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# Financial Outlook

**1st Quarter 2020**

May 27, 2020

- **Forecast Assumptions**
- **Summary of Outlook**
- **Water Retail Sales and Revenues**
- **Revenue and Expense Summary**
- **Estimated Current Fund Cash**

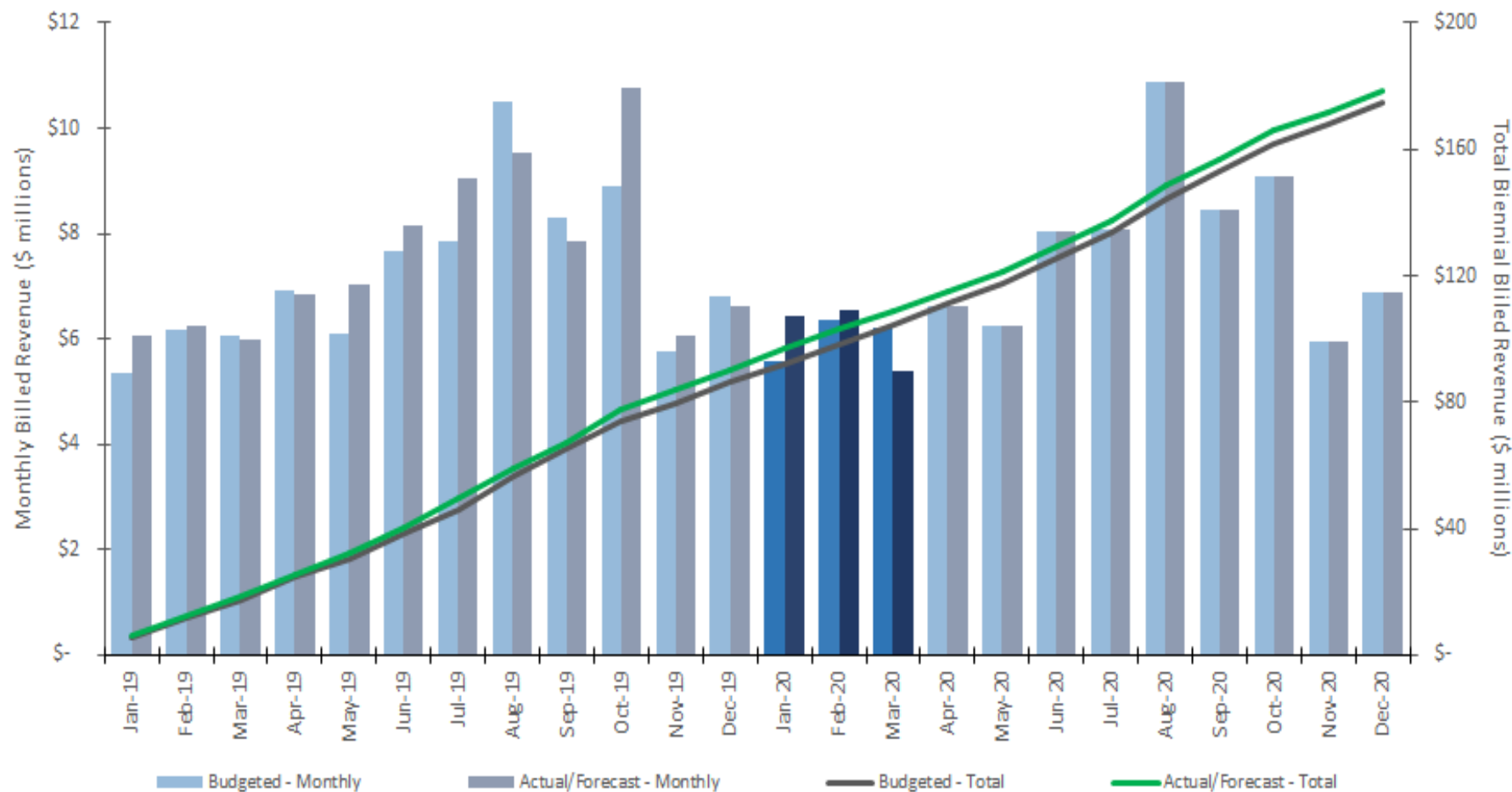
- **Forecast includes actual revenues and expenses through March 2020.**
- **Water sales and revenue projection includes impacts from Stay Home, Stay Healthy mandate and economic recovery.**
- **Expense projections include planned savings in several programs offset by increases in customer assistance and bad debt expenses.**
- **All other revenue and expense projections are based on 2019/2020 budget.**

# 2019/2020 Biennium Summary of Assumptions

- Water sales are projected to be \$4.0 million higher than budget for the biennium, \$3.9 million was due to actual increased demand in 2019.
- Total expenditures are projected to be nearly \$12.2 million under budget for the biennium. This forecast includes \$5.4 million actual savings in 2019 as well as projected savings for 2020 due to COVID impacts.
- Net total revenues less expenditures is expected to be approximately \$18 million over budget.
- The Current Fund cash balance is expected to remain at \$62 million with no change over the biennium.

