
ANNUAL

FLEET SERVICES FUND

2019

**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, 2019, 2018 and 2017. 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, 2019 and 2018, 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 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 (29.3%). Operating expenses increased \$3.2 million (41.1%). The overall result is a net decrease in operating income of \$1.3 million from a year earlier.

In 2018, Fleet Services realized net loss of \$804,000 compared to net loss of \$1.5 million recorded in 2017. Operating revenues increased \$261,000 in 2018 (4.3%). Operating expenses decreased \$459,000 (5.6%). The overall result is a net increase in operating income of \$720,000 from a year earlier.

Selected Financial Information

(in thousands)

Category	2017	2018	2019
Operating Revenues	\$ 6,096	\$ 6,357	\$ 8,217
Operating Expenses	<u>8,137</u>	<u>7,678</u>	<u>10,831</u>
Operating Income (Loss)	(2,041)	(1,321)	(2,614)
Other Income	526	517	365
Transfers In	-	-	-
Change in Net Position	<u>\$ (1,515)</u>	<u>\$ (804)</u>	<u>\$ (2,249)</u>
Current Assets	\$ 19,066	\$ 17,010	\$ 17,548
Other Assets	-	368	-
Deferred Outflows	916	472	1,214
Capital Assets (Net)	<u>25,981</u>	<u>26,967</u>	<u>27,788</u>
Total Assets	<u>45,963</u>	<u>44,817</u>	<u>46,550</u>
Total Liabilities	<u>1,708</u>	<u>928</u>	<u>5,401</u>
Deferred Inflows	<u>188</u>	<u>626</u>	<u>135</u>
Net Investment in Capital Assets	25,981	26,967	27,788
Restricted	26,276	26,644	26,276
Unrestricted	<u>(8,190)</u>	<u>(10,348)</u>	<u>(13,050)</u>
Total Net Position	<u>\$ 44,067</u>	<u>\$ 43,263</u>	<u>\$ 41,014</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 \$8.2 in 2019, \$6.4 in 2018 and \$6.1 million in 2017.

Maintenance revenues are mainly related to staff labor and were \$2.9 million in 2019, and \$2.2 million in both 2018 and 2017. The increase 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 \$3.7, \$2.6, and \$2.4 million in 2019, 2018, and 2017 respectively. Capital Recovery revenue increased \$1.0 million in 2019 compared to 2018, which had increased \$274,000 compared to 2017. The increase between 2018 and 2019 is related to increased contributions by Tacoma Water and Tacoma Rail for their replacement costs. Tacoma Power did not contribute in 2018, but started contributions in 2019.

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 2019, 2018, and 2017.

Fuel and Fuel Loading revenues are affected by year to year changes in vehicle usage and fluctuations in fuel prices. Fuel related revenues were \$62,000, \$66,000, and \$54,000 for 2019, 2018 and 2017 respectively.

Pool Car Rental revenues are based on usage and were \$138,000, \$128,000 and \$126,000 for 2019, 2018 and 2017 respectively.

Expenses

Fleet Services operating expense is comprised of four major categories: Repairs and Servicing, Stores Operations, Administration and Depreciation. Fleet services expenses were \$10.8, \$7.7 and \$8.1 million in 2019, 2018 and 2017 respectively.

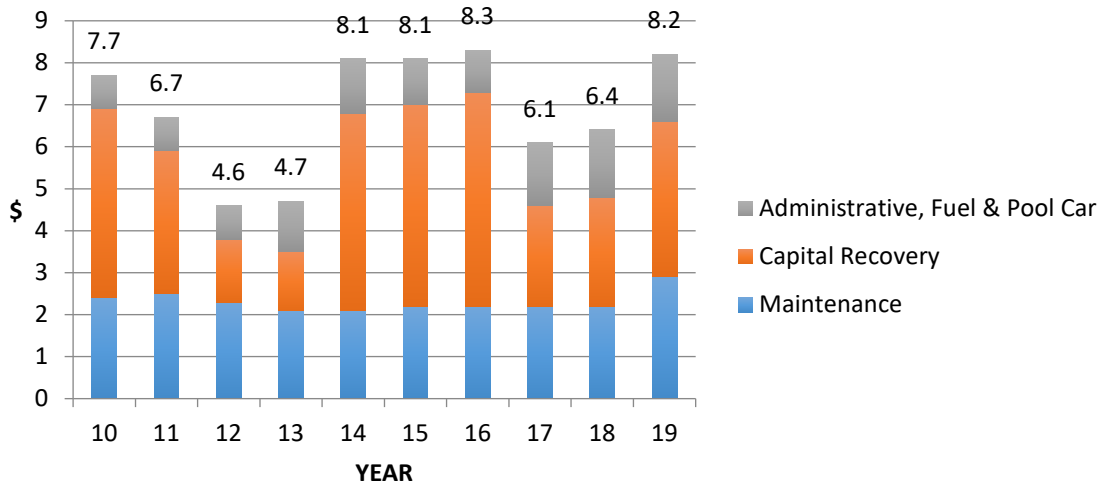
Repairs and Servicing expense relates to shop operations which provide preventive and corrective maintenance and repairs to vehicles and pieces of equipment for Tacoma Public Utilities and other service groups. Repairs and Servicing expenses were \$2.6, \$2.3, and \$2.7 million in 2019, 2018 and 2017 respectively.

