

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

SUBJECT: DECEMBER 2014 MONTHLY FINANCIAL REPORT

POLICY QUESTION: Should the Council approve the December 2014 Monthly Financial Report?

COMMITTEE: Finance, Economic Development and Regional Affairs Committee

MEETING DATE: February 24, 2015

CATEGORY:

Consent

Ordinance

Public Hearing

City Council Business

Resolution

Other

STAFF REPORT BY: Ade Ariwoola, Finance Director

DEPT: Finance

Attachments:

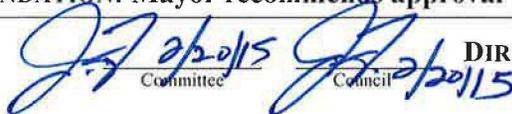
- December 2014 Monthly Financial Report

Options Considered:

1. Approve the December 2014 Monthly Financial Report as presented
2. Deny approval of the December 2014 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 2014 Monthly Financial Report to the March 3, 2015 consent agenda for approval.*

Committee Chair

Committee Member

Committee Member

PROPOSED COUNCIL MOTION: *"I move approval of the December 2014 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 # _____

1ST reading _____

Enactment reading _____

ORDINANCE # _____

RESOLUTION # _____

The following are highlights of the December 2014 Monthly Financial Report. Detailed financial information can be found in the December 2014 Monthly Financial Report detail. December is the end of the fiscal year reporting. This report includes the final activities through the end of 2014.

General & Street Fund Summary

Revenues are above the 2014 budget by \$2.6M or 7.8% with all revenues on target or above 2014 budget except for court revenues, and interest earnings.

Expenditures are below 2014 budget by \$816K or 1.7% with all departments below estimates except for Mayor's Office, Human Services, and Police but General Fund total expenditures were still below the approved budget. Some of the expenditure saving's are due to timing of payments. Mayor's Office is over 2014 budget by \$49K primarily due to large postage mailings for neighborhood connection meetings, recruiting services, and downtown redevelopment planning. Human Services is over 2014 budget by \$33K primarily due to additional salaries and wages that were not eligible to be charged to grants. Police Department is over 2014 budget by \$911K primarily due to labor cost increase as a result of new contract increase and increase in ammunition cost due to backorder of supplies.

Property tax is above 2013 annual actual by \$229K or 2.3% and above 2014 budget by \$156K or 1.6%.

Sales tax exceeds 2013 annual actual by \$827K or 7.3% and also exceeds 2014 budget by \$559K or 4.8%. Retail sales (increase of \$272K or 4.5%), services (increase of \$208K or 8.0%), construction (increase of \$249K or 23.7%), wholesaling (increase of \$71K or 16.4%), information (increase of \$79K or 14.6%), and government (increase of \$30K or 20.9%) account for the majority of the increase compared to annual 2013.

Additionally, **criminal justice sales tax** collected county-wide also exceeds 2013 annual actual by \$146K or 7.3% and 2014 budget by \$225K or 11.8% which further indicates overall sales tax revenue growth.

Community and Economic Development permits and fees are above the 2013 annual actual by \$856K or 38.9% and above 2014 budget by \$959K or 45.7%. Significant permit revenues received year-to-date include Wynstone East, Park 16 Apartments, Celebration Senior Living, Dicks Sporting Goods, High Point Building Apartments, Progressive Claims Office, Kitts Corner Apartments, and addition to Christian Faith Center School.

Court revenue is below 2013 annual actual by \$142K or 9.4% and also below 2014 budget by \$61K or 4.3% (last month was 5.2%). Traffic and non-parking fines, parking infractions, and criminal conviction fees account for the majority of the decrease. The enhanced signage, lighting, and continued enforcement activity is the primary reason for the reduction.

Park & General Recreation Fees is above 2013 annual actual by \$6K or 0.6% (0.4% last month) and above 2014 budget by \$56K or 5.9% (4.9% last month). Senior trips and tours revenue increased through the efforts of staff to market and promote the programs.

Designated Operating Funds

Revenues are above the 2014 budget by \$1.3M or 5.7% (7.0% last month).

Expenditures are below 2014 budget by \$1.3M or 10.9% (10.7% last month) and are primarily due to savings in Arterial Streets, Hotel/Motel Lodging tax, and Surface Water Management.

Utility tax revenues received annual as reported on the monthly financial report totals \$12.0M and is \$555K or 4.4% below 2013 annual actual and \$523K or 4.2% below 2014 budget.

The following is the comparison of 2014 annual actual to 2013 annual actual utility taxes by category:

- Electricity – current annual decrease by \$322K or 6.6%
- Gas – current annual decrease by \$103K or 6.0%
- Cable – current annual increase by \$27K or 1.7%
- Phone – current annual decrease by \$42K or 4.5%

Cellular – current annual decrease by \$131K or 5.4%

Real estate excise tax 2014 annual revenues of \$2.1M is above 2013 annual actual by \$29K or 1.4% and is above the 2014 budget by \$263K or 14.6%. There were 113 taxable residential sales (total sales \$27.9M / \$139K tax), and two commercial sales (total sales \$27.3M / \$136K tax).

Property Tax – King Co Expansion Levy – 2014 annual revenue of \$182K is expansion levy funds for paths and trails.

Red light photo/school zone cameras 2014 annual net revenue totals \$1.8M and is below 2013 annual actual by \$295K or 13.9% (19.4% last month).

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

2014 Annual operating revenues total \$1.9M, which is above the 2014 budget by \$208K or 12.6% and also above the 2013 annual actual by \$55K or 3.1%. Major revenue increases are in passes, drop in's, aquatics, and both fitness and rentals.

2014 Annual operating expenditures total \$2.2M, which is below the 2014 budget by \$31K or 1.4% and \$53K or 2.5% (2.3% last month) above 2013 annual actual. Increases in personnel cost is due to an increase in instructor hours for fitness and aquatics to accommodate demand. The increase in supplies is due to a few substantial pool system repairs, pool part replacements, and supplies primarily for resale at the Splash cafe. The decrease in utility costs is due to energy efficiency efforts and the City's utility payment is behind by one month when compared with 2013.

The 2014 annual revenues over / (under) expenditures of negative \$323K is substantially better than the 2014 budget of negative \$562K and on target with 2013 annual actual of negative \$325K. To date, only \$302K or 54.5% (41.8% last month) of the annual \$554K operating subsidy has been used.

Projected ending fund balance earmarked for capital reserves by the end of this year is \$1.6M, and we are ending with 1.6M.

Dumas Bay Center, is showing higher revenues annually of \$21K or 3.4% compared to 2013, and expenditures are over 2014 budget by \$33K or 4.8% (6.3% last month).

2014 annual operating revenues total \$644K, which is \$9K or 1.4% above the 2014 budget, and above 2013 annual actual by \$21K or 3.4%. The increase from annual 2013 is due to an increase in rental activities as a result of the marketing plan that was commissioned in 2011, the Google AdWords campaign put into action from the marketing plan as well as securing the return of returning overnight retreat groups.

2014 annual operating expenses total \$728K, which is \$33K or 4.8% above the 2014 budget and \$89K above 2013 annual actual. The increase in expenses over 2013 is due to change in staffing in the kitchen operation, termination pay for a previous chef, and increase in goods and services for the operation.

2014 annual revenues over / (under) expenditures of (\$84K) is below 2013 annual performance by \$101K.

The budgeted year-end ending fund balance is \$156K compared to the current \$181K ending fund balance which includes funding for theatre management, pump station and other capital maintenance that have not yet been fully spent.

Surface Water Management Fees – 2014 annual revenue of \$3.5M is above 2013 annual actual by \$35K or 1.0% and above 2014 budget by \$6K or 0.2%.

Interest Earnings – 2014 annual revenue of \$107K is above 2013 annual actual by \$87K or 4.5% and above 2014 budget by \$91K primarily due to audit of utility tax and interest penalty received by the City due to the audit.