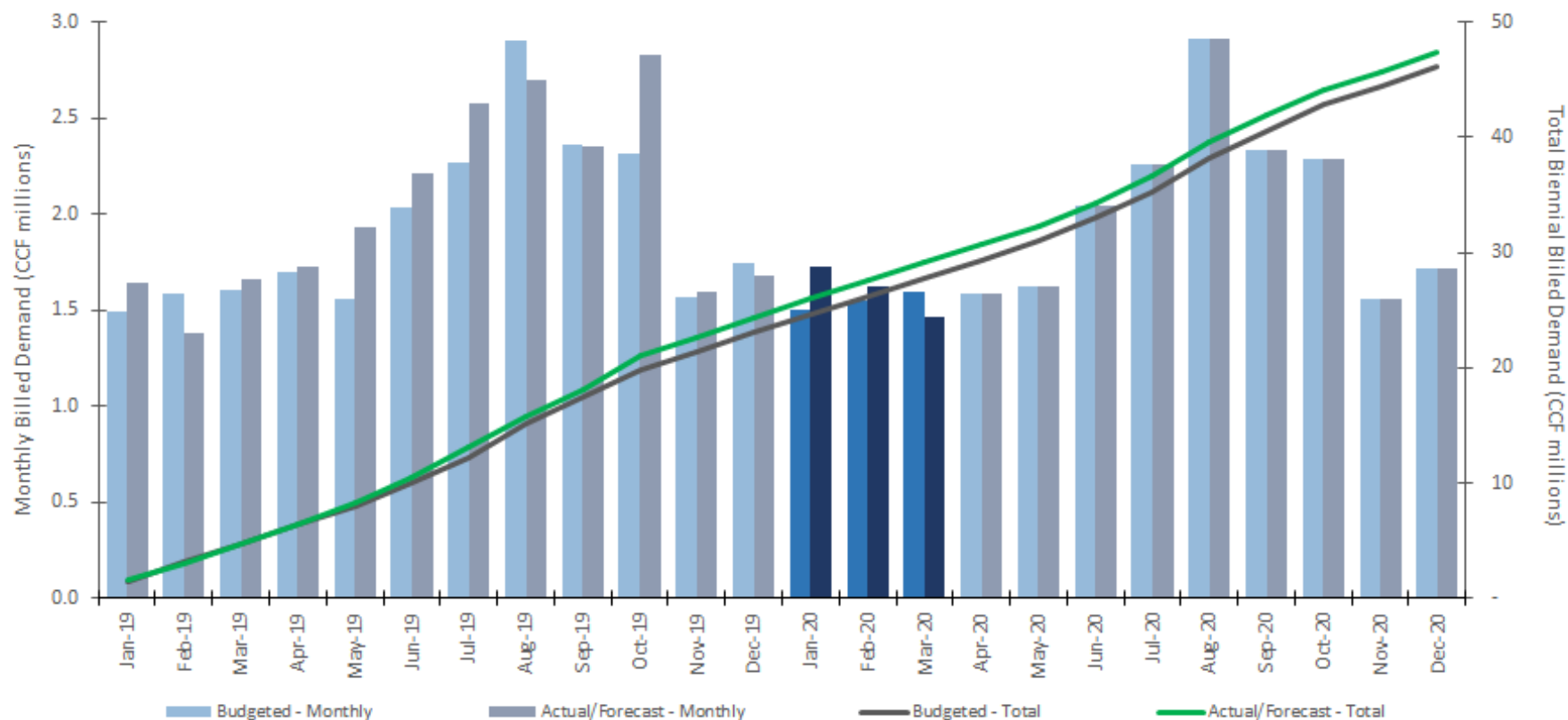
# Billed Revenue

5



# Billed Demands

6



# 2019/2020 Biennium Forecast vs. Budget

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- 1. The projection for Residential revenue has increased \$3.1 million from budget, \$1.9 million is due to increased actual revenue collected in 2019. 2020 Residential demand is forecast to increase approximately 10% or about \$1.6 million additional revenue during Quarter 2 as demand increases with the Stay Home, Stay Healthy mandate. Demand is then expected to decrease during a recovery period and is modeled using recessionary levels for the next 18 months after June 2020.**
- 2. Other Water Sales are expected to increase about \$722,000 over the biennium primarily due to higher than budgeted Commercial demand in 2019. 2020 Commercial demand is projected to decrease approximately 40% or \$1.2 million less revenue as demand decreases due to the COVID response. Although demand is expected to increase when the mandate is lifted, current assumptions apply recessionary levels for the anticipated recovery period after June 2020.**
- 3. Other Operating revenue includes an 80% reduction in revenue from Customer Fees, including interest on late payments and turn-off fees.**

# 2019/2020 Biennium Forecast vs. Budget

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4. The projection for Non-Operating revenue has increased \$2.0 million from budget primarily due to higher than anticipated interest earned on cash balances in 2019. 2020 interest projections are as budgeted.
5. Total revenue is projected to increase \$5.8 million from budget due to actual changes in 2019. Total revenue in 2020 is currently projected to be as budgeted.
6. Personnel expenditures are projected to be \$6.0 million lower than budget, half of this difference is due to lower than anticipated personnel expenses as a result of higher than expected vacancies of nearly 38 FTE's in 2019. The remaining \$3.0 million is projected as a result of prioritizing critical hiring and limiting expenses.
7. Supplies, Other Services and Charges is expected to be nearly \$6.5 million less than budgeted for the biennium. Actual expenses in 2019 make up half of this reduction and the remaining half is due to planned decreases in expenses including travel, training, professional and external contract services offset by anticipated increases in customer assistance grants and bad debt expense.

# 2019/2020 Biennium Forecast vs. Budget

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8. The Bank Loan Refunding of Water 2010 Series A Bonds is expected to save \$168,000 in 2020.
9. As a result of the items discussed above, total revenue less expenditures is forecast to increase \$18.0 million from budget over the biennium.
10. Capital expenditures are expected to decrease \$18.0 million over the biennium primarily due to planned delays in spending on the following projects.
11. The current fund cash balance is expected to decrease on about \$32,000 over the biennium due to the items mentioned above and the planned appropriation from the operating reserve. Due to actual and planned savings, this is significantly lower than the budget of \$17 million and includes funding for the AMI project.

# 2019/2020 Biennium Forecast vs. Budget

All \$'s in 1000's	2019 Budget	2019 Actual*	2019 Difference	2020 Budget	2020 Forecast	2020 Difference	Total Biennium Budget	Total Biennium Forecast	Biennium Difference \$	Biennium Difference %
<b>Revenue</b>										
Residential Water Sales	57,535	59,446	1,911	58,888	60,114	1,226	116,423	119,559	3,136 (1)	3%
Pulp Mill Water Sales	6,819	6,883	64	6,989	7,126	137	13,808	14,009	201	1%
Wholesale Water Sales	2,754	2,787	33	2,664	2,564	(100)	5,418	5,351	(67)	-1%
Other Water Sales	19,294	21,192	1,898	19,792	18,616	(1,176)	39,086	39,808	722 (2)	2%
Other Operating Revenue	4,021	4,255	234	3,972	3,553	(419)	7,993	7,808	(185) (3)	-2%
<b>Total Operating Revenue</b>	90,423	94,563	4,140	92,305	91,973	(332)	182,728	186,536	3,808	2%
Non-Operating Revenue (includes BAB's subsidy)	3,279	4,980	1,701	3,327	3,645	318	6,606	8,625	2,019 (4)	31%
<b>Total Revenue</b>	93,702	99,543	5,841	95,632	95,618	(14)	189,334	195,161	5,827 (5)	3%
<b>Expenditures</b>										
Personnel Costs	28,209	25,150	(3,059)	29,741	26,780	(2,961)	57,950	51,930	(6,020) (6)	-10%
Supplies, Other Services & Charges	28,876	25,631	(3,245)	28,270	25,023	(3,247)	57,146	50,654	(6,492) (7)	-11%
Debt Service	26,650	26,657	7	26,566	26,398	(168)	53,216	53,055	(161) (8)	0%
Taxes	12,286	13,209	923	12,581	12,152	(429)	24,867	25,361	494	2%
<b>Total Expenditures</b>	96,021	90,647	(5,374)	97,158	90,353	(6,805)	193,179	181,000	(12,179)	-6%
<b>Total Revenue less Total Expenditures</b>	(2,319)	8,897	11,216	(1,526)	5,265	6,791	(3,845)	14,161	18,006 (9)	
Reconciling Cash Items	-	(1,082)	(1,082)	-	-	-	-	-	-	
<b>Appropriation from Current Fund</b>	2,319	(7,815)	(10,134)	1,526	(5,265)	(6,791)	3,845	(14,161)	(18,006)	
<b>Capital Outlay Financing Detail</b>										
Funded from Bond Funds	13,128	12,695	(433)	13,128	13,561	433	26,256	26,256	-	0%
Funded from Operating Reserve	4,377	1,767	(2,610)	8,734	11,344	2,610	13,111	13,111	-	0%
Funded from Capital Reserve	2,047	3,977	1,930	19,956	(202)	(20,158)	22,003	3,775	(18,228)	-83%
<b>Total Capital Outlay</b>	19,552	18,439	(1,113)	41,818	24,703	(17,115)	61,370	43,142	(18,228) (10)	
<b>Debt Service Coverage Ratio</b>		2.91X			2.41X			2.41X		
<b>EOY Current Fund (Jan 19 Balance \$61,952)</b>		68,000			61,920			61,920	(32) (11)	

- 1. Projection for total revenue has not changed significantly from last quarter and includes expected impacts from the Stay Home, Stay Healthy mandate. Water delivered through the system during the first quarter of 2020 is consistent with 2019 levels.**
- 2. Expenditures are projected to be \$7.1 million lower than projected due to planned and expected savings primarily due to COVID impacts.**
- 3. As a result of these updates, the cash balance is forecast to increase \$7.1 million from the projection presented at Quarter 4, 2019.**