Stores Operations expense is a parts warehouse maintained by Fleet which had expenses of \$300,000, \$307,000 and \$338,000 in 2019, 2018 and 2017 respectively.

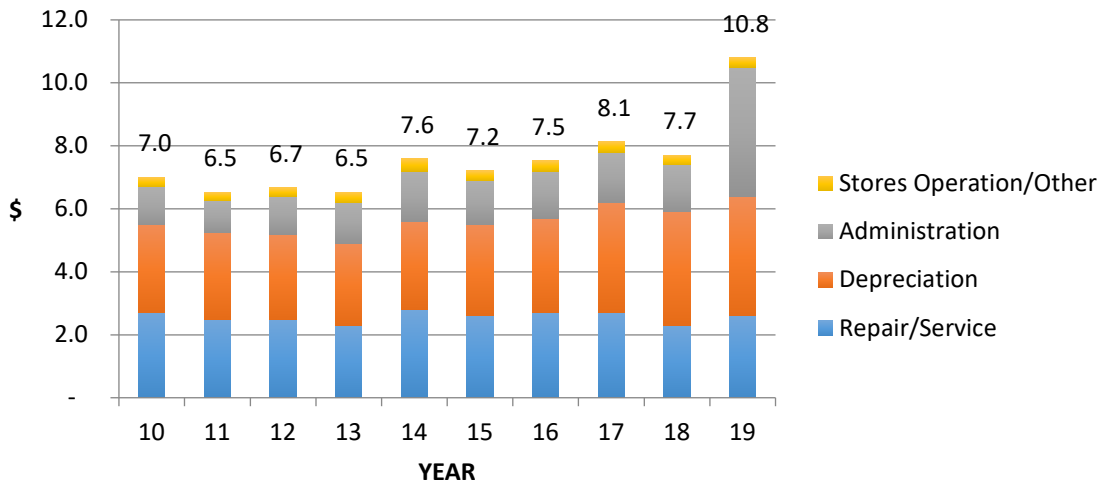
Administration expenses were \$4.1, \$1.5 and \$1.6 million in 2019, 2018, and 2017 respectively. Administration expenses increased due to withdrawal from Western Metal Industry Pension Fund, see financial statement note 5 for additional information.

Depreciation expense was \$3.8, \$3.6 and \$3.5 million in 2019, 2018, and 2017 respectively. Fluctuations in depreciation expense are the result of timing in equipment retirements, capitalization of replacements and changes in fleet size.

OPERATING REVENUES (in millions)

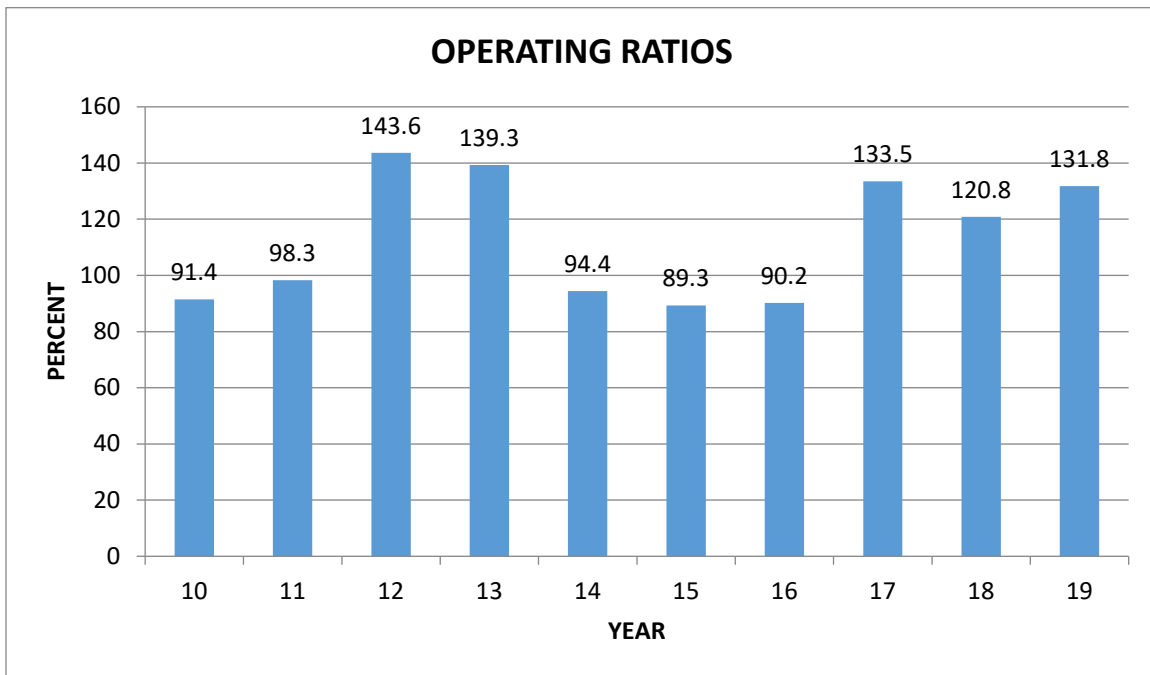


OPERATING EXPENSES (in millions)



Operating Ratio

The Fund's operating ratios, a common measure of efficiency and defined as operating expenses as a percentage of revenue, for 2019, 2018, and 2017 are 131.8%, 120.8%, and 133.5%. 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.



