
ANNUAL

FLEET SERVICES FUND

2020

**FINANCIAL
REPORT**



Public Utility Board

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DEPARTMENT OF PUBLIC UTILITIES

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
Doing Business As

FLEET SERVICES FUND

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Financial Data

Management Discussion and Analysis

The following discussion and analysis of the financial performance of the Fleet Services Fund provides an overview of the financial activities for the years ended December 31, 2020, 2019, and 2018. The information presented here should be read in conjunction with the financial statements as a whole, including the footnotes and other supplementary information that is provided.

Overview of the Financial Statements

The City of Tacoma Finance Department and the management of Fleet Services are responsible for preparing the accompanying financial statements and for their integrity. The statements were prepared in accordance with generally accepted accounting principles applied on a consistent basis and include amounts that are based on management's best estimates and judgments.

The basic financial statements, presented on a comparative basis for the years ended December 31, 2020 and 2019, include Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows. The Statements of Net Position present information on all of the Fund's assets and liabilities, with the difference between the two reported as net position. The Statements of Revenues, Expenses and Changes in Net Position report all of the revenues and expenses during the time periods indicated. The Statements of Cash Flows provide information on cash receipts and disbursements during the year and report changes in cash resulting from operations, investing and financing activities.

The notes to the financial statements, presented at the end of the basic financial statements, provide additional disclosures that are essential to a full understanding of data provided in the financial statements. They are an integral part of the Fund's presentation of financial position, results of operations, and changes in cash flows.

Management has established and maintained a system of internal control that provides reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition and the prevention and detection of fraudulent financial reporting. The system of internal control provides for appropriate division of responsibility and is documented by written policies and procedures. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived.

Financial Statement Analysis

During 2020, Fleet Services realized net loss of \$39.4 million compared to net loss of \$2.2 million recorded in 2019. Operating revenues decreased \$0.7 million in 2020 or 8.9%. Operating expenses decreased \$3.0 million or 27.4%. The overall result is a net increase in operating income of \$2.2 million from a year earlier. Transfers Out was \$39.0 million in 2020 compared to no transfers out in 2019.

In 2019, Fleet Services realized net loss of \$2.2 million compared to net loss of \$804,000 recorded in 2018. Operating revenues increased \$1.9 million in 2019 or 29.3%. Operating expenses increased \$3.2 million or 41.1%. The overall result is a net decrease in operating income of \$1.3 million from a year earlier.

Selected Financial Information

(in thousands)

Category	2018	2019	2020
Operating Revenues	\$ 6,357	\$ 8,217	\$ 7,488
Operating Expenses	7,678	10,831	7,865
Operating Income (Loss)	(1,321)	(2,614)	(377)
Other Income	517	365	(25)
Transfers In	-	-	-
Change in Net Position	\$ (804)	\$ (2,249)	\$ (402)
Current Assets	\$ 17,010	\$ 17,548	\$ 2,128
Other Assets	368	-	166
Deferred Outflows	472	1,214	492
Capital Assets (Net)	26,967	27,788	3,224
Total Assets	44,817	46,550	6,010
Total Liabilities	928	5,401	3,792
Deferred Inflows	626	135	632
Net Investment in Capital Assets	26,967	27,788	3,224
Restricted	26,644	26,276	166
Unrestricted	(10,348)	(13,050)	(1,804)
Total Net Position	\$ 43,263	\$ 41,014	\$ 1,586

Revenues

Fleet Services operating revenue is comprised of five categories: Maintenance, Capital Recovery, Administrative Overhead, Fuel and Fuel Loading and Pool Car Rental. Operating revenues were \$7.5 in 2020, \$8.2 in 2019 and \$6.4 million in 2018.

Maintenance revenues are mainly related to staff labor and were \$2.8 million in 2020, \$2.9 million in 2019 and \$2.2 million in 2018. This was primarily due to an hourly shop rate increase implemented in January 2019.

Capital recovery revenues are collected on each vehicle and piece of equipment based on anticipated equipment replacement needs for each business unit. Capital recovery revenues were \$3.2, \$3.7, and \$2.6 million in 2020, 2019, and 2018 respectively. Capital recovery revenue decreased \$514,000 in 2020 compared to 2019, which had increased \$1.0 million compared to 2018. The decrease is because no capital recovery revenues were collected in December 2020. Please refer to Transfer Out section analysis for further discussion.

Administrative Overhead revenue is the fee charged for each vehicle that is in service. The number of vehicles in service varies from month to month and the rate can vary based on type of vehicle. Administrative Overhead revenue was \$1.4 million in 2020, 2019, and 2018.

Fuel and fuel loading revenues are affected by year to year changes in vehicle usage and fluctuations in fuel prices. Fuel related revenues were \$52,000, \$62,000, and \$66,000 for 2020, 2019, and 2018, respectively.

Pool car revenues are based on usage and were \$58,000, \$138,000 and \$128,000 for 2020, 2019, and 2018, respectively.

Expenses

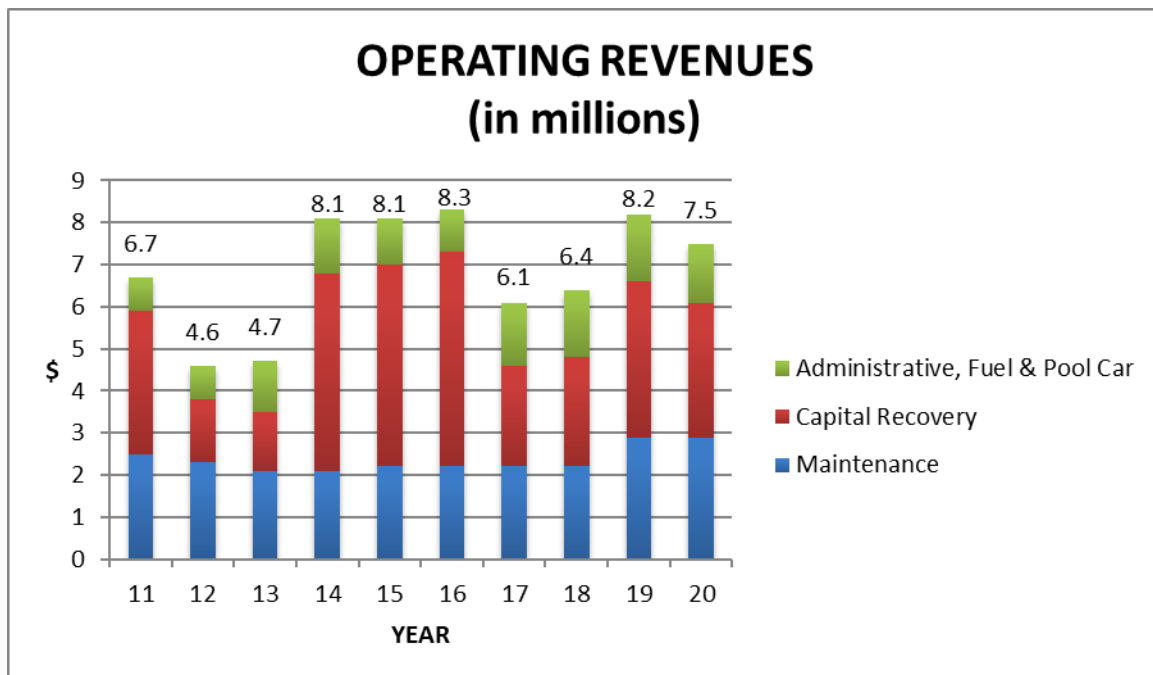
Fleet Services operating expense is comprised of four major categories: Repairs and service, stores operations, administration and depreciation. Fleet services expenses were \$7.9, \$10.8 and \$7.7 million in 2020, 2019 and 2018 respectively.