# Previous Qtr 4/2019 vs. Current Qtr 1/2020

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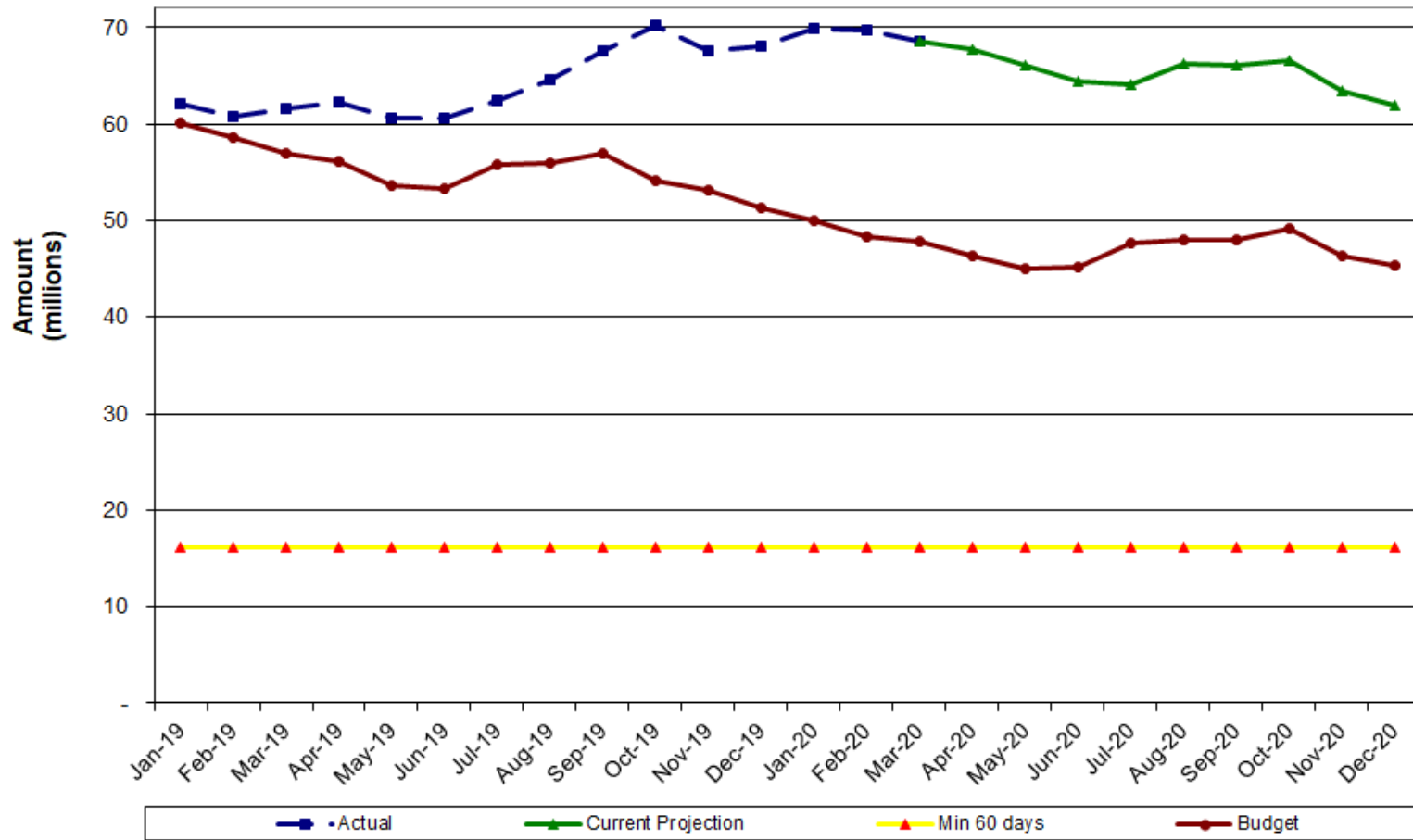
All \$'s in 1000's

	Previous Forecast	Biennium Forecast As of Qtr 1 2020	Difference \$	Difference %
<b>Revenue</b>				
Residential Water Sales	118,333	119,559	1,226	1%
Pulp Mill Water Sales	13,872	14,009	137	1%
Wholesale Water Sales	5,451	5,351	(100)	-2%
Other Water Sales	40,983	39,808	(1,175)	-3%
Other Operating Revenue	8,227	7,808	(419)	-5%
<b>Total Operating Revenue</b>	186,867	186,536	(331)	0%
Non-Operating Revenue (includes BABs subsidy)	8,307	8,625	318	4%
<b>Total Revenue</b>	195,174	195,161	(13) (1)	0%
<b>Expenditures</b>				
Personnel Costs	54,891	51,930	(2,961)	-5%
Supplies, Other Services & Charges	55,245	50,654	(4,590)	-8%
Debt Service	52,210	53,055	845	2%
Taxes	25,789	25,361	(429)	-2%
<b>Total Expenditures</b>	188,135	181,000	(7,135) (2)	-4%
<b>Total Revenue less Total Expenditures</b>	7,040	14,161	7,122	
<b>EOY 2020 Current Fund Balance Projection</b>	54,799	61,920	7,122	
<b>Change in Current Fund Projection Reconciliation</b>				
Change in Operating Activities			7,122	
<b>Change in Current Fund Cash Projection</b>			7,122 (3)	

# 2019/2020 Projected Liquidity Balance

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**TACOMAWATER**  
**CURRENT FUND CASH PROJECTIONS**  
Actual & Estimated Cash for 2019/2020





# Financial Outlook

1st Quarter 2020

May 27, 2020

## **2019/2020 Biennium:**

- Assumptions
- Electric Retail Revenues
- Wholesale Revenues
- Revenue & Expense Details
- Projected Liquidity Balance

- Actuals updated through March 2020.
- Wholesale revenue forecast:
  - Forecast water conditions for May & June 2020.
  - Adverse water conditions through remainder of biennium.
  - Forward prices updated as of 5/8/20.
- Capital spending forecast updated as of 4/25/2020.

## Forecasting Practices

- Personnel expenditures forecast reflect a vacancy rate.
- O&M expenditures are forecast based on historical trends.
- Capital spending forecasts are based on estimates from project managers.

Notes listed on this slide correlate to the graph on the next slide.

**Cumulative Biennium Projected Retail Sales: \$18.4 million less than budget (-2.5%)**

## Actual Total Retail Revenues

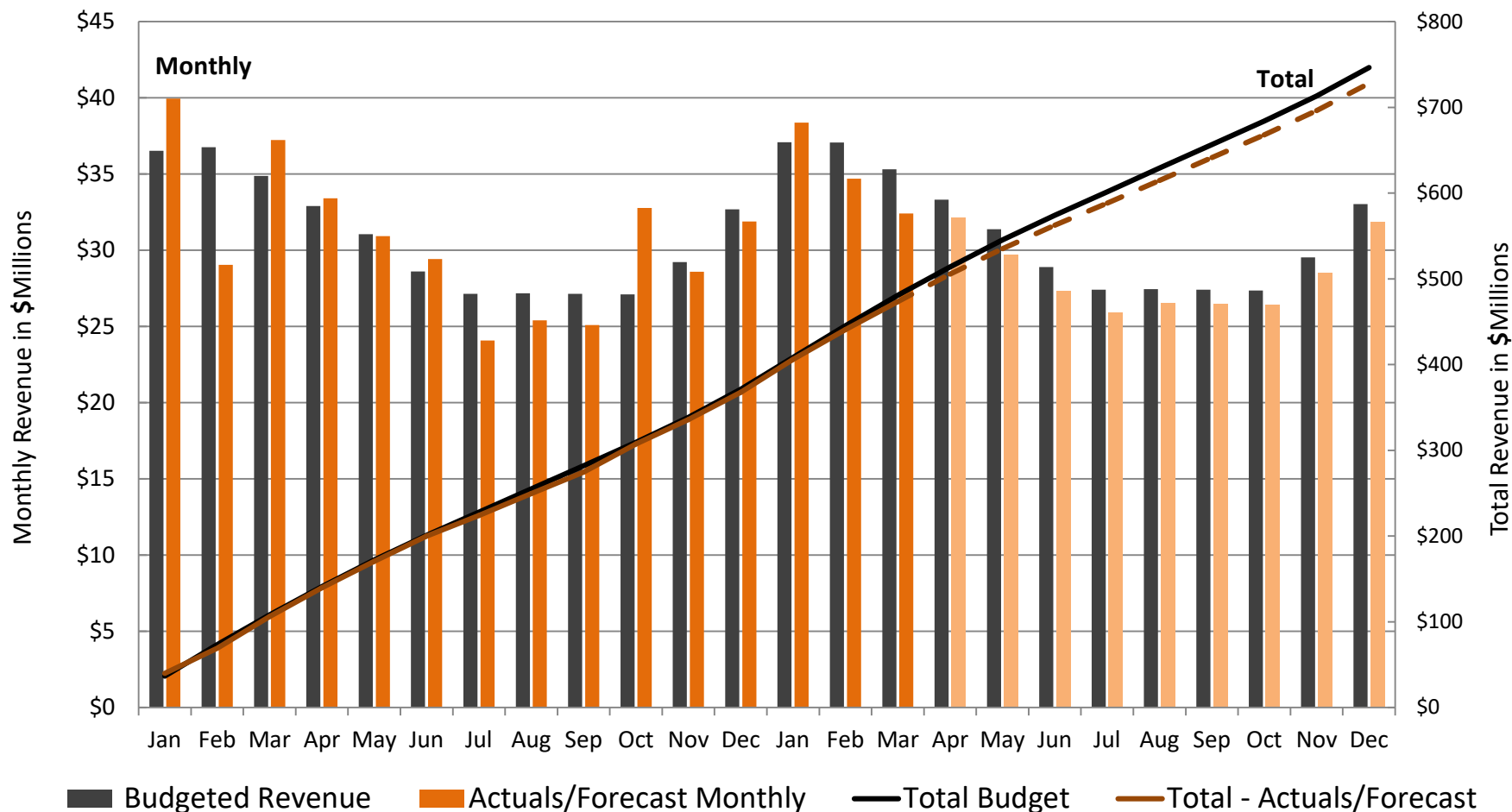
- Actual retail sales through first quarter 2020 are \$7.4 million less than budget.
- 2019 retail sales were \$3.4 million less than budget due to lower-than-budget industrial load and revenues in the first quarter and mild temperatures during summer months.
- In first quarter 2020, retail sales were lower than budget due to warmer-than-forecasted weather, which reduced heating loads.