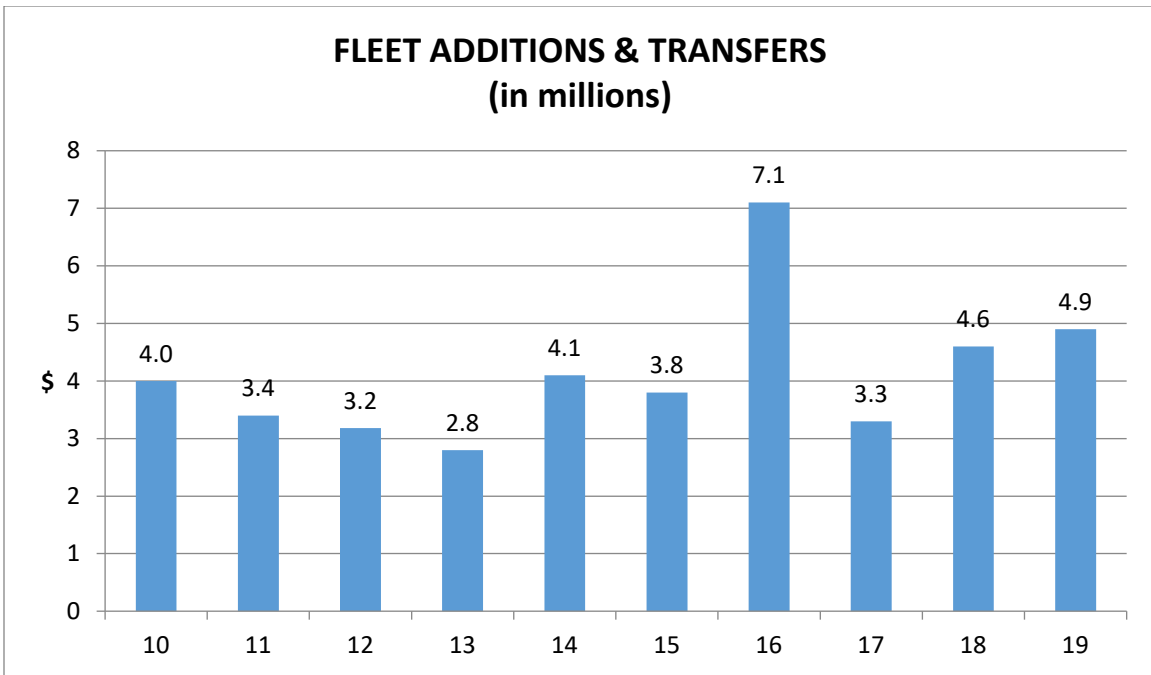
Non-Operating Revenues (Expenses)

Interest income increased \$161,000 from \$116,000 in 2018 to \$277,000 in 2019. Interest income in 2019 increased primarily due to more interest earned on the revenue pool and 2018 increased primarily due to the GASB 31 mark to market adjustment.

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. Sixty vehicles and pieces of equipment were retired in 2019 for a net gain of \$88,000, a decrease of \$313,000 compared to 2018. Fleet Services reported a net gain of \$401,000 in 2018, a decrease of \$128,000 compared to 2017.

Fixed Asset Additions

Purchases of fleet vehicles and equipment in 2019 were \$4.9 million with fifty vehicles and pieces of equipment placed into service compared with \$4.6 million in 2018 with seventy-five vehicles and pieces of equipment placed into service. Purchases of fleet vehicles and equipment in 2017 were \$3.3 million with sixty-five vehicles and pieces of equipment placed into service.



Summary

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Fleet Services fund’s finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Division Manager of Utilities Accounting, 3628 South 35th Street, Tacoma, Washington, 98409.

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.

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Financial Statements

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

Statements of Net Position (Unaudited)
 December 31, 2019 and December 31, 2018

	2019	2018
ASSETS		
FIXED		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	719,411	719,411
Transportation Equipment	48,361,833	47,481,737
Power-Operated Equipment	16,309,867	16,701,468
Accumulated Depreciation	(40,069,167)	(38,554,217)
Total Fixed Assets	25,938,845	26,965,300
Construction Work in Progress	1,849,446	2,061
Net Fixed Assets	27,788,291	26,967,361
CURRENT		
Current Fund Cash & Equity in Pooled Investments	16,967,945	16,085,070
Accounts Receivable	200,778	184,049
Interdivision Receivable	-	382,541
Materials and Supplies	379,523	358,068
Total Current Assets	17,548,246	17,009,728
OTHER ASSETS		
Net Pension Asset	-	367,979
TOTAL ASSETS	45,336,537	44,345,068
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pension	1,213,509	471,904
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$46,550,046	\$44,816,972