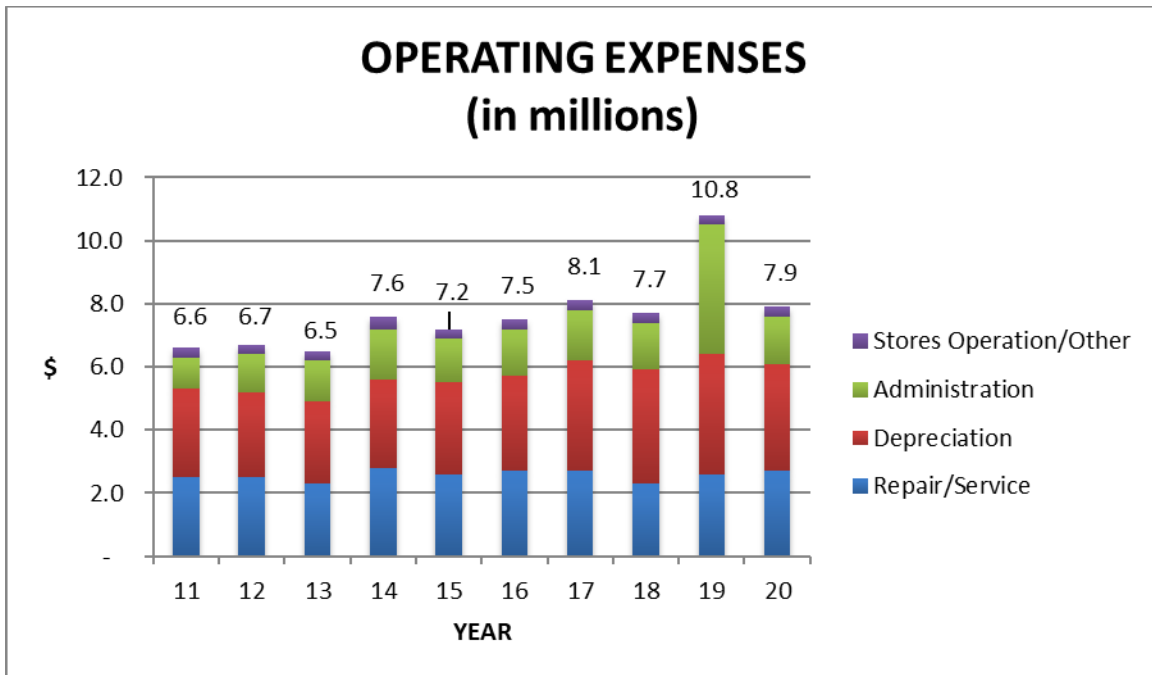
Repairs and service expense relates to shop operations which provide preventive and corrective maintenance and repairs to vehicles and pieces of equipment for Tacoma Public Utilities and other service groups. Repair and service expenses were \$2.7 million in 2020, \$2.6 million in 2019 and \$2.3 million in 2018.

Stores operation is a parts warehouse maintained by Fleet which had expenses of \$330,000, \$300,000 and \$307,000 in 2020, 2019, and 2018, respectively.

Administration expenses were \$1.5, \$4.1 and \$1.5 million in 2020, 2019, and 2018, respectively. Administration expenses increased significantly in 2019 due to withdrawal from Western Metal Industry Pension Fund, see financial statement note 5 for additional discussion.

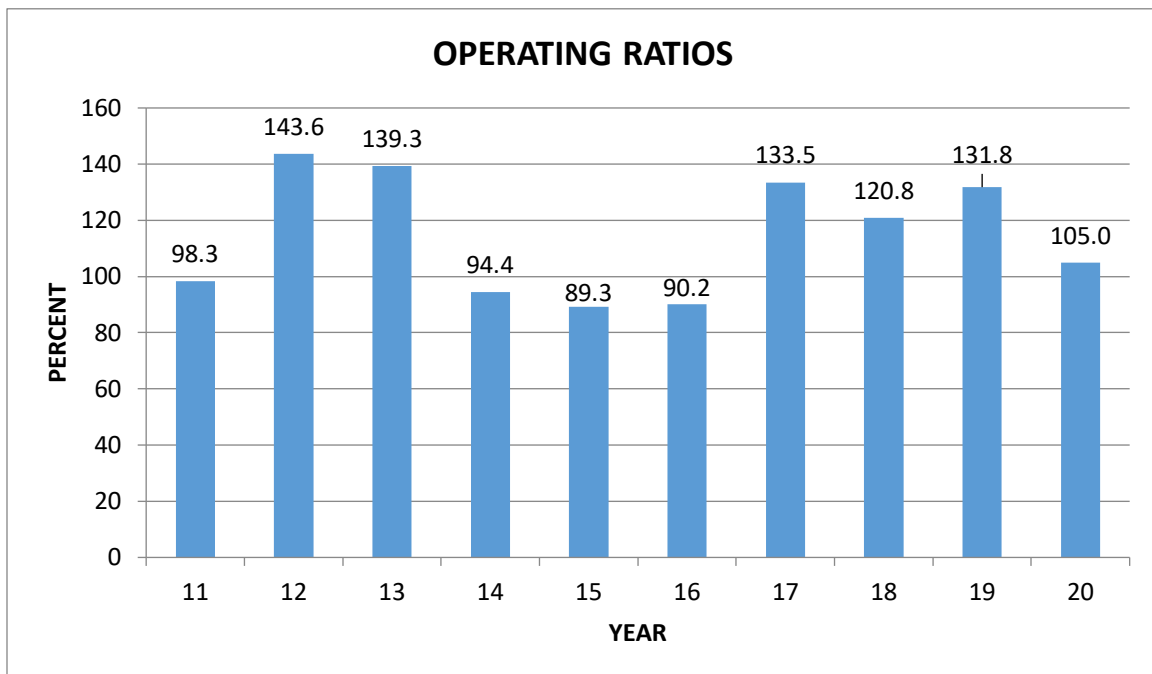
Depreciation expense was \$3.4, \$3.8 and \$3.6 million in 2020, 2019, and 2018, respectively. Fluctuations in depreciation expense are the result of timing in equipment retirements, capitalization of replacements and changes in fleet size.





Operating Ratio

The Fund's operating ratios, a common measure of efficiency and defined as operating expenses as a percentage of revenue, for 2020, 2019 and 2018 are 105.0%, 131.8%, and 120.8%. The Fund needs to maintain a low operating ratio in order to generate the funds necessary for its extensive capital outlay program. The graph shows how that percentage has fluctuated over the years.



Non-Operating Revenues (Expenses)

Interest income decreased \$89,000 from \$277,000 in 2019 to \$188,000 in 2020. Interest income in 2020 decreased primarily due to less interest earned on the revenue pool and 2019 increased primarily due to more interest earned on the revenue pool.