## Forecasted Total Retail Revenues

- For 2020, we are forecasting a \$1.8 million shortfall compared to budget due to the three-month delay of the scheduled 2% rate increase.
- We are forecasting an additional \$9.4 million shortfall compared to budget due to recession assumptions.

# 2019/2020 Electric Retail Revenues

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Notes listed on this slide correlate to the graph on the next slide.

## Cumulative Biennium Projected Wholesale Sales:

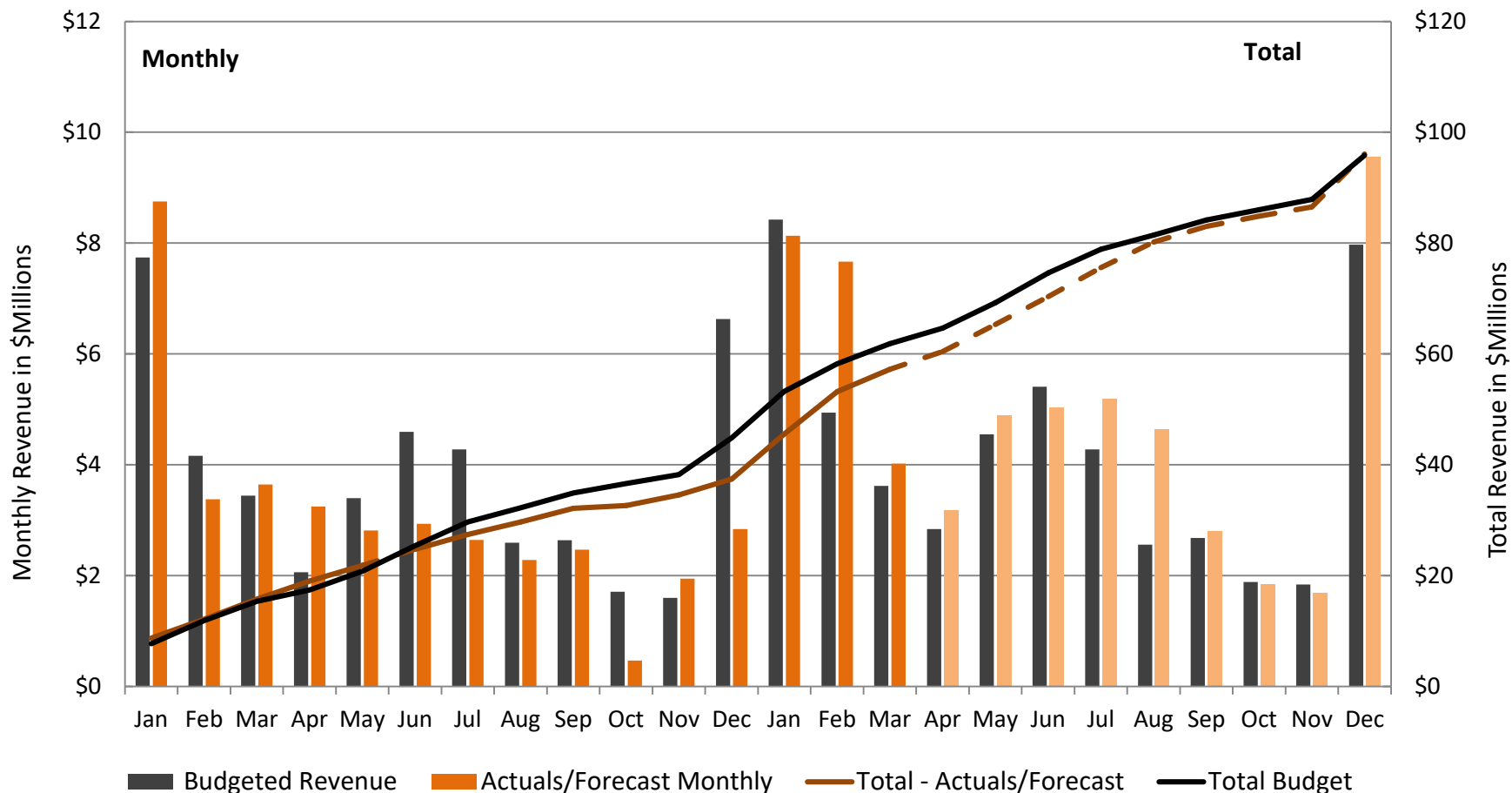
\$260 thousand better than budget (0.3%)

## Actual and Forecast Gross Wholesale Revenues

- We are forecasting biennial gross wholesale revenue to be close to budget.
- Hydro inflows were near-critical at our projects in 2019.
- November 2019 was unusually dry; below Critical water
  - Historically, the highest inflows into the Tacoma projects occur in November.
  - This resulted in lower sales and higher bulk power purchases relative to budget.
- 2020 wholesale revenues are forecasted to be better than budget due to lower loads from Covid-19 stay-at-home orders.
  - In a recession, the decline in retail load increases the amount of energy to sell on the wholesale market.
  - Forecasted power market prices are about 6% higher than budgeted.
  - 2020 forecasted water conditions are expected to be near average levels.
- Our actual first quarter 2020 wholesale sales are \$2.8 million better than budget.

# 2019/2020 Gross Wholesale Revenues

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Notes listed on this slide correlate to the subsequent chart.

## **Forecast for Revenue Less Than Budget: \$23.9 million (-2.5%)**

- 1. Retail Revenues: forecast to be \$18.4 million less than budget (-2.5%)**
  - Lower-than-budget revenues in 2019.
  - Three-month delay of the 2% rate increase in 2020.
  - Recessionary conditions through end of biennium.
  - First quarter actual results were lower than budget due to warmer-than-forecasted weather.
- 2. Wholesale Revenues: forecast is \$260 thousand better than budget (0.3%)**
  - Lower precipitation resulted in near-critical water flows in 2019.
  - Forecasts reflect higher wholesale sales and projected power market prices than budget in future months.
- 3. Rate Stabilization Fund: unbudgeted \$10 million transfer**
  - Applied \$10 million of the Rate Stabilization Fund to 2019 Wholesale revenues
- 4. Click! Revenues: forecast is \$23 million under budget**
  - Forecasts reflect the separation of Click! revenues as of April 2020.

Notes listed on this slide correlate to the subsequent chart.

## Forecast for Expenditures Under Budget: \$41.1 million (-4.3%)

### **5. Purchased power expenses: forecast \$11.5 million over budget (3.5%)**

- Higher bulk power purchases in 2019 due to a near-critical water year.
- These costs are offset by a reduction in BPA costs due to a forecasted rate increase that did not materialize.
- The forecast includes potential costs for entering the Energy Imbalance Market.
- First quarter 2020 purchased power expenses were slightly under budget (roughly \$900,000) due to higher inflows into the projects and less power purchased.

