

**CITY OF FEDERAL WAY  
CITY COUNCIL  
AGENDA BILL**

**SUBJECT: DECEMBER 2013 MONTHLY FINANCIAL REPORT**

**POLICY QUESTION:** Should the Council approve the December 2013 Monthly Financial Report?

**COMMITTEE:** Finance, Economic Development and Regional Affairs Committee

**MEETING DATE:** February 25, 2014

**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:** Bob Noland, Interim Finance Director

**DEPT:** Finance

**Attachments:**

- December 2013 Monthly Financial Report

**Options Considered:**

- Approve the December 2013 Monthly Financial Report as presented
- Deny approval of the December 2013 Monthly Financial Report and provide direction to staff.

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

**MAYOR APPROVAL:**

\_\_\_\_\_  
Committee                  Council

**DIRECTOR APPROVAL:**

\_\_\_\_\_  
Initial

**CHIEF OF STAFF:**

\_\_\_\_\_  
Committee                  Council

**COMMITTEE RECOMMENDATION:** *I move to forward approval of the December 2013 Monthly Financial Report to the March 4, 2014 consent agenda for approval.*

\_\_\_\_\_  
Committee Chair

\_\_\_\_\_  
Committee Member

\_\_\_\_\_  
Committee Member

**PROPOSED COUNCIL MOTION:** *“I move approval of the December 2013 Monthly Financial Report.”*

*(BELOW TO BE COMPLETED BY CITY CLERKS OFFICE)*

**COUNCIL ACTION:**

- APPROVED
- DENIED
- TABLED/DEFERRED/NO ACTION
- MOVED TO SECOND READING (*ordinances only*)

REVISED – 08/12/2010

**COUNCIL BILL #** \_\_\_\_\_

**1<sup>ST</sup> reading** \_\_\_\_\_

**Enactment reading** \_\_\_\_\_

**ORDINANCE #** \_\_\_\_\_

**RESOLUTION #** \_\_\_\_\_



## December 2013 Monthly Financial Report - Highlights

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The following are highlights of the December 2013 Monthly Financial Report. Detailed financial information can be found in the monthly financial report itself.

### General & Street Fund Summary

Revenues are above the annual budget by \$941K or 2.8% with all revenues on target or above annual budget except for public works permits and fees.

Expenditures are under annual budget by \$2.64M or 6.2% with all departments below estimates except for Jail. Jail exceeds the annual budget estimate due to work release and alternatives to confinement programs.

**Property tax** is above annual 2012 by \$0K or less than 1.0% and exceeds annual budget by \$0K or 1.0%.

**Sales tax** exceeds annual 2012 by \$812K or 7.7% and also exceeds annual budget by \$154K or 1.4%. Retail sales (increase of \$317K or 5.5%), services (increase of \$268K or 11.5%) and construction (increase of \$192K or 22.3%) account for the majority of the increase compared to annual 2012.

Additionally, **criminal justice sales tax** collected county-wide also exceeds annual 2012 by \$128K or 6.8% and annual budget by \$99K or 5.0% which further indicates overall sales tax revenue growth.

**Community and Economic Development permits and fees** exceed the annual 2012 by \$632K or 40.2% and annual budget by \$306K or 16.1%. Significant permit revenues received annual 2013 include Wynstone East, Federal Way Townhomes, Kohls, Davita and Celebration Senior Living Apartments and Park 16 multi-family development.

**Court revenue** exceeds annual 2012 by \$66K or 4.6% and also exceeds annual budget by \$11K or 0.6%. Traffic and non-parking fines and interest/miscellaneous/other account for the majority of the increase. The original court revenue estimate of \$1.5M was reduced by \$70K during the 2013/14 adopted budget process due to trends at the time of budget development. The current \$1.43M annual revenue estimate at the time of budget development is in line with 2012 annual revenue of \$1.45M, although court revenue has significantly increased annually.

### Designated Operating Funds

Revenues are above the annual budget by \$1.15M or 3.1%.

Expenditures are below annual budget by \$1.06M or 4.6% and are due to timing while others are a result of savings.

**Utility tax** revenues received annual as reported on the monthly financial report totals \$12.58M and is \$499K or 3.8% below annual 2012 and \$90K or 0.7% above budget.

The current 2013 annual estimate compared to 2012 actual collections with adjusted December variances, are as follows:

- Electricity – projected annual increase of \$17K or 0.4% / current YTD decrease of \$292K or 6%.
- Gas – projected annual increase of \$142K or 8% / current YTD decrease of \$64K or 3.6%
- Cable – decrease by \$46K or 3% / current YTD increase of \$75K or 5.1%
- Phone – decrease by \$322K or 31% / current YTD decrease of \$97K or 9.4%
- Cellular – decrease by \$67K or 3% / current YTD decrease of \$159K or 6.2%

**Real estate excise tax** annual revenues of \$2.03M exceeds annual 2012 by \$528K or 35.0% and also exceeds the annual budget by \$635K or 45.4%. There were 79 taxable residential sales (total sales \$17.5M / \$87K tax). *Note – added residential sales information as requested by Council at the August FEDRAC meeting.*

**Red light photo/school zone cameras** annual net revenue totals \$2.13M and is below annual 2012 by \$130K or 5.7%.

**Federal Way Community Center** continues to increase revenues while controlling expenditures.

Annual operating revenues total \$1.80M, which is above the annual budget by \$153K or 8.5% and also above the annual 2012 by \$58K or 3.3%. Major revenue increases are in passes and both fitness and swimming lessons/classes.

Annual operating expenditures total \$2.12M, which is below the annual budget by \$47K or 2.2% and \$9K or 1% above annual 2012. Increases in personnel and supplies cost is largely due to program costs that are offset by the increase in program revenue. The decrease in other services and charges is due to timing and more efficient and cost-effective approach to advertising as well as doing more repairs and maintenance in-house versus contract. The decrease in utility costs is due to energy efficiency efforts.

The annual operating loss of \$325K is substantially less than the annual estimate of \$525K and annual 2012 of \$375K. This better than expected performance results in less utility tax subsidy needed for operations and increases the utility tax contribution to capital reserves. Annually, only \$325K or 61.9% of the annual \$525K operating subsidy is needed.

Ending fund balance earmarked for capital reserves in 2013 is \$1.60M.

**Dumas Bay Center**, similar to the Community Center, also continues increase revenues while controlling expenditures.

Annual operating revenues total \$623K, which is \$5K or 0.9% below the annual budget (*note – expenditures are also below budget*) but exceeds annual 2012 by \$35K or 6.0%.

Annual operating expenses total \$639K, which is \$39K or 5.9% below the annual budget and \$19K or 2.9% above annual 2012. The increase in expenses is due to an increase in overnight rental activity and associated costs with janitorial and operations in providing conference and retreat services.

The year-end ending fund balance is \$213K compared to the 2012 \$139K ending fund balance. The 2013 ending fund balance includes funding for theatre management, roof repair, pump station and other capital maintenance that have not yet been spent.



