M / $180K tax). One commercial sale of Rainier Meadows apartments (total sales $26.4M / $131K tax) accounts for a portion of the $180K tax received.

Lakehaven Utility District

The City signed an agreement with Lakehaven in 2016 for a 3.6% franchise fee, and in exchange the City will pay for the fire hydrant maintenance and street lights that were initially paid for by Lakehaven and charged to the citizens. The franchise fees received thru June amount to $375K; billings for fire hydrants and streetlights are $449K. The billings for fire hydrants are quarterly, and streetlights are monthly. Revenue from the franchise agreement is received monthly.

CITY OF Federal Way

June 2019 Monthly Financial Report – Detail

GENERAL & STREET FUND SUMMARY	2018			2019			YTD Budget vs. Actual Favorable/(Unfavorable)	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	$	%
Beginning Fund Balance	**$ 11,290,683**	**$ 11,290,682**	**$ 11,290,682**	**$ 11,645,229**	**$ 11,662,052**	**$ 11,662,052**	**n/a**	**n/a**
Revenues:								
Property Taxes	10,858,948	10,799,658	5,679,579	10,967,537	5,767,867	5,783,222	15,356	0.3%
Sales Tax	14,653,989	14,731,810	6,075,802	15,240,149	6,161,122	6,180,166	19,044	0.3%
Criminal Justice Sales Tax	2,605,768	2,927,406	1,153,496	2,709,999	1,067,831	1,205,957	138,126	12.9%
Admissions Tax	663,500	867,169	199,714	680,135	156,639	198,184	41,545	26.5%
Gambling Taxes	155,000	229,524	79,281	155,000	53,540	71,258	17,718	33.1%
State Shared Revenue	2,762,000	3,144,975	1,206,221	2,902,000	1,113,030	1,198,677	85,647	7.7%
Leasehold Tax	6,000	4,269	1,606	6,000	2,257	1,504	(753)	-33.4%
Court Revenue	1,351,550	993,309	517,870	1,175,742	621,838	511,384	(110,454)	-17.8%
Probation Revenue	260,000	224,603	127,787	260,000	130,000	90,102	(39,898)	-30.7%
CD Permits & Fees	2,150,500	2,595,395	1,115,883	2,550,775	1,273,985	2,292,091	1,018,105	79.9%
PW Permits & Fees	630,233	612,714	244,479	700,752	281,822	304,733	22,911	8.1%
Business License Fees	622,000	514,887	156,909	622,000	189,551	175,908	(13,644)	-7.2%
Franchise Fees	1,174,830	1,415,944	575,291	1,186,578	342,923	342,923	-	0.0%
Lakehaven Franchise Fees	848,580	911,667	436,733	848,580	406,511	375,158	(31,353)	-7.7%
Passport Agency Fees	65,000	80,509	37,200	68,000	31,420	50,811	19,391	61.7%
Park & General Recreation Fees	1,050,000	1,157,264	491,376	1,050,000	445,832	451,851	6,019	1.4%
Police Services	1,424,766	1,426,661	214,932	1,424,766	214,647	196,000	(18,646)	-8.7%
Admin/Cash Management Fees	375,896	375,896	187,948	375,896	187,948	187,948	0	0.0%
Interest Earnings	74,700	189,657	64,989	78,216	39,108	92,696	53,588	137.0%
Miscellaneous/Other/Grants	984,304	1,189,422	366,956	874,300	269,736	383,229	113,494	42.1%
Total Revenues	**42,717,564**	**44,392,739**	**18,934,054**	**43,876,426**	**18,757,606**	**20,093,802**	**1,336,196**	**7.1%**
Expenditures:								
City Council	403,877	405,140	248,310	493,462	302,442	255,752	46,690	15.4%
Mayor's Office	1,359,777	1,415,322	711,254	1,326,657	722,939	748,439	(25,500)	-3.5%
Community Development	2,338,480	2,285,955	1,136,231	2,654,112	1,327,056	1,299,552	27,504	2.1%
Economic Development	302,265	279,487	128,088	415,973	190,639	112,102	78,537	41.2%
Human Services	813,499	760,399	411,923	841,388	455,752	464,335	(8,583)	-1.9%
Finance	971,822	962,053	489,563	1,153,267	586,867	518,855	68,012	11.6%
Human Resources/City Clerk	972,823	978,705	377,456	1,124,179	433,561	404,461	29,100	6.7%
Law	1,430,272	1,569,494	680,587	1,548,395	774,198	789,287	(15,090)	-1.9%
Municipal Court	1,372,301	1,367,648	668,721	1,384,797	692,399	682,277	10,122	1.5%
Probation	341,580	319,276	158,207	355,508	176,160	164,811	11,349	6.4%
Jail	6,450,972	6,417,479	3,198,182	5,964,972	2,982,486	2,953,550	28,936	1.0%
Police	20,992,093	20,663,493	10,171,183	21,392,693	10,530,116	10,302,531	227,585	2.2%
Parks & Recreation	4,076,527	4,036,022	1,776,907	4,037,259	1,833,588	1,865,885	(32,297)	-1.8%
Lakehaven Fire Hydrant/Street Light	955,947	905,889	418,591	955,947	477,974	448,815	29,158	6.1%
Public Works	4,521,519	4,030,417	1,456,641	4,583,152	2,176,997	1,928,834	248,163	11.4%
Total Expenditures	**47,303,754**	**46,396,779**	**22,031,843**	**48,231,761**	**23,663,174**	**22,939,486**	**723,687**	**3.1%**
Revenues over/(under) Expenditures	**(4,586,190)**	**(2,004,040)**	**(3,097,789)**	**(4,355,335)**	**(4,905,568)**	**(2,845,685)**	**2,059,883**	**42.0%**
Other Sources:								
Ongoing Transfers In:								
Traffic Safety for Operations	1,547,039	1,547,039	1,547,039	1,470,333	1,035,312	1,035,312	-	0.0%
Utility Tax for Designated Programs	955,344	1,056,052	-	-	-	-	-	n/a
Utility Tax for Operations	7,693,739	5,387,582	2,943,274	8,471,516	2,922,751	2,922,751	-	0.0%
Other Transfers In	514,689	-	-	549,199	-	-	-	n/a
Total Other Financing Sources	**10,710,811**	**7,990,673**	**4,490,313**	**10,491,048**	**3,958,063**	**3,958,063**	**-**	**0.0%**
Other Uses:								
Transfers Out/Other	473,855	473,855	473,855	1,970,674	369,570	369,570	-	0.0%
Non-Departmental Internal Service Charges	7,676,434	5,158,235	2,708,872	5,844,461	2,904,861	2,904,861	-	0.0%
Total Other Financing Uses	**8,150,289**	**5,632,090**	**3,182,727**	**7,815,135**	**3,274,431**	**3,274,431**	**-**	**0.0%**
Total Ending Fund Balance	**$ 9,265,015**	**$ 11,645,225**	**$ 9,500,478**	**$ 9,965,807**	**$ 7,440,116**	**$ 9,500,001**	**n/a**	**n/a**