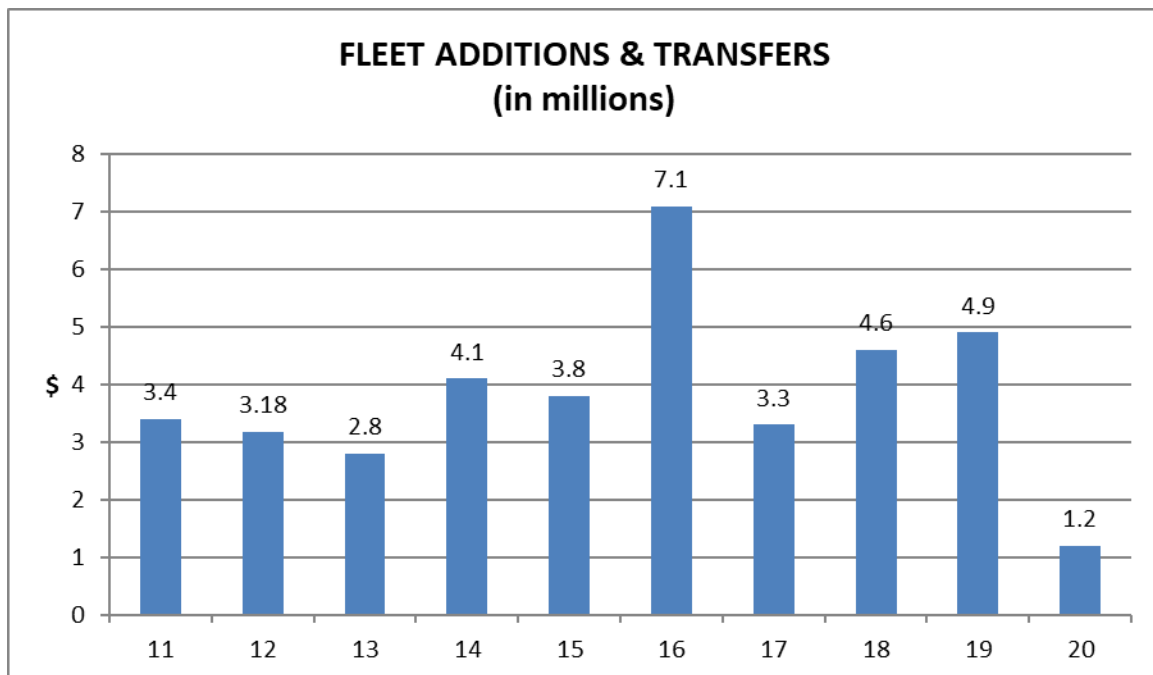
It is the practice of Fleet Services to arrange for public auction sale of vehicles and equipment that are declared surplus by the assigned sections. One hundred and three vehicles and pieces of equipment were retired in 2020 for a net loss of \$213,000, a decrease of \$316,000 compared to 2019. Fleet Services reported a net gain of \$88,000 in 2019, a decrease of \$313,000 compared to 2018.

Transfers Out

Transfers Out was \$39.0 million in 2020 compared to no transfers out in 2019. Per ordinance number 28688, in 2020 the Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water (collectively “business units”) for funding flexibility. Fleet Services Fund continues to maintain the purchasing and maintenance responsibilities. \$12.0 million of unspent capital fund contributed to Fleet from the business units and \$27.0 million of net book value in assets (net between cost of \$65.9 million and accumulated depreciation of \$38.9 million) were transferred to the business units in 2020.

Fixed Asset Additions

Purchases of fleet vehicles and equipment in 2020 were \$1.2 million with eighty-five vehicles and pieces of equipment placed into service compared with \$4.9 million in 2019 with fifty vehicles and pieces of equipment placed into service. Purchases of fleet vehicles and equipment in 2018 were \$4.6 million with seventy-five vehicles and pieces of equipment placed into service.



Request for Information

Fleet Services Fund financial statements are designed to provide a general overview of the Division’s finances, as well as to demonstrate the Division’s accountability to its customers, investors, creditors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Tacoma, Finance Department, 747 Market Street, Room 132, Tacoma, WA 98402-2773.

Financial Statements

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Net Position (Unaudited)
December 31, 2020 and December 31, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
FIXED		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	719,411	719,411
Transportation Equipment	2,489,652	48,361,833
Power-Operated Equipment	70,766	16,309,867
Accumulated Depreciation	<u>(2,988,904)</u>	<u>(40,069,167)</u>
Total Fixed Assets	907,826	25,938,845
Construction Work in Progress	<u>2,316,545</u>	<u>1,849,446</u>
Net Fixed Assets	3,224,371	27,788,291
CURRENT		
Current Fund Cash & Equity in Pooled Investments	1,753,041	16,967,945
Accounts Receivable	-	200,778
Materials and Supplies	<u>375,131</u>	<u>379,523</u>
Total Current Assets	2,128,172	17,548,246
OTHER ASSETS		
Net Pension Asset	<u>165,846</u>	<u>-</u>
TOTAL ASSETS	<u>5,518,389</u>	<u>45,336,537</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pension	<u>492,034</u>	<u>1,213,509</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$6,010,423</u></u>	<u><u>\$46,550,046</u></u>

These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report

	2020	2019
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$3,224,371	\$27,788,291
Restricted for:		
Tacoma Power	-	18,095,346
Tacoma Water	-	7,199,933
Tacoma Rail	-	981,147
Net Pension Asset	165,846	-
Unrestricted	<u>(1,803,593)</u>	<u>(13,050,517)</u>
TOTAL NET POSITION	1,586,624	41,014,200
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	849,658	1,497,902
Wages Payable	<u>125,514</u>	<u>96,040</u>
Total Current Liabilities	975,172	1,593,942
LONG-TERM LIABILITIES		
Employee Vacation and Sick Leave Accrual	261,400	226,663
Pension Withdrawal Liability	2,555,220	2,555,220
Net Pension Liability	<u>-</u>	<u>1,025,298</u>
Total Long-term Liabilities	2,816,620	3,807,181
TOTAL LIABILITIES	<u>3,791,792</u>	<u>5,401,123</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pension	<u>632,007</u>	<u>134,723</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$6,010,423</u></u>	<u><u>\$46,550,046</u></u>

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Revenue, Expenses and Changes in Net Position (Unaudited)
December 31, 2020 and December 31, 2019

	DECEMBER 2020	DECEMBER 2019
OPERATING REVENUE		
Maintenance Revenue	\$289,740	\$239,242
Capital Recovery	25,387	303,779
Administrative Overhead	115,960	112,528
Fuel and Fuel Loading	4,823	6,168
Pool Car Rental	14,889	8,937
Total Operating Revenue	<u>450,799</u>	<u>670,654</u>
OPERATING EXPENSES		
Repairs and Servicing		
Shop Operations	268,030	349,992
Outside Services	494	3,650
Total Repairs and Servicing	<u>268,524</u>	<u>353,642</u>
Stores Operations	43,398	52,470
Administration	72,981	2,676,408
Depreciation	15,538	311,594
Total Operating Expenses	<u>400,441</u>	<u>3,394,114</u>
OPERATING INCOME (LOSS)	50,358	(2,723,460)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income (Expense)	215,975	108,972
Gain (Loss) on Disposition of Equipment	-	(27,715)
Sale of Scrap	-	5,628
Total Non-Operating Revenues (Expenses)	<u>215,975</u>	<u>86,885</u>
Net Gain/Loss Before Transfers	266,333	(2,636,575)
Transfers Out	<u>(15,441,675)</u>	<u>-</u>
CHANGE IN NET POSITION	<u><u>(\$15,175,342)</u></u>	<u><u>(\$2,636,575)</u></u>
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - DECEMBER 31		

YEAR TO DATE			
DECEMBER 2020	DECEMBER 2019	2020/2019 VARIANCE	PERCENT CHANGE
\$2,809,630	\$2,917,271	(\$107,641)	-3.7%
3,163,591	3,677,556	(513,965)	-14.0%
1,404,927	1,422,931	(18,004)	-1.3%
51,523	61,792	(10,269)	-16.6%
57,999	137,685	(79,686)	-57.9%
7,487,670	8,217,235	(729,565)	-8.9%
2,628,109	2,582,474	45,635	1.8%
59,940	33,757	26,183	77.6%
2,688,049	2,616,231	71,818	2.7%
329,849	299,936	29,913	10.0%
1,495,737	4,120,377	(2,624,640)	-63.7%
3,351,357	3,795,052	(443,695)	-11.7%
7,864,992	10,831,596	(2,966,604)	-27.4%
(377,322)	(2,614,361)	2,237,039	85.6%
188,199	277,092	(88,893)	-32.1%
(224,404)	81,550	(305,954)	-375.2%
11,244	6,928	4,316	62.3%
(24,961)	365,570	(390,531)	-106.8%
(402,283)	(2,248,791)	1,846,508	82.1%
(39,025,293)	-	(39,025,293)	N/A
(39,427,576)	(2,248,791)	(\$37,178,785)	-1653.3%
41,014,200	43,262,991		
<u>\$1,586,624</u>	<u>\$41,014,200</u>		

These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report.