December 2014 Monthly Financial Report - Detail

GENERAL & STREET FUND SUMMARY	2013		2014		2014 Budget vs. Actual	
	Annual Budget	Annual Actual	Annual Budget	Annual Actual	Favorable/(Unfavorable)	
					\$	%
Beginning Fund Balance	\$ 15,034,802	\$ 15,034,802	\$ 16,240,295	\$ 16,240,295	n/a	n/a
Revenues:						
Property Taxes	9,978,000	10,004,862	10,077,000	10,233,416	156,416	1.6%
Sales Tax	11,192,000	11,346,338	11,614,000	12,173,288	559,288	4.8%
Criminal Justice Sales Tax	1,894,000	1,992,667	1,913,000	2,138,406	225,406	11.8%
Gambling Taxes	145,000	178,696	145,000	176,068	31,068	21.4%
State Shared Revenue	2,194,000	2,315,823	2,171,000	2,355,979	184,979	8.5%
Leasehold Tax	6,000	5,989	6,000	6,693	693	11.6%
Court Revenue	1,501,000	1,511,606	1,431,000	1,370,107	(60,893)	-4.3%
CED Permits & Fees	1,897,281	2,203,426	2,100,577	3,059,772	959,195	45.7%
PW Permits & Fees	317,000	300,537	317,000	368,797	51,797	16.3%
Business License Fees	252,000	253,417	252,000	267,293	15,293	6.1%
Franchise Fees	1,041,000	1,049,177	1,041,000	1,070,983	29,983	2.9%
Passport Agency Fees	55,000	66,075	55,000	64,750	9,750	17.7%
Park & General Recreation Fees	961,465	987,018	937,000	992,680	55,680	5.9%
Police Services	905,000	1,001,908	765,000	1,058,716	293,716	38.4%
Admin/Cash Management Fees	521,117	521,117	520,314	520,314	-	0.0%
Interest Earnings	26,000	25,120	31,000	17,534	(13,466)	-43.4%
Miscellaneous/Other	219,000	282,401	219,000	332,703	113,703	51.9%
Total Revenues	33,104,863	34,046,176	33,594,891	36,207,498	2,612,607	7.8%
Expenditures:						
City Council	389,317	372,242	389,913	355,579	34,334	8.8%
Mayor's Office	1,060,744	1,022,255	1,287,346	1,336,396	(49,050)	-3.8%
Community Development	2,431,264	2,091,751	2,863,861	2,697,364	166,497	5.8%
Economic Development	237,086	111,449	364,864	131,364	233,500	64.0%
Human Services	789,960	788,679	778,640	811,456	(32,816)	-4.2%
Finance	898,063	854,044	999,938	962,916	37,022	3.7%
Human Resources	990,873	814,413	1,066,541	969,381	97,160	9.1%
Law	1,482,042	1,408,750	1,624,308	1,471,143	153,165	9.4%
Municipal Court	1,586,447	1,480,302	1,687,470	1,670,089	17,381	1.0%
Jail	3,871,896	3,939,387	4,159,831	4,004,632	155,199	3.7%
Police	22,586,388	21,949,032	22,987,085	23,898,496	(911,411)	-4.0%
Parks & Recreation	4,256,128	3,969,894	4,213,996	3,960,905	253,091	6.0%
Public Works	4,869,384	4,004,066	5,292,730	4,630,788	661,942	12.5%
Total Expenditures	45,449,592	42,806,263	47,716,523	46,900,509	816,014	1.7%
Revenues over/(under) Expenditures	(12,344,729)	(8,760,088)	(14,121,632)	(10,693,011)	3,428,621	-24.3%
Other Sources:						
Ongoing Transfers In:						
Red Light/School Zone for PD, CT, TR	1,075,040	1,075,040	1,096,000	1,093,212	(2,788)	-0.3%
Utility Tax for Designated Programs	1,343,000	1,343,000	1,343,000	1,140,135	(202,865)	-15.1%
Utility Tax for Operations	3,893,000	3,893,000	3,893,000	3,893,000	-	0.0%
Utility Tax for Prop 1 Voter Package	2,980,187	2,877,100	2,980,187	2,931,304	(48,883)	-1.6%
One-Time Transfers In/Grants/Other	1,423,722	1,148,193	331,450	520,168	188,718	56.9%
Total Other Financing Sources	10,714,949	10,336,333	9,643,637	9,577,819	(65,818)	-0.7%
Other Uses:						
Contingency Reserve Funds	1,125,000	-	27,000	-	27,000	100.0%
One-Time Transfers Out/Other/Unalloc IS	1,770,163	370,753	3,218,464	1,861,000	1,357,464	42.2%
Total Other Financing Uses	2,895,163	370,753	3,245,464	1,861,000	1,384,464	42.7%
Total Ending Fund Balance	\$ 10,509,859	\$ 16,240,292	\$ 8,516,836	\$ 13,264,103	n/a	n/a

DESIGNATED OPERATING FUNDS SUMMARY	2013		2014		2014 Budget vs. Actual	
	Annual Budget	Annual Actual	Annual Budget	Annual Actual	Favorable/(Unfavorable)	
					\$	%
Beginning Fund Balance	\$ 15,908,751	\$ 15,908,751	\$ 18,232,684	\$ 18,232,684	n/a	n/a
Revenues:						
Utility Tax	9,672,774	9,742,706	9,711,581	9,308,403	(403,178)	-4.2%
Utility Tax - Prop 1 Voter Package	2,821,226	2,841,586	2,840,419	2,720,475	(119,945)	-4.2%
Hotel/Motel Lodging Tax	195,000	208,839	195,000	231,828	36,828	18.9%
Real Estate Excise Tax	1,400,000	2,034,033	1,800,000	2,062,722	262,722	14.6%
Property Tax - King Co Expansion Levy	155,000	141,417	-	181,880	181,880	n/a
State Shared Revenue	495,000	497,148	495,000	496,470	1,470	0.3%
Traffic Safety (Red Light/School Zone)	2,455,000	2,743,113	1,455,000	2,460,189	1,005,189	69.1%
Federal Way Community Center	1,643,500	1,796,064	1,643,500	1,851,260	207,760	12.6%
Dumas Bay Centre Fund	628,251	622,877	635,251	644,049	8,798	1.4%
Surface Water Management Fees	3,456,000	3,426,616	3,456,000	3,462,003	6,003	0.2%
Refuse Collection Fees	284,671	299,337	287,517	305,742	18,225	6.3%
Interest Earnings	15,300	19,541	15,300	106,674	91,374	597.2%
Miscellaneous/Other	12,853,428	12,857,187	27,768	27,881	113	0.4%
Total Revenues	36,075,150	37,230,463	22,562,336	23,859,575	1,297,239	5.7%
Expenditures:						
Arterial Streets Overlay Program	1,616,029	1,463,241	1,696,031	1,415,175	280,856	16.6%
Utility Tax Admin/Cash Mgmt Fees	48,000	48,000	48,000	48,000	-	0.0%
Solid Waste & Recycling	512,071	468,220	499,412	461,717	37,695	7.5%
Hotel/Motel Lodging Tax	297,716	86,396	227,034	58,786	168,248	74.1%
Traffic Safety (Red Light/School Zone)	651,754	616,092	625,000	627,787	(2,787)	-0.4%
Debt Service (Debt & Admin Fee)	14,767,370	14,756,476	1,995,392	1,985,446	9,946	0.5%
Federal Way Community Center	2,168,353	2,121,410	2,205,049	2,174,104	30,944	1.4%
Dumas Bay Centre Fund	679,049	639,053	695,146	728,379	(33,234)	-4.8%
Surface Water Management	3,354,182	2,834,262	3,940,196	3,132,984	807,212	20.5%
Total Expenditures	24,094,524	23,033,151	11,931,259	10,632,378	1,298,881	10.9%
Revenues over/(under) Expenditures	11,980,626	14,197,312	10,631,077	13,227,197	2,596,120	24.4%
Other Sources:						
Ongoing Transfers In:						
Utility Tax for DBC Oper/Reserves	112,000	112,000	112,000	112,000	-	0.0%
Utility Tax for FWCC Oper/Reserves	792,797	794,449	554,275	301,944	(252,331)	-45.5%
Utility Tax for FWCC & SCORE Debt	2,531,876	2,530,224	-	25,169	25,169	n/a
Utility Tax for Arterial Streets Overlay	998,000	998,000	-	-	-	n/a
1-Time Transfers/Grants/Other	713,013	661,862	13,964,796	14,128,588	163,792	1.2%
Total Other Sources	5,147,686	5,096,535	14,631,071	14,567,701	(63,370)	-0.4%
Other Uses:						
Ongoing Transfer Out:						
Traffic Safety (Red Light/School Zone)	1,075,040	1,302,040	1,141,725	1,138,937	2,788	0.2%
Utility Tax to FWCC Oper/Reserves	683,000	683,000	554,275	301,944	252,331	45.5%
Utility Tax to FWCC & SCORE Debt	2,641,673	2,641,673	-	-	-	n/a
Utility Tax to DBC Oper/Reserves	112,000	112,000	112,000	112,000	-	0.0%
Utility Tax to Arterial Streets Overlay	998,000	998,000	-	-	-	n/a
Utility Tax to Transportation Capital	681,000	681,000	-	-	-	n/a
Utility Tax to General/Street Oper	5,236,000	5,236,000	5,236,000	5,033,135	202,865	3.9%
Utility Tax to Prop 1 Voter Package	2,980,187	2,877,100	2,980,187	2,931,304	48,883	1.6%
1-Time Transfers/Other/Unalloc IS	2,781,918	2,439,102	15,366,404	15,102,476	263,928	1.7%
Total Other Uses	17,188,818	16,969,915	25,390,591	24,619,796	770,795	3.0%
Ending Fund Balance						
Arterial Streets Overlay	(0)	159,530	1	308,702	n/a	n/a
Utility Tax (non-Prop 1)	2,392,878	2,622,105	2,475,313	2,710,593	n/a	n/a
Utility Tax - Prop 1 Voter Package	1,080,948	1,045,434	1,045,434	834,603	n/a	n/a
Solid Waste & Recycling	151,928	211,761	183,884	204,137	n/a	n/a
Hotel/Motel Lodging Tax	-	227,034	195,300	400,296	n/a	n/a
Federal Way Community Center	1,397,693	1,597,515	1,586,740	1,573,471	n/a	n/a
Traffic Safety Fund	2,477,072	2,804,483	2,492,758	3,500,515	n/a	n/a
Real Estate Excise Tax Fund	-	-	3,286,857	3,550,864	n/a	n/a
Paths & Trails	175,668	162,440	14,440	196,665	n/a	n/a
Strategic Reserve Fund	-	-	3,000,000	3,382,044	n/a	n/a
Debt Service Fund	4,604,011	5,248,335	39,444	73,485	n/a	n/a
Surface Water Management	3,506,844	3,941,068	3,628,141	4,491,213	n/a	n/a
Dumas Bay Centre Fund	61,203	212,979	155,929	181,200	n/a	n/a
Total Ending Fund Balance	\$ 15,848,242	\$ 18,232,685	\$ 18,104,241	\$ 21,407,787	n/a	n/a