DESIGNATED OPERATING FUNDS SUMMARY	2018			2019			YTD Budget vs. Actual Favorable/(Unfavorable)	
	Annual Budget	Annual Actual	YTD Actual	Annual Budget	YTD Budget	YTD Actual	$	%
Beginning Fund Balance	**$24,510,262**	**$24,510,261**	**$ 24,510,261**	**$22,163,689**	**$22,163,685**	**$22,163,685**	**n/a**	**n/a**
Revenues:								
Utility Tax	9,300,000	9,013,378	4,212,467	9,622,000	4,283,172	3,880,538	(402,634)	-9.4%
Utility Tax - Prop 1 Voter Package	2,677,891	2,706,211	1,230,715	2,685,891	1,177,283	1,134,010	(43,273)	-3.7%
Hotel/Motel Lodging Tax	300,000	285,725	104,010	300,000	102,252	109,010	6,759	6.6%
Real Estate Excise Tax	3,460,000	4,240,825	1,789,112	3,560,000	1,592,652	2,111,644	518,991	32.6%
Property Tax - King Co Expansion Levy	160,000	179,387	97,431	160,000	86,901	91,291	4,390	5.1%
State Shared Revenue	513,273	564,755	229,152	539,000	218,702	215,948	(2,754)	-1.3%
Traffic Safety (Red Light/School Zone)	3,487,000	3,463,439	1,771,904	3,802,000	1,945,112	1,932,350	(12,762)	-0.7%
Federal Way Community Center	1,826,500	1,963,936	983,113	1,968,351	996,319	859,411	(136,908)	-13.7%
Dumas Bay Centre Fund	635,251	886,392	470,045	765,251	409,913	486,260	76,347	18.6%
Performing Arts & Event Ctr Operations	1,199,142	507,917	181,691	1,372,526	490,978	172,687	(318,291)	-64.8%
Surface Water Management Fees	4,017,878	4,144,140	2,254,254	4,130,134	2,246,635	2,350,358	103,723	4.6%
Refuse Collection Fees	304,517	318,180	158,725	413,496	206,273	206,006	(268)	-0.1%
Automation Fees	-	-	-	20,000	256	256	-	0.0%
Interest Earnings	128,305	352,825	122,939	151,305	52,721	219,145	166,425	315.7%
Miscellaneous/Other/Grants/Contribution from SCORE	295,590	219,351	34,682	177,534	100,609	100,609	-	0.0%
Total Revenues	**28,305,347**	**28,846,464**	**13,640,241**	**29,667,488**	**13,909,779**	**13,869,523**	**(40,256)**	**-0.3%**
Expenditures:								
Arterial Streets Overlay Program	1,789,993	1,870,129	335,880	1,515,064	1,010,043	1,025,921	(15,878)	-1.6%
Solid Waste & Recycling	526,818	486,418	212,989	595,549	260,775	238,300	22,475	8.6%
Hotel/Motel Lodging Tax	224,700	90,049	18,383	294,700	60,163	22,960	37,203	61.8%
Traffic Safety (Red Light/School Zone)	3,021,048	2,614,668	1,005,900	2,676,203	1,226,593	1,157,767	68,826	5.6%
Utility Tax Proposition 1	3,374,938	3,156,781	1,468,310	3,446,374	1,603,008	1,573,417	29,591	1.8%
Debt Service (Debt & Admin Fee)	2,978,063	2,024,491	221,836	2,152,510	214,636	214,636	-	0.0%
Federal Way Community Center	2,244,429	2,334,287	1,112,240	2,314,036	1,107,817	1,163,116	(55,299)	-5.0%
Performing Arts & Event Ctr Operations	1,871,986	1,628,149	878,194	1,871,986	499,196	364,623	134,573	27.0%
Dumas Bay Centre Fund	763,995	928,560	471,024	801,472	395,899	400,096	(4,196)	-1.1%
Surface Water Management	4,117,510	3,975,749	1,915,579	4,295,628	2,069,701	1,817,597	252,104	12.2%
Total Expenditures	**20,913,480**	**19,109,281**	**7,640,335**	**19,963,523**	**8,447,831**	**7,978,432**	**469,399**	**5.6%**
Revenues over/(under) Expenditures	**7,391,867**	**9,737,183**	**5,999,905**	**9,703,966**	**5,461,948**	**5,891,091**	**429,143**	**7.9%**
Other Sources:								
Ongoing Transfers In:								
Utility Tax for DBC Oper/Reserves	123,501	123,501	-	23,000	-	-	-	n/a
Utility Tax/GF for FWCC Oper/Reserves	447,930	579,474	132,381	387,000	270,863	270,863	-	0.0%
Utility Tax/Gen. Fund/REET for Debt	813,473	813,473	813,473	813,473	813,473	813,473	-	0.0%
Utility Tax to Strategic Reserve	-	1,800,000	-	44,570	44,570	44,570	-	0.0%
REET for Arterial Streets Overlay	1,013,000	1,013,000	1,013,000	1,013,000	900,000	900,000	-	0.0%
Utility Tax/GF for PAEC/Proc. from Sale of TP/SCORE Contr.	1,977,090	776,838	626,762	2,150,729	728,778	728,778	-	0.0%
Total Other Sources	**4,374,994**	**5,106,287**	**2,585,616**	**4,431,772**	**2,757,684**	**2,757,684**	**-**	**0.0%**
Other Uses:								
Ongoing Transfer Out:								
Traffic Safety (Red Light/School Zone)	1,547,039	1,547,039	1,547,039	1,470,333	1,035,312	1,035,312	-	0.0%
Utility Tax to PAEC Oper	181,317	172,907	172,907	-	-	-	-	n/a
Utility Tax to FWCC Oper/Reserves	447,930	579,474	132,381	387,000	270,863	270,863	-	0.0%
Utility Tax to DBC Oper/Reserves	123,501	123,501	-	23,000	-	-	-	n/a
Utillity Tax to General/Street Oper/Dbt/Str Rsv/Bldg Fnd	8,044,485	8,116,957	2,943,274	8,471,516	2,922,751	2,922,751	-	0.0%
REET to Arterial Streets Overlay	1,013,000	1,013,000	1,013,000	1,013,000	900,000	900,000	-	0.0%
REET to Debt Service/PAEC Capital	813,473	813,473	813,473	1,363,370	1,363,370	1,363,370	-	0.0%
Transfers/Other/Unalloc IS/Strategic Rsv. Property Purchase	3,131,782	4,823,693	304,307	4,384,984	1,763,624	1,763,624	-	0.0%
Total Other Uses	**15,302,527**	**17,190,045**	**6,926,381**	**17,113,203**	**8,255,920**	**8,255,920**	**-**	**0.0%**
Ending Fund Balance								
Arterial Streets Overlay	100,001	94,682	1,279,918	127,618	-	190,960	n/a	n/a
Utility Tax (non-Prop 1)	1,500,000	1,600,471	2,679,653	1,600,471	-	1,878,965	n/a	n/a
Utility Tax - Prop 1 Voter Package	1,000,000	1,002,102	1,049,643	1,002,102	-	999,998	n/a	n/a
Solid Waste & Recycling	99,880	154,581	153,282	88,942	-	133,695	n/a	n/a
Hotel/Motel Lodging Tax	1,048,246	1,177,879	1,058,416	1,189,180	-	1,274,105	n/a	n/a
Federal Way Community Center	1,427,087	1,566,460	1,500,001	1,590,275	-	1,500,001	n/a	n/a
Traffic Safety Fund	1,510,566	1,909,111	1,806,879	1,578,075	-	1,663,145	n/a	n/a
Real Estate Excise Tax Fund	2,479,723	3,303,937	2,838,193	2,594,567	-	2,879,146	n/a	n/a
Performing Arts & Event Ctr Operations	-	(447,382)	(46,455)	(447,382)	-	(315,518)	n/a	n/a
Paths & Trails	930,546	962,997	867,235	1,131,997	-	1,066,634	n/a	n/a
Technology Fund	-	-	-	20,000	-	256	n/a	n/a
Strategic Reserve Fund	3,068,979	2,656,969	3,048,123	2,703,539	-	2,742,135	n/a	n/a
Parks Reserve Fund	1,253,647	1,265,796	1,254,852	645,796	-	1,276,488	n/a	n/a
Debt Service Fund	2,901,022	2,956,847	4,720,003	2,582,201	-	3,585,837	n/a	n/a
Surface Water Management	2,154,899	2,373,543	2,455,362	1,210,369	-	2,010,063	n/a	n/a
Dumas Bay Centre Fund	1,500,000	1,585,695	1,504,297	1,568,474	-	1,670,626	n/a	n/a
Total Ending Fund Balance	**$20,974,596**	**$22,163,686**	**$ 26,169,402**	**$19,186,224**	**$ -**	**$22,556,536**	**n/a**	**n/a**

Sales Tax

Compared to year-to-date 2018 actual, sales tax revenues are above by $104K or 1.7%. Compared to 2019 year-to-date budget, sales tax revenues are above by $19K or 0.3%. There is usually a two month lag in sales tax revenue. The sales tax collected for April 2019 is paid to the City in June 2019.