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statement of Net Position (Unaudited)
December 31, 2020

Invested in Capital Assets:		
Balance January 1, 2019	\$27,788,291	
Capital Additions	6,545,397	
Capital Transfers	(65,855,401)	
Capital Retirements	(2,334,179)	
Depreciation Additions	(3,351,357)	
Depreciation Transfers	38,865,385	
Depreciation Retirements	<u>1,566,235</u>	
Total Invested in Capital Assets		3,224,371
Restricted Net Position:		
Balance January 1, 2020	26,276,426	
Additions	165,846	
Net Reductions through December 31, 2020	<u>(26,276,426)</u>	
Total Restricted Net Position December 31, 2020		165,846
Unrestricted Net Position:		
Balance January 1, 2020	(13,050,517)	
Net Reductions through December 31, 2020	<u>11,246,924</u>	
Total Unrestricted Net Position December 31, 2020		<u>(1,803,593)</u>
TOTAL NET POSITION DECEMBER 31, 2020		<u>\$1,586,624</u>

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Equity Distribution (Unaudited)
As of December 31, 2020

	TACOMA POWER	TACOMA WATER	TACOMA RAIL	TOTAL
Balance January 1, 2020	\$26,037,747	\$13,631,688	\$1,344,765	\$41,014,200
Contributions During Year				
Equity Contributions at December 31, 2020	26,037,747	13,631,688	1,344,765	41,014,200
Current Year Operations:				
Total Operating Revenue *	4,753,526	2,488,640	245,504	7,487,670
Less: Repairs & Servicing Expense *	1,706,500	893,414	88,135	2,688,049
Admin and Stores Operations Expense **	1,323,871	426,641	75,074	1,825,586
Depreciation Expense	2,416,856	830,853	103,648	3,351,357
Total Expenses	5,447,227	2,150,908	266,857	7,864,992
Net Operating Revenue	(693,701)	337,732	(21,353)	(377,322)
Add: Other Income ***	(15,620)	(8,522)	(819)	(24,961)
Less: Transfer Out	(25,937,721)	(11,117,877)	(1,969,695)	(39,025,293)
Net Operating Results	(26,647,042)	(10,788,667)	(1,991,867)	(39,427,576)
Total Equity	(\$609,295)	\$2,843,021	(\$647,102)	\$1,586,624

* Allocated to each division based on total receipts from the divisions.

** Allocated to each division based on vehicle count.

*** Allocated to each division based on total equity in the Fund.

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Cash Flows (Unaudited)

	YEAR TO DATE	
	DECEMBER 31, 2020	DECEMBER 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash From Customers	\$7,688,448	\$8,583,047
Cash Paid to Suppliers	(1,617,831)	(186,292)
Cash Paid to Employees	(3,447,829)	(3,263,468)
Net Cash From Operating Activities	2,622,788	5,133,287
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures, Net	(5,777,215)	(4,569,288)
Transfers Out	(12,035,515)	-
Disposition of Equipment/Scrap	(213,161)	41,784
Net Cash From Financing Activities	(18,025,891)	(4,527,504)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	188,199	277,092
Net Cash From Investing Activities	188,199	277,092
Net Change in Cash and Equity in Pooled Investments	(15,214,904)	882,875
Cash and Equity in Pooled Investments at January 1	16,967,945	16,085,070
Cash and Equity in Pooled Investments at December 31	\$1,753,041	\$16,967,945

These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report.

	YEAR TO DATE	
	DECEMBER 31,	DECEMBER 31,
	2020	2019
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Income (Loss)	(\$377,322)	(\$2,614,361)
Pension (Credits) Expenses	27,615	160,010
Depreciation Expense	3,351,357	3,795,052
Pension Withdrawal Expense	-	2,555,220
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:		
Accounts Receivable	200,778	(16,729)
Interdivision Receivable	-	382,541
Materials and Supplies	4,392	(21,455)
Accounts Payable & Other	(648,243)	860,102
Interdivision Payable	-	(78)
Absences Payable	64,211	32,985
Total Adjustments	(378,862)	1,237,366
Net Cash From Operating Activities	<u>\$2,622,788</u>	<u>\$5,133,287</u>

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fleet Services Fund was established in 1984 by City of Tacoma Ordinance No. 23295. On January 1, 1985, most vehicles owned by the Tacoma Power, Tacoma Water and Tacoma Rail were transferred to this Fund. The purpose of the Fund is to provide for scheduled maintenance, repair, and replacement of Department vehicles.

Per City of Tacoma Ordinance No. 28688, in 2020 the Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water for funding flexibility. Fleet Services Fund continues to manage and maintain the equipment for all divisions and establish appropriate rates to cover other fleet operating expenses, with all equipment owned or leased by the Department of Public Utilities that is not exclusively used by the Power, Water, or Rail Divisions, to continue to be assets of Fleet Services Fund.

Basis of Financial Statements – The Fleet Service Fund is an Internal Service Fund of the City of Tacoma used for the operation of the Department of Public Utilities consolidated fleet management program with responsibilities for all vehicle administration under a fleet manager.

The Fund accounts for its financial operation by using a self-balancing set of accounts established primarily for handling transactions of a nature peculiar to Fleet Service operations. A description of the Fund's principal accounting policies follows.

Fixed Assets – Fixed assets are stated at cost and are depreciated primarily using a straight-line method over the estimated useful life of the asset.

Inventory – The inventory is valued on the moving average cost method.

Revenues – Revenues are based on services rendered through the end of the year.

Cash and Equity in Pooled Investments and Investments – The Fund's cash balances are a "deposit" with the City Treasurer's Tacoma Investment Pool (TIP) for the purpose of maximizing interest earnings through pooled investment activities. Cash and equity in pooled investments in the TIP are reported at fair value and changes in unrealized gains and losses are recorded in the Statements of Revenues, Expenses and Changes in Net Assets. Interest earned on such pooled investments is allocated daily to the participating funds based on each fund's daily equity in the TIP.

The TIP operates like a demand deposit account in that all City departments, including the Fund, have fund balances which are their equity in the TIP. Accordingly, balances are considered to be cash equivalents.

The City of Tacoma Investment Policy permits legal investments as authorized by state law including Certificates of Deposit with qualified public depositories (as defined in Chapter 39.58 of the Revised Code of Washington (RCW)), obligations of the U.S. Treasury, Government Sponsored Agencies and Instrumentalities, bonds issued by Washington State and its Local Governments with an A or better rating, general obligation bonds issued by any State or Local Government with an A or better rating, Bankers' Acceptances, Commercial Paper, Repurchase and Reverse Repurchase agreements, and the Washington State Local Government Investment Pool (LGIP).

Daily liquidity requirement to meet the City's daily obligations is maintained by investing a portion of the City's Investment Pool in the LGIP.

The Fund's equity in that portion of the City of Tacoma Investment Pool held in qualified public depositories at December 31, 2020 and 2019 is entirely covered by the Federal Deposit Insurance Corporation (FDIC) and the Washington State Public Deposit Protection Commission (WSPDPC).

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, longer term investments have greater exposure to changes in market interest rates. The City of Tacoma investment policy allows for authorized investments up to 60 months to maturity. One way the City manages its exposure to interest rate risk is by timing cash flows from maturities so that portions of the portfolio are maturing over time to provide cash flow and liquidity needed for operations.

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Repurchase agreements and commercial paper are protected by the FDIC insurance up to \$250,000.

All deposits not covered by the FDIC are covered by the WSPDPC. The WSPDPC is a statutory authority established under RCW 39.58. It constitutes a fully insured or fully collateralized pool. The WA state Treasures LGIP is authorized by RCW 43.250. The LGIP is operated like a 2A7 fund and is collateralized by short-term legal investments.

