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***ANNUAL***

***FLEET SERVICES FUND***

**2023**  
**FINANCIAL  
REPORT**





# Public Utility Board

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DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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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 management 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, 2023, 2022 and 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues, provide an overview of the Fund's financial activities, and identify changes in the Fund's financial position. 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 (GAAP) in the United States of America 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, 2023 and 2022, 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being 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 operating, non-capital financing, capital and related financing, and investing activities.

The notes to 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 maintains a system of internal controls 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 controls 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 controls should not exceed the benefits derived.

## **Financial Statement Analysis**

During 2023, Fleet Services realized net gain of \$0.2 million compared to net gain of \$1.5 million recorded in 2022. Operating revenues decreased \$0.3 million in 2023 or 4.4%. Operating expenses increased \$1.1 million or 25.5%. The overall result is a net decrease in operating income of \$1.4 million from a year earlier.

In 2022, Fleet Services realized net gain of \$1.5 million compared to net loss of \$2.8 million recorded in 2021. Operating revenues increased \$1.4 million in 2022 or 30.2%. Operating expenses decreased \$0.9 million or 17.2%. The overall result is a net increase in operating income of \$2.3 million from a year earlier.



## Selected Financial Information

(in thousands)

Category	2021	2022	2023
Operating Revenues	\$ 4,545	\$ 5,916	\$ 5,653
Operating Expenses	<u>5,367</u>	<u>4,444</u>	<u>5,575</u>
Operating Income (Loss)	(822)	1,472	78
Other Income	(179)	(3)	78
Transfers In/ (Out)	<u>(1,843)</u>	<u>-</u>	<u>12</u>
Change in Net Position	<u>\$ (2,844)</u>	<u>\$ 1,469</u>	<u>\$ 168</u>
Current Assets	\$ 3,597	\$ 2,489	\$ 2,205
Other Assets	-	1,352	-
Deferred Outflows	902	743	1,496
Capital Assets (Net)	<u>780</u>	<u>794</u>	<u>1,185</u>
Total Assets	<u>5,279</u>	<u>5,378</u>	<u>4,886</u>
Total Liabilities	6,394	3,621	4,480
Deferred Inflows	<u>143</u>	<u>1,546</u>	<u>27</u>
Net Investment in Capital Assets	780	794	1,185
Restricted	-	1,352	-
Unrestricted	<u>(2,038)</u>	<u>(1,935)</u>	<u>(806)</u>
Total Net Position	<u>\$ (1,258)</u>	<u>\$ 211</u>	<u>\$ 379</u>

### 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 \$5.6 in 2023, \$5.9 in 2022 and \$4.5 million in 2021.

Maintenance revenues are mainly related to staff labor and were \$3.9 million in 2023, \$3.7 million in 2022 and \$2.9 million in 2021.

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 \$0.5, \$0.8, and \$0.3 million in 2023, 2022, and 2021, respectively.

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 \$1.0 million in 2023, \$1.2 million in 2022 and \$1.1 million in 2021.

Fuel and fuel loading revenues are affected by year to year changes in vehicle usage and fluctuations in fuel prices. Fuel related revenues were \$88,000, \$88,000, and \$66,000 for 2023, 2022 and 2021, respectively.

Pool car revenues are based on usage and were \$111,000, \$181,000 and \$234,000 for 2023, 2022 and 2021, respectively.

## Expenses

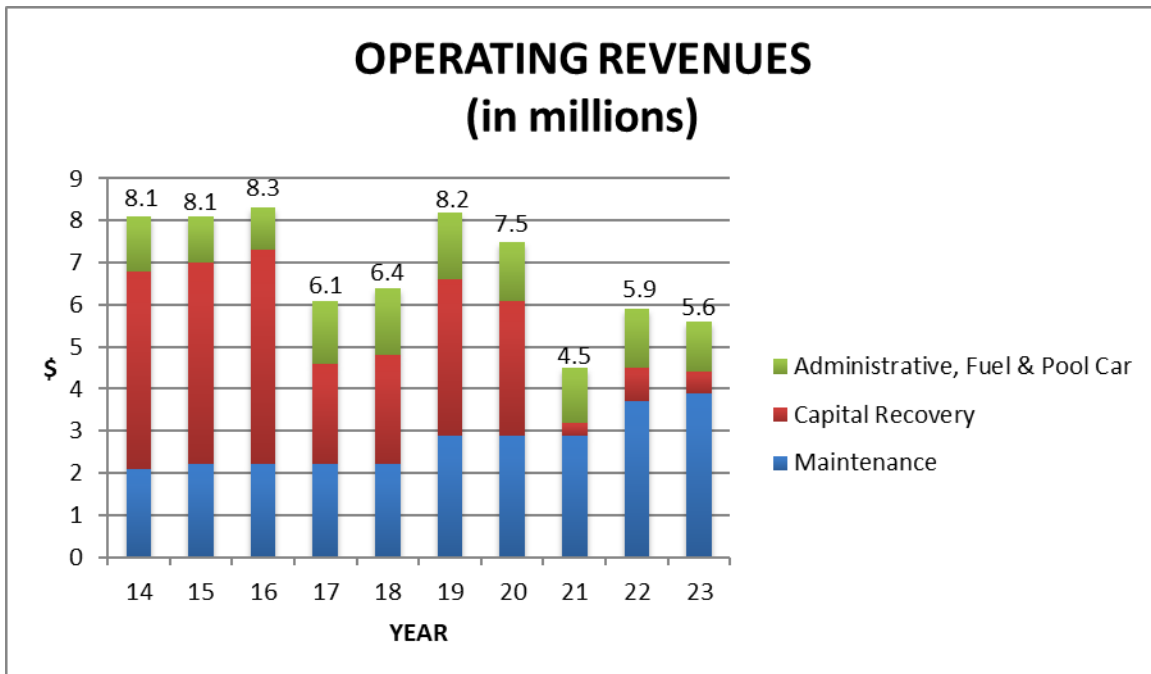
Fleet Services operating expense is comprised of four major categories: Repairs and servicing, stores operations, administration and depreciation. Fleet services expenses were \$5.6, \$4.4 and \$5.4 million in 2023, 2022 and 2021, respectively.