## December 2013 Monthly Financial Report - Detail

GENERAL & STREET FUND SUMMARY	2012		2013		YTD Budget vs. Actual	
	Annual Budget	Annual Actual	Annual Budget	Annual Actual	Favorable/(Unfavorable)	
					\$	%
<b>Beginning Fund Balance</b>	<b>\$ 12,743,855</b>	<b>\$ 12,743,855</b>	<b>\$ 15,034,799</b>	<b>\$ 15,034,802</b>	<b>n/a</b>	<b>n/a</b>
<b>Revenues:</b>						
Property Taxes	9,825,000	9,978,143	9,978,000	10,004,862	26,862	0.3%
Sales Tax	10,586,000	10,534,147	11,192,000	11,346,338	154,338	1.4%
Criminal Justice Sales Tax	1,719,000	1,864,991	1,894,000	1,992,667	98,667	5.0%
Gambling Taxes	168,000	114,443	145,000	178,696	33,696	18.9%
State Shared Revenue	2,269,000	2,456,913	2,194,000	2,315,823	121,823	5.3%
Leasehold Tax	6,000	5,820	6,000	5,989	(11)	-0.2%
Court Revenue	1,530,818	1,445,294	1,501,000	1,511,606	10,606	0.7%
CED Permits & Fees	1,105,147	1,571,606	1,897,281	2,203,426	306,145	13.9%
PW Permits & Fees	316,895	314,830	317,000	300,537	(16,463)	-5.5%
Business License Fees	252,000	251,664	252,000	253,417	1,417	0.6%
Franchise Fees	981,000	1,004,026	1,041,000	1,049,177	8,177	0.8%
Passport Agency Fees	70,000	56,825	55,000	66,075	11,075	16.8%
Park & General Recreation Fees	960,171	942,005	961,465	987,018	25,553	2.6%
Police Services	930,000	952,993	905,000	1,001,908	96,908	9.7%
Admin/Cash Management Fees	515,598	515,602	521,117	521,117	(0)	0.0%
Interest Earnings	34,000	19,206	26,000	25,120	(880)	-3.5%
Miscellaneous/Other	267,520	322,177	219,000	282,401	63,401	22.5%
<b>Total Revenues</b>	<b>31,536,149</b>	<b>32,350,687</b>	<b>33,104,863</b>	<b>34,046,176</b>	<b>941,313</b>	<b>2.8%</b>
<b>Expenditures:</b>						
City Council	379,499	360,461	389,317	372,242	17,075	4.6%
Mayor's Office	1,169,147	990,383	1,060,744	1,022,255	38,489	3.8%
Community Development	2,483,858	2,133,022	2,431,264	2,091,751	339,513	16.2%
Economic Development	239,884	155,165	237,086	111,449	125,637	112.7%
Human Services	862,735	758,311	789,960	788,679	1,281	0.2%
Finance	896,215	833,419	898,063	854,044	44,019	5.2%
Human Resources	854,773	666,348	990,873	814,413	176,460	21.7%
Law	1,631,094	1,369,469	1,482,042	1,408,750	73,292	5.2%
Municipal Court	1,607,112	1,421,727	1,586,447	1,480,302	106,145	7.2%
Jail	2,937,000	2,471,531	3,871,896	3,939,387	(67,491)	-1.7%
Police	22,424,601	21,801,343	22,586,388	21,949,032	637,356	2.9%
Parks & Recreation	4,032,614	3,684,940	4,256,128	3,969,894	286,234	7.2%
Public Works	5,056,814	4,098,760	4,869,384	4,004,066	865,318	21.6%
<b>Total Expenditures</b>	<b>44,575,346</b>	<b>40,744,879</b>	<b>45,449,592</b>	<b>42,806,263</b>	<b>2,643,329</b>	<b>6.2%</b>
<b>Revenues over/(under) Expenditures</b>	<b>(13,039,197)</b>	<b>(8,394,191)</b>	<b>(12,344,729)</b>	<b>(8,760,088)</b>	<b>3,584,641</b>	<b>-40.9%</b>
<b>Other Sources:</b>						
Ongoing Transfers In:						
Red Light/School Zone for PD, CT, TR	830,000	830,000	1,075,040	1,075,040	-	0.0%
Utility Tax for Designated Programs	2,287,000	2,287,000	1,343,000	1,343,000	-	0.0%
Utility Tax for Operations	3,940,000	3,940,000	3,893,000	3,893,000	-	0.0%
Utility Tax for Prop 1 Voter Package	2,980,187	2,702,868	2,980,187	2,877,100	(103,087)	-3.6%
One-Time Transfers In/Grants/Other	1,215,536	1,167,899	1,423,722	1,148,193	(275,529)	-24.0%
<b>Total Other Financing Sources</b>	<b>11,252,723</b>	<b>10,927,767</b>	<b>10,714,949</b>	<b>10,336,333</b>	<b>(378,616)</b>	<b>-3.7%</b>
<b>Other Uses:</b>						
Contingency Reserve Funds	1,111,698	-	1,125,000	-	1,125,000	n/a
1-Time Transfers Out/Other/Unalloc IS	1,188,216	242,629	1,770,163	370,753	1,399,410	377.5%
<b>Total Other Financing Uses</b>	<b>2,299,914</b>	<b>242,629</b>	<b>2,895,163</b>	<b>370,753</b>	<b>2,524,410</b>	<b>680.9%</b>
<b>Total Ending Fund Balance</b>	<b>\$ 8,657,467</b>	<b>\$ 15,034,800</b>	<b>\$ 10,509,856</b>	<b>\$ 16,240,294</b>	<b>n/a</b>	<b>n/a</b>

DESIGNATED OPERATING FUNDS SUMMARY	2012		2013		YTD Budget vs. Actual Favorable/(Unfavorable)	
	Annual Budget	Annual Actual	Annual Budget	Annual Actual	\$	%
	<b>Beginning Fund Balance</b>	<b>\$ 12,965,264</b>	<b>\$ 12,965,272</b>	<b>\$ 15,908,751</b>	<b>\$ 15,908,751</b>	<b>n/a</b>
<b>Revenues:</b>						
Utility Tax	9,519,968	10,140,799	9,672,774	9,742,707	69,933	0.7%
Utility Tax - Prop 1 Voter Package	2,900,032	2,942,379	2,821,226	2,841,586	20,360	0.7%
Hotel/Motel Lodging Tax	193,440	193,345	195,000	208,839	13,839	6.6%
Real Estate Excise Tax	1,400,000	1,507,314	1,400,000	2,034,033	634,033	31.2%
Property Tax - King Co Expansion Levy	155,000	160,611	155,000	141,417	(13,583)	-9.6%
State Shared Revenue	508,000	493,586	495,000	497,148	2,148	0.4%
Red Light/School Zone Enforcement	830,000	2,256,636	2,455,000	2,743,113	288,113	10.5%
Federal Way Community Center	1,558,622	1,738,039	1,643,500	1,796,064	152,564	8.5%
Dumas Bay Centre Fund	587,732	587,506	628,251	622,879	(5,372)	-0.9%
Surface Water Management Fees	3,164,969	3,544,656	3,456,000	3,426,616	(29,384)	-0.9%
Refuse Collection Fees	278,120	282,584	284,671	299,337	14,666	4.9%
Interest Earnings	30,000	11,193	15,300	19,541	4,241	21.7%
Miscellaneous/Other	28,036	30,452	12,853,428	12,857,187	3,759	0.0%
<b>Total Revenues</b>	<b>21,153,919</b>	<b>23,889,100</b>	<b>36,075,150</b>	<b>37,230,465</b>	<b>1,155,315</b>	<b>3.1%</b>
<b>Expenditures:</b>						
Arterial Streets Overlay Program	1,993,204	1,937,144	1,616,029	1,463,241	152,788	10.4%
Utility Tax Admin/Cash Mgmt Fees	49,000	48,999	48,000	48,000	-	0.0%
Solid Waste & Recycling	456,441	409,042	512,071	468,220	43,851	9.4%
Hotel/Motel Lodging Tax	409,923	304,490	297,716	86,396	211,320	244.6%
Traffic Safety (Red Light/School Zone)	26,754	9,386	651,754	616,092	35,662	5.8%
Debt Service (Debt & Admin Fee)	1,157,669	1,083,332	14,767,370	14,756,476	10,894	0.1%
Federal Way Community Center	2,146,355	2,112,597	2,168,353	2,121,411	46,943	2.2%
Dumas Bay Centre Fund	688,510	620,905	679,049	639,053	39,996	6.3%
Surface Water Management	3,521,518	2,764,655	3,354,182	2,834,262	519,920	18.3%
<b>Total Expenditures</b>	<b>10,449,375</b>	<b>9,290,549</b>	<b>24,094,524</b>	<b>23,033,152</b>	<b>1,061,373</b>	<b>4.6%</b>
<b>Revenues over/(under) Expenditures</b>	<b>10,704,544</b>	<b>14,598,550</b>	<b>11,980,626</b>	<b>14,197,313</b>	<b>2,216,688</b>	<b>15.6%</b>
<b>Other Sources:</b>						
Ongoing Transfers In:						
Utility Tax for DBC Oper/Reserves	113,000	113,000	112,000	112,000	-	0.0%
Utility Tax for FWCC Oper/Reserves	706,000	706,000	792,797	794,449	1,652	0.2%
Utility Tax for FWCC & SCORE Debt	915,000	913,892	2,531,876	2,530,224	(1,652)	-0.1%
Utility Tax for Arterial Streets Overlay	1,021,000	1,021,000	998,000	998,000	-	0.0%
1-Time Transfers/Grants/Other	639,506	557,417	713,013	661,862	(51,151)	-7.7%
<b>Total Other Sources</b>	<b>3,394,506</b>	<b>3,311,310</b>	<b>5,147,686</b>	<b>5,096,535</b>	<b>(51,151)</b>	<b>-1.0%</b>
<b>Other Uses:</b>						
Ongoing Transfer Out:						
Red Light/School Zone for PD, CT, TR	830,000	830,000	1,075,040	1,302,040	(227,000)	-17.4%
Utility Tax to FWCC Oper/Reserves	706,000	706,001	683,000	683,000	(0)	0.0%
Utility Tax to FWCC & SCORE Debt	915,000	913,892	2,641,673	2,641,673	-	0.0%
Utility Tax to DBC Oper/Reserves	113,000	113,000	112,000	112,000	-	0.0%
Utility Tax to Arterial Streets Overlay	1,021,000	1,021,000	998,000	998,000	-	0.0%
Utility Tax to Transportation Capital	696,000	696,000	681,000	681,000	-	0.0%
Utility Tax to General/Street Oper	6,227,000	6,227,000	5,236,000	5,236,000	-	0.0%
Utility Tax to Prop 1 Voter Package	2,980,187	2,702,868	2,980,187	2,877,100	103,087	3.6%
1-Time Transfers/Other/Unalloc IS	1,824,821	1,756,623	2,781,918	2,439,102	342,816	14.1%
<b>Total Other Uses</b>	<b>15,313,008</b>	<b>14,966,384</b>	<b>17,188,818</b>	<b>16,969,915</b>	<b>218,903</b>	<b>1.3%</b>
<b>Ending Fund Balance</b>						
Arterial Streets Overlay	0	79,529	-	159,530	n/a	n/a
Utility Tax (non-Prop 1)	3,057,715	3,572,738	2,392,878	2,622,105	n/a	n/a
Utility Tax - Prop 1 Voter Package	656,960	1,080,948	1,080,948	1,045,434	n/a	n/a
Solid Waste & Recycling	150,394	172,002	151,928	211,761	n/a	n/a
Hotel/Motel Lodging Tax	0	102,416	-	227,034	n/a	n/a
Federal Way Community Center	987,446	1,197,499	1,397,691	1,597,515	n/a	n/a
Traffic Safety Fund	530,323	1,975,867	2,477,072	2,804,483	n/a	n/a
Paths & Trails	159,807	166,668	175,668	162,440	n/a	n/a
Debt Service Fund	4,013,514	4,182,345	4,604,011	5,248,335	n/a	n/a
Surface Water Management	2,195,153	3,240,038	3,506,844	3,941,068	n/a	n/a
Dumas Bay Centre Fund	(6)	138,697	61,203	212,979	n/a	n/a
<b>Total Ending Fund Balance</b>	<b>\$ 11,751,304</b>	<b>\$ 15,908,748</b>	<b>\$ 15,848,243</b>	<b>\$ 18,232,684</b>	<b>n/a</b>	<b>n/a</b>