NOTE 2 INVESTMENTS MEASURED AT FAIR VALUE

The City measures and records its investments within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset, where fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.
- Level 2 – Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are sourced from pricing vendors using models that are market-based and corroborated by observable market data including: quoted prices; nominal yield spreads; benchmark yield curves; and other corroborated inputs.

- Level 3 – Level 3 inputs are unobservable inputs for the asset or liability and should only be used when relevant Level 1 or Level 2 inputs are unavailable.

Cash and cash equivalents include highly liquid investments including short-term investment funds. Cash and cash equivalents are valued at cost and, therefore, excluded from the fair value schedule.

Data regarding the City's investments, valued at categorized according to the above outlined levels, is below:

Securities	12/31/2020	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 371,578,276	\$ -	\$ 371,578,276	\$ -
U.S. Agency Securities	491,827,203	-	491,827,203	-
Supranational Securities	10,065,910	-	10,065,910	-
Municipal Bonds	11,664,518	-	11,664,518	-
Corporate Securities	62,803,670	-	62,803,670	-
	<u>\$ 947,939,577</u>	<u>\$ -</u>	<u>\$ 947,939,577</u>	<u>\$ -</u>

Securities	As of 12/31/2019	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 394,034,439	\$ -	\$ 394,034,439	\$ -
U.S. Agency Securities	449,502,580	-	449,502,580	-
Supranational Securities	20,035,790	-	20,035,790	-
Municipal Bonds	17,764,606	-	17,764,606	-
Corporate Securities	63,736,264	-	63,736,264	-
	<u>\$ 945,073,679</u>	<u>\$ -</u>	<u>\$ 945,073,679</u>	<u>\$ -</u>

Fleet's share of the City Investments shown in the table above is 1.21% and 1.57% for 2020 and 2019.

NOTE 3 TACOMA EMPLOYEES' RETIREMENT SYSTEM FUND (TERS)

The Tacoma Employees' Retirement System (TERS or System), a pension trust fund of the City of Tacoma, issues a publicly available CAFR that includes financial statements and required supplementary information and may be obtained by writing to:

Tacoma Employee's Retirement System
3628 South 35th Street
Tacoma, WA 98409

Or the TERS CAFR may be downloaded from the TERS website at www.cityoftacoma.org/retirement.

Administration of The System - The "Tacoma Employees' Retirement System" is a cost-sharing, multiple-employer, defined benefit retirement plan covering substantially all employees of the City of Tacoma, with the exception of police officers, firefighters, and Tacoma Rail employees who are covered by state and federal retirement plans. Employees of the Tacoma-Pierce County Health Department, as well as, certain employees of the Pierce Transit and South Sound 911 (formerly known as Law Enforcement Support Agency) who established membership in the System when these agencies were still City of Tacoma departments, are also members.

The Board of Administration of the Tacoma Employees' Retirement System administers the plan and derives its authority in accordance with Chapter 41.28 RCW and Chapter 1.30 of the Tacoma City Code.

At the direction of the City Council, the System is administered by the Board of Administration (the Board) consisting of nine regular members and one alternate member. The members of the Board are: the Mayor, who serves as Chair; the Director of Finance; the City Manager (or designee); the Public Utilities Director (or designee); three elected employee representatives; one elected retired representative; and one City resident (not employed by the City) elected by the other eight members. The nine Board members appoint a TERS member, either active or retired, as an alternate Board member. The Board is required by the Tacoma Municipal Code to make annual reports to the City Council on the financial condition of the Retirement System. The Board, subject to City Council approval, appoints the Director who is responsible for managing the daily operations of the System.

The breakdown of membership as of December 31, 2019 (measurement date) is as follows:

Retirees and beneficiaries currently receiving benefits	2,617
Terminated vested and other terminated participants	745
Active members:	
City of Tacoma	2,791
Pierce Transit	9
South Sound 911	2
Tacoma-Pierce County Health Department	274
Total active members	3,076
Total membership	6,438

Membership – Substantially all employees of the City of Tacoma are members of the System, with the exception of police officers, firefighters, and Tacoma Rail employees, who are covered by state or federal retirement plans. Other members include employees of the Tacoma-Pierce County Health Department, and certain employees of Pierce Transit and Sound Sound 911 who established membership in the System when these agencies were still City of Tacoma departments.

Benefits – There are two formulas to calculate the retirement benefits. The benefit paid will be issued on the formula which provides the higher benefit. The most commonly applied formula, “service retirement,” is a product of the member’s average monthly salary for the highest, consecutive 24-month period, the number of years of membership credit, and a percentage factor (2% maximum) that is based on the member’s age and years of service. The other formula is an annuity based on member contributions. There are several options available for the retiree to provide for their beneficiaries. The System also provides death, disability and deferred retirement. Additionally, the System provides cost of living adjustment (COLA) increased up to 2.125% as of July 1st of each year; the actual COLA granted is dependent on the Consumer Price Index (Seattle Area – all items) over the preceding calendar year.

Any active member who has not retired, and has five or more years of service as a member may purchase up to five additional years of service at the time of retirement. Total service including service purchased cannot exceed 30 years.

The System participates in the portability of public retirement benefits in Washington State public retirement. As provided under Chapter 41.54 of the RCW, this allows a member to use all years of service with qualified Washington systems to determine retirement eligibility and percentage factor for benefits under the System.

Contributions – The participating employees are responsible for funding the System at a level sufficient to pay obligations and ensure the actuarial and financial soundness of the System. Contribution rates for the employer and the employee are recommended by the Board of Administration and final approval rests with the Tacoma City Council.

The contribution rate continues to be 21%, divided as 54% for the employer and 46% for the employee, for a new total of 11.34% from the employer and 9.66% from the employee. Changes to the contribution rate are subject to Sections 1.30.340 and 1.30.360 of the Tacoma Municipal Code.

Significant Assumptions – The following actuarial methods were used in the funding valuation.

Measurement Date	December 31, 2019
Valuation Date	January 1, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Funding is based on statutory contributions rate. This amount is compared to a 25-year amortization for the purposes of calculating the Actuarially Determined Contribution (ADC). The amortization method for the ADC is as follows: <ul style="list-style-type: none"> · Level percent · Open periods · 25 year amortization period · 3.75% amortization growth rate
Asset Valuation Method	4 year smoothing period; Corridor - None
Inflation	2.75%
Salary Increases	Varies by service
Investment Rate of Return	7.00%
Cost of Living Adjustment	2.125%
Retirement Age	Varies by age, gender, eligibility
Turnover	Varies by service and gender
Mortality	RP-2014 Mortality for Employees, Healthy and Disabled Annuitants. Generational improvements with projection scale based on Social Security Administration Data.

Benefit and Assumption Changes – The comparability of the data from year to year can be affected by changes in actuarial assumptions, benefit provisions, accounting policies, and other factors. There have been no significant changes between the January 1, 2020 valuation date and December 31, 2019 the measurement date. Therefore, no adjustments were needed from the January 1, 2020 actuarial valuation date to the calculated liabilities as of December 31, 2019, measurement date for reporting date of December 31, 2020. There were no changes between the January 1, 2019, and January 1, 2020, valuation dates.

At its June 8, 2017 meeting, the TERS Board approved updated factors for use in converting member contributions with interest into the unmodified benefit form for comparison to the service retirement benefit. This change was effective January 1, 2020.

Target Allocations – The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's (the System's actuary) investment consulting practice as of December 31, 2019. The target asset allocation is based on the Tacoma Employees' Retirement System Investment Policy Statement dated March 2016.