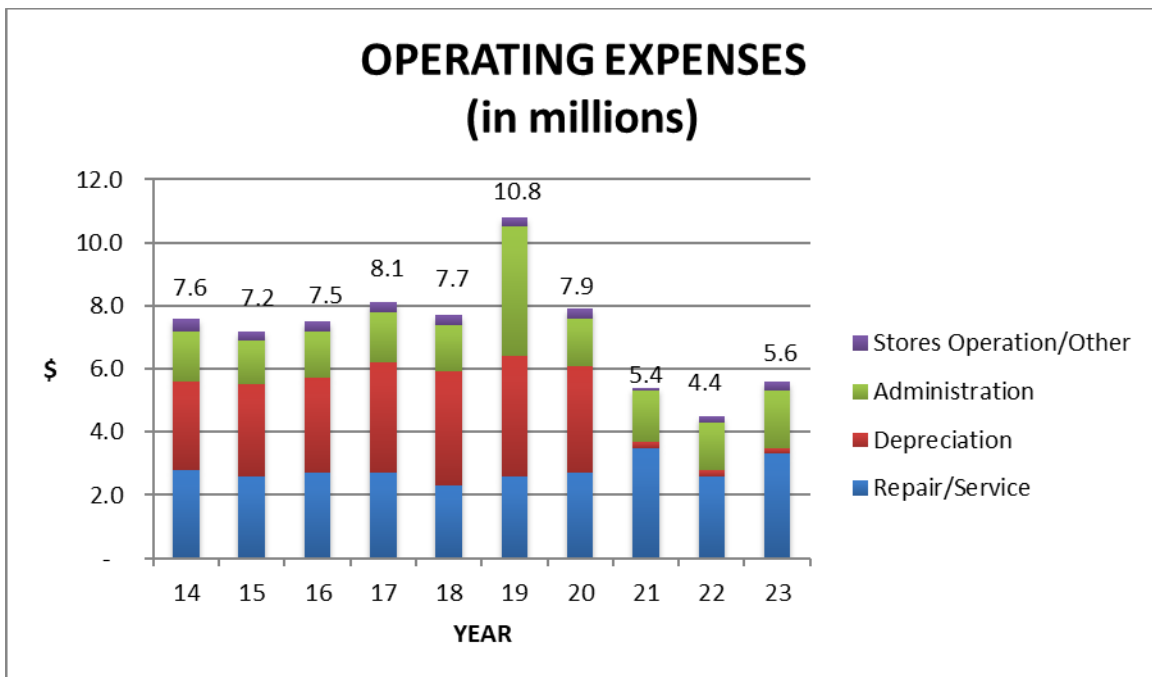
Repairs and service expense relates to shop operations which provide preventive and corrective maintenance and repairs to vehicles and pieces of equipment for Tacoma Public Utilities and other service groups. Repair and service expenses were \$3.3 million in 2023, \$2.6 million in 2022 and \$3.5 million in 2021.

Stores operation is a parts warehouse maintained by Fleet which had expenses of \$332,000, \$248,000 and \$75,000 in 2023, 2022 and 2021, respectively.

Administration expenses were \$1.8, \$1.5 and \$1.6 million in 2023, 2022 and 2021, respectively.

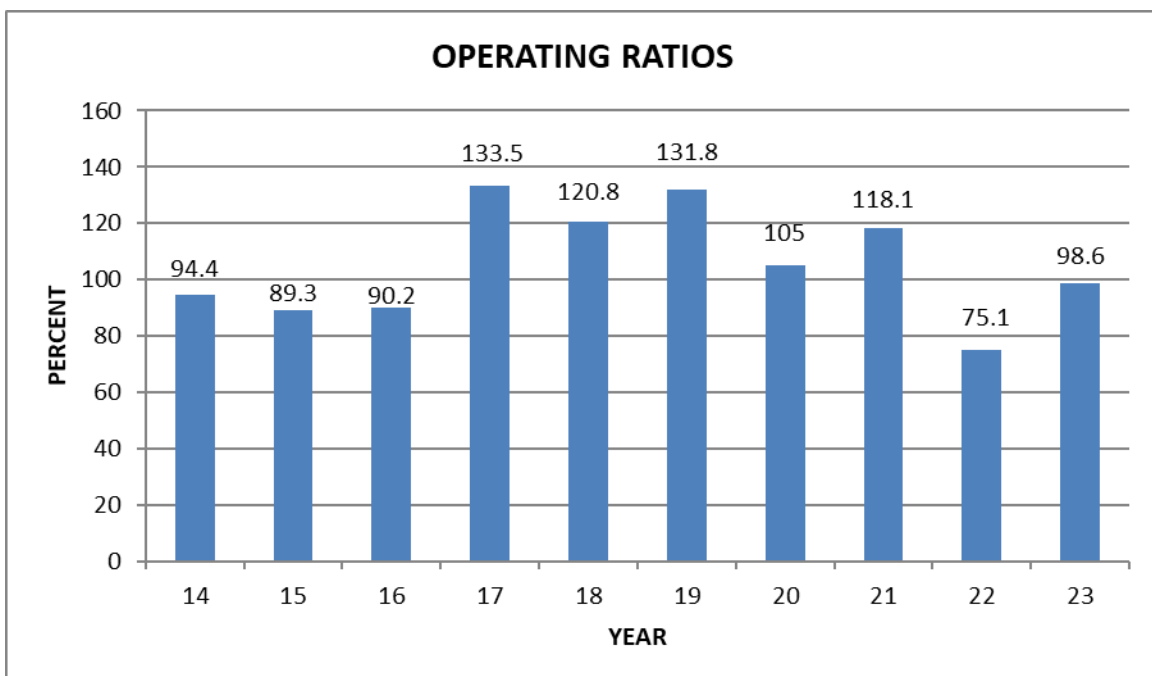
Depreciation expense was \$ 0.2 million in each 2023, 2022 and 2021





#### Operating Ratio

The Fund's operating ratios, a common measure of efficiency and defined as operating expenses as a percentage of revenue, for 2023, 2022 and 2021 are 98.6%, 75.1%, and 118.1%, respectively. 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)

Investment Income/ (Loss) increased \$70,000 from a negative \$14,000 in 2022 to \$56,000 in 2023. The increase is primarily due to higher interest rates in City Pooled investments in 2023 and higher market value of investments as of December 31, 2023.

