

November 13, 2024

MOTION

I hereby move that the following motion be approved:

24-13. In accordance with RCW 35.34.200, amend Tacoma Rail's 2023/2024 biennial operating budget by \$5,000,000 in capital outlay, taxes, and locomotive consumables to account for contract obligations, new revenues, and provide railroad services that were not identifiable in 2020 to increase expenditure appropriations and revenues to align with updated conditions and projections.

Biennium-End Budget Adjustment

Alan Matheson, Superintendent

Daniel McCabe, Rail CIO/CFO

October 23rd, 2024



Overview

- Revenues projected to be over budget
 - Line haul volumes greater than anticipated
- Expenditures projected to be over budget
 - Offset by line haul revenues
 - Seeking authorization for budget spending authority
 - Gross Earnings Tax
 - State Tax
 - Locomotive Fuel
 - Locomotive Oil
 - Capital Outlay



Financial Outlook

	2023 Budget	2023	2023 Difference	2024 Budget	2024 Forecast	2024 Difference	Budget Biennium	Adjusted Forecast	Biennium Difference	Biennium Diff. (%)
Revenue										
Switching Revenue	\$ 30,482	\$ 34,827	\$ 4,345	\$ 32,677	\$ 38,040	\$ 5,363	\$ 63,159	\$ 72,866	\$ 9,707	15%
Demurrage Fees	1,500	2,243	743	1,500	1,724	224	3,000	3,967	967	32%
Locomotive Servicing	1,227	1,695	468	1,227	2,367	1,140	2,454	4,062	1,608	66%
Other	213	490	277	213	399	185	427	889	462	108%
Total Operating Revenue	\$ 33,422	\$ 39,256	\$ 5,833	\$ 35,617	\$ 42,529	\$ 6,911	\$ 69,040	\$ 81,784	\$ 12,745	18%
Interest	118	195	77	118	380	263	235	575	340	144%
Rent & Misc Income	481	311	(170)	481	286	(195)	962	597	(365)	-38%
Total Revenue & Avail Funds	\$ 34,021	\$ 39,762	\$ 5,740	\$ 36,216	\$ 43,195	\$ 6,979	\$ 70,238	\$ 82,957	\$ 12,719	18%
Expenditures										
Personnel Costs	\$ 17,887	\$ 16,963	\$ (924)	\$ 18,572	\$ 19,012	\$ 440	\$ 36,459	\$ 35,975	\$ (484)	-1%
Supplies, Other Services	9,787	9,564	(223)	9,686	9,110	(576)	19,473	18,673	(799)	-4%
Current Fund Capital Outlay	1,355	4,571	3,216	4,365	4,858	493	5,720	9,428	3,708	65%
Debt Service	968	908	(61)	897	897	-	1,865	1,805	(61)	-3%
Taxes	3,309	3,841	532	3,432	4,171	739	6,741	8,012	1,271	19%
Total Expenditures	\$ 33,306	\$ 35,846	\$ 2,540	\$ 36,952	\$ 38,047	\$ 1,096	\$ 70,258	\$ 73,894	\$ 3,636	5%
Total Revenues Less Expenditures	\$ 716	\$ 3,915	\$ 3,200	\$ (736)	\$ 5,148	\$ 5,884	\$ (20)	\$ 9,063	\$ 9,083	
Appropriation from Current Fund	\$ (716)	\$ (962)	\$ (247)	\$ 736	\$ (4,406)	\$ (5,141)	\$ 20	\$ (9,063)	\$ (9,083)	
Capital Outlay Financing Detail										
Funded from Current Fund	\$ 1,355	\$ 4,571	\$ 3,216	\$ 4,365	\$ 4,858	\$ 493	\$ 5,720	\$ 9,428	\$ 3,708	65%
Grants, Transfers & Pledges	1,715	267	(1,448)	4,645	22	(4,623)	6,360	289	(6,071)	-95%
Funded from New Debt	590	903	313	1,400	727	(673)	1,990	1,630	(360)	-18%
Total Capital Outlay	\$ 3,660	\$ 5,741	\$ 2,081	\$ 10,410	\$ 5,607	\$ (4,803)	\$ 14,070	\$ 11,348	\$ (2,722)	-19%
Starting Cash Balance	\$ 10,589	\$ 10,589	-	\$ 11,305	\$ 11,551	247	\$ 10,589	10,589	0%	0%
EOY Current Fund Balance	\$ 11,305	\$ 11,551	247	\$ 10,569	\$ 15,957	5,388	\$ 10,569	\$ 15,957	51%	51%
Volume Investment Fund	\$ 500	\$ 500	-	\$ -	\$ 1,500	1,500	\$ 500	2,000	300%	300%

Adjustment Request

• Summary

	Current	Adjustment	Increase	%
Budget Revenue	\$70,257,615	\$75,257,615	\$5,000,000	7%
Budget Expense	\$70,257,615	\$75,257,615	\$5,000,000	7%

• Detail

Revenue

Cost Center	CC Description	Cost Element	CE Description	Current	Adjustment	Increase	%
591004	Rail Administration	4343260	Line Hauls-Belt Ln	\$ 61,100,474	\$ 66,100,474	\$ 5,000,000	8%
Total						\$ 5,000,000	

Expenditures

Cost Center	CC Description	Cost Element	CE Description	Current	Adjustment	Increase	%
591004	Rail Administration	6515000	GET Trf Out	\$ 5,700,000	\$ 6,700,000	\$ 1,000,000	18%
591004	Rail Administration	5422100	State B&O Tax	\$ 1,040,999	\$ 1,440,999	\$ 400,000	38%
591004	Rail Administration	-	Capital Outlay	\$ 5,720,000	\$ 8,420,000	\$ 2,700,000	47%
592202	Maint-Locomotive	5321000	Inv Fuel-External	\$ 3,000,000	\$ 3,400,000	\$ 400,000	13%
592202	Maint-Locomotive	5221100	Lubricant Expense	\$ 300,000	\$ 800,000	\$ 500,000	167%
Total						\$ 5,000,000	

Next Steps

- 11/13/2024 – TPU Board Consideration
- 11/26/2024 – City Council Consideration

Questions?