Sales Tax

Compared to annual 2013 actual, sales tax revenues are up by \$827K or 7.3%. Compared to 2014 budget, annual sales tax revenues went up by \$559K or 4.8%. There is usually a two month lag in sales tax revenue. The sales tax paid in October 2014 is reported in December 2014.

LOCAL RETAIL SALES TAX REVENUES							
Annual 2014							
Month	2013 Actual	2014		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2013		2014 Actual vs Budget	
				\$	%	\$	%
Jan	\$ 856,430	913,416	922,813	66,384	7.8%	9,398	1.0%
Feb	1,186,414	1,234,111	1,193,962	7,547	1%	(40,149)	-3.3%
Mar	836,112	856,293	885,403	49,291	5.9%	29,110	3.4%
Apr	841,788	865,918	878,261	36,473	4.3%	12,343	1.4%
May	964,840	978,826	995,299	30,459	3.2%	16,473	1.7%
Jun	869,426	885,535	928,710	59,284	6.8%	43,176	4.9%
Jul	890,558	915,971	980,780	90,222	10.1%	64,808	7.1%
Aug	986,677	1,033,155	1,127,275	140,598	14.2%	94,120	9.1%
Sep	981,082	1,003,979	1,062,818	81,736	8.3%	58,839	5.9%
Oct	954,311	985,082	1,042,609	88,297	9.3%	57,527	5.8%
Nov	1,000,875	1,002,859	1,082,321	81,446	8.1%	79,461	7.9%
Dec	977,831	938,855	1,073,039	95,207	9.7%	134,183	14.3%
Annual Total	\$ 11,346,343	\$ 11,614,000	\$ 12,173,288	\$ 826,945	7.3%	\$ 559,288	4.8%
Annual Total	\$ 11,346,342	\$ 11,614,000	n/a	n/a	n/a	n/a	n/a

COMPARISON OF SALES TAX COLLECTIONS BY SIC GROUP					
Component Group	2013 Annual	2014 Annual	Favorable/(Unfavorable) Change from 2013		Explanation
			\$	%	
Retail Trade	\$ 6,056,449	\$ 6,328,324	\$ 271,875	4.5%	Up \$274K - Motor Vehicle & Parts Dealer, Furniture & Home Furnishings, Building Material & Garden, Health & Personal Care, Gasoline Stations, Clothing and Accessories, Sporting Goods, Hobby, Books, Miscellaneous & Nonstore Retailers, Electronics & Appliances, Food & Beverage Stores Down \$2K - General Merchandise Stores
Services	2,597,216	2,804,987	207,771	8.0%	Up \$273K - Administrative & Support Services, Educational Services, Amusement, Gambling, Accomodation, Food Services & Drinking Places, Repair & Maintenance Down \$65K - Professional/Scientific/Tech, Company Management, Waste Management, Ambulatory Health Care Service, Hospitals, Performing Arts, Personal Laundry
Construct	1,049,341	1,298,476	249,134	23.7%	Up \$249K - Specialty Trade Contractors, Construction of Buildings, Heavy & Civil Construction
Wholesaling	430,386	500,994	70,607	16.4%	Up \$71K - Wholesale Trade, Durable & Nondurable goods
Transp/Utility	2,965	4,286	1,320	44.5%	
Information	537,721	616,360	78,639	14.6%	Up \$84K - Telecommunications, Broadcasting, Publishing Down \$6K - Internet Service Providers, Motion Picture/Sound Recording
Manufacturing	119,589	124,721	5,132	4.3%	Up \$5K - Wood Product Manufacturing
Government	143,793	173,783	29,990	20.9%	Up \$30K - Unclassifiable Accounts, Economic Programs Admin
Fin/Insurance/Real Estate	375,082	299,779	(75,304)	-20.1%	Up \$31K - Credit Intermediation, Banks, Rental/Leasing Svcs, Down \$106K - Real Estate, Insurance Carriers & Related
Other	33,800	21,580	(12,219)	-36.2%	
	\$ 11,346,343	\$ 12,173,288	\$ 826,946	7.3%	

SALES TAX COMPARISON by AREA					
Annual 2014					
Location	2013	2014	Favorable/(Unfavorable) Chg from 2013		Explanation
			\$	%	
Annual Total Sales Tax	\$ 11,346,343	\$ 12,173,288	\$ 826,945	7.3%	
S 348th Retail Block	1,254,143	1,195,413	(58,729)	-4.7%	Up \$79K Retail General Merchandise, Retail Automotive/Gas Down \$138K Retail Building Materials, Retail Eating and Drinking, Appliances
The Commons	925,014	932,081	7,067	0.8%	Up \$41K Misc Retail Trade, Retail Eating & Drinking, Electronics & Appliances, Retail Apparel Down \$34K Communications, Retail General Merchandise
S 312th to S 316th	796,212	743,862	(52,350)	-6.6%	Down \$52K Retail Automotive Gas, Retail Eating & Drinking, Retail Food Stores, Retail General Merchandise
Pavilion Center	444,121	442,457	(1,663)	-0.4%	General Decrease
Hotels & Motels	185,308	207,047	21,739	11.7%	General Increase
FW Crossings	410,486	433,336	22,850	5.6%	Up \$28K Misc Store Retailers, Retail Eating & Drinking, Furniture & Fixture Down \$5K Health & Personal Care
Gateway Center	193,306	218,015	24,708	12.8%	Up \$25K Telecommunications, Health & Personal Care, Food & Beverage Stores

Utility Tax (Total 7.75%)

The annual utility taxes is \$555K or 4.4% below 2013 annual actual and \$523K or 4.2% below 2014 budget.

UTILITY TAXES							
Annual 2014							
Month	2013 Actual	2014		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2013		2014 Actual vs Budget	
				\$ Var	% Var	\$ Var	% Var
Jan	\$ 1,023,991	\$ 1,115,892	\$ 441,956	\$ (582,034)	-56.8%	\$ (673,935)	-60.4%
Feb	1,158,162	1,186,587	1,742,178	584,016	50.4%	555,591	46.8%
Mar	1,295,036	1,215,543	1,324,119	29,083	2.2%	108,576	8.9%
Apr	1,049,750	1,256,327	1,194,935	145,185	13.8%	(61,391)	-4.9%
May	699,516	854,870	602,719	(96,797)	-13.8%	(252,152)	-29.5%
Jun	1,470,623	1,107,512	1,420,347	(50,276)	-3.4%	312,835	28.2%
Jul	931,882	1,018,017	912,383	(19,499)	-2.1%	(105,633)	-10.4%
Aug	800,419	798,964	794,493	(5,926)	-0.7%	(4,471)	-0.6%
Sept	622,095	500,330	626,803	4,708	0.8%	126,473	25.3%
Oct	768,294	1,020,928	782,334	14,040	1.8%	(238,594)	-23.4%
Nov	974,651	938,112	939,346	(35,305)	-3.6%	1,235	0.1%
Dec	1,815,545	1,565,919	1,266,203	(549,342)	-30.3%	(299,716)	-19.1%
Annual Subtotal	\$ 12,609,963	\$ 12,579,000	\$ 12,047,816	\$ (562,147)	-4.5%	\$ (531,184)	-4.2%
Rebate	(25,671)	(27,000)	(18,938)	6,733	0.0%	8,062	-29.9%
Annual Total	\$ 12,584,292	\$ 12,552,000	\$ 12,028,878	\$ (555,414)	-4.4%	\$ (523,122)	-4.2%
Annual Total	\$ 12,584,292	\$ 12,552,000	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 has processed 156 rebates at a total cost of \$19K for the current year.