Asset Class	Target Allocation	Long-term Expected
		Arithmetic Real Rate of Return
Investment Grade Fixed Income	19.5%	1.46%
US Bank/Leveraged Loans	3.0%	2.69%
US Long Government Bonds	3.0%	1.69%
High Yield Bonds	6.0%	3.08%
Emerging Market Debt	5.0%	3.31%
Global Equity	34.5%	5.07%
Private Real Estate	10.0%	3.84%
Private Equity	10.0%	9.47%
Master Limited Partnerships	4.0%	3.98%
Timber	1.5%	4.00%
Infrastructure	2.0%	4.79%
Agriculture	1.5%	4.49%
Assumed Inflation - Mean		2.75%
Assumed Inflation - Standard Deviation		1.65%
Portfolio Arithmetic Real Mean Return		4.23%
Portfolio Median Nominal Geometric Return		6.54%
Portfolio Standard Deviation		9.81%
Long-term Expected Rate of Return, net of investment expenses		7.00%

Sensitivity Analysis – The following presents the net pension liability (asset) of the System, calculated using the discount rate of 7%, as well as what the System’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower, 6%, or 1 percentage point higher, 8%, than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability (asset)	\$1,774,947	(\$165,846)	(\$1,787,778)

As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred of Outflows Resources
Difference Between Expected and Actual Experience	\$ (83,347)	\$ 145,210
Changes of assumptions	-	91,574
Net Difference Between Projected and Actual Earnings	(548,545)	-
Changes in Employer Proportion	(115)	11
Contributions Made Subsequent to the Measurement Date	-	255,239
	<u>\$ (632,007)</u>	<u>\$ 492,034</u>

The net amount of deferred inflows and outflows, other than contributions made subsequent to the measurement date, will be recognized as pension expense in each of the next five years.

Amounts will be recognized in pension expense as follows:

2021	\$ (122,528)
2022	(101,159)
2023	49,680
2024	(236,821)
2025	15,616
	<u>\$ (395,212)</u>

At December 31, 2020, the Division reported a pension asset of \$165,846 for its proportionate share of the total System, compared to a pension liability of \$1,025,298 at December 31, 2019. The proportionate share of the Fleet Division is 0.89% of total System's pension liability as of December 31, 2020 and 0.88% as of December 31, 2019. The proportionate share was based on the actual contributions for the year as of December 31, 2020 and 2019.

NOTE 4 FLEET SERVICES FUND

Fleet Services' management makes an annual assessment of the capital replacement reserve balance for appropriate funding levels. It is the Fund's policy to maintain the Fund's maximum balance at a level that will provide adequate purchasing power for two budget cycles and to return any excess funds to customers based on their scheduled monthly payments. In 2020 and 2019, Fleet Services returned 75% of the interest earned on the capital replacement reserve to the appropriate users. The amounts refunded in 2020 and 2019 were \$186,160 and \$247,338 respectively.

Per ordinance number 28688, in 2020 the Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water (collectively "business units") for funding flexibility. Fleet Services Fund continues to manage and maintain the equipment for all divisions and establish appropriate rates to cover other fleet operating expenses, with all equipment owned or leased by the Department of Public Utilities that is not exclusively used by the Power, Water, or Rail Divisions, to continue to be assets of Fleet Services Fund.

NOTE 5 WESTERN METAL INDUSTRY PENSION FUND

The City of Tacoma had approximately 113 employees who participated in the Western Metal Industry Pension Fund (Plan). The Plan is a cost-sharing, defined benefit, multiple-employer pension plan and is administered by the Board of Trustees. The Trustees and other Plan fiduciaries have discretionary authority to interpret the Plan and determine entitlement to Plan benefits.

Information was unavailable to determine if an actuarial liability exists for the City in 2020, however, the Plan was in "critical" status in the Plan Year beginning January 1, 2019. The Plan fell into critical status following the 2009 Plan Year and was certified as "critical" in 2010. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on May 28, 2010 and subsequently updated it on July 24, 2012 and December 9, 2016.

The Rehabilitation Plan consists of reductions in adjustable benefits including early retirement benefits and retirement payment options, and contribution increases of 16% per year for up to 11 years over the current contribution level. These contribution increases do not translate into additional benefit accruals but instead are directed solely toward improving the Plan's funded status. The Trustees have adopted the "free look" rule set forth in subsection 4210(a) of ERISA related to withdrawal liabilities.

Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or, a copy of the Plan's annual report may be obtained by making a written request to the Plan administrator.

The employer is required to make contributions to the Plan absent terms of a Collective Bargaining Agreement.

On December 3, 2019 the Tacoma City Council approved the collective bargaining agreement for the International Association of Machinists and Aerospace Workers District Lodge 160, Local Lodge 297 General Unit. Contained in this agreement was a call for cessation of the participation in the Western Metal Industry Pension Fund (WMIPF). The contributions submitted for the December 31, 2019, payroll was the final contributions made on behalf of the employees in this unit. As of January 1, 2020, no employees were participating in the plan.

Those employees who vested would be eligible for benefits based on their date of withdrawal.

There were no contribution rates applicable for 2020. The contribution rates for 2019 by classification were as follows:

Classification	January 1, 2019 - December 31, 2019
Equipment Mechanic, Heavy	6.47% of gross pay
Vehicle & Equipment Shop Attendant	5.34% of gross pay
Vehicle & Equipment Shop Supervisor	5.57% of gross pay

There was no contribution in 2020. In 2019, the Division contributed \$145,046.

There is currently no schedule to amortize the unfunded liability for the employees who are remaining within the Plan and the system is currently functioning on a pay-as-you-go basis. The City's obligation is to pay, in full, the payroll withholdings to the system.

At this time, WMIPF has not provided a withdrawal liability estimate. The City utilized employee data from 2017, the last year in which all units were actively contributing to WMIPF to estimate the City's withdrawal liability. The Division has recognized a liability in the amount of \$2,555,220 as of December 31, 2020 and December 31, 2019.

NOTE 6 COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The COVID-19 pandemic is ongoing, and the duration and severity of the crisis are uncertain. The City and the Division took aggressive budget actions in early 2020 to manage the impacts of COVID-19. The actions included, but are not limited to, the following: reduction of 2020 revenue projections, eliminated discretionary spending, cancelled planned projects, established purchasing and contract freezes, established a hiring freeze, put certain staff on temporary furloughs and did targeted lay-offs. Other actions the City took in response to COVID-19 included, but are not limited to, the following: instituted telework for all non-frontline service staff, health screening for employees reporting to City facilities, implemented an Emergency Leave Program for employees impacted by COVID-19, provided additional funding for Rental Assistance programs, and provided additional funding for utility bill assistance. The City and the Division will continue to monitor the community impacts of COVID-19 and remain flexible on responding to community needs.

In 2020, Fleet Services Fund did not receive any Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

NOTE 7 SUBSEQUENT EVENTS

On March 11, 2021, the American Rescue Plan Act (“ARPA”) was signed into law. ARPA provides \$350 billion to help states, counties, cities and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Based on allocation projections, the City anticipates receiving approximately \$63.0 million in ARPA assistance. Funds received under the ARPA may be used for authorized purposes relating to mitigating the fiscal effects of the COVID-19 pandemic, including responding to the public health emergency, providing governmental services, and making certain infrastructure investments, among other purposes. The City will monitor and apply for additional Federal and State support for expenses related to responding to the COVID-19 pandemic if and as such relief becomes available.

While the full impact of the COVID-19 pandemic on the City, the Division and the regional economy is currently uncertain, the City and the Division currently believe that the measures they have taken will help mitigate its anticipated revenue shortfall. The City and the Division, however, cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the regional and local economy or on the revenues and expenses of the City and the Division. Management will continue to monitor the situation closely, but given the uncertainty about the situation, it is unable to estimate the full financial impact.