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

	<u>2019</u>	<u>2018</u>
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$27,788,291	\$26,967,361
Restricted for:		
Tacoma Power	18,095,346	18,095,346
Tacoma Water	7,199,933	7,199,933
Tacoma Rail	981,147	981,147
Net Pension Asset	-	367,979
Unrestricted	<u>(13,050,517)</u>	<u>(10,348,775)</u>
TOTAL NET POSITION	41,014,200	43,262,991
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	1,497,902	637,800
Wages Payable	96,040	83,022
Interdivision Payable	<u>-</u>	<u>78</u>
Total Current Liabilities	1,593,942	720,900
LONG-TERM LIABILITIES		
Employee Vacation and Sick Leave Accrual	226,663	206,696
Pension Withdrawal Liability	2,555,220	-
Net Pension Liability	<u>1,025,298</u>	<u>-</u>
Total Long-term Liabilities	3,807,181	206,696
TOTAL LIABILITIES	<u>5,401,123</u>	<u>927,596</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pension	<u>134,723</u>	<u>626,385</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$46,550,046</u></u>	<u><u>\$44,816,972</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, 2019 and December 31, 2018

	DECEMBER 2019	DECEMBER 2018
OPERATING REVENUE		
Maintenance Revenue	239,242	\$254,896
Capital Recovery	303,779	204,226
Administrative Overhead	112,528	112,985
Fuel and Fuel Loading	6,168	4,733
Pool Car Rental	8,937	10,726
Total Operating Revenue	670,654	587,566
OPERATING EXPENSES		
Repairs and Servicing		
Shop Operations	349,992	8,490
Outside Services	3,650	28,104
Total Repairs and Servicing	353,642	36,594
Stores Operations	52,470	(715)
Administration	2,676,408	(166,986)
Depreciation	311,594	310,878
Total Operating Expenses	3,394,114	179,771
OPERATING INCOME (LOSS)	(2,723,460)	407,795
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	108,972	(79,238)
Gain (Loss) on Disposition of Equipment	(27,715)	211,791
Sale of Scrap	5,628	2,700
Total Non-Operating Revenues (Expenses)	86,885	135,253
CHANGE IN NET POSITION	(\$2,636,575)	\$543,048
TOTAL NET POSITION - BEGINNING OF YEAR		
TOTAL NET POSITION - END OF YEAR		

YEAR TO DATE			
DECEMBER 2019	DECEMBER 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$2,917,271	\$2,178,241	\$739,030	33.9%
3,677,556	2,634,745	1,042,811	39.6%
1,422,931	1,350,835	72,096	5.3%
61,792	65,517	(3,725)	-5.7%
137,685	127,890	9,795	7.7%
<u>8,217,235</u>	<u>6,357,228</u>	<u>1,860,007</u>	29.3%
2,582,474	2,176,720	405,754	18.6%
33,757	77,285	(43,528)	-56.3%
<u>2,616,231</u>	<u>2,254,005</u>	<u>362,226</u>	16.1%
299,936	307,445	(7,509)	-2.4%
4,120,377	1,526,791	2,593,586	169.9%
3,795,052	3,589,783	205,269	5.7%
<u>10,831,596</u>	<u>7,678,024</u>	<u>3,153,572</u>	41.1%
(2,614,361)	(1,320,796)	(1,293,565)	-97.9%
277,092	115,934	161,158	139.0%
81,550	397,667	(316,117)	-79.5%
6,928	3,255	3,673	112.8%
<u>365,570</u>	<u>516,856</u>	<u>(151,286)</u>	-29.3%
(2,248,791)	(803,940)	(1,444,851)	-179.7%
<u>43,262,991</u>	<u>44,066,931</u>		
<u>\$41,014,200</u>	<u>\$43,262,991</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, 2019

Invested in Capital Assets:		
Balance January 1, 2019	\$26,967,361	
Capital Additions	2,335,880	
Depreciation	<u>(1,514,950)</u>	
Total Invested in Capital Assets		27,788,291
Restricted Net Position:		
Balance January 1, 2019	26,276,426	
Net Reductions through December 31, 2019	<u>-</u>	
Total Restricted Net Position December 31, 2019		26,276,426
Unrestricted Net Position:		
Balance January 1, 2019	(10,348,775)	
Net Reductions through December 31, 2019	<u>(2,701,742)</u>	
Total Unrestricted Net Position December 31, 2019		<u>(13,050,517)</u>
TOTAL NET POSITION DECEMBER 31, 2019		<u><u>\$41,014,200</u></u>

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

Equity Distribution (Unaudited)
 As of December 31, 2019

	TACOMA POWER	TACOMA WATER	TACOMA RAIL	TOTAL
Balance January 1, 2019	\$28,114,073	\$13,712,607	\$1,436,311	\$43,262,991
Contributions During Year	-	-	-	-
Equity Contributions at December 31, 2019	28,114,073	13,712,607	1,436,311	43,262,991
Current Year Operations:				
Total Operating Revenue *	5,339,898	2,604,529	272,808	8,217,235
Less: Repairs & Servicing Expense *	1,700,134	829,239	86,858	2,616,231
Admin and Stores Operations Expense *	3,231,432	1,032,449	156,432	4,420,313
Depreciation Expense	2,722,205	939,646	133,201	3,795,052
Total Expenses	7,653,771	2,801,334	376,491	10,831,596
Net Operating Revenue	(2,313,873)	(196,805)	(103,683)	(2,614,361)
Add: Other Income ***	237,547	115,886	12,137	365,570
Net Operating Results	(2,076,326)	(80,919)	(91,546)	(2,248,791)
Total Equity	\$26,037,747	\$13,631,688	\$1,344,765	\$41,014,200