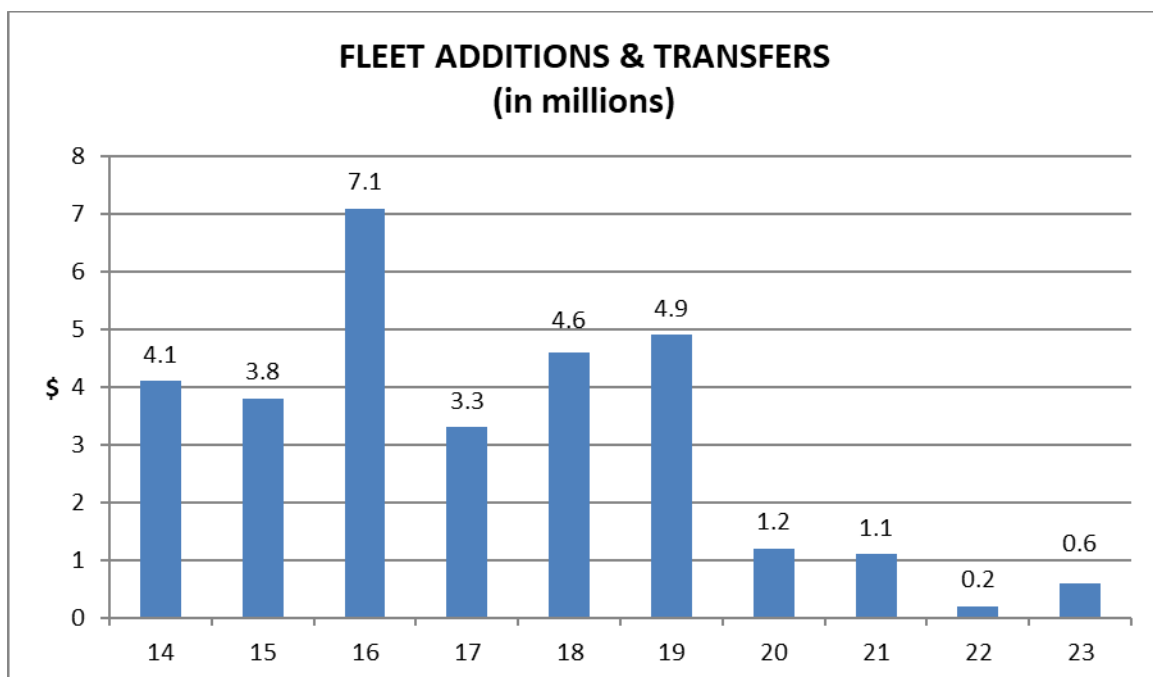
It is the practice of Fleet Services to arrange for public auction sale of vehicles and equipment that are declared surplus by the assigned sections. Fifty-five vehicles and pieces of equipment were retired in 2023 for a net gain of \$12,000, an increase of \$1,000 compared to 2022. Fleet Services reported a net gain of \$11,000 in 2022, a decrease of \$9,000 compared to 2021.

### Transfers

Transfers In was \$12,000 in 2023 due to the reimbursement for a Fleet asset from Power. Transfers Out was zero in 2022.

### Fixed Asset Additions

Purchases of fleet vehicles and equipment in 2023 were \$564,000 with eighty-five vehicles and pieces of equipment placed into service compared with \$185,000 in 2022 with sixty-one vehicles and pieces of equipment placed into service. Purchases of fleet vehicles and equipment in 2021 were \$1.1 million with fifty-four 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, 2023 and December 31, 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>FIXED</b>		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	816,064	804,032
Transportation Equipment	2,526,994	2,482,592
Power-Operated Equipment	70,766	70,766
Accumulated Depreciation	<u>(3,200,532)</u>	<u>(3,182,294)</u>
Total Fixed Assets	830,193	791,997
Construction Work in Progress	<u>355,179</u>	<u>1,958</u>
Net Fixed Assets	1,185,372	793,955
<b>CURRENT</b>		
Current Fund Cash & Equity in Pooled Investments	1,495,179	1,890,757
Materials and Supplies	<u>709,550</u>	<u>598,201</u>
Total Current Assets	2,204,729	2,488,958
<b>OTHER ASSETS</b>		
Net Pension Asset	<u>-</u>	<u>1,351,730</u>
<b>TOTAL ASSETS</b>	<u>3,390,101</u>	<u>4,634,643</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows for Pension	<u>1,495,922</u>	<u>743,280</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$4,886,023</u>	<u>\$5,377,923</u>

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

	<u>2023</u>	<u>2022</u>
<b>NET POSITION AND LIABILITIES</b>		
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$1,185,372	\$793,955
Restricted for:		
Net Pension Asset	-	1,351,730
Unrestricted	<u>(806,584)</u>	<u>(1,934,893)</u>
<b>TOTAL NET POSITION</b>	378,788	210,792
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable & Other	165,446	170,844
Wages Payable	124,493	128,506
Current Pension Withdrawal Liability	<u>249,838</u>	<u>312,298</u>
Total Current Liabilities	539,777	611,648
<b>LONG-TERM LIABILITIES</b>		
Employee Vacation and Sick Leave Accrual	288,354	266,709
Net Pension Liability	1,158,975	-
Other Long-Term Liabilities	<u>2,492,691</u>	<u>2,742,529</u>
Total Long-Term Liabilities	3,940,020	3,009,238
<b>TOTAL LIABILITIES</b>	<u>4,479,797</u>	<u>3,620,886</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows for Pension	<u>27,438</u>	<u>1,546,245</u>
<b>TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS</b>	<u><u>\$4,886,023</u></u>	<u><u>\$5,377,923</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, 2023 and December 31, 2022