LOCAL RETAIL SALES TAX REVENUES YTD June							
				Favorable/(Unfavorable)			
	2018	2019		Change from 2018		YTD Actual vs Budget	
Month	Actual	Budget	Actual	$	%	$	%
Jan	$ -	-	-	-	-	-	-
Feb	1,502,207	1,528,822	1,501,715	(492)	0.0%	(27,107)	-1.8%
Mar	1,084,522	1,082,442	1,104,726	20,205	1.9%	22,285	2.1%
Apr	1,025,585	1,082,170	997,513	(28,072)	-2.7%	(84,658)	-7.8%
May	1,319,134	1,293,434	1,346,880	27,745	2.1%	53,446	4.1%
Jun	1,144,354	1,174,254	1,229,332	84,978	7.4%	55,078	4.7%
Jul	1,148,178	1,227,431	-	-	-	-	-
Aug	1,297,748	1,393,688	-	-	-	-	-
Sep	1,220,004	1,303,410	-	-	-	-	-
Oct	1,228,595	1,307,518	-	-	-	-	-
Nov	1,363,500	1,370,430	-	-	-	-	-
Dec	2,397,982	2,476,551	-	-	-	-	-
YTD Total	**$ 6,075,802**	**$ 6,161,122**	**$ 6,180,166**	**$ 104,364**	**1.7%**	**$ 19,044**	**0.3%**
Annual Total	**$ 14,731,810**	**$ 15,240,149**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

COMPARISON OF SALES TAX COLLECTIONS BY SIC GROUP					
			Favorable/(Unfavorable) Change from 2018		
Component Group	2018 Actual	2019 Actual	$	%	Explanation
Retail Trade	$ 3,053,459	$ 3,109,919	$ 56,460	1.8%	Up $155K - Building Material & Garden, Food & Beverage Stores, Gasoline Stations, Miscellaneous Store Retailers, Motor Vehicle Parts Dealer Down $99K - Electronics & Appliances, Furniture & Home Furnishings, Health & Personal Care Stores, Clothing & Accessories, General Merchandise Stores, Nonstore Retailers
Services	1,453,874	1,483,403	29,529	2.0%	Up $88K - Educational Services, Professional, Scientific, & Technology, Food Services & Drinking Places, Administrative & Support Services Down $58K - Repair & Mantenance, Accomodation, Hospitals, Ambulatory Health Care Service, Nursing & Residental Care, Amusement & Gambling, Personal & Laundry Services, Performing Arts
Construct	713,120	712,283	(837)	-0.1%	General Decrease
Wholesaling	239,831	220,008	(19,823)	-8.3%	Down $20K - Wholesale Trade Durable & Nondurable goods
Transp/Utility	1,678	2,318	640	38.1%	General Increase
Information	287,421	268,625	(18,796)	-6.5%	Up $17K - Publishing Industries, Other Information Services Down $36K Telecommunications
Manufacturing	58,322	83,647	25,325	43.4%	General Increase
Government	85,591	104,977	19,386	22.6%	General Increase
Fin/Insurance /Real Estate	166,945	157,681	(9,265)	-5.5%	Down $9K Rental & Leasing Services, and Real Estate
Other	15,559	37,304	21,745	139.8%	General Increase
YTD Total	**$ 6,075,802**	**$ 6,180,166**	**$ 104,364**	**1.7%**	

SALES TAX COMPARISON by AREA Year-to-date thru June 2019					
			Favorable/(Unfavorable) Chg from 2018		
Location	2018	2019	$	%	Explanation
YTD Sales Tax	**$ 6,075,802**	**$ 6,180,166**	**$ 104,364**	**1.7%**	
S 348th Retail Block	849,839	885,747	35,908	4.2%	Up $50K - Retail Eating/Drinking, Building Materials, Retail Automative/Gas, and General Merchandise Down $14K - Retail Electronics & Applicances, Retail Misc. Store
The Commons	481,268	430,293	(50,975)	-10.6%	Up $5K Retail Eating/Drinking Down $56K Misc Retail Trade, Retail General Merchandise Electronics & Appliances, & Apparel and Accessories
S 312th to S 316th	314,707	335,775	21,068	6.7%	Up $21K Retail Eating & Drinking, Retail Automotive & Retail General Merchandise
Pavilion Center	202,900	196,987	(5,913)	-2.9%	Up $7K Retail Food Stores, Retail Eating/Drinking Down $13K Retail Apparel & Accessories, Electronics & Appliances
Hotels & Motels	99,606	76,994	(22,612)	-22.7%	General Decrease
Gateway Center	90,209	81,765	(8,444)	-9.4%	Down $8K Furniture & Home Furnishings, & Telecommunications

Utility Tax (Total 7.75%)

The utility taxes year-to-date is $429K or 7.9% below 2018 year-to-date actual and $446K or 8.2% below 2019 year-to-date budget. There is usually a two month lag in utility tax revenue. The utility tax collected by utility companies for April 2019 is paid to the City in June 2019.

UTILITY TAXES Year-to-date thru June							
				Favorable/(Unfavorable)			
	2018	2019		Change from 2018		YTD Actual vs Budget	
Month	Actual	Budget	Actual	$ Var	% Var	$ Var	% Var
Jan	$ 915	$ 720	$ 521	$ (394)	-43.0%	$ (199)	-27.6%
Feb	1,084,736	1,073,497	780,534	(304,202)	-28.0%	(292,963)	-27.3%
Mar	1,147,253	1,227,809	1,108,776	(38,477)	-3.4%	(119,034)	-9.7%
Apr	1,110,736	1,024,028	1,376,813	266,077	24.0%	352,785	34.5%
May	1,217,269	997,177	939,409	(277,860)	-22.8%	(57,768)	-5.8%
Jun	889,403	1,156,886	815,993	(73,410)	-8.3%	(340,893)	-29.5%
Jul	833,485	790,233	-	-	-	-	-
Aug	778,972	602,767	-	-	-	-	-
Sept	782,716	1,149,546	-	-	-	-	-
Oct	979,316	1,081,968	-	-	-	-	-
Nov	1,122,706	855,150	-	-	-	-	-
Dec	1,781,937	2,368,110	-	-	-	-	-
YTD Subtotal	**$ 5,450,311**	**$ 5,480,118**	**$ 5,022,045**	**$ (428,266)**	**-7.9%**	**$ (458,072)**	**-8.4%**
YTD Rebate	(7,129)	(19,662)	(7,497)	(368)	0.0%	12,165	-61.9%
YTD Total	**$ 5,443,182**	**$ 5,460,455**	**$ 5,014,548**	**$ (428,634)**	**-7.9%**	**$ (445,907)**	**-8.2%**
Annual Total	**$ 11,719,590**	**$ 12,307,891**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

The City of Federal Way provides a utility tax rebate for qualifying individuals that have paid for Utility bills within the City of Federal Way, who are 65 years or older, disabled/unable to work, and qualify as low income during the affected calendar year. This is an annual program that opens January 1st and closes April 30th of each year. The City processed 115 rebates at a total cost of $12K in 2017. The City processed 87 rebates at a total cost of $10K annually in 2018. The City has processed 74 rebates so far in 2019, for a total of $7,497.

The City is currently in litigation with Lakehaven and other water and sewer providers in Federal Way regarding the 7.75% excise tax ordinance extended to business activities of public and private water and sewer utilities. The City has spent $57K year-to-date in legal costs and $263K life-to-date related to this litigation.