* 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, 2019	DECEMBER 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash From Customers	\$8,583,047	\$5,894,659
Cash Paid to Suppliers	(186,292)	(1,757,038)
Cash Paid to Employees	(3,263,468)	(2,645,488)
Net Cash From Operating Activities	5,133,287	1,492,133
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures, Net	(4,569,288)	(4,576,413)
Disposition of Equipment/Scrap	41,784	400,922
Net Cash From Financing Activities	(4,527,504)	(4,175,491)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	277,092	115,934
Net Cash From Investing Activities	277,092	115,934
Net Change in Cash and Equity in Pooled Investments	882,875	(2,567,424)
Cash and Equity in Pooled Investments at January 1	16,085,070	18,652,494
Cash and Equity in Pooled Investments at December 31	<u>\$16,967,945</u>	<u>\$16,085,070</u>

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, 2019	DECEMBER 31, 2018
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Income (Loss)	(\$2,614,361)	(\$1,320,796)
Pension (Credits) Expenses	160,010	(360,447)
Depreciation Expense	3,795,052	3,589,783
Pension Withdrawal Expense	2,555,220	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:		
Accounts Receivable	(16,729)	(85,514)
Interdivision Receivable	382,541	(377,055)
Materials and Supplies	(21,455)	(48,075)
Accounts Payable & Other	860,102	95,454
Interdivision Payable	(78)	(12,708)
Absences Payable	32,985	11,491
Total Adjustments	1,237,366	(416,407)
Net Cash From Operating Activities	\$5,133,287	\$1,492,133

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.

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 and in certificates of deposit with Opus Bank and Home Street Bank.

The Fund's equity in that portion of the City of Tacoma Investment Pool held in qualified public depositories at December 31, 2019 and 2018 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.

Notes to the Financial Statements (continued)

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

Debt 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	-
Corporate Securities	63,736,264	-	63,736,264	-
Municipal Bonds	17,764,606	-	17,764,606	-
Total	\$ 945,073,679	\$ -	\$ 945,073,679	\$ -

Debt Securities	As of			
	12/31/2018	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 282,822,308	\$ -	\$ 282,822,308	\$ -
U.S. Agency Securities	447,015,280	-	447,015,280	-
Supranational Securities	19,814,100	-	19,814,100	-
Corporate Securities	24,607,491	-	24,607,491	-
Municipal Bonds	35,748,647	-	35,748,647	-
Total	\$ 810,007,826	\$ -	\$ 810,007,826	\$ -

Fleet's share of the City Investments shown in the table above is 1.57% and 1.52% for 2019 and 2018.

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 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, 2018 (measurement date) is as follows:

Retirees and beneficiaries currently receiving benefits	2,474
Terminated vested and other terminated participants	747
Active members:	
City of Tacoma	2,706
Pierce Transit	7
South Sound 911	2
Tacoma-Pierce County Health Department	274
Total active members	2,989
Total membership	6,210

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 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 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, 2018
Valuation Date	January 1, 2019
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. 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.

**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, 2019 valuation date and December 31, 2018 the measurement date. Therefore, no adjustments were needed from the January 1, 2019 actuarial valuation date to the calculated liabilities as of December 31, 2018, measurement date for reporting date of December 31, 2019. There were no changes between the January 1, 2018 and January 1, 2019 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 will be 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, 2018. 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	15.0%	2.03%
US Inflation-Indexed Bonds	5.0%	1.14%
High Yield Bonds	9.0%	3.90%
Emerging Market Debt	5.0%	3.75%
Global Equity	41.5%	5.41%
Public Real Estate	2.0%	5.76%
Private Real Estate	2.5%	3.84%
Private Equity	10.0%	9.37%
Master Limited Partnerships	4.0%	4.06%
Timber	2.0%	4.05%
Infrastructure	2.0%	5.04%
Agriculture	2.0%	4.54%
Assumed Inflation - Mean		2.75%
Assumed Inflation - Standard Deviation		1.65%
Portfolio Arithmetic Real Mean Return		4.73%
Portfolio Median Nominal Geometric Return		6.93%
Portfolio Standard Deviation		11.01%
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)	\$2,844,760	\$1,025,298	(\$495,290)

Notes to the Financial Statements (continued)

As of December 31, 2019, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred of Outflows Resources
Difference Between Expected and Actual Experience	\$ (134,549)	\$ 32,027
Changes of assumptions	-	150,029
Net Difference Between Projected and Actual Earnings	-	786,515
Changes in Employer Proportion	(174)	93
Contributions Made Subsequent to the Measurement Date	-	244,845
Total	\$ (134,723)	\$ 1,213,509

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 four years.