	YEAR TO DATE					
	DECEMBER 2023	DECEMBER 2022	DECEMBER 2023	DECEMBER 2022	2023/2022 VARIANCE	PERCENT CHANGE
<b>OPERATING REVENUES</b>						
Maintenance Revenue	\$386,977	\$1,082,077	\$3,949,339	\$3,653,284	\$296,055	8.1%
Capital Recovery	82,824	329,129	496,943	760,963	(264,020)	-34.7%
Administrative Overhead	85,291	310,967	1,007,857	1,232,452	(224,595)	-18.2%
Fuel and Fuel Loading	4,568	7,115	88,209	88,121	88	0.1%
Pool Car Rental	-	9,582	110,604	180,643	(70,039)	-38.8%
Total Operating Revenue	559,660	1,738,870	5,652,952	5,915,463	(262,511)	-4.4%
<b>OPERATING EXPENSES</b>						
Repairs and Servicing						
Shop Operations	430,980	15,811	3,285,271	2,566,052	719,219	28.0%
Outside Services	-	1,827	14,118	6,078	8,040	132.3%
Total Repairs and Servicing	430,980	17,638	3,299,389	2,572,130	727,259	28.3%
Stores Operations	56,843	(17,098)	331,963	248,430	83,533	33.6%
Administration	110,569	381,737	1,780,975	1,456,652	324,323	22.3%
Depreciation	15,369	13,902	162,579	166,451	(3,872)	-2.3%
Total Operating Expenses	613,761	396,179	5,574,906	4,443,663	1,131,243	25.5%
<b>OPERATING INCOME (LOSS)</b>	(54,101)	1,342,691	78,046	1,471,800	(1,393,754)	-94.7%
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Investment Income/ (Loss)	18,350	(25,764)	56,022	(14,030)	70,052	499.3%
Gain/ (Loss) on Disposition of Equipment	(417)	(244)	11,908	10,950	958	8.7%
Other Non-Operating Revenues	2,397	-	9,989	-	9,989	N/A
Total Non-Operating Revenues (Expenses)	20,330	(26,008)	77,919	(3,080)	80,999	2629.8%
Net Gain/ (Loss) Before Transfers	(33,771)	1,316,683	155,965	1,468,720	(1,312,755)	-89.4%
Transfers In/ (Out)	12,031	-	12,031	-	12,031	N/A
<b>CHANGE IN NET POSITION</b>	<u>(\$21,740)</u>	<u>\$1,316,683</u>	167,996	1,468,720	(\$1,300,724)	-88.6%
<b>TOTAL NET POSITION - JANUARY 1</b>			210,792	(1,257,928)		
<b>TOTAL NET POSITION - DECEMBER 31</b>			<u>\$378,788</u>	<u>\$210,792</u>		

The accompanying notes are an integral part of these financial statements.



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

Statement of Net Position (Unaudited)  
December 31, 2023

Invested in Capital Assets:		
Balance January 1, 2023	\$793,955	
Capital Additions	409,655	
Depreciation	<u>(18,238)</u>	
Total Invested in Capital Assets		1,185,372
Restricted Net Position:		
Balance January 1, 2023	1,351,730	
Additions	-	
Net Reductions through December 31, 2023	<u>(1,351,730)</u>	
Total Restricted Net Position December 31, 2023		-
Unrestricted Net Position:		
Balance January 1, 2023	(1,934,893)	
Net Reductions through December 31, 2023	<u>1,128,309</u>	
Total Unrestricted Net Position December 31, 2023		<u>(806,584)</u>
TOTAL NET POSITION DECEMBER 31, 2023		<u><u>\$378,788</u></u>

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

Statements of Cash Flows (Unaudited)

	YEAR TO DATE	
	DECEMBER 31, 2023	DECEMBER 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash From Customers	\$5,652,952	\$5,915,463
Cash Paid to Suppliers	(1,793,798)	(3,491,587)
Cash Paid to Employees	(3,790,686)	(3,470,715)
Cash from Other Non-Operating Revenues	9,989	14,285
Net Cash From Operating Activities	78,457	(1,032,554)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfer to/from Other Funds	12,031	-
Net Cash From Non-Capital Financing Activities	12,031	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Expenditures, Net	(563,638)	(184,739)
Proceeds from Sales of Capital Assets	21,550	750
Net Cash From Financing Activities	(542,088)	(183,989)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income (Loss)	56,022	(14,030)
Net Cash From Investing Activities	56,022	(14,030)
Net Change in Cash and Equity in Pooled Investments	(395,578)	(1,230,573)
Cash and Equity in Pooled Investments at January 1	1,890,757	3,121,330
Cash and Equity in Pooled Investments at December 31	<u>\$1,495,179</u>	<u>\$1,890,757</u>

*The accompanying notes are an integral part of these financial statements.*

	YEAR TO DATE	
	DECEMBER 31,	DECEMBER 31,
	2023	2022
<b>Reconciliation of Operating Income to Net Cash From Operating Activities:</b>		
Operating Income (Loss)	\$78,046	\$1,471,800
Pension (Credits) Expenses	239,256	(456,487)
Depreciation Expense	162,579	166,451
Other Non-Operating Revenues	9,989	14,285
 Adjustments to Reconcile Operating Income to Net Cash From Operating Activities:		
Materials and Supplies	(111,349)	(122,269)
Accounts Payable & Other	(5,398)	(1,944,696)
Other Liabilities	(312,298)	(187,378)
Salaries, Fringe Benefits and Compensated Absences	17,632	25,740
 Total Adjustments	411	(2,504,354)
 Net Cash From Operating Activities	\$78,457	(\$1,032,554)

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 and related equipment.

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. Pooled investments are reported on the Statement of Net Position as Cash and equity in pooled investments. 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 and the equity in pooled investments is considered cash for cash flow reporting purposes.

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, 2023 and 2022 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 Treasurer's LGIP is authorized by RCW 43.250. The LGIP is operated like a money market 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:

	As of 12/31/2023	Level 1	Level 2	Level 3
Debt Securities				
U.S. Treasury Securities	\$ 643,384,888	\$ -	\$ 643,384,888	\$ -
U.S. Agency Securities	673,735,766	-	673,735,766	-
Supranational Securities	32,104,066	-	32,104,066	-
Municipal Bonds	22,877,649	-	22,877,649	-
Corporate Securities	77,539,604	-	77,539,604	-
	<u>\$ 1,449,641,973</u>	<u>\$ -</u>	<u>\$ 1,449,641,973</u>	<u>\$ -</u>

	As of 12/31/2022	Level 1	Level 2	Level 3
Debt Securities				
U.S. Treasury Securities	\$ 683,653,733	\$ -	\$ 683,653,733	\$ -
U.S. Agency Securities	555,411,908	-	555,411,908	-
Supranational Securities	19,561,285	-	19,561,285	-
Municipal Bonds	20,114,217	-	20,114,217	-
Corporate Securities	61,142,820	-	61,142,820	-
	<u>\$ 1,339,883,963</u>	<u>\$ -</u>	<u>\$ 1,339,883,963</u>	<u>\$ -</u>

Fleet's share of the City Investments shown in the table above is 0.10% and 0.13% for 2023 and 2022.