Electric and gas utilities are affected by weather in addition to the regular population and service growth. When the weather is mild, people use less electricity and heat.

UTILITY TAXES - by Type				
Annual 2014				
Utility Type	2013 Actual	2014 Actual	Favorable/(Unfavorable) Change from 2014	
			\$	%
Electric	\$ 4,846,244	\$ 4,524,344	\$ (321,900)	-6.6%
Gas	1,710,484	1,607,781	(102,702)	-6.0%
Solid Waste	880,226	883,011	2,784	0.3%
Cable	1,550,750	1,577,634	26,883	1.7%
Phone	935,806	893,526	(42,280)	-4.5%
Cellular	2,419,851	2,288,480	(131,372)	-5.4%
Pager	1,216	835	(382)	-31.4%
SWM	265,385	272,205	6,820	2.6%
Tax Rebate	(25,671)	(18,938)	6,733	0.0%
Annual Total	\$ 12,584,292	\$ 12,028,877	\$ (555,415)	-4.4%

Proposition 1 Voter-Approved Utility Tax

2014 Annual Prop 1 expenditures total \$2.9M or 98.4% of the \$3M annual budget. Current life-to-date Prop 1 Utility tax collections total \$22.8M and expenditures total \$22.0M.

PROP 1	2013		2014		Life To Date
	Budget	Actual	Budget	Actual	
Beginning Balance:	661,148	1,080,948	502,187	1,045,433	n/a
OPERATING REVENUES					
January	256,196	231,224	251,976	99,797	1,703,462
February	282,170	261,520	267,939	393,395	2,107,415
March	265,555	290,362	274,477	298,995	2,306,628
April	302,383	235,536	283,687	269,824	2,224,011
May	240,311	155,729	193,035	136,098	1,887,439
June	196,630	332,076	250,083	320,724	1,978,550
July	226,447	210,425	229,875	206,022	1,777,134
August	187,921	180,740	180,411	179,402	1,602,660
September	141,573	140,473	112,978	141,536	1,423,324
October	249,112	173,486	230,532	176,656	1,788,733
November	156,474	220,082	211,832	212,110	1,662,664
December	316,453	409,933	353,595	285,917	2,413,535
Total Prop 1 Revenues:	2,821,226	2,841,586	2,840,419	2,720,475	22,875,555
OPERATING EXPENDITURES					
<i>Public Safety Improvement Positions & Costs:</i>					
Police Services (includes sworn positions, records clerk, and indirect Information Technology support costs)**	2,322,522	2,239,620	2,322,522	2,293,555	16,360,098
Court Services (includes Judge, Court Clerk, Prosecutor, public defender contract, and indirect IT support)	392,683	383,838	392,683	384,718	2,765,178
Total Public Safety Improvement Costs	2,715,205	2,623,458	2,715,205	2,678,273	19,125,275
<i>Community Safety Program Costs:</i>					
Code Enforcement Officer*	-	-	-	-	318,857
Code Enforcement Civil Attorney	69,341	64,893	69,341	57,124	474,989
Park Maintenance	113,555	110,528	113,555	115,482	795,141
Total Community Safety Improvement Costs	182,896	175,421	182,896	172,607	1,588,986
Indirect Support - HR Analyst	44,586	40,721	44,586	42,924	291,695
SafeCity M&O	37,500	37,500	37,500	37,501	245,929
Subtotal Ongoing Expenditures	82,086	78,221	82,086	80,425	537,624
SafeCity Startup	-	-	-	-	189,066
Other Transfer - Prop 1 OT for Police	-	-	-	-	600,000
Subtotal Other Expenditures	-	-	-	-	789,066
Total Prop 1 Expenditures:	2,980,187	2,877,100	2,980,187	2,931,305	22,040,952
Total Ending Fund Balance:	\$ 502,187	\$ 1,045,433	\$ 362,419	\$ 834,603	\$ 834,603

*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 2013 annual actuals, collections are up \$29K or 1.4%. December's receipt of \$274K is below December 2013's actual by \$150K or -35.3% and below December 2014's projections by \$9K or 3.3%. Annual collections are above annual projections by \$263K or 14.6%.

December 2014 activities include 200 real estate transactions, of which 85 were tax exempt. There were 113 taxable residential sales (total sales \$27.9M / \$139K tax), and two commercial sales (total sales \$27.3M / \$136K tax).

REAL ESTATE EXCISE TAX REVENUES							
Annual 2014							
Month	2013 Actual	2014		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2013		2014 Actual vs Budget	
				\$	%	\$	%
Jan	\$ 65,032	\$ 189,701	\$ 80,758	\$ 15,726	24.2%	\$ (108,944)	-57.4%
Feb	66,611	56,722	73,759	7,149	10.7%	17,037	30.0%
Mar	199,329	162,518	115,740	(83,589)	-41.9%	(46,778)	-28.8%
Apr	106,752	109,364	111,351	4,599	4.3%	1,988	1.8%
May	147,465	105,123	443,295	295,829	200.6%	338,171	321.7%
Jun	211,838	229,995	123,166	(88,673)	-41.9%	(106,830)	-46.4%
Jul	234,849	187,455	238,862	4,013	1.7%	51,408	27.4%
Aug	139,187	97,492	183,011	43,824	31.5%	85,519	87.7%
Sep	134,947	128,530	115,931	(19,016)	-14.1%	(12,598)	-9.8%
Oct	114,028	115,287	164,375	50,347	44.2%	49,089	42.6%
Nov	189,948	134,391	138,305	(51,643)	-27.2%	3,914	2.9%
Dec	424,050	283,423	274,168	(149,883)	-35.3%	(9,255)	-3.3%
Annual Total	2,034,036	1,800,000	2,062,721	28,685	1.4%	262,721	14.6%
Annual Total	\$ 2,034,036	\$ 1,800,000	n/a	n/a	n/a	n/a	n/a

Hotel/Motel Lodging Tax

Hotel/Motel lodging tax received annual 2014 is \$232K and is above 2013's annual collections by \$23K or 11%. 2014 annual receipts are above annual projections by \$37K or 18.9%.

HOTEL/MOTEL LODGING TAX REVENUES							
Annual 2014							
Month	2013 Actual	2014		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2013		2014 Actual vs Budget	
				\$	%	\$	%
Jan	\$ 13,537	\$ 12,492	\$ 13,380	\$ (157)	-1.2%	\$ 887	7.1%
Feb	14,270	14,226	12,812	(1,458)	-10.2%	(1,414)	-9.9%
Mar	12,771	11,446	13,343	572	4.5%	1,896	16.6%
Apr	14,441	14,061	16,109	1,668	11.6%	2,048	14.6%
May	18,168	17,461	18,548	380	2.1%	1,086	6.2%
Jun	13,666	12,999	15,258	1,592	11.6%	2,258	17.4%
Jul	15,606	15,336	17,341	1,735	11.1%	2,006	13.1%
Aug	19,495	17,795	24,493	4,998	25.6%	6,698	37.6%
Sept	24,707	22,574	29,629	4,921	19.9%	7,054	31.2%
Oct	28,512	23,537	31,115	2,603	9.1%	7,578	32.2%
Nov	17,998	17,573	21,655	3,657	20.3%	4,083	23.2%
Dec	15,668	15,498	18,145	2,477	15.8%	2,647	17.1%
Annual Total	\$ 208,839	\$ 195,000	\$ 231,828	\$ 22,989	11.0%	\$ 36,828	18.9%
Annual Total	\$ 208,839	\$ 195,000	n/a	n/a	n/a	n/a	n/a

Permit Activity

Building, planning, and zoning permit activities are above 2013's annual activity by \$856K or 38.9%. Compared to annual budget, permit activity is up \$959K or 45.7%.

Some significant permits for 2014 include: Wynstone East, Park 16 Apartments, Celebration Senior Living, Dicks Sporting Goods, High Point Building Apartments, Progressive Claims Office, Kitts Corner Apartments and an addition to Christian Faith Center School.