Amounts will be recognized in pension expense as follows:

2020	\$ 289,904
2021	116,525
2022	137,530
2023	285,806
2024	4,176
Thereafter	-
	\$ 833,941

The proportionate share of the Fleet Division is 0.88% of total System's pension liability as of December 31, 2019 and 0.94% as of December 31, 2018. The proportionate share was based on the actual contributions for the year as of December 31, 2019 and 2018.

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 2019 and 2018, Fleet Services returned 75% of the interest earned on the capital replacement reserve to the appropriate users. The amounts refunded in 2019 and 2018 were \$247,338 and \$193,978 respectively.

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 2019, 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.

The contributions rates for 2018 and 2019 by classification were as follows:

Classification	January 1, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019
Equipment Mechanic, Heavy	5.91% of gross pay	6.47% of gross pay
Vehicle & Equip Shop Attendant	4.88% of gross pay	5.34% of gross pay
Vehicle & Equipment Shop Supervisor	5.08% of gross pay	5.57% of gross pay

In 2018 and 2019 the Division contributed \$128,160 and \$145,046, respectively.

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, 2019.

NOTE 6 SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population. Given the dynamic nature of these circumstances and potential business disruption, the City and the Division could experience a significant short-term impact to operations. Management will continue to monitor the situation closely, but given the uncertainty about the situation, it is unable to estimate the impact to the financial statements.

Required Supplementary Information

Proportionate Share of the Net Pension Liability Last 10 Years*

	As of Measurement Date December 31,				
	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset) as a percentage	0.88%	0.94%	0.94%	0.96%	1.05%
Employer's proportion share of net pension liability (asset)	\$1,025,298	(\$367,979)	\$874,422	\$835,359	(\$101,261)
Employer's covered payroll	\$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	48.82%	-16.88%	40.62%	38.81%	-4.64%
Plan fiduciary net position as a percentage the total pension liability	92.81%	102.53%	93.91%	93.94%	100.71%

Schedule of Contributions Last 10 Fiscal Years*

	Fiscal Year Ended December 31,				
	2019	2018	2017	2016	2015
Contractually required employer contribution	\$244,845	\$247,180	\$227,116	\$227,848	\$239,770
Contributions in relation to the contractually required employer contribution	(244,845)	(247,180)	(227,116)	(227,848)	(239,770)
Employer contribution deficiency (excess)	-	-	-	-	-
Employer's covered employee payroll	\$2,241,155	\$2,100,109	\$2,179,654	\$2,152,532	\$2,244,782
Employer contribution as a percentage of covered-employee payroll	10.92%	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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
ASSETS				
Fixed - Net	\$19,164,435	\$19,631,756	\$20,043,909	\$20,270,054
Current	26,034,139	24,425,237	26,873,162	22,007,068
Other	-	-	-	-
Total Assets	<u>45,198,574</u>	<u>44,056,993</u>	<u>46,917,071</u>	<u>42,277,122</u>
Deferred Outflows	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>45,198,574</u>	<u>44,056,993</u>	<u>46,917,071</u>	<u>42,277,122</u>
LIABILITIES				
Current and Long-Term	2,728,220	431,649	4,558,862	1,039,418
Deferred Inflows	-	-	-	-
NET POSITION	<u>42,470,354</u>	<u>43,625,344</u>	<u>42,358,209</u>	<u>41,237,704</u>
TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	<u>\$45,198,574</u>	<u>\$44,056,993</u>	<u>\$46,917,071</u>	<u>\$42,277,122</u>
STATEMENTS OF INCOME				
OPERATING REVENUES				
Maintenance Revenue	\$2,369,705	\$2,499,589	\$2,333,084	\$2,101,367
Capital Recovery	4,462,261	3,382,819	1,497,410	1,372,888
Pool Car Rental	86,625	68,411	82,423	73,772
Administrative and Fuel	<u>731,116</u>	<u>730,871</u>	<u>727,395</u>	<u>1,115,860</u>
Total Operating Revenues	7,649,707	6,681,690	4,640,312	4,663,887
OPERATING EXPENSES				
Repairs and Servicing	2,713,546	2,488,151	2,451,583	2,274,301
Stores Operations	257,075	274,399	267,989	326,773
Administration	1,181,369	1,047,029	1,228,920	1,323,636
Depreciation	<u>2,838,774</u>	<u>2,756,785</u>	<u>2,716,103</u>	<u>2,570,362</u>
Total Operating Expenses	6,990,764	6,566,364	6,664,595	6,495,072
OPERATING INCOME (LOSS)	658,943	115,326	(2,024,283)	(1,831,185)
NON-OPERATING INCOME (EXPENSE)				
Interest Income	(5,943)	360,639	92,913	(99,756)
Net Other Income (Expense)	<u>230,375</u>	<u>253,627</u>	<u>247,292</u>	<u>165,334</u>
Total Non-Operating Income (Expense)	<u>224,432</u>	<u>614,266</u>	<u>340,205</u>	<u>65,578</u>
Net Income (Loss) Before Contributions & Transfers	883,375	729,592	(1,684,078)	(1,765,607)
Total Capital Contributions	4,000	174,815	46,877	-
Transfers In	<u>571,072</u>	<u>250,583</u>	<u>370,066</u>	<u>645,102</u>
NET INCOME (LOSS)	<u>\$1,458,447</u>	<u>\$1,154,990</u>	<u>(\$1,267,135)</u>	<u>(\$1,120,505)</u>