### 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 Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information may be obtained by writing to:

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

Or the TERS ACFR may be downloaded from the TERS website at [www.cityoftacoma.org/retirement](http://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, 2022 and 2021 (measurement date) is as follows:

	Measurement date as of December 31,	
	2022	2021
Retirees and beneficiaries currently receiving benefits	2,765	2,695
Terminated vested and other terminated participants	918	842
Active members:		
City of Tacoma	2,877	2,790
Pierce Transit	17	12
South Sound 911	2	2
Tacoma-Pierce County Health Department	305	292
Total active members	3,201	3,096
Total membership	6,884	6,633

**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 the Pierce Transit and the South 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) increases 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 4154 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 employers 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 total 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, 2022
Valuation Date	January 1, 2023
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"> <li>• Level percent</li> <li>• Open periods</li> <li>• 25 year amortization period*</li> <li>• 3.25% amortization growth rate</li> </ul>
Asset Valuation Method	4 year smoothing period; Corridor - None
Inflation	2.50%
Salary Increases	Varies by service
Investment Rate of Return	6.75%
Cost of Living Adjustment	2.125%
Retirement Age	Varies by age, gender, and eligibility
Turnover	Varies by service, and gender
Mortality	105% of the Male and 100% of the Female PubG-2010 Amount-Weighted Mortality Tables, sex distinct. Generational improvements with unisex projection scale based on Social Security Administration Data 1957-2017.

*\*The actual contribution is used if that rate is greater than the rate necessary to amortize the UAAL. Note that the UAAL amortization period is 30 years for years 2017 and earlier and 25 for years beginning January 1, 2018 and later.*

**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, 2023, valuation date and December 31, 2022, the measurement date. Therefore, no adjustments were needed from the January 1, 2023, actuarial valuation date to the calculated liabilities as of December 31, 2022, measurement date for reporting date of December 31, 2023. There were no changes between the January 1, 2022 and January 1, 2023 valuation dates.



**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, 2022 and 2021 for reporting date December 31, 2023 and 2022, respectively. The target asset allocation is based on the Tacoma Employees' Retirement System Investment Policy Statement dated November 2022 and November 2021 for reporting date December 31, 2023, and 2022, respectively.

Asset Class	Reporting date			
	December 31, 2023		December 31, 2022	
	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Investment Grade Fixed Income	19.5%	2.35%	19.5%	2.00%
US Bank/ Leveraged Loans	3.0%	3.75%	3.0%	3.14%
US Long Government Bonds	3.0%	2.38%	3.0%	2.30%
High Yield Bonds	6.0%	4.28%	6.0%	3.60%
Emerging Market Debt	5.0%	4.04%	5.0%	3.20%
Global Equity	34.5%	5.08%	34.5%	5.15%
Private Real Estate	10.0%	3.35%	10.0%	5.90%
Private Equity	10.0%	7.78%	10.0%	8.10%
Master Limited Partnerships	4.0%	5.73%	4.0%	6.60%
Timber	-	-	1.5%	3.88%
Infrastructure	5.0%	4.12%	2.0%	7.55%
Agriculture	-	-	1.5%	4.23%
Assumed Inflation - Mean		2.50%		2.50%
Assumed Inflation - Standard Deviation		1.41%		1.23%
Portfolio 30 year Arithmetic Rate of Return		-		7.26%
Portfolio 30 year Geometric Rate of Return		-		6.71%
Portfolio 10 year Geometric Rate of Return		7.04%		
Portfolio Standard Deviation		11.04%		10.97%
Long-Term Expected Rate of Return, net of investment expenses		6.75%		6.75%

**Sensitivity Analysis** – The following presents the net pension liability (asset) of the System, calculated using the discount rate of 6.75% as of December 31, 2023 and 2022, as well as what the System's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower, 5.75%, or 1 percentage point higher, 7.75%, than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
As of December 31, 2023			
Net pension liability (asset)	\$3,294,712	\$1,158,975	(\$620,784)
	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
As of December 31, 2022			
Net pension liability (asset)	\$897,024	(\$1,351,730)	(\$3,225,714)

As of December 31, 2023 and 2022, the deferred inflows and outflows of resources are as follows:

	December 31, 2023		December 31, 2022	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference Between Expected and Actual Experience	\$ (26,127)	\$ 80,206	\$ (48,875)	\$ 109,538
Changes in assumptions	-	227,781	-	345,559
Net Difference Between Projected and Actual Earnings	-	902,067	(1,496,255)	-
Changes in Employer Proportion	(1,311)	4	(1,115)	6
Contributions Made Subsequent to the Measurement Date	-	285,864	-	288,177
Total	<u>\$ (27,438)</u>	<u>\$ 1,495,922</u>	<u>\$ (1,546,245)</u>	<u>\$ 743,280</u>

The Division reported \$285,864 as deferred outflows of resources related to the amounts associated with contributions subsequent to the measurement date and will be recognized as a reduction of the total pension liability in the fiscal year ending December 31, 2024.

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:

Year-ended December 31	
2024	\$ 106,309
2025	342,832
2026	219,330
2027	512,640
2028	1,509
	<u>\$ 1,182,620</u>

At December 31, 2023, the Division reported a pension liability of \$1,158,975 for its proportionate share of the total System, compared to a pension asset of \$1,351,730 at December 31, 2022. The proportionate share of the Fleet Division is 0.84% of total System's pension liability as of December 31, 2023, and 0.92% as of December 31, 2022. The proportionate share was based on the actual contributions for the year as of December 31, 2023 and 2022.