UTILITY TAXES - by Type Year-to-date thru June				
Utility Type	2018 Actual	2019 Actual	Favorable/(Unfavorable) Change from 2018 $	%
Electric	$ 2,404,486	$ 2,271,039	$ (133,447)	-5.5%
Gas	845,405	767,195	(78,210)	-9.3%
Solid Waste	444,549	474,171	29,622	6.7%
Cable	743,445	716,882	(26,563)	-3.6%
Phone	261,353	261,421	69	0.0%
Cellular	574,554	369,062	(205,492)	-35.8%
Pager	35	26	(9)	n/a
SWM	176,485	162,249	(14,236)	-8.1%
Tax Rebate	(7,129)	(7,497)	(368)	0.0%
YTD Total	**$ 5,443,182**	**$ 5,014,548**	**$ (428,634)**	**-7.9%**

Lakehaven Litigation		
Month-to-Date	YTD 2019	Project-to-Date Actual
$ 11,391	$ 57,195	$ 263,031

**Includes cost of ordinance review prior to actual litigation*

**Provided by the Law Department*

Proposition 1 Voter-Approved Utility Tax

2019 year-to-date Prop 1 expenditures total $1.57M or 45.7% of the $3.4M annual budget. Current life-to-date Prop 1 Utility tax collections and transfer in total $36.3M and expenditures total $35.3M.

PROP 1	2018		2019		Life
	Budget	Actual	Budget	Actual	To Date
Beginning Balance:	1,281,109	1,281,109	1,002,101	1,002,101	n/a
OPERATING REVENUES					
January	144	1,044	144	1,946	1,607,724
February	229,669	245,715	229,669	177,223	3,045,255
March	267,871	260,042	267,871	251,743	3,669,889
April	214,865	251,895	214,865	311,990	3,280,599
May	201,696	276,054	201,696	213,668	3,042,931
June	263,038	202,094	263,038	185,966	3,249,752
July	167,123	189,452	167,123	-	2,345,846
August	119,523	177,214	119,523	-	2,195,809
September	266,981	177,928	266,981	-	2,442,260
October	237,812	222,608	237,812	-	2,860,456
November	168,592	254,897	168,592	-	2,326,512
December	540,577	468,752	548,577	-	4,855,462
Total Prop 1 Revenues:	**2,677,891**	**2,727,696**	**2,685,891**	**1,142,537**	**34,922,496**
Transfer in from Utility Tax Fund	**415,938**	**150,076**	**760,484**	**428,778**	**1,412,589**
OPERATING EXPENDITURES *Public Safety Improvement Positions & Costs:*					
Police Services (includes 1 Records Specialist, 16 Police Officers, & 2 Lieutenants)	2,408,182	2,326,089	2,756,239	1,270,469	26,773,703
Court Services (includes .50 Judge, 1 Court Clerk, and Pro Tem Pay, Public Defender contract, 1.5 Prosecutors)	399,752	336,753	428,393	165,465	4,328,000
Total Public Safety Improvement Costs	**2,807,934**	**2,662,842**	**3,184,632**	**1,435,933**	**31,101,703**
Community Safety Program Costs:					
1 Code Enforcement Officer	100,652	90,001	91,119	47,642	665,184
.5 Assistant City Attorney	64,769	64,769	67,186	33,824	737,706
1 Parks Maintenance Worker I & Security	101,583	115,147	103,437	56,016	1,279,782
Total Community Safety Improvement Costs	**267,004**	**269,917**	**261,742**	**137,482**	**2,682,672**
Indirect Support - HR Analyst	-	-	-	-	291,695
SafeCity M&O	-	-	-	-	245,929
Subtotal Ongoing Expenditures	**-**	**-**	**-**	**-**	**537,624**
SafeCity Startup	-	-	-	-	189,066
Other Transfer - Prop 1 OT for Police	300,000	224,021	-	-	824,021
Subtotal Other Expenditures	**300,000**	**224,021**	**-**	**-**	**1,013,087**
Total Prop 1 Expenditures:	**3,374,938**	**3,156,781**	**3,446,374**	**1,573,415**	**35,335,086**
Total Ending Fund Balance:	**$ 1,000,000**	**$ 1,002,101**	**$ 1,002,102**	**$ 1,000,000**	**$ 1,000,000**

Real Estate Excise Tax

Compared to 2018 year-to-date actuals, collections are above by $323K or 18.0%. June's receipt of $493K is above June 2019's projections by $198K or 67.3%.

June 2019 activities include 199 real estate transactions, of which 35 or 18% were tax exempt. There were 159 taxable residential sales (total sales $63.2M / $313K tax), and 5 commercial sales (total sales $36.4M / $180K tax).

REAL ESTATE EXCISE TAX REVENUES
Year-to-date thru June

Month	2018 Actual	2019 Budget	2019 Actual	Favorable/(Unfavorable) Change from 2018 $	Change from 2018 %	YTD Actual vs Budget $	YTD Actual vs Budget %
Jan	$ 201,603	$ 208,930	$ 242,395	$ 40,792	20.2%	$ 33,465	16.0%
Feb	176,339	224,134	588,487	412,148	233.7%	364,353	162.6%
Mar	250,809	364,690	253,664	2,854	1.1%	(111,027)	-30.4%
Apr	533,980	244,375	237,306	(296,674)	-55.6%	(7,069)	-2.9%
May	295,897	255,606	296,386	489	0.2%	40,780	16.0%
Jun	330,483	294,917	493,407	162,924	49.3%	198,490	67.3%
Jul	373,877	288,850	-	-	-	-	-
Aug	321,824	269,591	-	-	-	-	-
Sep	219,285	351,303	-	-	-	-	-
Oct	438,041	407,671	-	-	-	-	-
Nov	368,949	311,159	-	-	-	-	-
Dec	729,735	338,773	-	-	-	-	-
YTD Total	**1,789,111**	**1,592,652**	**2,111,644**	**322,532**	**18.0%**	**518,991**	**32.6%**
Annual Total	**$ 4,240,825**	**$ 3,560,000**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Hotel/Motel Lodging Tax

Hotel/Motel lodging tax received year-to-date in 2019 is $109K and is above 2018's year-to-date collections by $5K or 4.8%. 2019 year-to-date receipts are above year-to-date projections by $7K or 6.6%. The lodging tax collected for April 2019 is paid to the City in June 2019.

HOTEL/MOTEL LODGING TAX REVENUES
Year-to-date thru June

Month	2018 Actual	2019 Budget	2019 Actual	Favorable/(Unfavorable) Change from 2018 $	Change from 2018 %	YTD Actual vs Budget $	YTD Actual vs Budget %
Jan	$ -	$ -	$ -	$ -	-	$ -	-
Feb	16,916	16,530	22,862	5,946	35.1%	6,331	38.3%
Mar	18,162	17,568	17,340	(822)	-4.5%	(228)	-1.3%
Apr	22,378	22,140	21,015	(1,363)	-6.1%	(1,125)	-5.1%
May	25,072	24,713	26,343	1,270	5.1%	1,629	6.6%
Jun	21,482	21,299	21,450	(32)	-0.1%	151	0.7%
Jul	25,192	25,153	-	-	-	-	-
Aug	30,269	32,643	-	-	-	-	-
Sept	34,273	36,419	-	-	-	-	-
Oct	34,135	37,345	-	-	-	-	-
Nov	27,704	28,223	-	-	-	-	-
Dec	30,142	37,965	-	-	-	-	-
YTD Total	**$ 104,010**	**$ 102,252**	**$ 109,010**	**$ 5,000**	**4.8%**	**$ 6,759**	**6.6%**
Annual Total	**$ 285,725**	**$ 300,000**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Permit Activity

Building, planning, and zoning permit activities are above 2018's year-to-date activity by $1.2M or 105.4%. Compared to year-to-date budget, permit activity is above by $1.0M or 79.9%.