### **6. Personnel expenses: forecast is \$6.5 million over budget (3.5%)**

- Actual personnel expenses are \$7.5 million overspent compared to budget, biennium-to-date.
- Personnel forecast includes \$5.4 million of unbudgeted reductions in personnel expenses as part of the target \$8 million in 2020 spending reductions.
- 2020 forecasts are based on historical actual spending in 2019 inflated with a 3% COLA.
- Vacancies are being filled more quickly than anticipated.

Notes listed on this slide correlate to the chart on the next slide.

**7. Other Operation & Maintenance expenses and credits: forecast is \$11.6 million under budget (-6.5%)**

- Actual Other O&M expenses are \$2.3 million underspent compared to budget biennium-to-date.
- The Other O&M forecasts include:
  - underspending from the separation of Click! from Power financials.
  - \$2.7 million of unbudgeted reductions in Other O&M expenses as part of the target \$8 million in total 2020 spending reductions.
- First quarter 2020 Other O&M spending is \$7.6 million less than budget related to the reversal of year-end accruals.

**8. Capital expenses funded from the Current Fund: forecast \$42.6 million under budget (-47.5%)**

- Actual underspending in revenue funded capital is (\$22.3) through March 2020 due to delays from change requests or feasibility studies that impact the schedule, or because of negotiations with contractors.
- Forecasted underspending is due to changing the planned funding source of some projects from revenue funding to bond funding.

**Forecast for Net Revenue compared to Budget:**

**9. Net Revenue forecast to be \$17.2 million more than budget**

# 2019/2020 Biennium Forecast vs. Budget

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as of 3/31/2020

Tacoma Power

## 2019/2020 Biennium Adjusted Estimates Comparison to Budget

All \$'s in 1000's

Forecasted Adverse Water

							Total Biennium Budget	Total Biennium Forecast	Biennium Diff.	Biennium Diff. (%)
Revenue	2019 Budget	2019 Actual	2019 Diff.	2020 Budget	2020 Forecast	2020 Diff.				
Retail Sales	\$371,209	\$367,829	(\$3,381)	\$375,261	\$360,286	(\$14,975)	\$746,471	\$728,115	(\$18,356)	(1) -2.5%
Bulk Power (wholesale) Sales	\$44,846	\$37,421	(\$7,425)	\$50,994	\$58,680	\$7,685	\$95,840	\$96,100	\$260	(2) 0.3%
Rate Stabilaton Fund Transfer to Revenue	\$0	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$10,000	(3)
Other Electric Revenue	\$19,330	\$19,210	(\$120)	\$20,414	\$22,932	\$2,518	\$39,744	\$42,142	\$2,398	6.0%
Telecommunications Revenue	\$26,634	\$25,498	(\$1,136)	\$28,098	\$6,195	(\$21,903)	\$54,732	\$31,693	(\$23,039)	(4) -42.1%
Total Operating Revenue	\$462,020	\$459,957	(\$2,063)	\$474,767	\$448,093	(\$26,674)	\$936,787	\$908,050	(\$28,737)	-3.1%
Other Income	\$6,375	\$9,279	\$2,905	\$6,490	\$8,387	\$1,897	\$12,865	\$17,666	\$4,801	37.3%
Total Revenue	\$468,395	\$469,237	\$842	\$481,257	\$456,480	(\$24,777)	\$949,652	\$925,716	(\$23,936)	-2.5%
Expenses										
Purchased Power & RECs	\$163,943	\$180,525	\$16,582	\$167,348	\$162,273	(\$5,075)	\$331,291	\$342,798	\$11,507	(5) 3.5%
Personnel Costs	\$92,708	\$98,389	\$5,682	\$92,708	\$93,563	\$855	\$185,416	\$191,952	\$6,537	(6) 3.5%
Supplies, Other Services & Charges	\$89,476	\$95,625	\$6,149	\$89,476	\$71,766	(\$17,710)	\$178,952	\$167,391	(\$11,561)	(7) -6.5%
Revenue Funded Capital Outlay	\$44,836	\$26,908	(\$17,928)	\$44,836	\$20,206	(\$24,630)	\$89,672	\$47,114	(\$42,558)	(8) -47.5%
Debt Service	\$29,853	\$30,432	\$579	\$29,269	\$28,370	(\$899)	\$59,123	\$58,802	(\$321)	-0.5%
Taxes	\$56,528	\$55,018	(\$1,510)	\$57,850	\$54,636	(\$3,214)	\$114,378	\$109,654	(\$4,724)	-4.1%
Total Expenses	\$477,344	\$486,898	\$9,554	\$481,487	\$430,814	(\$50,673)	\$958,831	\$917,712	(\$41,119)	-4.3%
Total Revenues less Expenses	(\$8,949)	(\$17,661)	(\$8,712)	(\$230)	\$25,665	\$25,895	(\$9,179)	\$8,004	\$17,183	(9)
Funded From Current Fund	\$44,836	\$26,908	(\$17,928)	\$44,836	\$20,206	(\$24,630)	\$89,672	\$47,114	(\$42,558)	-47.5%
Funded From Bond Fund	\$30,026	\$20,079	(\$9,946)	\$30,026	\$43,399	\$13,374	\$60,051	\$63,479	\$3,428	5.7%
Total Capital Outlay	\$74,862	\$46,987	(\$27,874)	\$74,862	\$63,606	(\$11,256)	\$149,723	\$110,593	(\$39,130)	-26.1%
Ratios	2018	2019 Budget	2019 Actual	2019 Diff.	2020 Budget	2020 Forecast	2020 Diff.			
Debt Service Coverage Ratio	3.06	2.20	1.30 <sup>1</sup>	(0.90)	2.52	2.62	0.09			
Days Liquidity	205.9	172.6	157.25	(15.37)	179.1	186.6	7.5			
EOY Rate Stabilization Fund Balance	\$48,000	\$48,000	\$38,000	(\$10,000)	\$48,000	\$38,000	(\$10,000)			
EOY Current Fund Balance	\$144,675	\$126,059	\$132,421	\$6,362	\$134,461	\$140,086	\$5,625			
Total Liquidity	\$192,675	\$174,059	\$170,421		\$182,461	\$178,086				

### Footnotes

1. See note 3 in previous slides for explanation of the 2019 Debt Service Coverage.

- 1. Retail sales are projected to be \$13.2 million less than the previous forecast.**
  - First quarter actual results were \$3.8 million less than budgeted due to warmer than forecasted weather.
  - Current financial outlook reflects \$1.8 million in reduced revenues due to three-month delayed 2% rate increase in 2020.
  - Forecasts through the end of the year also reflect a decrease in retail sales from recession assumptions.
- 2. Wholesale sales are projected to be \$7.5 million better than the previous forecast.**
  - First quarter 2020 inflows were \$2.8 million better than budget due to above average water.
  - Forecasts from April through December 2020 reflect an increase in the amount of energy to sell on the wholesale market due to the decline in retail sales from recession assumptions.
- 3. The transfer of Click! completed in April 2020.**

- 4. Purchased power expenses are \$1.4 million lower than the previous forecast.**
  - Purchases are slightly lower due to better than forecasted inflows to our projects in first quarter 2020.
- 5. Personnel expenses are \$900 thousand more than the previous forecast.**
  - Actual first quarter personnel expenses are \$1.1 million more than budget.
  - Personnel forecasts are updated to include:
    - \$5.4 million of unbudgeted reductions in personnel expenses as part of the target \$8 million in 2020 spending reductions.
    - Historical actual spending in 2019 (which was greater than budget), inflated with a 3% COLA.
- 6. Other O&M expenses and credits are \$8.5 million less than the last forecast.**
  - First quarter spending is \$7.6 million less than budget related to the reversal of year-end accruals.
  - Other O&M forecasts are updated to include:
    - \$2.7 million of unbudgeted reductions in Other O&M expenses as part of the target \$8 million in 2020 spending reductions.
    - Historical actual spending in 2019 which was greater than budget.
- 7. Designated revenue funded capital is \$17.7 million less than the last forecast.**
  - Mostly due to changing the planned funding of some projects to bond funding.