#### NOTE 4 FLEET SERVICES FUND

Fleet Services' management conducts a biennial assessment of the maintenance and capital needs of department owned vehicles and equipment. It is the Fund's policy to maintain the working cash balance of 60 days of current budget expenditures.

Fleet Services Fund provides administration, repair and maintenance of the vehicles and related equipment for Power, Water, and Rail (collectively "business units"), and replacements for the pool cars and service division vehicles.

Fleet Services Fund manages and maintains the vehicles and equipment for the business units and establishes appropriate rates to cover other fleet operating expenses. All equipment owned or leased by the business units that is not exclusively used by the Power, Water, or Rail are 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 (WMIPF or 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.

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 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 December 31, 2021, there were no employees 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 2022 and 2021. There were no contributions in 2022 and 2021.

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.

On November 5, 2021, the City received a Withdrawal Liability Demand Letter from WMIPF. The actuaries for the Plan determined that the withdrawal liability attributed to City of Tacoma is \$44,325,881 in total, but the collective liability was recorded by the City of Tacoma for 20-year limitation liability of \$17,863,052 in accordance with Section 4219 (c) of the Employee Retirement Income Security Act (ERISA), 20 U.S.C. 1399(c). Each operating division recorded the respective liability based on its proportionate share of the 20-year limitation liability as of December 31, 2021. The initial \$337,619 payment was due on or before January 1, 2022 which was comprised of \$169,829 attributable to the partial withdrawal and \$167,790 attributable to the complete withdrawal.

Subsequent payments are due quarterly. The partial withdrawal quarterly payment will continue until 80 quarterly payments are made for a total of \$13,586,320 while the last quarterly installment for the complete withdrawal will be due on April 1, 2028 for a total of \$4,276,732, the last payment amount will be \$81,982. The payments of \$1.7 million and \$1.0 were made by the City during 2023 and 2022, respectively.

As of December 31, 2023, the Fund reported a liability of \$2,742,529 for its proportionate share of the City's collective total withdrawal liability of \$14,824,481 compared to \$3,054,827, at December 31, 2022. The current portion of the withdrawal liability is \$249,838 as of December 31, 2023, compared to \$312,298 as of December 31, 2022. At December 31, 2023 and 2022, the Division's proportion was 18.5%. There was no withdrawal expense for the year ended December 31, 2023 and 2022.

On January 26, 2022, the City submitted an appeal over the liability calculation subject to the Employee Retirement Income Security Act of 1974 (ERISA). On April 12, 2023, the City submitted a Demand and Notice of Initiation Arbitration to American Arbitration Association. On January 2, 2024, the City received the ruling on motions for summary judgement and award regarding the interest rate used to calculate the withdrawal liability from American Arbitration Association. On January 23, 2024, the City filed a complaint to enforce arbitration award to United States District Court Western District of Washington in Seattle. The outcome of the complaint is uncertain at the time of the report issuance and may affect the estimated liability amount.

# Required Supplementary Information

### Proportionate Share of the Net Pension Liability Last 10 Years\*

	As of Measurement Date December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset) as a percentage	0.84%	0.92%	0.96%	0.89%	0.88%	0.94%	0.94%	0.96%	1.05%
Employer's proportion share of net pension liability (asset)	\$1,158,975	(\$1,351,730)	\$667,073	(\$165,846)	\$1,025,298	(\$367,979)	\$874,422	\$835,359	(\$101,261)
Employer's covered payroll	\$2,356,953	\$2,472,739	\$2,463,679	\$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	49.17%	-54.67%	27.08%	-7.40%	48.82%	-16.88%	40.62%	38.81%	-4.64%
Plan fiduciary net position as a percentage the total pension liability	93.02%	107.74%	96.22%	101.08%	92.81%	102.53%	93.91%	93.94%	100.71%

### Schedule of Contributions Liability Last 10 Years\*

	Fiscal Year Ended December 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$285,864	\$288,177	\$285,275	\$255,239	\$244,845	\$247,180	\$227,116	\$227,848	\$239,770
Contributions in relation to the contractually required employer contribution	(285,864)	(288,177)	(285,275)	(255,239)	(244,845)	(247,180)	(227,116)	(227,848)	(239,770)
Employer contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Employer's covered employee payroll	\$2,590,647	\$2,356,953	\$2,472,739	\$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	11.03%	12.23%	11.54%	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

<b>STATEMENTS OF NET POSITION</b>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>ASSETS</b>				
Fixed - Net	\$21,386,337	\$22,275,221	\$26,250,230	\$25,980,731
Current	23,472,087	23,333,088	20,350,890	19,066,508
Other	-	101,261	-	-
Total Assets	44,858,424	45,709,570	46,601,120	45,047,239
Deferred Outflows	-	240,412	964,710	915,881
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>44,858,424</b>	<b>45,949,982</b>	<b>47,565,830</b>	<b>45,963,120</b>
<b>LIABILITIES</b>				
Current and Long-Term	1,987,209	1,476,341	1,928,210	1,707,781
Deferred Inflows	-	106,900	55,923	188,408
<b>NET POSITION</b>	<b>42,871,215</b>	<b>44,366,741</b>	<b>45,581,697</b>	<b>44,066,931</b>
<b>TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS</b>	<b>\$44,858,424</b>	<b>\$45,949,982</b>	<b>\$47,565,830</b>	<b>\$45,963,120</b>
<b>STATEMENTS OF INCOME</b>				
<b>OPERATING REVENUES</b>				
Maintenance Revenue	\$2,097,335	\$2,196,833	\$2,176,445	\$2,176,378
Capital Recovery	4,689,984	4,826,427	5,122,589	2,360,298
Pool Car Rental	125,367	136,685	123,377	125,755
Administrative and Fuel	1,141,785	914,378	874,367	1,433,703
Total Operating Revenues	8,054,471	8,074,323	8,296,778	6,096,134
<b>OPERATING EXPENSES</b>				
Repairs and Servicing	2,844,024	2,578,812	2,712,254	2,716,794
Stores Operations	398,011	308,946	329,268	337,500
Administration	1,592,691	1,386,437	1,451,298	1,589,619
Depreciation	2,768,745	2,937,475	2,988,385	3,492,861
Total Operating Expenses	7,603,471	7,211,670	7,481,205	8,136,774
<b>OPERATING INCOME (LOSS)</b>	<b>451,000</b>	<b>862,653</b>	<b>815,573</b>	<b>(2,040,640)</b>
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Interest Income	54,921	(24,043)	48,726	(2,988)
Net Other Income (Expense)	474,892	193,493	348,476	528,862
Total Non-Operating Income (Expense)	529,813	169,450	397,202	525,874
Net Income (Loss) Before Contributions & Transfers	980,813	1,032,103	1,212,775	(1,514,766)
Total Capital Contributions	-	-	-	-
Transfers to/from Other Funds	652,698	338,904	2,181	-
<b>NET INCOME (LOSS)</b>	<b>\$1,633,511</b>	<b>\$1,371,007</b>	<b>\$1,214,956</b>	<b>(\$1,514,766)</b>