## Sales Tax

Compared to annual 2012 actual, sales tax revenues are up by \$812K or 7.7%. Annual sales tax collection of \$1M is \$79K or 8.6% above 2012's Annual sales tax of \$922K. Compared to annual 2013 budget, annual sales tax revenues are above by \$154K or 1.4%.

LOCAL RETAIL SALES TAX REVENUES							
Annual 2013							
Month	2012 Actual	2013		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2012		2013 Actual vs Budget	
				\$	%	\$	%
Jan	\$ 896,190	899,678	856,430	(39,761)	-4.4%	(43,248)	-4.8%
Feb	1,022,314	1,214,199	1,186,414	164,100	16%	(27,785)	-2.3%
Mar	792,916	828,488	836,112	43,196	5.4%	7,624	0.9%
Apr	742,615	836,084	841,788	99,172	13.4%	5,703	0.7%
May	877,492	965,701	964,840	87,347	10.0%	(862)	-0.1%
Jun	811,359	843,786	869,426	58,067	7.2%	25,640	3.0%
Jul	856,071	884,884	890,558	34,486	4.0%	5,674	0.6%
Aug	916,840	998,430	986,677	69,837	7.6%	(11,753)	-1.2%
Sep	917,952	973,107	981,082	63,130	6.9%	7,975	0.8%
Oct	941,250	952,185	954,311	13,062	1.4%	2,126	0.2%
Nov	921,590	953,694	1,000,875	79,284	8.6%	47,181	4.9%
Dec	837,557	841,763	977,831	140,274	16.7%	136,068	16.2%
<b>YTD Total</b>	<b>\$ 10,534,147</b>	<b>\$ 11,192,000</b>	<b>\$ 11,346,343</b>	<b>\$ 812,196</b>	<b>7.7%</b>	<b>\$ 154,343</b>	<b>1.4%</b>
<b>Annual Total</b>	<b>\$ 10,534,146</b>	<b>\$ 11,192,000</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

COMPARISON OF SALES TAX COLLECTIONS BY SIC GROUP						
Component Group	2012 Annual 2013	2013 Annual 2013	Favorable/(Unfavorable) Change from 2012		Explanation	
			\$	%		
Retail Trade	\$ 5,739,670	\$ 6,056,449	\$ 316,779	5.5%	Up \$317K - Building & Garden Materials, Clothing & Accessories, Furniture & Home Goods, Gasoline Stations, General Merchandise Stores, Motor Vehicle & Parts Dealer, Nonstore Retailers, Sporting Goods/Hobby/Book, Food & Beverage Stores, Health & Personal Care Stores, Electronics & Appliances	
Services	2,328,726	2,597,216	268,490	11.5%	Up \$268K - Accommodation, Admin & Support Services, Repairs/Maint, Waste Mgmt, Remediation, Rental/Leasing, Food Services/Drinking places, Hospitals (due to negative audit adjustment of \$66K), Ambulatory Health Care, Amusement, Gambling, and Rec, Professional/Scientific/Tech	
Construct	857,781	1,049,341	191,560	22.3%	Up \$259K - Specialty Trade Contractors & Construction of Buildings Down \$67K - Heavy & Civil Construction	
Wholesaling	426,322	430,386	4,064	1.0%	Up \$4K - Wholesale Trade, Durable & Nondurable goods	
Transp/Utility	8,007	2,965	(5,041)	-63.0%		
Information	521,833	537,721	15,888	3.0%	Up \$19K - Broadcasting, Internet Service Providers, Publishing, Other Information Services Down \$3K - Telecommunications	
Manufacturing	156,478	119,589	(36,889)	-23.6%	Up \$12K - Machinery Manufacturing, Food Manufacturing Down \$49K - Wood Product Manufacturing, Paper Manufacturing, Computer and Electronic, Furniture and related products, Apparel Manufacturing, Printing and Related Support, Fabricated Metal Product Manufacturing	
Government	120,701	143,793	23,092	19.1%	Up \$23K - Unclassifiable Accounts, State Dept	
Fin/Insurance /Real Estate	336,117	375,082	38,965	11.6%	Up \$41K - Central Banks, Insurance Carriers & Related, Rental/Leasing Svcs Down \$2K - Real Estate	
Other	38,512	33,800	(4,712)	-12.2%		
	<b>\$ 10,534,147</b>	<b>\$ 11,346,343</b>	<b>\$ 812,195</b>	<b>7.7%</b>		

SALES TAX COMPARISON by AREA					
Annual 2013					
Location	2012	2013	Favorable/(Unfavorable)		Explanation
			Chg from 2012		
			\$	%	
<b>YTD Total Sales Tax</b>	<b>\$ 10,534,152</b>	<b>\$ 11,346,343</b>	<b>\$ 812,191</b>	<b>7.7%</b>	
S 348th Retail Block	1,216,596	1,254,143	37,546	3.1%	Up \$32K Building Material & Garden Up \$12K General Merchandise Stores Down \$6K Electronics & Appliances
The Commons	917,915	925,014	7,099	0.8%	Up \$12K General Merchandise Stores Down \$2K Communications Down \$3K Retail Trade
S 312th to S 316th	817,686	796,212	(21,473)	-2.8%	Down \$4K Retail Automotive Gas Down \$14K General Merchandise Stores Down \$4K Retail Eating & Drinking
Pavilion Center	463,549	444,121	(19,429)	-4.3%	Down \$11K Electronics & Appliances Down \$4K Misc Store Retailers Down \$2K State Liquor Board Down \$2K Transportation/Communications
Hotels & Motels	174,364	185,308	10,944	6.7%	General Increase
FW Crossings	411,343	410,486	(856)	-0.2%	Up \$23K Misc Store Retailers Down \$6K Furniture & Home Furnishings Down \$18K Health & Personal Care
Gateway Center	194,685	193,306	(1,378)	-0.8%	Up \$1K Furniture & Home Furnishings Up \$3K Health & Personal Care Stores Up \$4K Telecommunications Down \$10K Food/Beverage Stores

### Utility Tax (Total 7.75%)

Total net utility taxes received annually of \$12.61M is \$500K or 3.8% below annual 2012 and \$89K or 0.7% above budget. \$292K of the variance is due to an audit payment in 2012 received from Puget Sound Energy not received in 2013.

Federal Way residents who are 65 years of age or older, disabled/unable to work, and qualified as low income during the calendar year would qualify for the City's Utility Tax Rebate Program. Payments that these qualified individuals made towards the utility tax that is passed from the utility company to the consumer is reimbursed by the City. This annual program opens January 1<sup>st</sup> and closes April 30<sup>th</sup> of each year. The City processed 189 rebates for the current year.