2014	2015	2016	2017	2018	2019
\$21,386,337	\$22,275,221	\$26,250,230	\$25,980,731	\$26,967,361	\$27,788,291
23,472,087	23,333,088	20,350,890	19,066,508	17,009,728	17,548,246
-	101,261	-	-	367,979	-
44,858,424	45,709,570	46,601,120	45,047,239	44,345,068	45,336,537
-	240,412	964,710	915,881	471,904	1,213,509
44,858,424	45,949,982	47,565,830	45,963,120	44,816,972	46,550,046
1,987,209	1,476,341	1,928,210	1,707,781	927,596	5,401,123
-	106,900	55,923	188,408	626,385	134,723
42,871,215	44,366,741	45,581,697	44,066,931	43,262,991	41,014,200
\$44,858,424	\$45,949,982	\$47,565,830	\$45,963,120	\$44,816,972	\$46,550,046
\$2,097,335	\$2,196,833	\$2,176,445	\$2,176,378	\$2,178,241	\$2,917,271
4,689,984	4,826,427	5,122,589	2,360,298	2,634,745	3,677,556
125,367	136,685	123,377	125,755	127,890	137,685
1,141,785	914,378	874,367	1,433,703	1,416,352	1,484,723
8,054,471	8,074,323	8,296,778	6,096,134	6,357,228	8,217,235
2,844,024	2,578,812	2,712,254	2,716,794	2,254,005	2,616,231
398,011	308,946	329,268	337,500	307,445	299,936
1,592,691	1,386,437	1,451,298	1,589,619	1,526,791	4,120,377
2,768,745	2,937,475	2,988,385	3,492,861	3,589,783	3,795,052
7,603,471	7,211,670	7,481,205	8,136,774	7,678,024	10,831,596
451,000	862,653	815,573	(2,040,640)	(1,320,796)	(2,614,361)
54,921	(24,043)	48,726	(2,988)	115,934	277,092
474,892	193,493	348,476	528,862	400,922	88,478
529,813	169,450	397,202	525,874	516,856	365,570
980,813	1,032,103	1,212,775	(1,514,766)	(803,940)	(2,248,791)
-	-	-	-	-	-
652,698	338,904	2,181	-	-	-
\$1,633,511	\$1,371,007	\$1,214,956	(\$1,514,766)	(\$803,940)	(\$2,248,791)

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

Fleet Plant in Service
 For the Year Ended December 31, 2019

FIXED ASSET ACCOUNTS

	Book Cost 1/1/19	Additions 2019
Office Furniture and Equipment	\$616,901	\$ -
Stores and Shop Equipment	719,411	-
Transportation Equipment	47,481,737	2,886,685
Power-Operated Equipment	16,701,468	149,503
Construction Work in Progress	2,061	1,849,352
TOTAL FIXED ASSETS	\$65,521,578	\$4,885,540

ACCUMULATED DEPRECIATION ACCOUNTS

	Depreciation Rate %	Accumulated Depreciation 1/1/19	Annual Accrual Cr.
Office Furniture and Equipment	Various	\$551,749	\$5,422
Stores and Shop Equipment	Various	625,970	17,697
Transportation Equipment	Various	25,442,908	3,114,293
Power-Operated Equipment	Various	11,933,590	657,640
TOTAL ACCUMULATED DEPRECIATION		\$38,554,217	\$3,795,052

<u>Retirements 2019</u>	<u>Transfers & Adjustments</u>	<u>Book Cost 12/31/19</u>
\$ -	\$ -	\$616,901
-	-	719,411
(2,008,556)	1,967	48,361,833
(541,104)	-	16,309,867
<u>-</u>	<u>(1,967)</u>	<u>1,849,446</u>
<u>(\$2,549,660)</u>	<u>\$ -</u>	<u>\$67,857,458</u>

<u>Retirements</u>	<u>Transfers & Adjustments</u>	<u>Accumulated Depreciation 12/31/19</u>
\$ -	\$ -	\$557,171
-	-	643,667
(1,746,668)	-	26,810,533
<u>(533,434)</u>	<u>-</u>	<u>12,057,796</u>
<u>(\$2,280,102)</u>	<u>\$ -</u>	<u>\$40,069,167</u>