Required Supplementary Information

Proportionate Share of the Net Pension Liability Last 10 Years*

	As of Measurement Date December 31,					
	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset) as a percentage	0.89%	0.88%	0.94%	0.94%	0.96%	1.05%
Employer's proportion share of net pension liability (asset)	(\$165,846)	\$1,025,298	(\$367,979)	\$874,422	\$835,359	(\$101,261)
Employer's covered payroll	\$2,241,155	\$2,100,109	\$2,179,654	\$2,152,532	\$2,244,782	\$2,183,372
Employer's proportionate share of net pension liability (asset) as a percentage of its covered employee payroll	-7.40%	48.82%	-16.88%	40.62%	38.81%	-4.64%
Plan fiduciary net position as a percentage the total pension liability	101.08%	92.81%	102.53%	93.91%	93.94%	100.71%

Schedule of Contributions Last 10 Fiscal Years*

	Fiscal Year Ended December 31,					
	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$255,239	\$244,845	\$247,180	\$227,116	\$227,848	\$239,770
Contributions in relation to the contractually required employer contribution	(255,239)	(244,845)	(247,180)	(227,116)	(227,848)	(239,770)
Employer contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered employee payroll	\$2,463,679	\$2,241,155	\$2,100,109	\$2,179,654	\$2,152,532	\$2,244,782
Employer contribution as a percentage of covered-employee payroll	10.36%	10.92%	11.77%	10.42%	10.59%	10.68%

* The above schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Division will present information for available years.

Statistical Data (Unaudited)

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Ten-Year Financial Review

STATEMENTS OF NET POSITION	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
ASSETS				
Fixed - Net	\$19,631,756	\$20,043,909	\$20,270,054	\$21,386,337
Current	24,425,237	26,873,162	22,007,068	23,472,087
Other	-	-	-	-
Total Assets	44,056,993	46,917,071	42,277,122	44,858,424
Deferred Outflows	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	44,056,993	46,917,071	42,277,122	44,858,424
LIABILITIES				
Current and Long-Term	431,649	4,558,862	1,039,418	1,987,209
Deferred Inflows	-	-	-	-
NET POSITION	43,625,344	42,358,209	41,237,704	42,871,215
TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	\$44,056,993	\$46,917,071	\$42,277,122	\$44,858,424
STATEMENTS OF INCOME				
OPERATING REVENUES				
Maintenance Revenue	\$2,499,589	\$2,333,084	\$2,101,367	\$2,097,335
Capital Recovery	3,382,819	1,497,410	1,372,888	4,689,984
Pool Car Rental	68,411	82,423	73,772	125,367
Administrative and Fuel	730,871	727,395	1,115,860	1,141,785
Total Operating Revenues	6,681,690	4,640,312	4,663,887	8,054,471
OPERATING EXPENSES				
Repairs and Servicing	2,488,151	2,451,583	2,274,301	2,844,024
Stores Operations	274,399	267,989	326,773	398,011
Administration	1,047,029	1,228,920	1,323,636	1,592,691
Depreciation	2,756,785	2,716,103	2,570,362	2,768,745
Total Operating Expenses	6,566,364	6,664,595	6,495,072	7,603,471
OPERATING INCOME (LOSS)	115,326	(2,024,283)	(1,831,185)	451,000
NON-OPERATING INCOME (EXPENSE)				
Interest Income	360,639	92,913	(99,756)	54,921
Net Other Income (Expense)	253,627	247,292	165,334	474,892
Total Non-Operating Income (Expense)	614,266	340,205	65,578	529,813
Net Income (Loss) Before Contributions & Transfers	729,592	(1,684,078)	(1,765,607)	980,813
Total Capital Contributions	174,815	46,877	-	-
Transfers to/from Other Funds	250,583	370,066	645,102	652,698
NET INCOME (LOSS)	\$1,154,990	(\$1,267,135)	(\$1,120,505)	\$1,633,511

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$22,275,221	\$26,250,230	\$25,980,731	\$26,967,361	\$27,788,291	\$3,224,371
23,333,088	20,350,890	19,066,508	17,009,728	17,548,246	2,128,172
<u>101,261</u>	<u>-</u>	<u>-</u>	<u>367,979</u>	<u>-</u>	<u>165,846</u>
45,709,570	46,601,120	45,047,239	44,345,068	45,336,537	5,518,389
<u>240,412</u>	<u>964,710</u>	<u>915,881</u>	<u>471,904</u>	<u>1,213,509</u>	<u>492,034</u>
45,949,982	47,565,830	45,963,120	44,816,972	46,550,046	6,010,423
1,476,341	1,928,210	1,707,781	927,596	5,401,123	3,791,792
106,900	55,923	188,408	626,385	134,723	632,007
<u>44,366,741</u>	<u>45,581,697</u>	<u>44,066,931</u>	<u>43,262,991</u>	<u>41,014,200</u>	<u>1,586,624</u>
\$45,949,982	\$47,565,830	\$45,963,120	\$44,816,972	\$46,550,046	\$6,010,423
\$2,196,833	\$2,176,445	\$2,176,378	\$2,178,241	\$2,917,271	\$2,809,630
4,826,427	5,122,589	2,360,298	2,634,745	3,677,556	3,163,591
136,685	123,377	125,755	127,890	137,685	57,999
<u>914,378</u>	<u>874,367</u>	<u>1,433,703</u>	<u>1,416,352</u>	<u>1,484,723</u>	<u>1,456,450</u>
8,074,323	8,296,778	6,096,134	6,357,228	8,217,235	7,487,670
2,578,812	2,712,254	2,716,794	2,254,005	2,616,231	2,688,049
308,946	329,268	337,500	307,445	299,936	329,849
1,386,437	1,451,298	1,589,619	1,526,791	4,120,377	1,495,737
<u>2,937,475</u>	<u>2,988,385</u>	<u>3,492,861</u>	<u>3,589,783</u>	<u>3,795,052</u>	<u>3,351,357</u>
7,211,670	7,481,205	8,136,774	7,678,024	10,831,596	7,864,992
862,653	815,573	(2,040,640)	(1,320,796)	(2,614,361)	(377,322)
(24,043)	48,726	(2,988)	115,934	277,092	188,199
<u>193,493</u>	<u>348,476</u>	<u>528,862</u>	<u>400,922</u>	<u>88,478</u>	<u>(213,160)</u>
<u>169,450</u>	<u>397,202</u>	<u>525,874</u>	<u>516,856</u>	<u>365,570</u>	<u>(24,961)</u>
1,032,103	1,212,775	(1,514,766)	(803,940)	(2,248,791)	(402,283)
-	-	-	-	-	-
<u>338,904</u>	<u>2,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,025,293)</u>
\$1,371,007	\$1,214,956	(\$1,514,766)	(\$803,940)	(\$2,248,791)	(\$39,427,576)

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Fleet Plant in Service
For the Year Ended December 31, 2020

FIXED ASSET ACCOUNTS					
	Book Cost 1/1/20	Additions 2020	Retirements 2020	Transfers & Adjustments	Book Cost 12/31/20
Office Furniture and Equipment	\$616,901	\$ -	\$ -	\$ -	\$616,901
Stores and Shop Equipment	719,411	-	-	-	719,411
Transportation Equipment	48,361,833	2,636,480	(2,171,835)	(46,336,826)	2,489,652
Power-Operated Equipment	16,309,867	3,441,818	(162,344)	(19,518,575)	70,766
Construction Work in Progress	1,849,446	6,545,397	-	(6,078,298)	2,316,545
TOTAL FIXED ASSETS	\$67,857,458	\$12,623,695	(\$2,334,179)	(\$71,933,699)	\$6,213,275

ACCUMULATED DEPRECIATION ACCOUNTS						
	Depreciation Rate %	Accumulated Depreciation 1/1/20	Annual Accrual Cr.	Retirements	Transfers & Adjustments	Accumulated Depreciation 12/31/20
Office Furniture and Equipment	Various	\$557,171	\$5,422	\$ -	\$ -	\$562,593
Stores and Shop Equipment	Various	643,667	14,178	-	-	657,845
Transportation Equipment	Various	26,810,533	2,773,554	(1,440,132)	(26,420,047)	1,723,908
Power-Operated Equipment	Various	12,057,796	558,203	(126,103)	(12,445,338)	44,558
TOTAL ACCUMULATED DEPRECIATION		\$40,069,167	\$3,351,357	(\$1,566,235)	(\$38,865,385)	\$2,988,904