BUILDING & LAND USE PERMITS AND FEES (CED)							
Annual 2014							
Month	2013 Actual	2014		Change from 2013		Favorable/(Unfavorable)	
		Budget	Actual	Change from 2013		2014 Actual vs Budget	
				\$	%	\$	%
Jan	130,900	166,043	124,209	(6,691)	-5.1%	(41,834)	-25.2%
Feb	152,484	152,488	97,873	(54,610)	-35.8%	(54,614)	-35.8%
Mar	306,348	200,238	316,207	9,860	3.2%	115,969	57.9%
Apr	195,704	178,172	285,407	89,702	45.8%	107,235	60.2%
May	134,544	164,828	492,934	358,390	266.4%	328,106	199.1%
Jun	416,355	277,104	393,869	(22,486)	-5.4%	116,765	42.1%
Jul	127,592	160,161	279,842	152,250	119.3%	119,681	74.7%
Aug	171,633	212,871	334,299	162,666	94.8%	121,428	57.0%
Sept	131,550	150,790	254,523	122,973	93.5%	103,733	68.8%
Oct	176,358	147,027	185,981	9,623	5.5%	38,954	26.5%
Nov	113,894	127,421	141,806	27,912	24.5%	14,384	11.3%
Dec	146,064	163,434	152,822	6,758	4.6%	(10,612)	-6.5%
Annual Total	\$ 2,203,426	\$ 2,100,577	\$ 3,059,772	\$ 856,346	38.9%	\$ 959,195	45.7%
Annual Total	\$ 2,203,426	\$ 2,100,577	n/a	n/a	n/a	n/a	n/a

Police Department

The total overtime budget of \$890K consists of \$767K for City overtime and \$123K for billable time.

Compared to 2014 budget, City portion overtime is \$88K or 11.5% above annual projections.

Compared to annual 2013 actuals, City portion overtime is 112K or 15.1% above prior annual total. Including the increase in billable overtime, total overtime increased by \$221K or 24.6%.

The December 2014 overtime decrease of \$23K below 2013 actual is due to a decrease in shift call in and closing out 2014 overtime a week early.

PD Overtime by Type Annual 2014					PD Overtime by Month Annual 2014							
					Month	2013 Actual	2014		(Favorable)/Unfavorable			
Type	2013 Actual	2014 Actual	(Favorable)/Unfavorable Change from 2013				Change from 2013		2014 Actual vs Budget			
			\$	%	\$	%	\$	%	\$	%		
Training	\$ 34,336	\$ 23,304	\$ (11,032)	-32.1%	Jan	\$ 56,595	\$ 63,114	\$ 69,247	\$ 12,652	22.4%	\$ 6,133	9.7%
Court	28,327	37,552	9,225	32.6%	Feb	62,964	61,020	63,022	58	0.1%	2,002	3.3%
Field Oper	575,596	694,492	118,896	20.7%	Mar	50,695	61,990	63,508	12,813	25.3%	1,519	2.4%
Other	104,882	99,695	(5,187)	-4.9%	Apr	65,049	64,193	70,836	5,787	8.9%	6,643	10.3%
City Portion	743,142	855,044	111,902	15.1%	May	54,787	67,404	123,628	68,841	125.7%	56,224	83.4%
Contract/Grant	130,406	243,970	113,564	87.1%	Jun	40,747	55,878	54,966	14,219	34.9%	(912)	-1.6%
Traffic School	24,939	20,137	(4,803)	-19.3%	Jul	69,370	79,961	117,348	47,978	69.2%	37,387	46.8%
Billable	155,345	264,107	108,762	70.0%	Aug	53,773	60,882	44,461	(9,312)	-17.3%	(16,421)	-27.0%
Annual Total	\$ 898,487	\$ 1,119,151	\$ 220,664	24.6%	Sep	59,074	60,216	60,145	1,072	1.8%	(70)	-0.1%
					Oct	82,123	74,317	54,038	(28,085)	-34.2%	(20,279)	-27.3%
					Nov	66,097	53,075	75,138	9,041	13.7%	22,062	41.6%
					Dec	81,868	65,105	58,708	(23,161)	-28.3%	(6,398)	-9.8%
					City Portion	743,142	767,155	855,044	111,902	15.1%	87,889	11.5%
					Billable	155,345	123,137	264,107	108,762	70.0%	140,970	114.5%
					Annual Total	\$ 898,487	\$ 890,292	\$ 1,119,151	\$220,664	24.6%	\$228,859	25.7%
					Billable	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
					Annual Total	n/a	\$ 890,292	n/a	n/a	n/a	n/a	n/a

Jail Services

The total jail budget is \$5.10M and is comprised of \$4.16M for SCORE Jail maintenance & operation assessments and alternative programs and \$942K for debt service. The increase in the 2014 maintenance & operations assessment is due primarily to an increase in average daily population in the SCORE jail. The annual debt service payment is roughly \$942K.

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. In 2015 based on 2014 activity, ADP is projected at 93 in-mates. In 2012, the budgeted ADP for Federal Way was 60, but actual ADP was never below 65, and at one point ADP was above 105. In 2013, the budgeted ADP for Federal Way was 90 ADP, but actual ADP was never below 75, and at its height ADP was about 90. In 2014, the budgeted ADP is 95, and year-to-date the ADP at its highest point was 95, and at its lowest was just above 75 ADP. When ADP increases, the jail costs increase. Renton which was once the highest in 2007, is now second behind Federal Way.

Jail and Alternatives to Confinement			
	2013	2014	
	Annual Actual	Annual Budget	Annual Actual
SCORE	\$ 3,771,920	\$ 4,059,831	\$ 3,852,676
Other Jail & Alternative Programs	167,467	100,000	151,957
Subtotal M&O	3,939,387	4,159,831	4,004,633
Subtotal Debt Service	917,720	941,823	941,823
Total	\$ 4,857,107	\$ 5,101,654	\$ 4,946,456

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.

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 2014 red light photo net revenues total \$1.8M which is below annual 2013 actuals by \$295K or 13.9%.

Red Light Photo/School Zone Enforcement								
Month	2013			2014			Variance Favorable/(Unfavorable)	
	Gross Revenue	Payments to ATS	Net Revenue	Gross Revenue	Payments to ATS	Net Revenue	\$ Variance	% Variance
Jan	\$ 305,790	\$ (53,237)	\$ 252,553	\$ 237,957	\$ (53,038)	\$ 184,920	\$ (67,633)	-26.8%
Feb	206,768	(53,209)	153,560	165,840	(52,250)	113,590	(39,970)	-26.0%
Mar	235,118	(59,123)	175,996	142,210	(52,250)	89,960	(86,036)	-48.9%
Apr	260,705	(53,390)	207,315	217,687	(52,250)	165,437	(41,878)	-20.2%
May	253,306	(53,194)	200,113	236,325	(52,250)	184,075	(16,038)	-8.0%
Jun	243,295	(53,276)	190,019	188,911	(52,250)	136,661	(53,358)	-28.1%
Jul	259,383	(39,238)	220,146	216,469	(52,250)	164,219	(55,926)	-25.4%
Aug	230,479	(38,881)	191,598	150,826	(52,250)	98,576	(93,022)	-48.6%
Sep	154,855	(53,114)	101,741	158,498	(52,250)	106,248	4,507	4.4%
Oct	212,154	(53,330)	158,824	293,834	(52,250)	241,584	82,760	52.1%
Nov	216,533	(53,113)	163,421	193,494	(52,250)	141,244	(22,177)	-13.6%
Dec	164,726	(52,990)	111,736	258,137	(52,250)	205,887	94,151	84.3%
Annual Total	\$ 2,743,112	\$ (616,092)	\$ 2,127,021	\$ 2,460,189	\$ (627,788)	\$ 1,832,401	\$ (294,619)	-13.9%
Annual Total	\$ 2,743,112	\$ (616,092)	\$ 2,127,021	n/a	n/a	n/a	n/a	n/a
Annual Budget	n/a	n/a	830,000	n/a	n/a	830,000	n/a	n/a

Court

Court revenues are \$142K or 9.4% (10.3% last month) below 2013 annual actuals and \$61K or 4.3% (5.2% last month) below 2014 budget. The negative variance is mainly due to decrease in traffic & non-parking infraction, parking infractions, and criminal conviction fees.