<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$26,967,361	\$27,788,291	\$3,224,371	\$779,752	\$793,955	\$1,185,372
17,009,728	17,548,246	2,128,172	3,597,263	2,488,958	2,204,729
<u>367,979</u>	<u>-</u>	<u>165,846</u>	<u>-</u>	<u>1,351,730</u>	<u>-</u>
44,345,068	45,336,537	5,518,389	4,377,015	4,634,643	3,390,101
<u>471,904</u>	<u>1,213,509</u>	<u>492,034</u>	<u>902,102</u>	<u>743,280</u>	<u>1,495,922</u>
44,816,972	46,550,046	6,010,423	5,279,117	5,377,923	4,886,023
927,596	5,401,123	3,791,792	6,394,293	3,620,886	4,479,797
626,385	134,723	632,007	142,751	1,546,245	27,438
<u>43,262,991</u>	<u>41,014,200</u>	<u>1,586,624</u>	<u>(1,257,927)</u>	<u>210,792</u>	<u>378,788</u>
\$44,816,972	\$46,550,046	\$6,010,423	\$5,279,117	\$5,377,923	\$4,886,023
\$2,178,241	\$2,917,271	\$2,809,630	\$2,903,046	\$3,653,284	\$3,949,339
2,634,745	3,677,556	3,163,591	285,757	760,963	496,943
127,890	137,685	57,999	234,078	180,643	110,604
<u>1,416,352</u>	<u>1,484,723</u>	<u>1,456,450</u>	<u>1,122,115</u>	<u>1,320,573</u>	<u>1,096,066</u>
6,357,228	8,217,235	7,487,670	4,544,996	5,915,463	5,652,952
2,254,005	2,616,231	2,688,049	3,537,698	2,572,130	3,299,389
307,445	299,936	329,849	74,940	248,430	331,963
1,526,791	4,120,377	1,495,737	1,568,717	1,456,652	1,780,975
<u>3,589,783</u>	<u>3,795,052</u>	<u>3,351,357</u>	<u>185,807</u>	<u>166,451</u>	<u>162,579</u>
7,678,024	10,831,596	7,864,992	5,367,162	4,443,663	5,574,906
(1,320,796)	(2,614,361)	(377,322)	(822,166)	1,471,800	78,046
115,934	277,092	188,199	(199,052)	(14,031)	56,022
<u>400,922</u>	<u>88,478</u>	<u>(213,160)</u>	<u>19,799</u>	<u>10,950</u>	<u>21,897</u>
<u>516,856</u>	<u>365,570</u>	<u>(24,961)</u>	<u>(179,253)</u>	<u>(3,081)</u>	<u>77,919</u>
(803,940)	(2,248,791)	(402,283)	(1,001,419)	1,468,719	155,965
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(39,025,293)</u>	<u>(1,843,132)</u>	<u>-</u>	<u>12,031</u>
(\$803,940)	(\$2,248,791)	(\$39,427,576)	(\$2,844,551)	\$1,468,719	\$167,996

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

Fleet Plant in Service  
For the Year Ended December 31, 2023

<b>FIXED ASSET ACCOUNTS</b>					
	<u>Book Cost 1/1/23</u>	<u>Additions 2023</u>	<u>Retirements 2023</u>	<u>Transfers &amp; Adjustments</u>	<u>Book Cost 12/31/23</u>
Office Furniture and Equipment	\$616,901	\$ -	\$ -	\$ -	\$616,901
Stores and Shop Equipment	804,032	12,032	-	-	816,064
Transportation Equipment	2,482,592	198,384	(153,982)	-	2,526,994
Power-Operated Equipment	70,766	-	-	-	70,766
Construction Work in Progress	<u>1,958</u>	<u>353,221</u>	<u>-</u>	<u>-</u>	<u>355,179</u>
TOTAL FIXED ASSETS	<u>\$3,976,249</u>	<u>\$563,637</u>	<u>(\$153,982)</u>	<u>\$ -</u>	<u>\$4,385,904</u>

	ACCUMULATED DEPRECIATION ACCOUNTS					
	Depreciation Rate	Accumulated Depreciation	Annual Accrual		Transfers & Adjustments	Accumulated Depreciation
	%	1/1/23	Cr.	Retirements		12/31/23
Office Furniture and Equipment	Various	\$573,437	\$5,423	\$ -	\$ -	\$578,860
Stores and Shop Equipment	Various	685,173	10,591	-	-	695,764
Transportation Equipment	Various	1,874,665	144,335	(144,341)	-	1,874,659
Power-Operated Equipment	Various	49,019	2,230	-	-	51,249
TOTAL ACCUMULATED DEPRECIATION		\$3,182,294	\$162,579	(\$144,341)	\$ -	\$3,200,532

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

Taxes and Employee Welfare Contributions  
For the Year 2023

**FEDERAL**

Social Security (FICA)		\$196,579
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**STATE OF WASHINGTON**

Retail Sales Tax	88,228	
State Employment Security	<u>257</u>	
Total		<u>88,485</u>

TOTAL TAXES		<u><u>\$285,064</u></u>
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Taxes as a % of Total Revenues of \$5,652,952	5.04%
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**EMPLOYEE WELFARE CONTRIBUTIONS**