# Qtr 4/2019 Vs. Qtr 1/2020 Outlook

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## Biennium Projection Compared to Prior Outlook Forecast

#s in 1000's

	19/20 Projection as of 12/31/2019	19/20 Projection as of 3/31/2020	Difference		% Diff.
<b>Revenue</b>					
Retail Sales	\$741,302	\$728,115	(\$13,187)	(1)	-1.8%
Bulk Power (wholesale) Sales	88,614	96,100	7,486	(2)	8.4%
Rate Stabilization Fund Withdrawal (Deposit)	10,000	10,000	0	(3)	
Other Electric Revenue	39,624	42,142	2,518		6.4%
Telecommunications Revenue	32,157	31,693	(464)	(4)	-1.4%
<b>Total Operating Revenue</b>	<b>\$911,697</b>	<b>\$908,050</b>	<b>(\$3,647)</b>		-0.4%
Other Income	15,786	17,666	1,880		11.9%
<b>Total Revenue</b>	<b>\$927,483</b>	<b>\$925,716</b>	<b>(\$1,767)</b>		-0.2%
<b>Expenditures</b>					
Purchased Power & RECs	\$344,188	\$342,798	(\$1,390)	(5)	-0.4%
Personnel Costs	191,094	\$191,952	\$858	(6)	0.4%
Supplies, Other Services & Charges	175,892	167,391	(8,501)	(7)	-4.8%
Revenue Funded Capital Outlay	64,770	47,114	(17,656)	(8)	-27.3%
Debt Service	58,602	58,802	200		0.3%
Taxes	109,849	109,654	(195)		-0.2%
<b>Total Expenditures</b>	<b>\$944,395</b>	<b>\$917,712</b>	<b>(\$26,683)</b>		-2.8%
<b>Total Revenue less Total Expenditures</b>	<b>(\$16,912)</b>	<b>\$8,004</b>	<b>\$24,916</b>		
<b>EOY 2020 Current Fund Balance Projection</b>	<b>\$137,966</b>	<b>\$140,086</b>	<b>\$2,120</b>		1.5%
<b>Change in Current Fund Projection Reconciliation</b>					
Change in Operating Activities			\$24,916		
Change in Cash provided by (used for) Changes in Operating Assets and Liabilities *			(\$26,955)		
Change in Cash due to Changes in Capital Outlay			\$4,158		
<b>Change in Current Fund Projection</b>			<b>\$2,120</b>		
<b>EOY 2019 Rate Stabilization Fund Balance</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$0</b>		

\* Includes items such as Accounts Receivable, Unbilled Revenues, and other Payables and Receivables.

Notes listed on this slide correlate to the graph on the following slide.

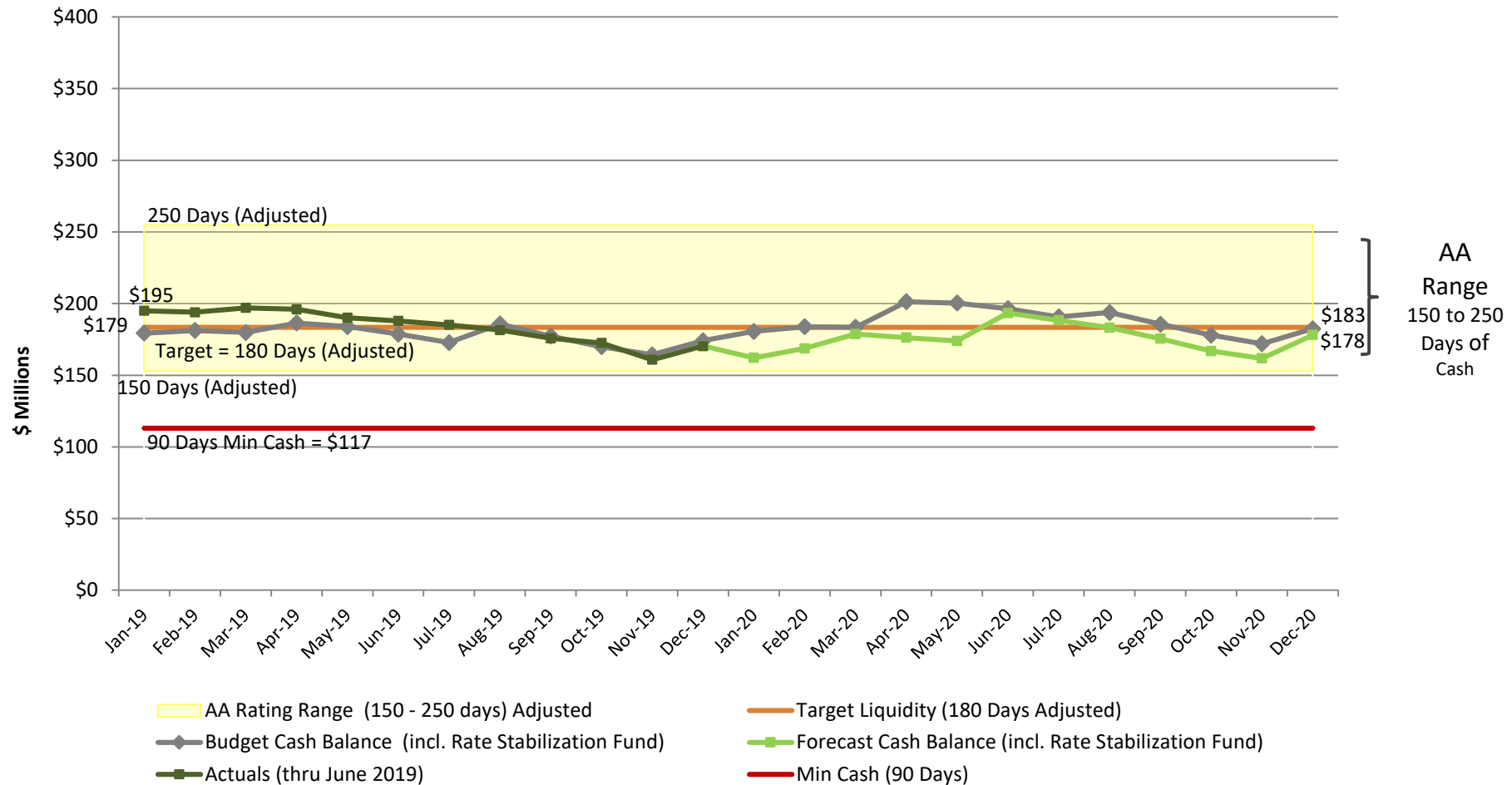
## Cumulative Projected Liquidity Balance

At the end of the biennium, we are currently projecting a cash balance near our 180 Day target (the orange line) and close to budget.

- Our goal is to stay in the **shaded yellow area**. This represents 150 to 250 Days of Cash range for AA-rated utilities.
- Our target is 180 days, shown as the **orange line**, and this is what we budget to be near at the end of the biennium.
- The **dark green** line illustrates our actual financial performance followed by our light green projections for the remainder of the biennium.