COURT REVENUE Annual 2014							
Month	2013 Actual	2014		Favorable/(Unfavorable)			
		Budget	Actual	Change from 2013		2014 Actual vs Budget	
				\$	%	\$	%
January	\$ 117,372	\$ 110,308	\$ 109,519	\$ (7,853)	-6.7%	\$ (788)	-0.7%
February	142,899	134,298	116,497	(26,403)	-18.5%	(17,802)	-13.3%
March	154,689	145,379	129,654	(25,035)	-16.2%	(15,724)	-10.8%
April	128,560	120,822	147,229	18,668	14.5%	26,406	21.9%
May	134,047	125,979	93,923	(40,124)	-29.9%	(32,055)	-25.4%
June	93,418	87,795	96,695	3,277	3.5%	8,900	10.1%
July	138,535	130,196	115,118	(23,417)	-16.9%	(15,078)	-11.6%
August	111,353	104,651	97,223	(14,131)	-12.7%	(7,428)	-7.1%
September	102,806	96,618	95,064	(7,742)	-7.5%	(1,554)	-1.6%
October	123,536	116,100	115,331	(8,205)	-6.6%	(769)	-0.7%
November	89,825	84,418	80,622	(9,203)	-10.2%	(3,797)	-4.5%
December	100,484	94,436	104,880	4,397	4.4%	10,445	11.1%
Probation	74,081	80,000	68,350	(5,731)	-7.7%	(11,650)	-14.6%
Annual	\$ 1,511,606	\$ 1,431,000	\$ 1,370,105	\$(141,501)	-9.4%	\$ (60,895)	-4.3%
Probation	(0)	-	n/a	n/a	n/a	n/a	n/a
Annual	\$ 1,511,606	\$ 1,431,000	n/a	n/a	n/a	n/a	n/a

COURT REVENUE Annual 2014				
	2013 Actual	2014 Actual	Favorable/(Unfavorable) Change from 2013	
			\$	%
Civil Penalties	\$ 21,520	\$ 18,096	\$ (3,423)	-15.9%
Traffic & Non-Parkin	844,812	750,365	(94,448)	-11.2%
Parking Infractions	37,598	22,007	(15,591)	-41.5%
DUI & Other Misd	105,640	105,529	(111)	-0.1%
Criminal Traffic Misd	1,885	341	(1,544)	-81.9%
Criminal Costs	106,643	106,143	(501)	-0.5%
Interest / Other / Misc	109,582	126,284	16,702	15.2%
Criminal Conv Fees	79,911	59,105	(20,806)	-26.0%
Shared Court Costs	45,657	45,008	(649)	-1.4%
Services & Charges	84,276	68,877	(15,400)	-18.3%
Subtotal	\$ 1,437,525	\$ 1,301,755	\$ (135,770)	-9.4%
Probation Services	74,081	68,350	(5,731)	-7.7%
Annual Total	\$ 1,511,606	\$ 1,370,105	\$ (141,501)	-9.4%

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	2013		2014		2014 Budget vs Actual	
	Budget	Annual Actual	Budget	Annual Actual	Favorable/(Unfavorable)	
					\$	%
Beginning Fund Balance	\$ 1,197,501	\$ 1,197,498	\$ 1,597,512	\$ 1,597,512	n/a	n/a
Operating Revenues:						
Daily Drop-ins	\$ 310,000	\$ 308,423	\$ 310,000	\$ 322,506	\$ 12,506	4.0%
Passes	770,000	863,267	770,000	806,926	36,926	4.8%
City Employee Membership Program	31,000	36,177	31,000	31,272	272	0.9%
Youth Athletic Programs	45,000	42,833	45,000	52,129	7,129	15.8%
Aquatics Programs-Lessons/Classes	126,000	145,796	126,000	146,722	20,722	16.4%
Childcare Fees	9,000	7,089	9,000	6,296	(2,704)	-30.0%
Fitness Classes/Fitness Training	105,000	144,242	105,000	142,504	37,504	35.7%
Towel/equipment Rentals	4,000	3,747	4,000	3,076	(924)	-23.1%
Pool Rentals/Competitive-Lap Lanes	16,000	18,795	16,000	19,999	3,999	25.0%
Rentals	195,000	183,985	195,000	221,578	26,578	13.6%
Merchandise Sales	7,500	10,240	7,500	9,486	1,986	26.5%
Concessions/Vending	-	5,067	-	62,069	62,069	n/a
Interest Earnings/Other Misc	-	1,403	-	1,698	1,698	n/a
General Park/Rec - Facility use charge	25,000	25,000	25,000	25,000	(0)	0.0%
Total Operating Revenues	1,643,500	1,796,064	1,643,500	1,851,260	207,760	12.6%
Operating Expenditures:						
Personnel Costs	1,331,807	1,351,549	1,368,880	1,402,491	(33,612)	-2.5%
Supplies	142,500	167,597	142,500	220,507	(78,007)	-54.7%
Other Services & Charges	172,500	159,492	172,500	150,869	21,631	12.5%
Utility Cost	385,000	308,634	385,000	263,664	121,336	31.5%
Intergovernmental	20,500	28,612	20,500	25,444	(4,944)	-24.1%
Capital	-	-	-	-	-	n/a
Internal Service Charges	116,046	105,526	115,669	111,129	4,540	3.9%
Total Operating Expenditures	2,168,353	2,121,411	2,205,049	2,174,104	30,944	1.4%
Expenditures	(524,853)	(325,347)	(561,549)	(322,844)	238,704	-42.5%
Recovery Ratio	75.8%	84.7%	74.5%	85.2%	n/a	.
Other Sources :						
Utility Tax - Reserves	267,944	469,102	-	-	-	n/a
Utility Tax - Operations	524,853	325,347	554,275	301,944	(252,331)	-45.5%
Grant/Other Contribution	79,469	79,469	-	-	-	n/a
Total Other Sources	872,266	873,918	554,275	301,944	(252,331)	-45.5%
Other Uses:						
Capital/Use of Reserves/Grants	147,221	148,557	3,500	3,140	360	10.3%
Bad Debt Expense	-	-	-	-	-	n/a
Total Other Uses	147,221	148,557	3,500	3,140	360	10.3%
Net Income	200,192	400,014	(10,774)	(24,041)	(13,267)	123.1%
Ending Fund Balance	\$ 1,397,693	\$ 1,597,511	\$ 1,586,738	\$ 1,573,471	\$ (13,267)	-0.8%

The operating revenue budget includes \$1.64M in user fees/program revenues, \$554K contribution from utility tax for operations, and \$25K use charge from General Fund Recreation for use of the facility.

Annual operating revenues total \$1.9M which is \$208K or 12.6% above the 2014 budget. In comparison to 2014's budget:

- **Daily Drop-in revenues** are \$13K or 4.0% above the projected revenue. This increase is due to above average attendance during weekends, local school winter and spring breaks, and large group visits from neighboring districts. Above average summer and fall temperatures have boosted daily pass sales as well.
- **Pass revenues** are \$37K or 4.8% above the projected revenue. The increase is 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, Silver Sneakers, and adjustments to pool hours to better serve families with young children. The addition of a Membership Sales and Retention Specialist along with improved front desk operations have also attributed to membership sales success. 2014 Year-end membership number is 6,100 total members.

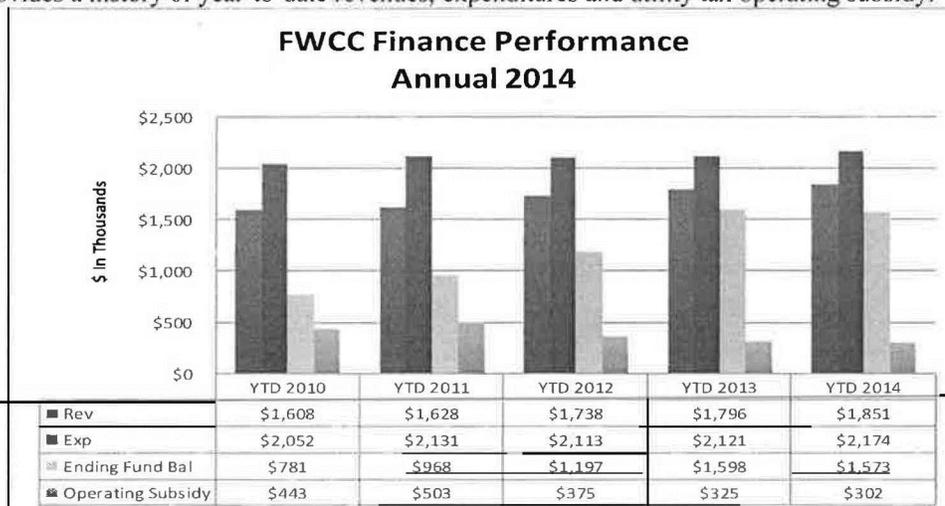
- **Youth Athletic Programs** are \$7K or 15.8% above the projected revenue due to strong performances from Kidz Love Soccer and Shooting Stars Basketball. Homeschool P.E. classes were also added in 2014, attributing to higher revenues.
- **Aquatic Programs** are \$21K or 16.4% above the projected revenue. The increase is due to high enrollment in swim lessons, teen and private swim lessons, and lifeguarding courses.
- **Fitness Classes** are \$38K or 35.7% above the projected revenue. The increase is due to high enrollment in Group Training Programs, Biggest Loser Competition and Silver Sneakers.
- **Rental Revenues** are up \$27K or 13.6% above the projected revenue. The increase is mainly due to higher than normal 1st and 2nd quarter bookings for birthday parties, meeting rentals, and special events. June through September which is the prime special event rental season, was consistently busy and consistent with past performances. Also, more efficient booking and scheduling practices allowed for increased birthday party bookings, and also double bookings for special events. 2014 ended well with several private holiday party bookings.
- **Concessions/Vending** is up \$62K compared to 2013 revenue. The new revenue stream is due to the addition of the Splash Café operations in February of 2014.