UTILITY TAXES							
Annual 2013							
Month	2012 Actual	2013		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2012		2013 Actual vs Budget	
				\$ Var	% Var	\$ Var	% Var
Jan	\$ 1,257,662	\$ 1,136,804	\$ 1,023,991	\$ (233,671)	-18.6%	\$ (112,814)	-9.9%
Feb	1,268,041	1,255,053	1,433,844	165,802	13.1%	178,791	14.2%
Mar	1,190,372	1,183,495	1,217,404	27,032	2.3%	33,909	2.9%
Apr	1,519,049	1,344,643	1,396,001	(123,048)	-8.1%	51,357	3.8%
May	1,048,429	1,067,830	1,093,122	44,693	4.3%	25,292	2.4%
Jun	793,896	873,293	794,555	658	0.1%	(78,739)	-9.0%
Jul	1,149,646	1,003,091	1,105,640	(44,006)	-3.8%	102,549	10.2%
Aug	833,215	832,184	865,028	31,813	3.8%	32,844	3.9%
Sept	400,925	626,966	382,414	(18,511)	-4.6%	(244,552)	-39.0%
Oct	1,319,188	1,103,247	1,273,265	(45,922)	-3.5%	170,019	15.4%
Nov	943,496	692,958	980,609	37,113	3.9%	287,651	41.5%
Dec	1,386,274	1,401,436	1,043,965	(342,309)	-24.7%	(357,471)	-25.5%
<b>Subtotal</b>	<b>\$ 13,110,193</b>	<b>\$ 12,521,000</b>	<b>\$ 12,609,836</b>	<b>\$ (500,357)</b>	<b>-3.8%</b>	<b>\$ 88,836</b>	<b>0.7%</b>
Rebate	(27,081)	(27,000)	(25,671)	1,410	-5.2%	1,329	-4.9%
<b>YTD Total</b>	<b>\$ 13,083,112</b>	<b>\$ 12,494,000</b>	<b>\$ 12,584,165</b>	<b>\$ (498,946)</b>	<b>-3.8%</b>	<b>\$ 90,165</b>	<b>0.7%</b>
<b>Annual Total</b>	<b>\$ 13,068,511</b>	<b>\$ 12,494,000</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

UTILITY TAXES - by Type				
Annual 2013				
Utility Type	2012 Actual	2013 Actual	Favorable/(Unfavorable) Change from 2012	
			\$	%
Electric	\$ 5,138,171	\$ 4,846,244	\$ (291,926)	-5.7%
Gas	1,774,917	1,710,484	(64,433)	-3.6%
Solid Waste	824,847	880,226	55,379	6.7%
Cable	1,475,992	1,550,750	74,758	5.1%
Phone	1,032,783	935,778	(97,006)	-9.4%
Cellular	2,578,894	2,419,752	(159,141)	-6.2%
Pager	435	1,216	781	179.6%
SWM	284,154	265,385	(18,769)	-6.6%
Tax Rebate	(27,081)	(25,671)	1,410	-5.2%
<b>YTD Total</b>	<b>\$ 13,083,112</b>	<b>\$ 12,584,165</b>	<b>\$ (498,947)</b>	<b>-3.8%</b>

**Proposition 1 Voter-Approved Utility Tax**

Annual 2013 Prop 1 expenditures total \$2.9M or 96.4% of the \$3M annual budget. Current life-to-date Prop 1 Utility tax collections total \$20.2M and expenditures total \$19.1M resulting in ending fund balance of \$1M.

PROP 1	2012		2013		Life To Date
	Budget	Actual	Budget	Actual	
<b>Beginning Balance:</b>	841,437	841,437	661,148	1,080,948	n/a
<b>OPERATING REVENUES</b>					
January	279,388	283,988	256,196	231,224	1,603,665
February	274,255	284,977	282,170	261,520	1,714,020
March	279,380	266,835	265,555	290,362	2,007,634
April	262,253	341,953	302,383	235,536	1,954,187
May	246,983	235,323	240,311	155,729	1,751,342
June	222,307	178,986	196,630	332,076	1,657,827
July	206,523	259,553	226,447	210,425	1,571,112
August	197,050	188,145	187,921	180,740	1,423,258
September	192,036	90,532	141,573	140,473	1,281,788
October	213,421	297,881	249,112	173,486	1,612,077
November	137,374	213,048	156,474	220,082	1,450,553
December	293,548	301,157	316,453	409,933	2,127,618
<b>Total Prop 1 Revenues:</b>	<b>2,804,516</b>	<b>2,942,379</b>	<b>2,821,226</b>	<b>2,841,586</b>	<b>20,155,081</b>
<b>OPERATING EXPENDITURES</b>					
<i>Public Safety Improvement Positions &amp; Costs:</i>					
Police Services (includes sworn positions, records clerk, and indirect Information Technology support costs)**	2,326,710	2,123,654	2,322,522	2,239,620	14,066,543
Court Services (includes Judge, Court Clerk, Prosecutor, public defender contract, and indirect IT support)	392,683	355,036	392,683	383,838	2,380,459
<b>Total Public Safety Improvement Costs</b>	<b>2,719,393</b>	<b>2,478,690</b>	<b>2,715,205</b>	<b>2,623,458</b>	<b>16,447,002</b>
<i>Community Safety Program Costs:</i>					
Code Enforcement Officer*	-	-	-	-	318,857
Code Enforcement Civil Attorney	69,341	60,105	69,341	64,893	417,864
Park Maintenance	113,555	100,501	113,555	110,528	679,659
<b>Total Community Safety Improvement Costs</b>	<b>182,896</b>	<b>160,606</b>	<b>182,896</b>	<b>175,421</b>	<b>1,416,380</b>
Indirect Support - HR Analyst	44,586	26,072	44,586	40,721	248,771
SafeCity M&O	37,500	37,500	37,500	37,500	208,428
<b>Subtotal Ongoing Expenditures</b>	<b>82,086</b>	<b>63,572</b>	<b>82,086</b>	<b>78,221</b>	<b>457,199</b>
SafeCity Startup	-	-	-	-	189,066
Other Transfer - Prop 1 OT for Police	-	-	-	-	600,000
<b>Subtotal Other Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>789,066</b>
<b>Total Prop 1 Expenditures:</b>	<b>2,984,375</b>	<b>2,702,868</b>	<b>2,980,187</b>	<b>2,877,100</b>	<b>19,109,647</b>
<b>Total Ending Fund Balance:</b>	<b>\$ 661,578</b>	<b>\$ 1,080,948</b>	<b>\$ 502,187</b>	<b>\$ 1,045,433</b>	<b>\$ 1,045,433</b>

\*Code Enforcement Officer 1.0 FTE frozen in 2011/12 remains frozen in 2013/14.

\*\* Police Officers 2.0 FTE previously frozen is one-time funded in 2013/14 by Traffic Safety Fund.

### Real Estate Excise Tax

Compared to 2012 annual actuals, collections are up \$528K or 35%. December's receipt of \$425K is above December 2012's actual by \$123K or 40.6% and above December 2013's projections by \$252K or 146.2%. Annual collections are above annual projections by \$635K or 45.4%.

December 2013 activities include 185 real estate transactions, of which 102 were tax exempt. There were 79 taxable residential sales (total sales \$17.5M / \$88K tax) and four commercial property transactions which were for Parkwood Apartments (sold for \$2.79M/ \$14K tax) Vacant Land (sold for \$6.0M/ \$30K tax) Top Foods Grocery (sold for \$6.50M/ \$32K tax) and Arcadia Townhomes (sold for 53.0M/ \$262K tax)

REAL ESTATE EXCISE TAX REVENUES							
Annual 2013							
Month	2012 Actual	2013		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2012		2013 Actual vs Budget	
				\$	%	\$	%
Jan	\$ 79,285	\$ 161,514	\$ 65,032	\$ (14,253)	-18.0%	\$ (96,483)	-59.7%
Feb	46,041	43,508	66,611	20,570	44.7%	23,103	53.1%
Mar	90,054	114,343	199,329	109,275	121.3%	84,985	74.3%
Apr	86,114	82,692	106,752	20,638	24.0%	24,060	29.1%
May	98,819	148,082	147,465	48,646	49.2%	(617)	-0.4%
Jun	199,060	172,115	211,838	12,778	6.4%	39,723	23.1%
Jul	83,626	136,547	234,849	151,223	180.8%	98,302	72.0%
Aug	91,170	70,312	139,187	48,017	52.7%	68,875	98.0%
Sep	92,663	107,383	134,947	42,284	45.6%	27,564	25.7%
Oct	158,572	93,701	114,028	(44,544)	-28.1%	20,327	21.7%
Nov	179,574	97,187	189,948	10,374	5.8%	92,761	95.4%
Dec	302,336	172,616	424,985	122,650	40.6%	252,369	146.2%
<b>YTD Total</b>	<b>1,507,313</b>	<b>1,400,000</b>	<b>2,034,971</b>	<b>527,657</b>	<b>35.0%</b>	<b>634,971</b>	<b>45.4%</b>
<b>Annual Total</b>	<b>\$ 1,507,313</b>	<b>\$ 1,400,000</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

### Hotel/Motel Lodging Tax

Hotel/Motel lodging tax received annual 2013 is \$209K and is above 2012's annual collections by \$16K or 8.1%. 2013 annual receipts are above annual projections by \$14K or 7.2%.