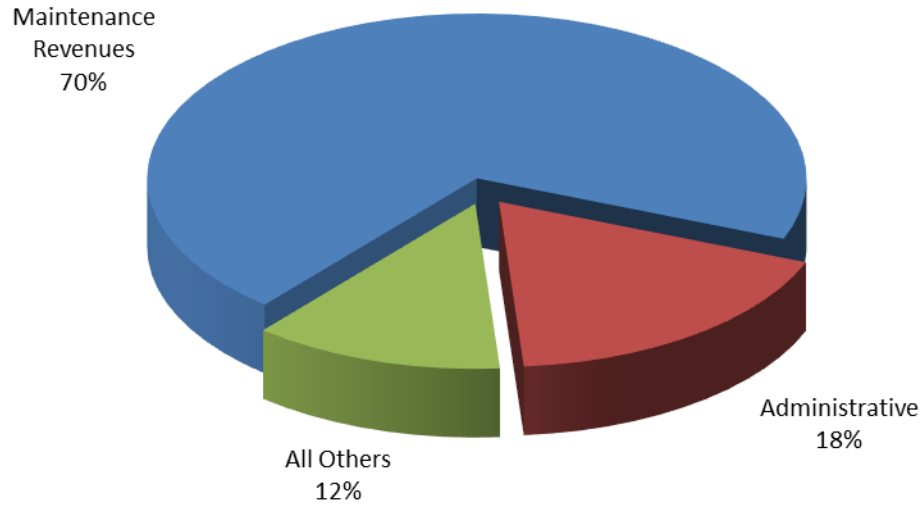
Industrial Insurance and Medical Aid	\$22,554
City of Tacoma Pension Fund	284,725
Washington Dental Service	45,115
Pierce County Medical Bureau	<u>588,482</u>

TOTAL EMPLOYEE WELFARE CONTRIBUTIONS	<u><u>\$940,876</u></u>
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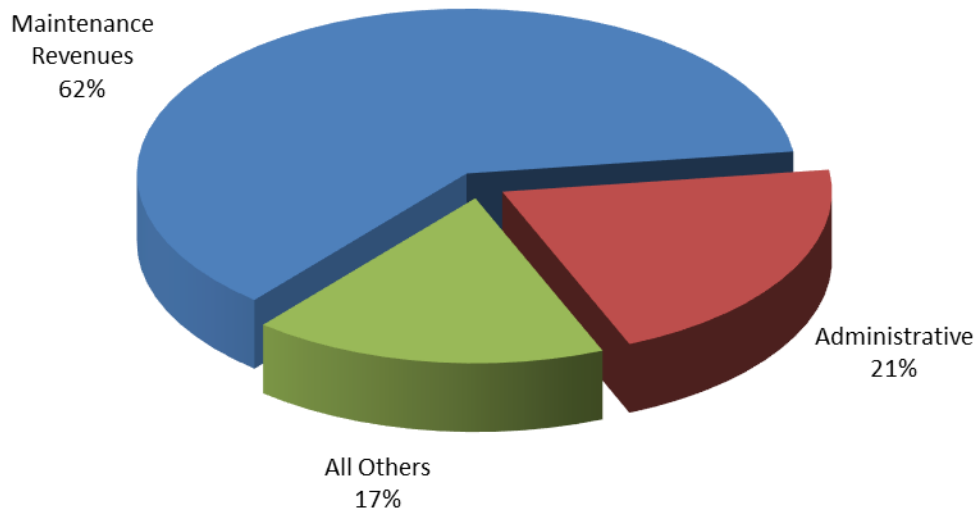
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# Graphs

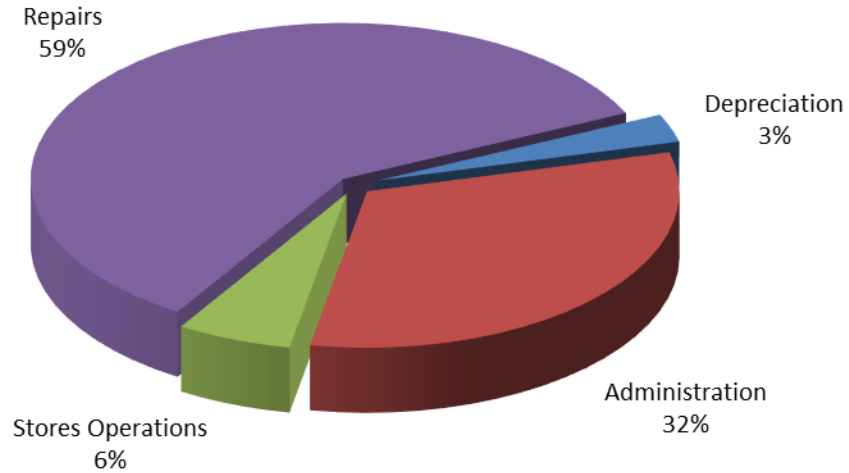
**TOTAL OPERATING REVENUES**  
**Year to Date - December 2023 (\$5,652,952)**



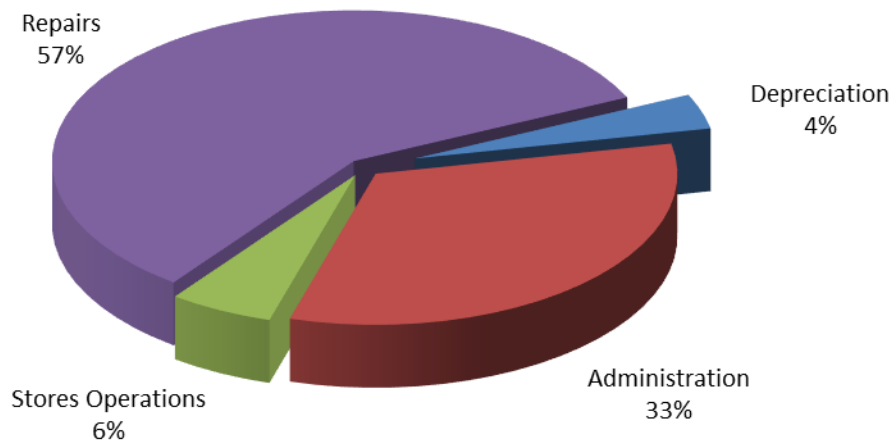
**TOTAL OPERATING REVENUES**  
**Year to Date - December 2022 (\$5,915,463)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - December 2023 (\$5,574,906)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - December 2022 (\$4,443,663)**





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.