Annual operating expenditures total \$2.2M which is \$31K or 1.4% below 2014 budget. Federal Way Community Center has recovered 85.2% (88.3% last month) of operating expenditures compared to the annual budgeted recovery ratio of 74.5%. In comparison to 2014's budget:

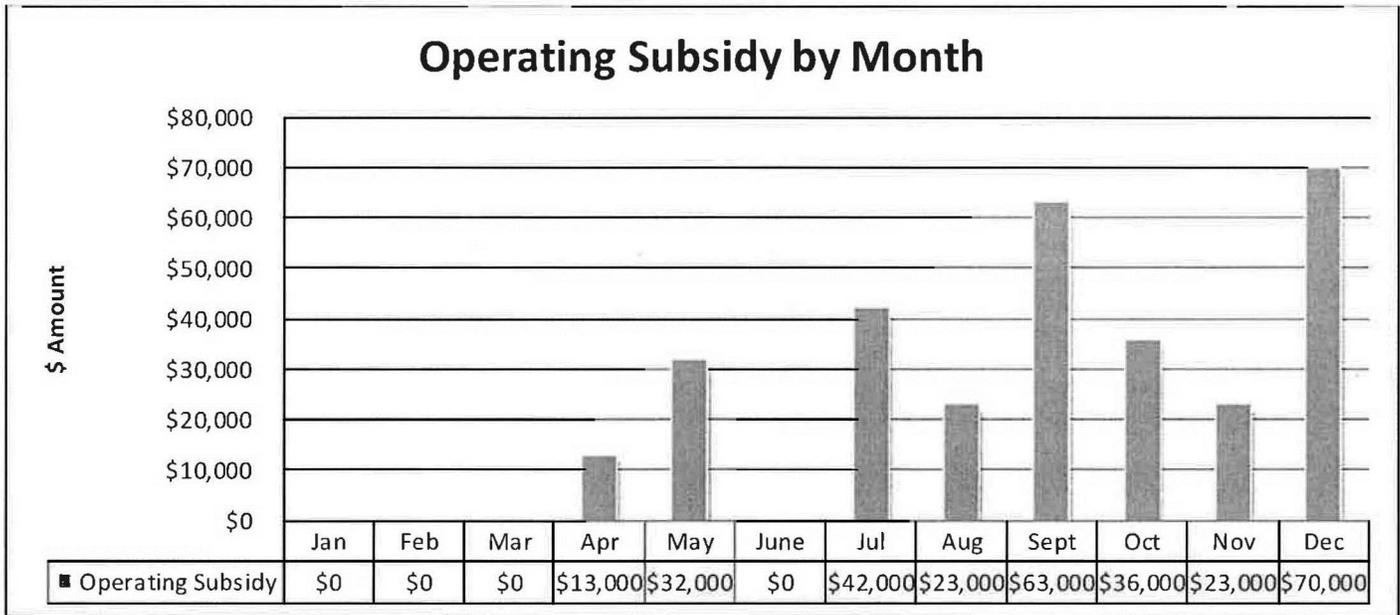
- **Personnel Costs** increased by \$34K or 2.5%. The increase is due to increased service levels to meet higher demands in all program areas as well as customer service. 2014 state minimum wage increase, along with COLA and step increases for several salaried staff persons has attributed to increased personal costs.
- **Supplies** are \$78K or 54.7% (52.0% last month) higher than projected. Pool chemicals as well as cleaning and service supplies are in higher demand when the facility is busier than normal. Significant supply purchases have been made to support Splash Café operations and were not part of the original 2013-14 operating budget. In addition, six new commercial grade flat-screen television monitors were purchased to replace the original picture tube televisions in the fitness room. In 2014, there were also a few substantial repairs to facility mechanical systems, namely in the aquatics area.
- **Other Services & Charges** are \$22K or 12.5% (14.1% last month) below the projected spending due to facility staff performing in-house repairs with supplies versus hiring contracted service providers. Anticipated marketing mailings have also been reduced or eliminated in favor of more affordable and more effective e-blasting and other social media promotional outlets.
- **Utility Costs** are \$121K or 31.5% below the projected spending due to Facility staffing efforts to improve energy efficiencies in the building. Also we are behind by one payment compared to 2013.

The annual City's utility tax contribution to the Community Center is scheduled to provide \$554K for operations; only \$302K is needed to cover maintenance and operations compared to \$325K needed this time last year. Compared to 2014 budget of \$554K, actual utility tax contribution of \$302K is 54.5% of the budget. As of the end of December, the City has not contributed anything toward the reserve compared to \$469K in 2013.

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



The chart below provides the operating subsidy for the Federal Way Community Center by month.



Dumas Bay Centre

Dumas Bay Centre Fund annual revenue of \$644K is \$9K or 1.4% above 2014 budget and \$21K or 3.4% above annual 2013. The increase from annual 2013 is due to an increase in rental activities as a result of the marketing plan that was commissioned in 2011, the Google AdWords campaign put into action from the marketing plan as well as securing the return of returning overnight retreat groups.

Annual operating expenses total \$728K, which is \$33K or 4.8% above 2014 budget of \$695K. Expenses are above by \$89K compared to 2013 annual due to change in staffing in the kitchen operation and termination pay for the previous chef and an increase in goods and services for the operation. Ending fund balance for Dumas Bay Centre Fund is a positive \$181K, of which \$46K is earmarked for repairs and maintenance. We increased pricing by 10% in September 2014 to offset the increased cost of operations.

Dumas Bay Centre Fund 2014 Annual Actual	2013		2014		2014 Budget vs Actual	
	Budget	Annual Actual	Budget	Annual Actual	Favorable/(Unfavorable) \$	%
Beginning Fund Balance	\$ 138,698	\$ 138,698	\$ 212,979	\$ 212,979	n/a	n/a
Operating Revenues:						
In-House Food Services	272,000	253,728	275,000	269,423	(5,577)	-2.0%
Dumas Bay Retreat Center	356,251	369,151	360,251	374,625	14,374	4.0%
Knutzen Family Theatre	-	-	-	-	-	n/a
Total Operating Revenues	628,251	622,879	635,251	644,049	8,798	1.4%
Operating Expenses:						
In-House Food Services	238,559	212,165	244,822	256,842	(12,020)	-4.9%
Dumas Bay Retreat Center	355,410	349,249	365,243	394,574	(29,331)	-8.0%
Knutzen Family Theatre	85,080	77,638	85,080	76,963	8,117	9.5%
Total Operating Expenses	679,049	639,053	695,146	728,379	(33,234)	-4.8%
Revenues Over/(Under) Expenses	(50,798)	(16,174)	(59,895)	(84,331)	(24,436)	40.8%
Recovery Ratio	92.52%	97.47%	91.38%	88.42%	n/a	n/a
Transfer In Gen Fund - Pump Station	-	-	-	-	-	n/a
Transfer In Gen Fund - Pump Station M&O	4,000	4,000	4,000	4,000	-	0.0%
Transfer In Utility Tax	112,000	112,000	112,000	112,000	-	0.0%
Total Other Sources	116,000	116,000	116,000	116,000	-	n/a
Marketing Study & Implementation	-	-	-	-	-	n/a
Pump Station M&O	8,000	-	4,000	-	-	n/a
Repairs & Maintenance	134,697	25,544	109,153	63,448	45,705	0.0%
Total Other Uses	142,697	25,544	113,153	63,448	45,705	n/a
Net Income	(77,495)	74,282	(57,048)	(31,778)	21,269	-40.1%
Ending Fund Balance	\$ 61,203	\$ 212,979	\$ 155,931	\$ 181,201	\$ 21,269	13.3%

Self-Insured Health Insurance Fund

Self-Insured Health annual contributed revenue is \$4.2M. Currently the revenue is generated from the employee paid contribution (range from \$30 to \$123 per employee per month) and the employer paid contribution (range from \$600 to \$1,700 per employee), varying depending on number of dependents. Self-Insured Health Insurance Fund year-to-date expenditures are \$3.1M for prescription services, medical services, stop loss, and professional services. The ending fund balance for the program is \$1.0M.