BUILDING & LAND USE PERMITS AND FEES (CD)
Year-to-date thru June

Month	2018 Actual	2019 Budget	2019 Actual	Change from 2018 $	Change from 2018 %	Favorable/(Unfavorable) YTD Actual vs Budget $	YTD Actual vs Budget %
Jan	99,186	125,191	203,996	104,810	105.7%	78,805	62.9%
Feb	242,990	236,310	371,050	128,060	52.7%	134,740	57.0%
Mar	197,746	199,435	217,643	19,897	10.1%	18,207	9.1%
Apr	186,035	235,690	510,894	324,858	174.6%	275,204	116.8%
May	225,554	258,711	825,324	599,770	265.9%	566,613	219.0%
Jun	164,372	218,649	163,185	(1,187)	-0.7%	(55,464)	-25.4%
Jul	364,187	260,181	-	-	-	-	-
Aug	216,762	225,304	-	-	-	-	-
Sept	167,187	226,091	-	-	-	-	-
Oct	256,076	218,981	-	-	-	-	-
Nov	358,383	192,595	-	-	-	-	-
Dec	116,917	153,638	-	-	-	-	-
YTD Total	**$ 1,115,883**	**$ 1,273,985**	**$ 2,292,091**	**$ 1,176,208**	**105.4%**	**$ 1,018,105**	**79.9%**
Annual Total	**$ 2,595,395**	**$ 2,550,775**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Police Department

The total overtime budget of $1.01M consists of $767K for City overtime and $239K for billable time.

Compared to 2019 year-to-date budget, City's portion of overtime is $42K or 11.3% above year-to-date projections.

Compared to year-to-date 2018 actuals, City's portion of overtime is below by $6K or 1.5%. Including the increase in billable overtime, total overtime increased by $82K or 16.5% above the same time last year.

The June overtime increase of $22K above 2018 year-to-date actual is primarily due to increased shift-call in, special event and training overtime for police officers.

PD Overtime by Type
Year-to-date thru June

Type	2018 Actual	2019 Actual	(Favorable)/Unfavorable Change from 2018 $	%
Training	$ 20,266	$ 3,796	$ (16,470)	-81.3%
Court	15,665	12,319	(3,346)	-21.4%
Field Oper	315,691	329,257	13,566	4.3%
Other	73,241	73,055	(186)	-0.3%
City Portion	**424,863**	**418,427**	**(6,436)**	**-1.5%**
Contract/Grant	65,394	157,870	92,475	141.4%
Traffic School	6,225	2,252	(3,973)	
Billable	**71,619**	**160,121**	**88,502**	**123.6%**
YTD Total	**$ 496,482**	**$ 578,548**	**$ 82,067**	**16.5%**

PD Overtime by Month
Year-to-date thru June

Month	2018 Actual	2019 Budget	2019 Actual	(Favorable)/Unfavorable Change from 2018 $	Change from 2018 %	YTD Actual vs Budget $	YTD Actual vs Budget %
Jan	$ 53,234	$ 61,883	$ 58,150	$ 4,916	9.2%	$ (3,733)	-6.0%
Feb	67,751	58,084	52,654	(15,097)	-22.3%	(5,430)	-9.3%
Mar	86,114	53,823	56,669	(29,445)	-34.2%	2,846	5.3%
Apr	74,357	61,926	75,230	873	1.2%	13,304	21.5%
May	75,352	78,313	85,669	10,317	13.7%	7,356	9.4%
Jun	68,054	62,061	90,055	22,001	32.3%	27,994	45.1%
Jul	121,437	88,656	-	-	-	-	-
Aug	62,498	54,902	-	-	-	-	-
Sep	47,131	58,232	-	-	-	-	-
Oct	72,002	69,296	-	-	-	-	-
Nov	64,604	65,595	-	-	-	-	-
Dec	63,042	54,383	-	-	-	-	-
City Portion	424,863	376,090	418,427	(6,436)	-1.5%	42,337	11.3%
Billable	71,619	119,250	160,121	88,502	123.6%	40,871	34.3%
YTD Total	**$ 496,482**	**$ 495,340**	**$ 578,548**	**$ 82,066**	**16.5%**	**$ 83,208**	**16.8%**
Billable	$ 192,864	$ 119,250	$ -	$ -	-	$ -	-
Annual Total	**$ 1,120,060**	**$ 1,005,655**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Jail Services

The total jail budget is $5.96M and it is for SCORE Jail maintenance & operation assessments and alternative programs. Debt service is being paid for by SCORE reserves in 2019.

At the original 2007 projections, the Average Daily Population (ADP) was projected at 60 in-mates, which was the 3rd highest, out of the seven member cities. Renton which was once the highest in 2007, is now second behind Federal Way.

Other jail & alternative programs are provided by King County and Providence Community for psychiatric care. As of the end of June, the City spent $45K on these services that are not currently being provided by SCORE.

Jail and Alternatives to Confinement

	2018 Annual Actual	2019 Annual Budget	2019 YTD Actual
SCORE	$ 6,290,972	$ 5,817,264	$ 2,908,632
Other Jail & Alternative Programs	126,507	147,708	44,917
Total	**$ 6,417,479**	**$ 5,964,972**	**$ 2,953,550**

In addition to the $5.96 million budget above, the City is also liable for $935k in debt service for SCORE building construction. Although the City is legally responsible for this payment, SCORE has paid the debt service out of the revenues generated from the contracting cities for the past few years.

The City will be discontinuing its relationship with SCORE as of December 31, 2019.

Traffic Safety – Red Light / School Zone

Traffic Safety Red light & school zone enforcement revenues are accounted for in the Traffic Safety Fund to be used for, but not limited to prevention, education, and enforcement efforts related to traffic safety and compliance with traffic control devices within the City, including maintenance and operations costs. Traffic Safety Fund pays for 1 Lieutenant, 7 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.

	2018				2019				Variance Favorable/(Unfavorable)	
Month	Gross Revenue	Payments to ATS	Salaries & Wages & Crt Security	Net Revenue	Gross Revenue	Payments to ATS	Salaries & Wages & Crt Security	Net Revenue	$ Variance	% Variance
Jan	$ 330,395	$ -	$ (127,126)	$ 203,269	$ 397,776	$ -	$ (147,542)	$ 250,234	$ 46,964	23.1%
Feb	248,325	(61,750)	(142,169)	44,406	263,413	(52,250)	(154,701)	56,462	12,056	27.1%
Mar	292,775	(61,750)	(127,957)	103,069	216,489	(52,250)	(153,618)	10,621	(92,447)	-89.7%
Apr	280,926	-	(145,699)	135,226	355,041	-	(156,119)	198,922	63,695	47.1%
May	331,935	-	(120,302)	211,633	294,168	(52,250)	(166,599)	75,319	(136,314)	-64.4%
Jun	287,547	(64,290)	(154,859)	68,399	405,464	-	(222,438)	183,026	114,628	167.6%
Jul	300,341	(52,250)	(155,511)	92,580	-	-	-	-	(92,580)	-100.0%
Aug	221,242	-	(156,965)	64,277	-	-	-	-	(64,277)	-100.0%
Sep	260,676	(28,500)	(157,607)	74,569	-	-	-	-	(74,569)	-100.0%
Oct	271,360	-	(172,167)	99,193	-	-	-	-	(99,193)	-100.0%
Nov	394,786	-	(293,480)	101,306	-	-	-	-	(101,306)	-100.0%
Dec	243,129	(332,500)	(259,787)	(349,158)	-	-	-	-	349,158	-100.0%
YTD Total	**$1,771,904**	**$ (187,790)**	**$ (818,111)**	**$ 766,003**	**$1,932,350**	**$ (156,750)**	**$ (1,001,016)**	**$ 774,584**	**$ 8,582**	**1.1%**
Annual Total	**$3,463,439**	**$ (601,040)**	**$ (2,013,628)**	**$ 848,771**	**$1,932,350**	**$ (156,750)**	**$ (1,001,016)**	**$ 774,584**	**$ (74,187)**	**n/a**

Court

Court operation and probation service revenues are $44K or 6.8% below 2018 year-to-date actuals and $150K or 20.0% below 2019 year-to-date budget.