# 2019/2020 Projected Liquidity Balance

as of 3/31/2020 29





# Financial Outlook

**1<sup>st</sup> Quarter 2020**

March 27, 2020

# Summary of Assumptions

- Projections include actual revenue and expense through March 2020
- Budget reporting is based on 2019 budget re-appropriation
- Rail traffic
  - Decrease in both intermodal and commercial volumes from 2019
  - Increase from current volumes in Q3 and Q4
  - No volume incentive in 2020
- Capital Fund Outlay
  - No delays to capital projects

# Summary of Financial Situation

- Traffic analysis

Quarter	2019		2020		%	
	Intermodal	Commercial	Intermodal	Commercial	Intermodal	Commercial
1	53,953	12,902	45,864	15,392	-15%	19%
2						
3						
4						
Total	53,953	12,902	45,864	15,392	-15%	19%

- Intermodal:

- Year over year: NIM **-24%**, PCT **-50%**, WUT **+37%**, SIM **-6%**
- Down **-17%** from budgeted volumes

- Commercial:

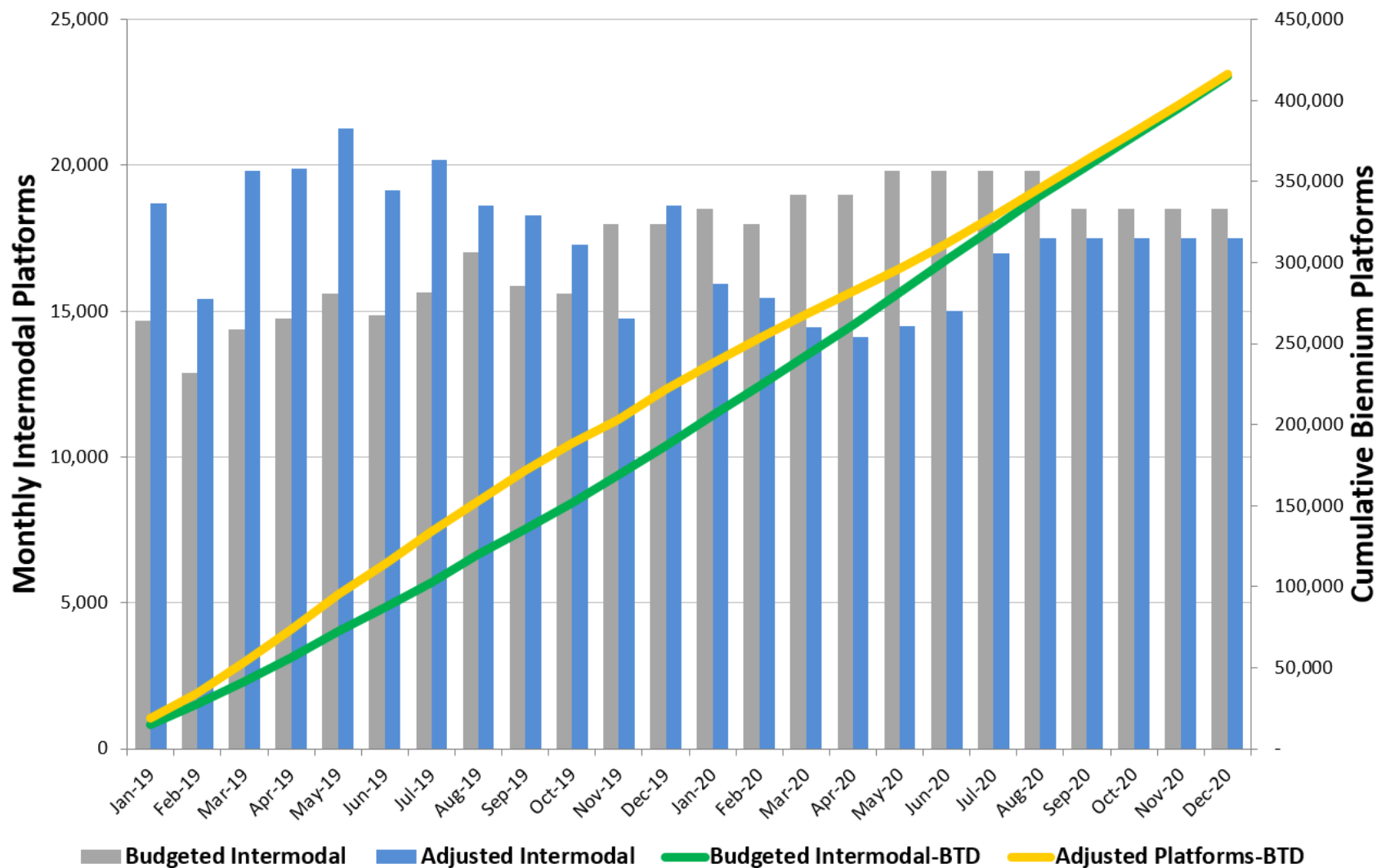
- Year over year: US Oil **+37%**, SeaPort Sound **31%**, AWC **+28%**
- Up **10%** from budgeted volumes

- Cash is projected above the 60 days of budget threshold

# Intermodal Volumes

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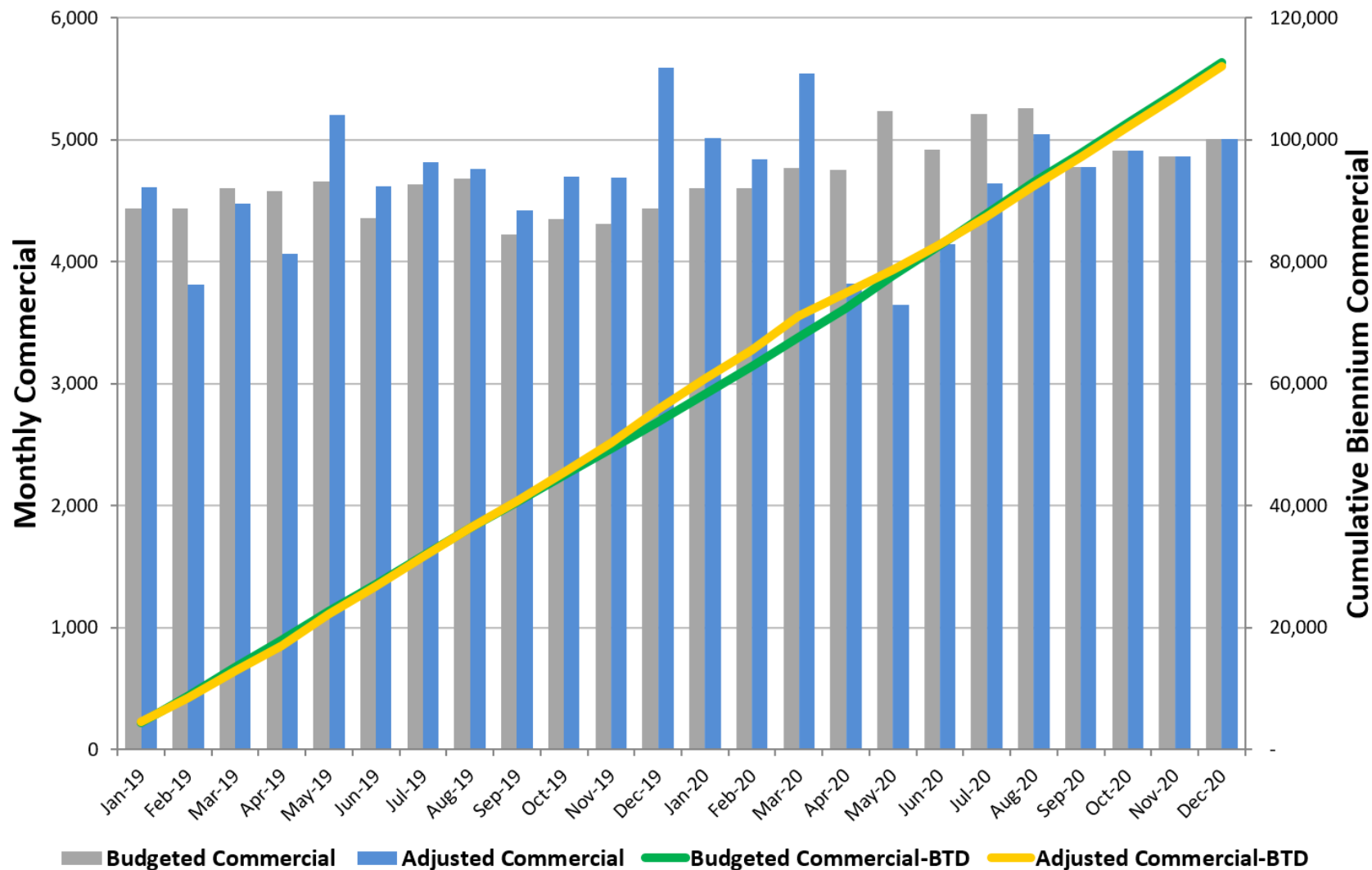