Self Insured Health Insurance Fund - 2014														
Description	2014 Adj Bdgt	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annual Total
Health Insurance Premium - Employer Contribution Revenue	4,205,220	609,409	297,964	298,088	300,185	299,757	307,112	299,788	306,758	303,582	302,652	304,995	328,539	3,958,828
Health Insurance Premium - Employee Contribution Revenue	-	33,577	16,458	16,196	16,321	16,408	16,418	16,124	16,425	16,207	16,236	16,361	17,751	214,481
Health Insurance Premium - COBRA	-	-	-	-	-	-	-	6,030	(1,218)	-	-	-	-	4,812
Transfer In from General Fund for Pre-Funding	315,000	-	-	315,000	-	-	-	-	-	-	-	-	(315,000)	-
Total Revenue and Transfer In	4,520,220	642,986	314,422	629,284	316,505	316,166	323,530	321,942	321,965	319,790	318,887	321,356	31,290	4,178,121
Prescription Services	499,342	6,958	51,458	31,618	41,794	49,599	44,170	38,152	38,682	22,895	53,858	45,483	74,297	498,763
Medical Services	1,963,346	35,641	104,942	113,608	162,093	213,968	216,685	196,525	205,446	194,555	119,619	134,752	284,245	1,982,077
Health Insurance - Stop Loss	428,945	42,633	-	64,603	-	32,231	31,992	64,825	32,123	32,456	32,673	32,811	-	366,348
Professional Services & Other	303,408	41,696	-	42,921	-	21,018	21,468	43,429	22,004	22,508	22,613	33,147	28,807	299,610
Total Expenditures for Self Insured Health	3,195,041	126,928	156,400	252,750	203,886	316,814	314,316	342,931	298,254	272,214	228,763	246,192	387,349	3,146,799
Excess of Revenues over Expenditures	1,325,179	516,058	158,021	376,534	112,619	(649)	9,214	(20,989)	23,711	47,575	90,124	75,163	(356,060)	1,031,322

*The \$642,986 received in January is contributed revenue for January and February 2014 self-insured health service. The City will maintain a reserve in the amount not less than 16 weeks of budgeted expenses as recommended by our consultant. Currently if we look at January to December (average 16 weeks, 0.97M), we have spent \$3.15M, with an ending fund balance in the fund of \$1.0M.

Performing Arts & Conference Center (PACC) and Downtown Square Park

Performing Arts & Conference Center (PACC) annual transfers in and revenue is \$9.9M. The 2014 adjusted revenue budget of \$9.9M does not include all revenue sources expected for the project. Since adoption of the project, PACC annual expenditures total \$1.6M or 15.7% of \$9.9M budget.

308 Performing Arts & Conference Center (PACC)	2014 Adjusted Budget	Annual 2014
Transfer In - LIFT & Utility tax from Completed projects	4,209,763	4,209,763
Transfer In - Real Estate Excise Tax	525,000	525,000
Transfer In - Utility Tax	5,210,000	5,210,000
Interest	-	3,115
Total Revenue & Transfer In	9,944,763	9,947,878
Expenditures	9,944,763	-
Other Temporary Help	-	3,776
Land Redevelopment Analysis and Land Use Application	-	76,675
Lloyd Enterprises Demolition	-	120,689
JZ Works Naming Rights	-	32,000
Lorax Partners Design Development	-	1,331,167
Total Expenditures	9,944,763	1,564,307
Total PACC Balance	-	8,383,571

Downtown square park available funds is \$2.5M. Total annual expenditures for the project total \$346K.

303 Downtown Square Park	2014 Adjusted Budget	Annual 2014
Beginning Balance - Real Estate Excise Tax	140,000	140,000
Transfer in - Real Estate Excise Tax	2,698,751	2,698,751
Total Beginning Balance & Transfer In	2,838,751	2,838,751
Downtown Square Park Expenditures	2,838,751	346,324
Total Expenditures	2,838,751	346,324
Total Downtown Square Park Balance	-	2,492,427

FUND ACTIVITY SUMMARY

Fund #/Fund Name	Begin Balance 12/1/2014	YTD Revenue	YTD Expenditure	YTD Net Income/(loss)	Ending Balance 12/31/2014*	Required Fund Balance
001/101 General/Street Fund	\$ 16,240,294	\$ 48,858,753	\$ 51,834,944	\$ (2,976,191)	\$ 13,264,103	\$9,500,000 **
<i>Special Revenue Funds:</i>						
102 Arterial Street	159,531	1,564,344	1,415,173	149,171	308,702	100,000
103 Utility Tax (*)	3,667,540	13,846,174	13,968,517	(122,343)	3,545,197	2,500,000
106 Solid Waste & Recycling	211,761	454,092	461,716	(7,624)	204,137	-
107 Special Contracts/Studies Fund	357,019	119,701	41,658	78,043	435,062	-
109 Hotel/Motel Lodging Tax	227,034	232,048	58,786	173,262	400,296	200,000
110 2% for the Arts	293	-	-	-	293	-
111 Federal Way Community Center	1,597,512	2,153,204	2,177,244	(24,041)	1,573,471	1,500,000
112 Traffic Safety Fund	2,804,483	2,462,756	1,766,725	696,031	3,500,515	1,500,000
113 Real Estate Excise Tax Fund	-	9,670,615	6,119,751	3,550,864	3,550,864	2,000,000
119 CDBG	40,718	545,553	537,345	8,208	48,926	-
120 Path & Trails	162,439	191,225	157,000	34,225	196,664	-
188 Strategic Reserve Fund	-	3,382,044	-	3,382,044	3,382,044	3,000,000
Subtotal Special Revenue Funds	9,228,330	34,621,756	26,703,916	7,917,841	17,146,171	10,800,000
201 Debt Service Fund	5,248,336	27,596	5,202,445	(5,174,850)	73,486	\$1,039,573***
<i>Capital Project Funds:</i>						
301 Downtown Redevelopment	2,962,522	9,805,363	12,434,824	(2,629,461)	333,061	-
302 Municipal Facilities	682,442	349	482,848	(482,499)	199,943	-
303 Parks	2,433,496	3,336,368	1,056,441	2,279,928	4,713,424	-
304 Surface Water Management	2,402,742	476,823	368,249	108,574	2,511,316	-
306 Transportation	13,194,855	7,661,314	12,644,331	(4,983,016)	8,211,839	-
307 Capital Project Reserve Fund	-	480,167	-	480,167	480,167	480,000
308 PACC Capital Fund	-	9,947,878	1,564,307	8,383,571	8,383,571	-
Subtotal Capital Project Funds	21,676,057	31,708,263	28,551,000	3,157,263	24,833,320	480,000
<i>Enterprise Funds:</i>						
401 Surface Water Management	3,941,064	3,683,130	3,132,981	550,149	4,491,213	690,000
402 Dumas Bay Centre Fund	212,979	760,049	791,827	(31,778)	181,201	500,000
Subtotal Enterprise Funds	4,154,043	4,443,179	3,924,808	518,371	4,672,414	1,190,000
<i>Internal Service Funds</i>						
501 Risk Management	5,644,490	573,084	4,871,276	(4,298,192)	1,346,299	1,200,000
502 Information Systems	3,792,955	2,152,825	2,006,779	146,046	3,939,001	3,938,856
503 Mail & Duplication	214,523	131,510	127,183	4,327	218,850	218,850
504 Fleet & Equipment	6,010,333	2,239,874	1,786,810	453,064	6,463,398	6,463,398
505 Buildings & Furnishings	1,710,731	515,651	401,010	114,641	1,825,372	2,000,000
506 Health Self Insurance Fund	-	4,178,552	3,146,799	1,031,753	1,031,753	\$970,000****
507 Unemployment Insurance Fund	-	1,927,881	15,590	1,912,291	1,912,291	250,000
Subtotal Internal Service Funds	17,373,032	11,719,377	12,355,446	(636,069)	16,736,963	15,041,104
Total All Funds	\$ 73,920,092	\$ 131,378,923	\$ 128,572,559	\$ 2,806,364	\$ 76,726,457	\$ 38,050,677

*The Fund balance prior to any adjustments or depreciation.

**The City needs to maintain higher than required fund balance in the General Fund and Street Fund to accommodate the already appropriated beginning fund balance in 2015 of \$12.19M in General Fund, \$650K in Street Fund, and a total of \$12.85M.

***The Debt Service Fund shall maintain adequate reserve in accordance with the bond ordinance or a minimum of one year debt service amount.

****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.