COURT REVENUE Year-to-date thru June				
			Favorable (Unfavorable) Change from 2018	
	2018 *Actual*	**2019 *Actual***	***$***	***%***
Civil Penalties	$ 4,338	$ 4,495	$ 157	3.6%
Traffic & Non-Parking	294,174	319,960	25,786	8.8%
Parking Infractions	10,253	5,588	(4,665)	-45.5%
DUI & Other Misd	49,850	38,499	(11,352)	-22.8%
Criminal Traffic Misd	563	24	(539)	-95.8%
Criminal Costs	34,798	32,087	(2,711)	-7.8%
Interest / Other / Misc	53,029	50,881	(2,148)	-4.1%
Criminal Conv Fees	23,557	14,738	(8,818)	-37.4%
Shared Court Costs	22,050	21,660	(390)	-1.8%
Services & Charges	25,199	23,453	(1,746)	-6.9%
Subtotal	**$ 517,810**	**$ 511,384**	**$ (6,426)**	**-1.2%**
Probation Fees	60	-	(60)	-100.0%
Probation Services	127,787	90,102	(37,685)	-29.5%
Annual Total	**$ 645,657**	**$ 601,486**	**$ (44,171)**	**-6.8%**

COURT REVENUE Year-to-date thru June							
				Favorable/(Unfavorable)			
	2018	2019		*Change from 2018*		*YTD Actual vs Budget*	
Month	***Actual***	***Budget***	***Actual***	***$***	***%***	***$***	***%***
January	$ 85,884	$ 69,794	$ 85,735	$ (148)	-0.2%	$ 15,941	22.8%
February	87,754	143,246	73,831	(13,924)	-15.9%	(69,415)	-48.5%
March	112,829	121,243	81,352	(31,477)	-27.9%	(39,891)	-32.9%
April	81,550	111,333	112,794	31,245	38.3%	1,461	1.3%
May	87,147	92,030	73,142	(14,005)	-16.1%	(18,888)	-20.5%
June	62,647	84,192	84,530	21,883	34.9%	338	0.4%
July	83,148	93,023	-	(83,148)	-	-	-
August	74,656	95,871	-	(74,656)	-	-	-
September	57,579	94,955	-	(57,579)	-	-	-
October	91,805	92,409	-	(91,805)	-	-	-
November	72,918	90,535	-	(72,918)	-	-	-
December	95,333	87,111	-	-	-	-	-
Probation Fees	60	-	-	(60)	n/a	-	n/a
Probation Services	127,787	130,000	90,102	(37,685)	n/a	(39,898)	-30.7%
YTD Total	**$ 645,657**	**$ 751,838**	**$ 601,486**	**$ (44,171)**	**-6.8%**	**$ (150,352)**	**-20.0%**
Probation Services	96,816	130,000	n/a	n/a	n/a	n/a	n/a
Annual Total	**$ 1,217,912**	**$ 1,435,742**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Federal Way Community Center

The Federal Way Community Center Fund was established as a special revenue fund supported by user fees and utility tax transfer.

Federal Way Community Center as of 06/30/19	2018			2019			YTD Budget vs Actual Favorable/(Unfavorable)	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	$	%
Beginning Fund Balance	**$ 1,497,086**	**$ 1,497,086**	**$ 1,497,086**	**$ 1,566,460**	**$ 1,566,460**	**$ 1,566,460**	**n/a**	**n/a**
Operating Revenues:								
Daily Drop-ins	$ 310,000	$ 366,428	$ 197,399	$ 370,000	$ 199,323	$ 175,196	$ (24,127)	-12.1%
Passes	850,000	904,584	452,747	850,000	425,428	355,250	(70,178)	-16.5%
City Employee Membership Program	31,000	35,848	13,634	32,550	12,380	11,404	(976)	-7.9%
Youth Athletic Programs	45,000	53,283	29,488	47,250	26,149	15,354	(10,795)	-41.3%
Aquatics Programs-Lessons/Classes	140,000	145,225	78,705	146,950	79,640	80,755	1,116	1.4%
Childcare Fees	3,000	1,074	635	3,000	1,774	4,460	2,686	151.4%
Fitness Classes/Fitness Training	130,000	73,421	35,490	133,250	64,410	9,391	(55,019)	-85.4%
Towel/equipment Rentals	4,000	1,884	1,057	4,000	2,244	5,260	3,016	134.4%
Pool Rentals/Competitive-Lap Lanes	19,000	34,360	18,718	30,000	16,342	11,297	(5,045)	-30.9%
Rentals	217,000	219,614	117,907	246,000	132,072	122,510	(9,563)	-7.2%
Merchandise Sales	7,500	7,426	4,311	7,875	4,571	3,992	(580)	-12.7%
Concessions/Vending	60,000	60,671	31,185	60,000	30,840	25,175	(5,666)	-18.4%
Interest Earnings/Other Misc	10,000	60,116	1,838	37,476	1,146	39,369	38,223	3335.6%
Total Operating Revenues	**1,826,500**	**1,963,936**	**983,113**	**1,968,351**	**996,319**	**859,411**	**(136,908)**	**-13.7%**
Operating Expenditures:								
Personnel Costs	1,528,929	1,657,202	818,758	1,586,536	783,845	817,153	(33,309)	-4.2%
Supplies	184,000	194,793	87,228	184,000	82,395	102,226	(19,831)	-24.1%
Other Services & Charges	181,000	163,240	67,086	193,000	79,317	112,086	(32,769)	-41.3%
Utility Cost	330,000	315,353	135,468	330,000	141,760	128,091	13,669	9.6%
Intergovernmental	20,500	3,700	3,700	20,500	20,500	3,559	16,941	82.6%
Total Operating Expenditures	**2,244,429**	**2,334,287**	**1,112,240**	**2,314,036**	**1,107,817**	**1,163,116**	**(55,299)**	**-5.0%**
Revenues Over / (Under) Expenditures	**(417,929)**	**(370,351)**	**(129,127)**	**(345,685)**	**(111,498)**	**(303,704)**	**(192,207)**	**172.4%**
Recovery Ratio	**81.4%**	**84.1%**	**88.4%**	**85.1%**	**89.9%**	**73.9%**	**n/a**	**n/a**
Transfer In from General Fund	-	-	-	-	-	-	-	n/a
Utility Tax - Operations	447,930	579,474	132,381	387,000	270,863	270,863	-	0.0%
Total Other Sources	**447,930**	**579,474**	**132,381**	**387,000**	**270,863**	**270,863**	**-**	**0.0%**
Other Uses:								
Capital/Use of Reserves/Grants	100,000	139,748	340	17,500	17,500	33,612	(16,112)	-92.1%
Total Other Uses	**100,000**	**139,748**	**340**	**17,500**	**17,500**	**33,612**	**(16,112)**	**-92.1%**
Net Income	**(69,999)**	**69,375**	**2,914**	**23,815**	**141,865**	**(66,453)**	**(208,319)**	**-146.8%**
Ending Fund Balance	**$ 1,427,087**	**$ 1,566,461**	**$ 1,500,000**	**$ 1,590,275**	**$ 1,708,325**	**$ 1,500,007**	**$ (208,318)**	**-12.2%**

The operating revenue budget includes $1.97M in user fees/program revenues, and $387K contribution from utility tax for operation.