HOTEL/MOTEL LODGING TAX REVENUES							
Annual 2013							
Month	2012 Actual	2013		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2012		2013 Actual vs Budget	
				\$	%	\$	%
Jan	\$ 12,246	\$ 13,104	\$ 13,537	\$ 1,291	10.5%	\$ 433	3.3%
Feb	12,705	14,696	14,270	1,564	12.3%	(426)	-2.9%
Mar	12,070	11,351	12,771	700	5.8%	1,419	12.5%
Apr	14,318	14,345	14,441	123	0.9%	96	0.7%
May	17,670	17,625	18,168	498	2.8%	542	3.1%
Jun	12,328	13,302	13,666	1,338	10.9%	364	2.7%
Jul	14,722	15,812	15,606	885	6.0%	(206)	-1.3%
Aug	18,991	18,362	19,495	504	2.7%	1,133	6.2%
Sept	21,571	21,716	24,707	3,136	14.5%	2,991	13.8%
Oct	22,009	22,857	28,512	6,503	29.5%	5,655	24.7%
Nov	18,311	17,333	17,998	(313)	-1.7%	665	3.8%
Dec	16,401	14,497	15,825	(576)	-3.5%	1,328	9.2%
<b>YTD Total</b>	<b>\$ 193,344</b>	<b>\$ 195,000</b>	<b>\$ 208,996</b>	<b>\$ 15,652</b>	<b>8.1%</b>	<b>\$ 13,996</b>	<b>7.2%</b>
<b>Annual Total</b>	<b>\$ 193,344</b>	<b>\$ 195,000</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

### Permit Activity

Building, planning, and zoning permit activities are above 2012's annual activity by \$632K or 40.2%. Compared to annual budget, permit activity is up \$306K or 16.1%.

Some significant permits for 2013 include: Wynstone East, Federal Way Townhomes, Kohls, Davita, Park 16 Apartments and Celebration Senior Living Apartments.

BUILDING & LAND USE PERMITS AND FEES (CED)							
Annual 2013							
Month	2012 Actual	2013		Change from 2012		Favorable/(Unfavorable)	
		Budget	Actual	\$	%	\$	%
Jan	194,017	158,569	130,900	(63,117)	-32.5%	(27,669)	-17.4%
Feb	128,366	152,315	152,484	24,118	18.8%	169	0.1%
Mar	116,115	144,419	306,348	190,233	163.8%	161,929	112.1%
Apr	124,642	169,171	195,704	71,062	57.0%	26,533	15.7%
May	144,559	167,579	134,544	(10,015)	-6.9%	(33,035)	-19.7%
Jun	127,180	196,183	416,355	289,175	227.4%	220,172	112.2%
Jul	105,418	165,478	127,592	22,175	21.0%	(37,886)	-22.9%
Aug	172,270	206,705	171,633	(637)	-0.4%	(35,072)	-17.0%
Sept	125,430	137,909	131,550	6,119	4.9%	(6,360)	-4.6%
Oct	123,052	125,855	176,358	53,307	43.3%	50,503	40.1%
Nov	105,255	118,913	113,894	8,639	8.2%	(5,019)	-4.2%
Dec	105,302	154,185	146,064	40,762	38.7%	(8,121)	-5.3%
<b>YTD Total</b>	<b>\$ 1,571,606</b>	<b>\$ 1,897,281</b>	<b>\$ 2,203,426</b>	<b>\$ 631,820</b>	<b>40.2%</b>	<b>\$ 306,145</b>	<b>16.1%</b>
<b>Annual Total</b>	<b>\$ 1,571,606</b>	<b>\$ 1,897,281</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

**Police Department**

The total overtime budget of \$915K consists of \$686K for City overtime and \$230K for billable time.

Compared to annual budget, City portion overtime is \$58K or 8.4% above annual projections.

Compared to annual 2012 actuals, City portion overtime is 44K or 6.4% above prior year total. Including the increase in billable overtime, total overtime increased by \$42K or 4.9%.

The December 2013 overtime increase of \$18K from December 2012 actuals is attributable to an increase shift call in during the month of December.

PD Overtime by Type Annual 2013				
Type	2012 Actual	2013 Actual	(Favorable)/Unfavorable Change from 2012	
			\$	%
Training	\$ 16,247	\$ 34,336	\$ 18,090	111.3%
Court	37,020	28,327	(8,693)	-23.5%
Field Oper	542,869	575,596	32,727	6.0%
Other	102,540	104,882	2,342	2.3%
<b>City Portion</b>	<b>698,675</b>	<b>743,142</b>	<b>44,467</b>	<b>6.4%</b>
Contract/Grant	138,327	130,406	(7,921)	-5.7%
Traffic School	19,814	24,939	5,125	25.9%
<b>Billable</b>	<b>158,141</b>	<b>155,345</b>	<b>(2,796)</b>	<b>-1.8%</b>
<b>YTD Total</b>	<b>\$ 856,816</b>	<b>\$ 898,487</b>	<b>\$ 41,671</b>	<b>4.9%</b>

PD Overtime by Month Annual 2013							
Month	2012 Actual	2013		(Favorable)/Unfavorable			
		Budget	Actual	Change from 2012		2013 Actual vs Budget	
				\$	%	\$	%
Jan	\$ 57,441	\$ 63,457	\$ 56,595	\$ (847)	-1.5%	\$ (6,862)	-10.8%
Feb	65,486	50,127	62,964	(2,523)	-3.9%	12,837	25.6%
Mar	45,171	60,416	50,695	5,525	12.2%	(9,721)	-16.1%
Apr	51,108	55,376	65,049	13,941	27.3%	9,673	17.5%
May	48,017	62,081	54,787	6,770	14.1%	(7,294)	-11.7%
Jun	53,484	50,381	40,747	(12,737)	-23.8%	(9,634)	-19.1%
Jul	77,602	70,463	69,370	(8,232)	-10.6%	(1,093)	-1.6%
Aug	44,075	58,306	53,773	9,698	22.0%	(4,532)	-7.8%
Sep	66,346	55,712	59,074	(7,272)	-11.0%	3,362	6.0%
Oct	79,571	60,829	82,123	2,552	3.2%	21,294	35.0%
Nov	46,461	44,766	66,097	19,636	42.3%	21,330	47.6%
Dec	63,914	53,713	81,868	17,955	28.1%	28,155	52.4%
City Portion	698,676	685,627	743,142	44,466	6.4%	57,515	8.4%
Billable	158,141	229,539	155,345	(2,796)	-1.8%	(74,194)	-32.3%
<b>YTD Total</b>	<b>\$ 856,817</b>	<b>\$ 915,166</b>	<b>\$ 898,487</b>	<b>\$ 41,670</b>	<b>4.9%</b>	<b>\$ (16,679)</b>	<b>-1.8%</b>
Billable	\$ 0	\$ -	\$ -	\$ -	-	\$ -	-
<b>Annual Total</b>	<b>\$ 856,817</b>	<b>\$ 915,166</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

**Jail Services**

The total jail budget is \$4.79M and is comprised of \$3.87M for SCORE Jail maintenance & operation assessments and alternative programs and \$917K for debt service. The increase in the 2013 maintenance & operations assessment is due primarily to much lower estimated contract revenue and no one-time funds to offset costs. The annual debt service payment is roughly \$917K.

Jail and Alternatives to Confinement			
	2012	2013	
	Annual Actual	Annual Budget	Annual Actual
SCORE	\$ 1,780,651	\$ 3,771,900	\$ 3,771,920
Other Jail & Alternative Programs	163,011	100,000	167,467
<b>Subtotal M&amp;O</b>	<b>1,943,662</b>	<b>3,871,900</b>	<b>3,939,387</b>
Subtotal Debt Service	524,980	916,858	917,720
<b>Total</b>	<b>\$ 2,468,642</b>	<b>\$ 4,788,758</b>	<b>\$ 4,857,107</b>

### Traffic Safety - Red Light Photo/School Zone Enforcement

Red light photo & 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.