\*Re-appropriated Budget

# Commercial Volumes

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5/8/2020



\*Re-appropriated Budget

- 1. Decreased line haul and miscellaneous switching revenues**
- 2. Increase in railcar dwell increases demurrage revenue**
- 3. Locomotive servicing revenue due to increased fueling needs by the Union Pacific**
- 4. Taylor Way project in coordination with Public Works determined to be an expensed contribution until it can be capitalized**
  - Increase of \$500K due to bid, \$725K total
- 5. Decrease in Volume Incentive Allowance due to intermodal volumes**

# 2019/2020 Biennium Forecast vs. Budget

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All \$'s in 1,000s  
5/8/2020

	2019 Budget*	2019 Forecast	2019 Difference	2020 Budget*	2020 Forecast	2020 Difference	Budget* Biennium	Adjusted Forecast	Biennium Difference	Biennium Diff. (%)	
<b>Revenue</b>											
Switching Revenue	\$ 30,234	\$ 29,891	\$ (343)	\$ 31,422	\$ 28,661	\$ (2,761)	\$ 61,657	\$ 58,552	\$ (3,105)	-5%	(1)
Demurrage Fees	1,565	1,859	294	1,150	1,515	365	2,715	3,374	659	24%	(2)
Locomotive Servicing	4,350	4,802	452	3,000	4,211	1,211	7,350	9,014	1,664	23%	(3)
Other	349	555	206	349	211	(138)	698	767	69	10%	
<b>Total Operating Revenue</b>	<b>\$ 36,498</b>	<b>\$ 37,108</b>	<b>\$ 609</b>	<b>\$ 35,921</b>	<b>\$ 34,599</b>	<b>\$ (1,323)</b>	<b>\$ 72,420</b>	<b>\$ 71,706</b>	<b>\$ (713)</b>	<b>-1%</b>	
Interest	110	260	150	115	235	120	225	496	271	120%	
Rent & Misc Income	1,080	990	(90)	1,140	1,129	(11)	2,220	2,119	(101)	-5%	
<b>Total Revenue &amp; Avail Funds</b>	<b>\$ 37,688</b>	<b>\$ 38,358</b>	<b>670</b>	<b>\$ 37,176</b>	<b>\$ 35,963</b>	<b>\$ (1,213)</b>	<b>\$ 74,865</b>	<b>\$ 74,321</b>	<b>\$ (543)</b>	<b>-1%</b>	
<b>Expenditures</b>											
Personnel Costs	\$ 16,799	\$ 16,036	\$ (764)	\$ 17,185	\$ 16,835	\$ (350)	\$ 33,984	\$ 32,871	\$ (1,114)	-3%	
Supplies, Other Services	11,010	11,376	365	10,516	11,207	691	21,526	22,583	1,057	5%	(4)
Current Fund Capital Outlay	2,666	2,848	182	7,034	7,215	181	9,700	10,062	362	4%	
Debt Service	820	820	-	820	820	-	1,641	1,641	-	0%	
Incentive Allowance	583	542	(42)	917	(333)	(1,250)	1,500	208	(1,292)	-86%	(5)
Taxes	3,475	3,549	74	3,540	3,375	(165)	7,015	6,924	(91)	-1%	
<b>Total Expenditures</b>	<b>\$ 35,354</b>	<b>\$ 35,170</b>	<b>\$ (184)</b>	<b>\$ 40,012</b>	<b>\$ 39,119</b>	<b>\$ (893)</b>	<b>\$ 75,366</b>	<b>\$ 74,289</b>	<b>\$ (1,077)</b>	<b>-1%</b>	
<b>Total Revenues Less Expenditures</b>	<b>\$ 2,334</b>	<b>\$ 3,188</b>	<b>\$ 853</b>	<b>\$ (2,836)</b>	<b>\$ (3,155)</b>	<b>\$ (320)</b>	<b>\$ (501)</b>	<b>\$ 33</b>	<b>\$ 534</b>		
<b>Appropriation from Current Fund</b>	<b>\$ (2,334)</b>	<b>\$ (2,871)</b>	<b>\$ (537)</b>	<b>\$ 2,836</b>	<b>\$ 4,368</b>	<b>\$ 1,533</b>	<b>\$ 501</b>	<b>\$ (33)</b>	<b>\$ (534)</b>		
<b>Capital Outlay Financing Detail</b>											
Funded from Current Fund	\$ 2,666	\$ 2,848	\$ 182	\$ 7,034	\$ 7,215	\$ 181	\$ 9,700	\$ 10,062	\$ 362	4%	
Grants, Transfers & Pledges	1,000	46	(954)	1,100	2,192	1,092	2,100	2,238	138	7%	
Funded from New Debt	-	-	-	450	634	184	450	634	184	41%	
<b>Total Capital Outlay</b>	<b>\$ 3,666</b>	<b>\$ 2,893</b>	<b>\$ (773)</b>	<b>\$ 8,584</b>	<b>\$ 10,040</b>	<b>\$ 1,456</b>	<b>\$ 12,250</b>	<b>\$ 12,934</b>	<b>\$ 684</b>	<b>6%</b>	
<b>Starting Cash Balance</b>	<b>\$ 10,700</b>	<b>\$ 11,584</b>	<b>884</b>	<b>\$ 13,034</b>	<b>\$ 14,455</b>	<b>1,421</b>	<b>\$ 10,700</b>	<b>\$ 11,584</b>	<b>8%</b>	<b>8%</b>	
<b>EOY Current Fund Balance</b>	<b>\$ 13,034</b>	<b>\$ 14,455</b>	<b>1,421</b>	<b>\$ 10,198</b>	<b>\$ 10,087</b>	<b>(112)</b>	<b>\$ 10,198</b>	<b>\$ 10,087</b>	<b>-1%</b>	<b>-1%</b>	

\*Re-appropriated

- 1. Decrease in railcar traffic and railroad services due to COVID-19**
- 2. Increase in railcar dwell increases demurrage revenue**
- 3. Actual locomotive servicing revenue above budget due to fueling needs by the Union Pacific**
- 4. Decrease in Volume Incentive Allowance due to intermodal volumes**

# Previous Qtr 4/2019 vs. Current Qtr 1/2020

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All \$'s in 1,000s  
5/8/2020

	Previous Forecast Biennium	Current Forecast Biennium	Biennium Diff.	Biennium Diff. (%)
<b>Revenue</b>				
Switching Revenue	60,040	58,552	(1,488)	-2% (1)
Demurrage Fees	3,066	3,374	308	10% (2)
Locomotive Servicing	8,111	9,014	903	11% (3)
Other	804	767	(37)	-5%
Interest	492	496	4	1%
Rent & Misc Income	1,970	2,119	149	8%
<b>Total Revenue &amp; Avail Funds</b>	<b>\$ 74,483</b>	<b>\$ 74,321</b>	<b>(162)</b>	<b>0%</b>
<b>Expenditures</b>				
Personnel Costs	\$ 32,917	\$ 32,871	\$ (46)	0%
Supplies, Other Services	22,651	22,583	(68)	0%
Current Fund Capital Outlay	9,977	10,062	85	1%
Debt Service	1,641	1,641	(0)	0%
Volume Incentive	542	208	(334)	-62% (4)
Taxes	6,947	6,924	(23)	0%
<b>Total Expenditures</b>	<b>\$ 74,675</b>	<b>\$ 74,289</b>	<b>(386)</b>	<b>-1%</b>
<b>Total Revenues Less Expenditures</b>	<b>\$ (192)</b>	<b>\$ 33</b>	<b>\$ 225</b>	<b>-117%</b>
<b>EOB Current Fund Balance</b>	<b>\$ 10,390</b>	<b>\$ 10,087</b>	<b>\$ (303)</b>	<b>-3%</b>

# 2019/2020 Projected Liquidity Balance

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5/8/2020