Year-to-date operating revenues total $859K which is $137K or 13.7% below the 2019 year-to-date budget. In comparison to 2019's year-to-date budget:

- **Daily Drop-in revenues** are $24K or 12.1% below the projected revenue and $22K or 11.2% below last year. Revenues are down slightly due to inclement weather in the early part of the year that forced facility closures and led to lower than normal visit totals. The pool was also down for repairs on two separate weekends.
- **Pass Revenues** are $70K or 16.5% below the projected revenue, and $97K below last year. The Community Center has implemented a new registration system and membership software system, and we are seeing a significant drop in pass renewals from some of our members. When they are contacted and asked to provide updated account information, many are choosing to cancel because they aren't using the facility enough. Staff is looking into membership marketing ideas to retain and attract new members.
- **Fitness Classes** are $55K or 85.4% below the projected revenue, and $26K less than last year. Revenues from Silver Sneakers and other subsidized memberships have been re-distributed to more accurately reflect the revenues in pass revenues. Personal training and small group training revenues are down as popularity of these programs are on a decline. The center is also down one personal trainer, so revenues are low as a result.
- **Rentals** are $10K or 7.2% below the projected revenues, and 5K above last year. This year started off slow, but booking requests have increased greatly this summer. Bookings have been higher than usual for weddings, other special events, and meetings.

- **Youth Athletic Programs** are $11K or 41.3% below the projected revenues due to inclement weather cancellations or closures in the early part of the year. Upcoming programs like Kidz Love Soccer and Basketball for Life will likely bring in anticipated revenues moving forward.

Year-to-date operating expenditures total $1.2M which is $55K or 5.0% above the year-to-date budget. Federal Way Community Center has recovered 73.9% of operating expenditures compared to the year-to-date budgeted recovery ratio of 89.9%.

- **Personnel Costs** are above by $33K or 4.2% compared to budget due to another minimum wage increase for 2019.
- **Supplies** are 20K or 24.1% above the projected budget. The increased cost of repair and replacement parts go up as the building ages. There has also been significant increases in supply costs from suppliers and vendors.
- **Other Services and Charges** are 33K or 41.3% above the projected budget due to service agents being used more frequently for facility repairs and maintenance.
- **Utility Cost** are 14K or 9.6% below the projected budget due to timing of utility bills.

Dumas Bay Centre

Dumas Bay Centre Fund year-to-date revenue of $486K is $76K or 18.6% above 2019 year-to-date budget of $410K, and $16K or 3.4% above year-to-date 2018 actual.

Year-to-date operating expenses total $400K, which is $4K or 1.1% above 2019 year-to-date budget of $396K. Dumas Bay Centre has recovered 121.54% of operating expenditures compared to 99.79% last year.

Dumas Bay Centre Fund as of 06/30/2019	2018			2019			YTD Budget vs Actual	
	Budget	Annual Actual	YTD Actual	Budget	YTD Budget	YTD Actual	Favorable/(Unfavorable) $	%
Beginning Fund Balance	$ 1,509,243	$ 1,509,243	$ 1,509,243	$ 1,585,695	$ 1,585,695	$ 1,585,695	n/a	n/a
Operating Revenues:								
In-House Food Services	275,000	372,528	203,850	275,000	150,481	196,824	46,342	30.8%
Dumas Bay Retreat Center	360,251	487,258	257,848	490,251	259,432	274,694	15,263	5.9%
Knutzen Family Theatre	-	26,606	8,348	-	-	14,742	14,742	n/a
Total Operating Revenues	**635,251**	**886,392**	**470,045**	**765,251**	**409,913**	**486,260**	**76,347**	**18.6%**
Operating Expenses:								
In-House Food Services	239,997	357,715	189,607	304,309	161,299	164,988	(3,690)	-2.3%
Dumas Bay Retreat Center	440,598	493,500	231,548	489,563	229,701	233,345	(3,645)	-1.6%
Knutzen Family Theatre	83,400	77,345	49,869	7,600	4,900	1,762	3,138	64.0%
Total Operating Expenses	**763,995**	**928,560**	**471,024**	**801,472**	**395,899**	**400,096**	**(4,196)**	**-1.1%**
Revenues Over/(Under) Expenses	**(128,744)**	**(42,168)**	**(978)**	**(36,221)**	**14,014**	**86,164**	**72,151**	**514.9%**
Recovery Ratio	**83.15%**	**95.46%**	**99.79%**	**95.48%**	**103.54%**	**121.54%**	**n/a**	**n/a**
Transfer in Real Estate Excise Tax	-	-	-	-	-	-	-	n/a
Transfer In Utility Tax	123,501	123,501	-	23,000	-	-	-	n/a
Total Other Sources	**123,501**	**123,501**	**-**	**23,000**	**-**	**-**	**-**	**n/a**
Pump Station M&O	4,000	981	67	4,000	4,000	1,234	2,766	69%
Repairs & Maintenance	-	3,900	3,900	-	-	-	-	n/a
Total Other Uses	**4,000**	**4,882**	**3,967**	**4,000**	**4,000**	**1,234**	**2,766**	**69%**
Net Income	**(9,243)**	**76,452**	**(4,945)**	**(17,221)**	**10,014**	**84,931**	**74,917**	**748.1%**
Ending Fund Balance	**$ 1,500,000**	**$ 1,585,695**	**$ 1,504,298**	**$ 1,568,474**	**$ 1,595,709**	**$ 1,670,625**	**$ 74,917**	**4.7%**

Interfund Loan					
Issue Date	Interfund Loan	Original Amount	Balance	Responsible Fund	Due Date
7/1/2014	PAEC Capital Res 14-667	$ 13,000,000	$ 6,759,701	001 - General Fund	4/14/2020
10/2/2018	PAEC Operations Res 18-743	$ 500,000	$ 500,000	001 - General Fund/Spectra	10/9/2021
10/31/2016	CDBG Grant Res 16-708	$ 400,000	$ 224,818	119 - CDBG Grant fund	10/31/2019
11/7/2017	Transportation Street Light Res 17-728	$ 2,500,000	$ -	101 - Street Fund	no draw yet

Self-Insured Health Insurance Fund

Self-Insured Health Insurance Fund year-to-date contributed revenue is $2.5M. Currently the revenue is generated from the employee paid contribution (range from $34 to $141 per employee per month) and the employer paid contribution (range from $666 to $1,973 per employee), varying depending on number of dependents. The City will maintain a reserve in the amount not less than 16 weeks of budgeted expenses ($1.29 million) as recommended by our consultant. Self-Insured Health Insurance Fund year-to-date expenditures are $2.0M for prescription services, medical services, stop loss, professional services, and wellness program. The ending fund balance for the program is $3.4M.

Self Insured Health Insurance Fund - 2019										
Description	2017 Annual Actual	2018 Annual Actual	2019 Adopted Bdgt	Jan	Feb	Mar	Apr	May	Jun	YTD Actual
Beginning Fund Balance	**2,020,466**	**2,550,138**	**2,940,231**	**2,940,231**	-	-	-	-		**2,940,231**
Health Insurance Premium - Employer Contribution Revenue	4,238,581	4,284,099	4,400,000	364,355	364,096	362,338	366,486	368,646	365,606	2,191,527
Health Insurance Premium - Employee Contribution Revenue	216,562	209,633	150,000	18,314	18,797	18,172	18,173	18,560	18,410	110,424
Health Insurance Premium - COBRA	10,026	21,805	6,000	2,106	702	702	-	1,404	-	4,913
Stop Loss Recovery Revenue	306,963	482,308	400,000	31,089	35,222	753	69,869	-	-	136,933
Interest Earnings	13,247	31,992	10,800	3,962	4,535	5,278	4,362	4,329	4,540	27,006
Total Revenue and Transfer In	**4,785,379**	**5,029,837**	**4,966,800**	**419,826**	**423,352**	**387,242**	**458,890**	**392,939**	**388,556**	**2,470,804**
Prescription Services	461,723	876,391	800,000	87,398	59,635	72,158	67,033	68,560	68,404	423,188
Medical Services	2,944,877	2,747,675	3,300,000	64,552	123,126	225,033	180,796	255,522	235,720	1,084,749
Health Insurance - Stop Loss	464,184	642,805	730,000	92,987	-	46,707	46,598	94,080	-	280,372
Professional Services & Other	384,922	371,253	396,726	51,592	10,183	27,515	31,694	57,672	15,998	194,653
Taxes/assessments-interogovernment	-	1,620	30,000	-	-	-	-	-	-	-
Total Expenditures for Self Insured Health	**4,255,707**	**4,639,743**	**5,256,726**	**296,528**	**192,944**	**371,413**	**326,121**	**475,835**	**320,122**	**1,982,962**
Ending Fund Balance	**2,550,137**	**2,940,231**	**2,650,305**	**3,063,529**	**230,408**	**15,829**	**132,768**	**(82,896)**	**68,434**	**3,428,074**