Currently there are a total of 14 cameras at 11 locations (8 of these cameras are red light and 6 are in the school zones). The original 4 red light cameras were activated in October 2008 and an additional 4 cameras were activated February 2010. The original 4 school zone cameras were activated February 2010 and an additional 2 cameras were activated December 2010.

Payments to ATS include \$4,750/month per location plus supplemental fees for check processing. Annual 2013 red light photo net revenues total \$2.13M which is below annual 2012 actuals by \$129K or 5.7%.

Red Light Photo/School Zone Enforcement								
Month	2012			2013			Variance Favorable/(Unfavorable)	
	Gross Revenue	Payments to ATS	Net Revenue	Gross Revenue	Payments to ATS	Net Revenue	\$ Variance	% Variance
Jan	\$ 140,361	\$ (52,910)	\$ 87,451	\$ 305,790	\$ (53,237)	\$ 252,553	\$ 165,102	188.8%
Feb	163,551	(53,000)	110,551	206,768	(53,209)	153,560	43,009	38.9%
Mar	230,342	(53,233)	177,109	235,118	(59,123)	175,996	(1,113)	-0.6%
Apr	224,418	(53,323)	171,095	260,705	(53,390)	207,315	36,220	21.2%
May	340,862	(53,689)	287,173	253,306	(53,194)	200,113	(87,061)	-30.3%
Jun	377,420	(53,759)	323,661	243,295	(53,276)	190,019	(133,642)	-41.3%
Jul	282,507	(39,263)	243,244	259,383	(39,238)	220,146	(23,099)	-9.5%
Aug	216,037	(39,092)	176,945	230,479	(38,881)	191,598	14,653	8.3%
Sep	144,215	(53,174)	91,041	154,855	(53,114)	101,741	10,700	11.8%
Oct	250,344	(53,651)	196,693	212,154	(53,330)	158,824	(37,869)	-19.3%
Nov	328,429	(53,485)	274,945	216,533	(53,113)	163,421	(111,524)	-40.6%
Dec	170,046	(53,318)	116,728	164,726	(52,990)	111,736	(4,991)	-4.3%
<b>YTD Total</b>	<b>\$ 2,868,531</b>	<b>\$ (611,896)</b>	<b>\$ 2,256,636</b>	<b>\$ 2,743,112</b>	<b>\$ (616,092)</b>	<b>\$ 2,127,021</b>	<b>\$ (129,615)</b>	<b>-5.7%</b>
<b>Annual Total</b>	<b>\$ 2,868,531</b>	<b>\$ (611,896)</b>	<b>\$ 2,256,636</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Annual Budget</b>	<b>n/a</b>	<b>n/a</b>	<b>830,000</b>	<b>n/a</b>	<b>n/a</b>	<b>830,000</b>	<b>n/a</b>	<b>n/a</b>

### Court

Court revenues are \$66K or 4.6% above 2012 annual actuals and \$10K or 1.0% above 2013 annual budget. The positive variance is mainly due to increase in traffic & non-parking.

COURT REVENUE Annual 2013							
Month	2012 Actual	2013		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2012		2013 Actual vs Budget	
				\$	%	\$	%
January	\$ 87,425	\$ 91,001	\$ 117,372	\$ 29,947	34.3%	\$ 26,371	29.0%
February	128,437	133,690	142,899	14,463	11.3%	9,210	6.9%
March	157,534	163,977	154,689	(2,844)	-1.8%	(9,288)	-5.7%
April	108,288	112,717	128,560	20,272	18.7%	15,843	14.1%
May	126,103	131,261	134,047	7,944	6.3%	2,786	2.1%
June	106,684	111,047	93,418	(13,266)	-12.4%	(17,629)	-15.9%
July	103,542	107,777	138,535	34,992	33.8%	30,757	28.5%
August	118,975	123,841	111,353	(7,622)	-6.4%	(12,488)	-10.1%
September	135,598	141,144	102,806	(32,792)	-24.2%	(38,338)	-27.2%
October	112,027	116,609	123,536	11,508	10.3%	6,926	5.9%
November	94,598	98,467	89,825	(4,773)	-5.0%	(8,642)	-8.8%
December	85,951	89,467	100,484	14,532	16.9%	11,017	12.3%
Probation	80,131	80,000	74,081	(6,050)	-7.5%	(5,919)	-7.4%
<b>Annual</b>	<b>\$ 1,445,294</b>	<b>\$ 1,501,000</b>	<b>\$ 1,511,606</b>	<b>\$ 66,312</b>	<b>4.6%</b>	<b>\$ 10,606</b>	<b>0.7%</b>
Probation	0	-	n/a	n/a	n/a	n/a	n/a
<b>Annual</b>	<b>\$ 1,445,294</b>	<b>\$ 1,501,000</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

COURT REVENUE Annual 2013						
	2012		2013		Favorable/(Unfavorable)	
	Actual	Actual	Actual	Actual	Change from 2012	
					\$	%
Civil Penalties	\$ 18,386	\$ 21,520	\$ 18,386	\$ 21,520	\$ 3,133	17.0%
Traffic & Non-Parking	786,090	844,812	786,090	844,812	58,722	7.5%
Parking Infractions	43,467	37,598	43,467	37,598	(5,870)	-13.5%
DUI & Other Misd	103,263	105,640	103,263	105,640	2,376	2.3%
Criminal Traffic Misd	1,233	1,885	1,233	1,885	652	52.9%
Criminal Costs	123,853	106,643	123,853	106,643	(17,209)	-13.9%
Interest / Other / Misc	77,149	109,582	77,149	109,582	32,433	42.0%
Criminal Conv Fees	79,981	79,911	79,981	79,911	(69)	-0.1%
Shared Court Costs	45,313	45,657	45,313	45,657	345	0.8%
Services & Charges	86,445	84,276	86,445	84,276	(2,169)	-2.5%
<b>Subtotal</b>	<b>\$ 1,365,180</b>	<b>\$ 1,437,525</b>	<b>\$ 1,365,180</b>	<b>\$ 1,437,525</b>	<b>\$ 72,345</b>	<b>5.3%</b>
Probation Services	80,131	74,081	80,131	74,081	(6,050)	-7.5%
<b>YTD Total</b>	<b>\$ 1,445,312</b>	<b>\$ 1,511,606</b>	<b>\$ 1,445,312</b>	<b>\$ 1,511,606</b>	<b>\$ 66,294</b>	<b>4.6%</b>

**Federal Way Community Center**

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

Federal Way Community Center	2012		2013		YTD Budget vs Actual	
	Budget	Annual Actual	Budget	Annual Actual	Favorable/(Unfavorable)	
					\$	%
<b>Beginning Fund Balance</b>	\$ 967,942	\$ 967,942	\$ 1,197,501	\$ 1,197,498	n/a	n/a
<b>Operating Revenues:</b>						
Daily Drop-ins	\$ 352,622	\$ 300,692	\$ 310,000	\$ 308,423	\$ (1,577)	-0.5%
Passes	630,000	837,410	770,000	863,267	93,267	10.8%
City Employee Membership Program	43,500	34,262	31,000	36,177	5,177	14.3%
Youth Athletic Programs	35,000	44,024	45,000	42,833	(2,167)	-5.1%
Aquatics Programs-Lessons/Classes	116,000	135,617	126,000	145,796	19,796	13.6%
Childcare Fees	9,000	8,959	9,000	7,089	(1,911)	-27.0%
Fitness Classes/Fitness Training	85,000	108,917	105,000	144,242	39,242	27.2%
Towel/equipment Rentals	7,000	3,830	4,000	3,747	(253)	-6.8%
Pool Rentals/Competitive-Lap Lanes	19,000	18,146	16,000	18,795	2,795	14.9%
Rentals	226,500	210,299	195,000	183,985	(11,015)	-6.0%
Merchandise Sales	10,000	8,330	7,500	10,240	2,740	26.8%
Concessions/Vending	-	1,067	-	5,067	5,067	n/a
Interest Earnings/Other Misc	-	1,487	-	1,403	1,403	n/a
General Park/Rec - Facility use charge	25,000	25,000	25,000	25,000	-	0.0%
<b>Total Operating Revenues</b>	<b>1,558,622</b>	<b>1,738,039</b>	<b>1,643,500</b>	<b>1,796,064</b>	<b>152,564</b>	<b>8.5%</b>
<b>Operating Expenditures:</b>						
Personnel Costs	1,301,607	1,331,035	1,331,807	1,351,549	(19,742)	-1.5%
Supplies	146,750	147,447	142,500	167,597	(25,097)	-15.0%
Other Services & Charges	176,300	169,083	172,500	159,492	13,008	8.2%
Utility Cost	380,000	335,862	385,000	308,634	76,366	24.7%
Intergovernmental	20,500	26,153	20,500	28,612	(8,112)	-28.4%
Capital	4,300	-	-	-	-	n/a
Internal Service Charges	116,898	103,016	116,046	105,526	10,520	10.0%
<b>Total Operating Expenditures</b>	<b>2,146,355</b>	<b>2,112,597</b>	<b>2,168,353</b>	<b>2,121,411</b>	<b>46,943</b>	<b>2.2%</b>
<b>Revenues Over / (Under) Expenditures</b>	<b>(587,733)</b>	<b>(374,558)</b>	<b>(524,853)</b>	<b>(325,347)</b>	<b>199,506</b>	<b>61.3%</b>
<b>Recovery Ratio</b>	<b>72.6%</b>	<b>82.3%</b>	<b>75.8%</b>	<b>84.7%</b>	<b>n/a</b>	<b>.</b>
<b>Other Sources :</b>						
Utility Tax - Reserves	87,000	281,117	267,944	469,102	201,158	42.9%
Utility Tax - Operations	619,000	424,883	524,853	325,347	(199,506)	-61.3%
Grant/Other Contribution	-	-	79,469	79,469	-	0.0%
<b>Total Other Sources</b>	<b>706,000</b>	<b>706,000</b>	<b>872,266</b>	<b>873,918</b>	<b>1,652</b>	<b>0.2%</b>
<b>Other Uses:</b>						n/a
Capital/Use of Reserves/Grants	46,590	51,563	147,221	148,557	(1,336)	-0.9%
Bad Debt Expense	52,175	50,325	-	-	-	n/a
<b>Total Other Uses</b>	<b>98,765</b>	<b>101,888</b>	<b>147,221</b>	<b>148,557</b>	<b>(1,336)</b>	<b>-0.9%</b>
<b>Net Income</b>	<b>19,502</b>	<b>229,553</b>	<b>200,192</b>	<b>400,014</b>	<b>199,822</b>	<b>50.0%</b>
<b>Ending Fund Balance</b>	<b>\$ 987,444</b>	<b>\$ 1,197,494</b>	<b>\$ 1,397,693</b>	<b>\$ 1,597,511</b>	<b>\$ 199,818</b>	<b>12.5%</b>