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Taxes and Employee Welfare Contributions
For the Year 2020

FEDERAL

Social Security (FICA)		\$187,048
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STATE OF WASHINGTON

Retail Sales Tax	560,897	
State Employment Security	<u>4,157</u>	
Total		<u>565,054</u>

TOTAL TAXES		<u><u>\$752,102</u></u>
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Taxes as a % of Total Revenues of \$7,487,670		10.04%
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EMPLOYEE WELFARE CONTRIBUTIONS

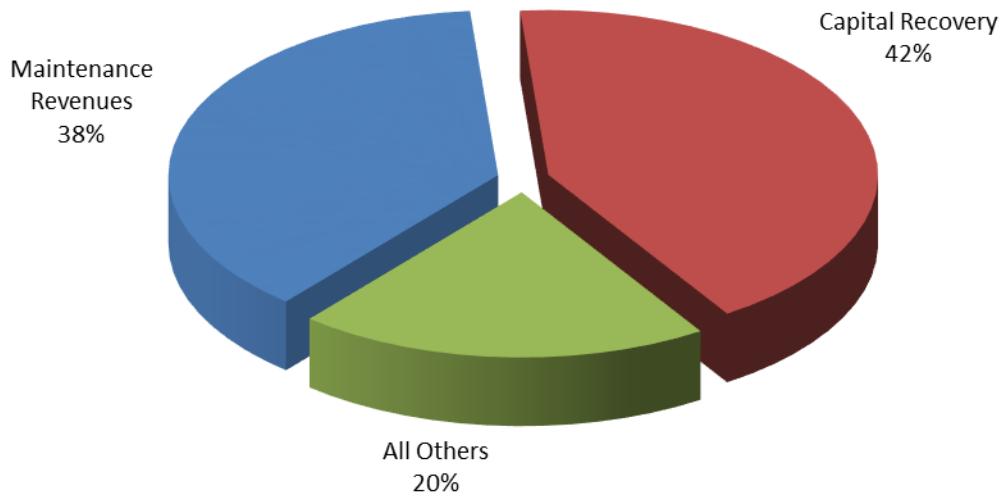
Industrial Insurance and Medical Aid	\$20,840	
City of Tacoma Pension Fund	274,083	
Washington Dental Service	46,454	
Pierce County Medical Bureau	<u>456,313</u>	

TOTAL EMPLOYEE WELFARE CONTRIBUTIONS		<u><u>\$797,690</u></u>
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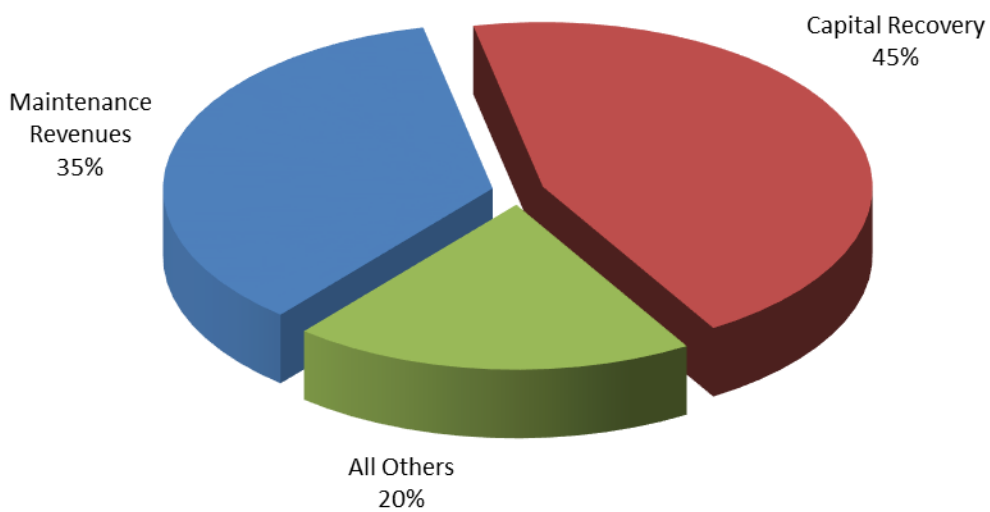
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Graphs

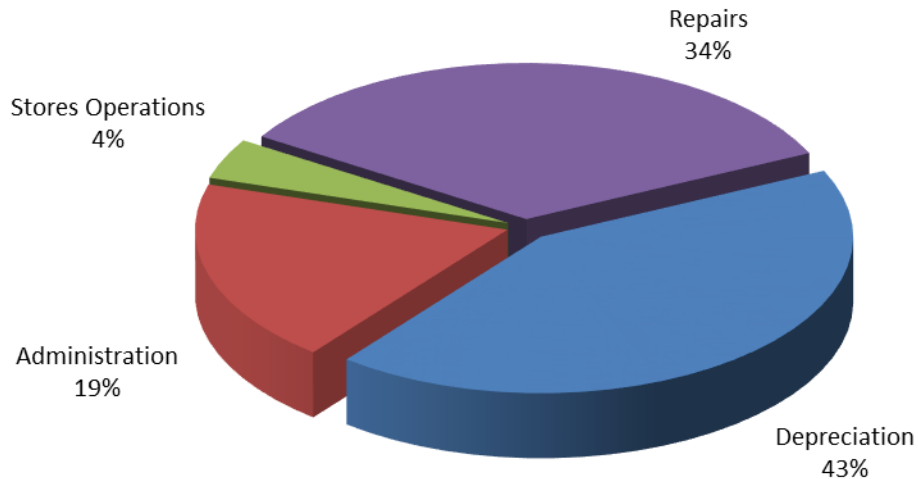
TOTAL OPERATING REVENUES
Year to Date - December 2020 (\$7,487,670)



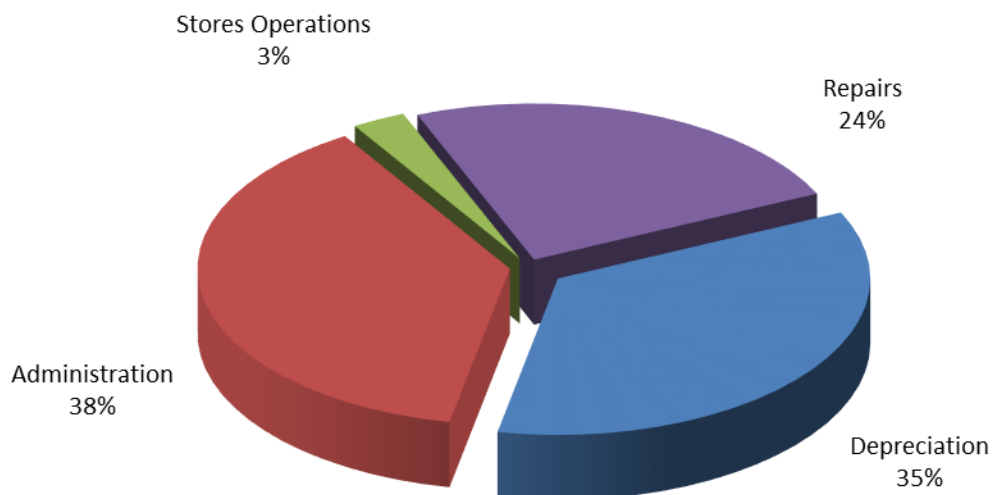
TOTAL OPERATING REVENUES
Year to Date - December 2019 (\$8,217,235)



TOTAL OPERATING EXPENSES
Year to Date - December 2020 (\$7,864,992)



TOTAL OPERATING EXPENSES
Year to Date - December 2019 (\$10,831,596)





The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.