Performing Arts & Event Center Operations (PAEC)

Performing Arts & Event Center Operations (PAEC) annual revenue and beginning balance, and transfer in is $49K. Year-to-date operating expenditures total $0.36M out of a total budget of $1.87M. Annually, $300K of operating subsidy has been used and the PAEC Fund has a fund balance of ($316K). A new management company has taken over the management of PAEC in August 2018. A resolution was passed by Council in October to provide an interfund loan to PAEC, up to $500K, for cash flow management purposes only, as required in the management contract agreement. The current interfund loan is $500K.

115 Performing Arts & Event Center Operations (PAEC)	Annual 2017	Annual 2018	2019 Adopted Budget	YTD June Actual
Beginning Balance	**177,413**	**477**	-	**(447,382)**
Ticketing Sales/Admissions Fees	124,278	136,465	1,081,780	-
Theatre/Event Rentals	27,824	75,123	-	-
Concessions	1,291	13,230	-	-
Advertising	-	-	-	-
Contributed Revenue - Private Sources	8,507	283,100	290,746	172,687
Transfer in from Utility Tax/General Fund	694,703	626,762	453,855	300,000
Interfund Loan	-	500,000	-	-
Investment Interest/NMTC Interest	161,928	45,611	45,605	23,801
Total Beg Bal, Revenue & Transfer In	**1,195,943**	**1,680,768**	**1,871,986**	**49,105**
Personnel Services	487,179	338,233	100,000	41,910
Personnel Benefits	167,073	82,907	38,000	13,636
Supplies	23,466	24,539	-	-
Other Services & Charges	496,326	1,080,185	1,569,172	172,771
Intergovernmental Services	1,221	1,221	-	-
Capital Outlays	1,155	36,799	-	74,190
Interfund Services	19,045	64,266	164,814	62,117
Total Expenditures	**1,195,466**	**1,628,150**	**1,871,986**	**364,623**
Total PAEC Operation Balance	**477**	**52,618**	**0**	**(315,518)**

FUND ACTIVITY SUMMARY

Fund #/Fund Name	Begin Balance 1/1/2019	YTD Revenue	YTD Expenditures	YTD Net Income/(loss)	Ending Balance 06/30/2019*	Required Fund Balance
001/101 General/Street Fund	**$ 11,662,052**	**$ 25,246,444**	**27,408,495**	**$ (2,162,051)**	**$ 9,500,000**	**$9,500,000****
Special Revenue Funds:						
102 Arterial Street	94,682	1,122,199	1,025,920	96,279	190,961	$100,000
103 Utility Tax (*)	1,600,471	3,900,887	3,622,392	278,495	1,878,965	1,500,000
106 Solid Waste & Recycling	154,581	217,414	238,301	(20,886)	133,694	-
107 Special Contracts/Studies Fund	686,209	5,763	-	5,763	691,972	-
109 Hotel/Motel Lodging Tax	1,177,880	119,185	22,960	96,226	1,274,105	200,000
110 2% for the Arts	-	-	-	-	-	-
111 Federal Way Community Center	1,566,460	1,130,274	1,196,733	(66,459)	1,500,001	1,500,000
112 Traffic Safety Fund	1,909,111	1,947,113	2,193,078	(245,965)	1,663,146	1,200,000***
113 Real Estate Excise Tax Fund	3,303,937	2,138,579	2,563,370	(424,791)	2,879,146	2,000,000**
114 Prop 1 Utility Tax	1,002,101	1,571,315	1,573,415	(2,101)	1,000,000	1,000,000
115 Performing Arts & Event Ctr Operations	(447,382)	496,487	364,623	131,864	(315,518)	0***
119 CDBG	37,544	50,931	219,359	(168,428)	(130,884)	-
120 Path & Trails	962,997	103,637	-	103,637	1,066,634	-
121 Technology	-	256	-	256	256	-
188 Strategic Reserve Fund	2,656,969	85,166	-	85,166	2,742,135	3,000,000
189 Parks Reserve Fund	1,265,796	10,693	-	10,693	1,276,488	1,125,000***
Subtotal Special Revenue Funds	**15,971,353**	**12,899,899**	**13,020,150**	**(120,251)**	**15,851,101**	**$9,625,000**
201 Debt Service Fund	**2,956,848**	**843,625**	**214,636**	**628,989**	**3,585,837**	-
Capital Project Funds:						
301 Downtown Redevelopment	1,431,611	58,980	-	58,980	1,490,590	-
302 Municipal Facilities	282,779	2,389	-	2,389	285,167	-
303 Parks	1,637,206	334,818	207,887	126,932	1,764,138	-
304 Surface Water Management	2,886,075	1,026,956	102,434	924,522	3,810,598	-
306 Transportation	8,910,374	1,780,890	3,264,336	(1,483,446)	7,426,928	-
307 Capital Project Reserve Fund	360,520	3,045	-	3,045	363,566	-
308 PAEC Capital Fund	(7,351,556)	649,916	58,372	591,545	(6,760,012)	-
Subtotal Capital Project Funds	**8,157,009**	**3,856,995**	**3,633,029**	**223,966**	**8,380,975**	-
Enterprise Funds:						
401 Surface Water Management	2,373,543	2,454,117	2,817,596	(363,478)	2,010,064	690,000
402 Dumas Bay Centre Fund	1,585,695	486,260	401,330	84,931	1,670,625	1,500,000***
Subtotal Enterprise Funds	**3,959,237**	**2,940,377**	**3,218,925**	**(278,548)**	**3,680,689**	**2,190,000**
Internal Service Funds						
501 Risk Management	1,595,478	633,849	761,041	(127,192)	1,468,286	1,200,000
502 Information Systems	3,753,608	1,003,136	1,442,970	(439,834)	3,313,774	-
503 Mail & Duplication	199,068	77,977	45,742	32,235	231,303	-
504 Fleet & Equipment	7,628,193	1,139,592	1,189,392	(49,800)	7,578,393	-
505 Buildings & Furnishings	3,019,790	269,725	241,034	28,691	3,048,481	2,000,000
506 Health Self Insurance Fund	2,940,231	2,470,804	1,982,962	487,842	3,428,074	$0****
507 Unemployment Insurance Fund	279,116	2,365	2,688	(324)	278,792	250,000
Subtotal Internal Service Funds	**19,415,484**	**5,597,447**	**5,665,828**	**(68,381)**	**19,347,103**	**3,450,000**
Total All Funds	**$ 62,121,983**	**$ 51,384,787**	**$ 53,161,063**	**$ (1,776,276)**	**$ 60,345,706**	

**The Fund balance prior to any adjustments or depreciation*

*** The General and Street Fund required fund balance is $9.5M and the current ending fund balance as of 06/30/2019 is $9,500,000.*

****The fund balances were increased in January of 2018.*

*****The Health Self Insurance Fund will maintain a reserve in an amount not less than 16 weeks of budgeted expenses as recommended by our consultant.*