The operating revenue budget includes \$1.64M in user fees/program revenues, \$525K contribution from utility tax for operations, \$268K contribution from utility tax for reserves, and \$25K use charge from General Fund Recreation for use of the facility.

2013 annual operating revenues total \$1.80M which is \$153K or 8.5% above the annual budget. In comparison to 2013's annual budget:

- **Daily Drop-in revenues** are \$2K or 1.0% below mainly due to staffing efforts to up-sell daily guests to Membership Passes.

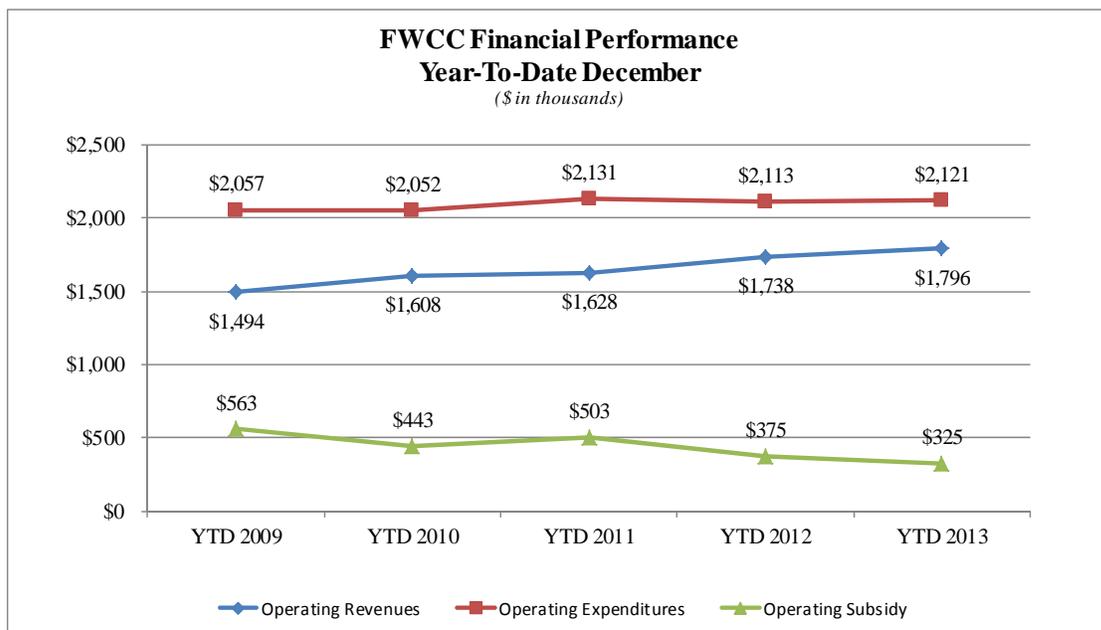
- **Pass revenues** are \$93K or 10.8% above due to marketing and membership retention efforts and high attendance in group exercise and aquatics programs for families. Strong program offerings are helping bring in new customers and retain current ones; in particular the addition of Group Ride and adjustments to pool hours to better serve families with young children.
- **Aquatic Programs** are \$20K or 13.6% above due to high enrollment in swim lessons, adult private swim lessons, and lifeguarding courses.
- **Fitness Classes** are \$39K or 27.2% above due to high enrollment in Group Training Programs, Biggest Loser Competition and Silver Sneakers.
- **Rental Revenues** are down \$11K or 6.0% below mainly due to payment timing from schools for gym rentals, and slower than average spring and summer special event rentals.

Annual operating expenditures total \$2.12M which is \$47K or 2.2% below annual budget. Federal Way Community Center has recovered 84.7% of operating expenditures compared to the annual budgeted recovery ratio of 75.8%. In comparison to 2013's annual budget:

- **Personnel Costs** are \$20K or 1.5% above due to higher than normal service and instructor levels during the busy first quarter of 2013. Service levels for late spring and summer of 2013 remained slightly above average due to increased participation and steady membership growth. Additional part-time staff was used during the Annual Maintenance Closure in September. Recently, additional part-time staffing has been needed to back-fill two full-time position vacancies. Also, there was termination pay in the amount of \$6K. Overall, the increased YTD expenditures are offset by excess membership, fitness and aquatic program revenues.
- **Supplies** are \$25K or 15.0% above due to excess supply needs during high membership times, a change to bulk storage of pool chemicals, and also increased demands throughout the year. Additional supply purchases have been made to address part and equipment replacements that have been done in-house by our Facility Operator and other staff.
- **Other Services & Charges** are \$13K or 8.2% below due to the timing of direct mail advertising pieces and a more efficient and cost-effective approach to advertising media. Also repairs and other services have been done in-house versus the use of contract services.
- **Utility Costs** are \$76K or 24.7% below due to City and Facility staffing efforts to improve energy efficiencies.

The City's utility tax contribution of \$794K for the Community Center is scheduled to provide \$525K for operations and \$268K for capital reserves. Annually \$325K is needed to cover maintenance and operations.

The chart below provides a history of year-to-date revenues, expenditures and utility tax operating subsidy.



## Dumas Bay Centre

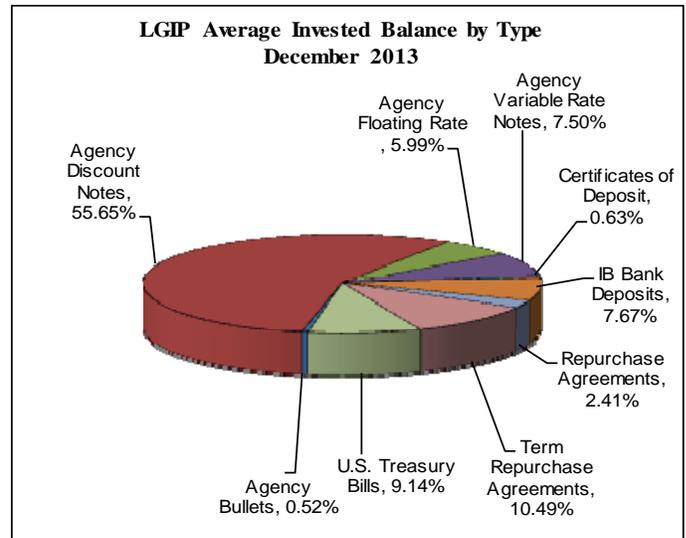
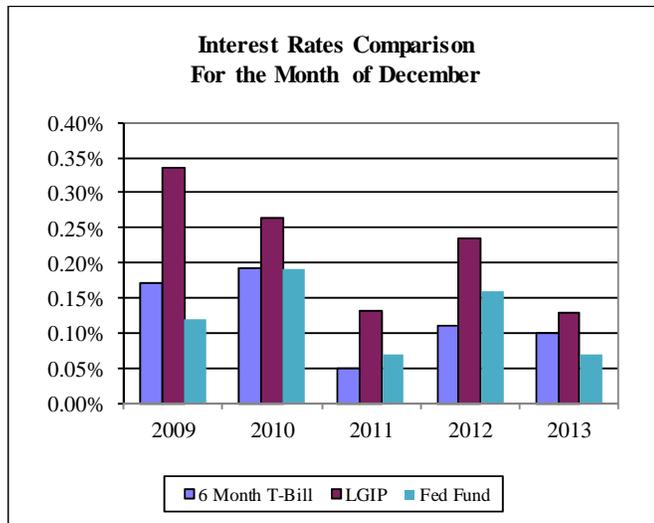
Dumas Bay Centre Fund annual revenue of \$623K is \$5K or 1.0% below annual budget but \$35K or 6.0% above annual 2012. The increase from annual 2012 is due to an increase in rental activities as a result of the marketing plan that was commissioned in 2011 as well as securing the return of returning overnight retreat groups.

Annual operating expenses total \$639K, which is \$40K or 5.9% above annual budget of \$679K. Expenses are above \$18K from annual 2012 due to cost saving processes in staffing and controlling food costs where possible. Although we are \$18k over on expenses the cost savings measures we implemented have worked as designed as we are \$35k up in revenue for rental events during the same period. We have also seen an increase in overnight rental activity associated costs with janitorial and operations in providing conference and retreat services. Ending fund balance for Dumas Bay Centre Fund is a positive \$213K, of which \$122K is earmarked for repairs and maintenance.

Dumas Bay Centre Fund Year-to-date thru December	2012		2013		Annual Budget vs Actual	
	Budget	Annual Actual	Budget	Annual Actual	Favorable/(Unfavorable) \$	%
<b>Beginning Fund Balance</b>	\$ 101,328	\$ 101,331	\$ 138,698	\$ 138,698	n/a	n/a
<b>Operating Revenues:</b>						
In-House Food Services	266,589	244,672	272,000	253,728	(18,272)	-7.2%
Dumas Bay Retreat Center	321,143	342,834	356,251	369,151	12,900	3.5%
Knutzen Family Theatre	-	-	-	-	-	n/a
<b>Total Operating Revenues</b>	<b>587,732</b>	<b>587,506</b>	<b>628,251</b>	<b>622,879</b>	<b>(5,372)</b>	<b>-0.9%</b>
<b>Operating Expenses:</b>						
In-House Food Services	245,059	232,491	238,559	212,165	26,394	12.4%
Dumas Bay Retreat Center	358,357	308,954	355,410	349,249	6,161	1.8%
Knutzen Family Theatre	85,095	79,460	85,080	77,638	7,442	9.6%
<b>Total Operating Expenses</b>	<b>688,510</b>	<b>620,905</b>	<b>679,049</b>	<b>639,053</b>	<b>39,996</b>	<b>5.9%</b>
<b>Revenues Over/(Under) Expenses</b>	<b>(100,778)</b>	<b>(33,399)</b>	<b>(50,798)</b>	<b>(16,174)</b>	<b>34,624</b>	<b>68.2%</b>
<b>Recovery Ratio</b>	<b>85.36%</b>	<b>94.62%</b>	<b>92.52%</b>	<b>97.47%</b>	<b>n/a</b>	<b>n/a</b>
Transfer In Gen Fund - Pump Station	23,500	23,500	-	-	-	n/a
Transfer In Gen Fund - Pump Station M&O	4,000	4,000	4,000	4,000	-	0.0%
Transfer In Utility Tax	113,000	113,000	112,000	112,000	-	0.0%
<b>Total Other Sources</b>	<b>140,500</b>	<b>140,500</b>	<b>116,000</b>	<b>116,000</b>	<b>-</b>	<b>n/a</b>
Marketing Study & Implementation	-	-	-	-	-	n/a
Pump Station M&O	4,000	540	8,000	-	8,000	n/a
Repairs & Maintenance	137,056	69,194	134,697	25,544	109,153	427.3%
<b>Total Other Uses</b>	<b>141,056</b>	<b>69,734</b>	<b>142,697</b>	<b>25,544</b>	<b>117,153</b>	<b>n/a</b>
<b>Net Income</b>	<b>(101,334)</b>	<b>37,366</b>	<b>(77,495)</b>	<b>74,282</b>	<b>151,777</b>	<b>204.3%</b>
<b>Ending Fund Balance</b>	<b>\$ (6)</b>	<b>\$ 138,697</b>	<b>\$ 61,203</b>	<b>\$ 212,979</b>	<b>\$ 151,776</b>	<b>71.3%</b>

## CASH & INVESTMENTS

Currently all excess balances totaling \$61.70M are invested in the Local Government Investment Pool (LGIP). The portfolio yield is 0.13%, which is above the average 6-month US Treasury Bill rate of 0.07%.



## FUND ACTIVITY SUMMARY

Fund #/Fund Name	Begin Balance 1/1/2013	YTD Revenue	YTD Expenditure	YTD Net Income/(loss)	Ending Balance 12/31/2013
<b>001/101 General/Street Fund</b>	<b>\$ 15,034,799</b>	<b>\$ 46,251,430</b>	<b>\$ 45,045,935</b>	<b>\$ 1,205,495</b>	<b>\$ 16,240,294</b>
<b>201 Debt Service Fund</b>	<b>4,182,345</b>	<b>17,394,467</b>	<b>16,328,476</b>	<b>1,065,991</b>	<b>5,248,336</b>
<i>Special Revenue Funds:</i>					
102 Arterial Street	79,530	1,543,242	1,463,241	80,002	159,531
103 Utility Tax (*)	4,653,686	12,590,626	13,576,772	(986,146)	3,667,540
106 Solid Waste & Recycling	172,002	507,979	468,220	39,759	211,761
107 Special Contracts/Studies Fund	502,375	642	145,998	(145,356)	357,019
109 Hotel/Motel Lodging Tax	102,416	211,014	86,396	124,618	227,034
110 2% for the Arts	293	-	-	-	293
111 Federal Way Community Center	1,197,498	2,669,981	2,269,968	400,014	1,597,512
112 Traffic Safety Fund	1,975,866	2,746,749	1,918,132	828,617	2,804,483
119 CDBG (**)	40,715	1,492,150	1,492,148	2	40,718
120 Path & Trails	166,668	150,772	155,000	(4,228)	162,439
<b>Subtotal Special Revenue Funds</b>	<b>8,891,049</b>	<b>21,913,156</b>	<b>21,575,874</b>	<b>337,281</b>	<b>9,228,330</b>
<i>Capital Project Funds:</i>					
301 Downtown Redevelopment	2,164,581	834,856	36,915	797,941	2,962,522
302 Municipal Facilities	1,137,852	574,202	1,029,615	(455,412)	682,440
303 Parks	2,260,265	488,306	315,070	173,236	2,433,501
304 Surface Water Management	2,557,098	890,975	1,045,331	(154,356)	2,402,742
306 Transportation	15,156,474	5,894,384	7,856,005	(1,961,621)	13,194,853
<b>Subtotal Capital Project Funds</b>	<b>23,276,270</b>	<b>8,682,723</b>	<b>10,282,935</b>	<b>(1,600,212)</b>	<b>21,676,058</b>
<i>Enterprise Funds:</i>					
401 Surface Water Management	3,240,038	3,773,290	3,072,261	701,029	3,941,067
402 Dumas Bay Centre Fund	138,698	738,879	664,597	74,282	212,979
<b>Subtotal Enterprise Funds</b>	<b>3,378,736</b>	<b>4,512,169</b>	<b>3,736,858</b>	<b>775,310</b>	<b>4,154,047</b>
<i>Internal Service Funds</i>					
501 Risk Management	5,557,874	1,425,542	1,338,925	86,616	5,644,490
502 Information Systems	3,617,260	1,888,788	1,713,093	175,695	3,792,955
503 Mail & Duplication	285,863	122,601	193,941	(71,340)	214,523
504 Fleet & Equipment	5,746,831	2,012,058	1,748,556	263,502	6,010,333
505 Buildings & Furnishings	1,577,132	651,393	517,794	133,599	1,710,731
<b>Subtotal Internal Service Funds</b>	<b>16,784,960</b>	<b>6,100,381</b>	<b>5,512,309</b>	<b>588,072</b>	<b>17,373,032</b>
<b>Total All Funds</b>	<b>\$ 71,548,159</b>	<b>\$ 104,854,326</b>	<b>\$ 102,482,388</b>	<b>\$ 2,371,938</b>	<b>\$ 73,920,097</b>