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

Taxes and Employee Welfare Contributions
For the Year 2019

FEDERAL

Social Security (FICA) \$169,865

STATE OF WASHINGTON

Retail Sales Tax 444,288

State Employment Security 3,774

Total 448,062

TOTAL TAXES

\$617,927

Taxes as a % of Total Revenues of \$8,217,235

7.52%

EMPLOYEE WELFARE CONTRIBUTIONS

Industrial Insurance and Medical Aid \$19,150

City of Tacoma Pension Fund 246,986

Washington Dental Service 39,325

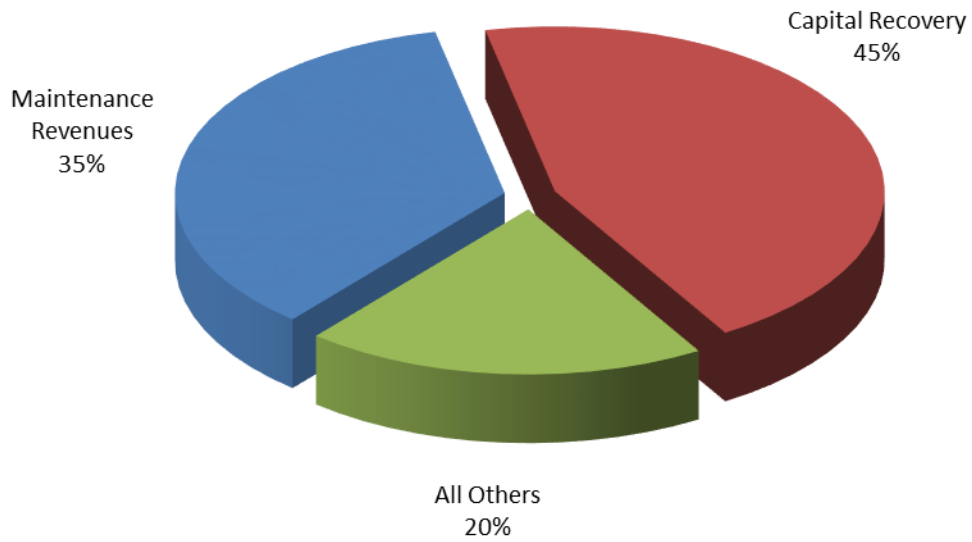
Pierce County Medical Bureau 427,761

TOTAL EMPLOYEE WELFARE CONTRIBUTIONS

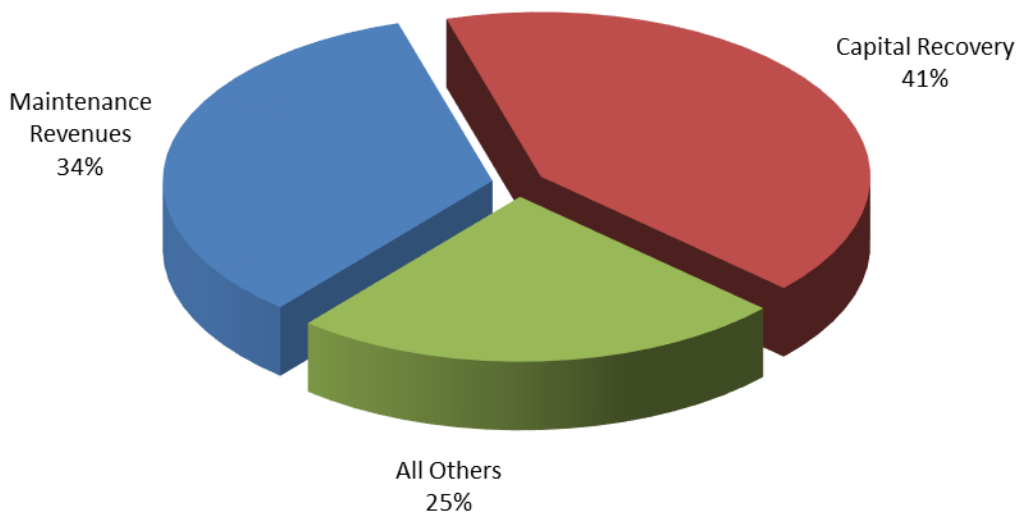
\$733,222

Graphs

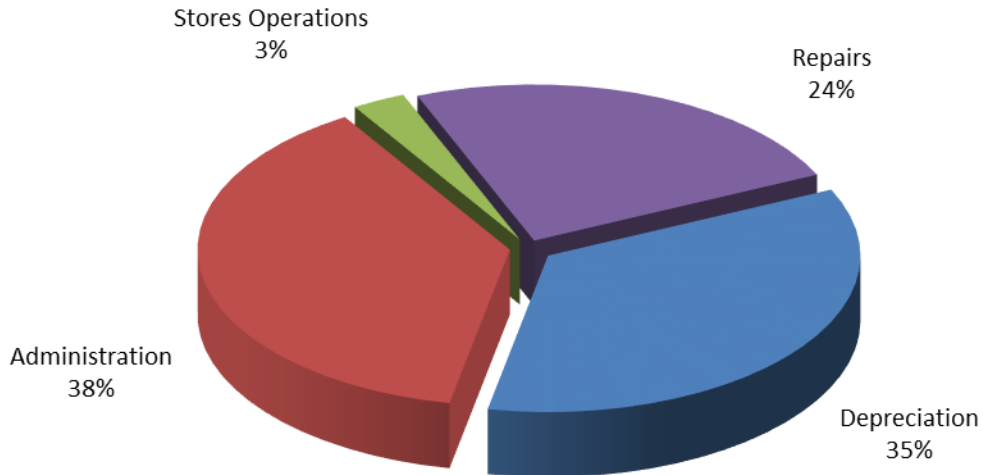
TOTAL OPERATING REVENUES
Year to Date - December 2019 (\$8,217,235)



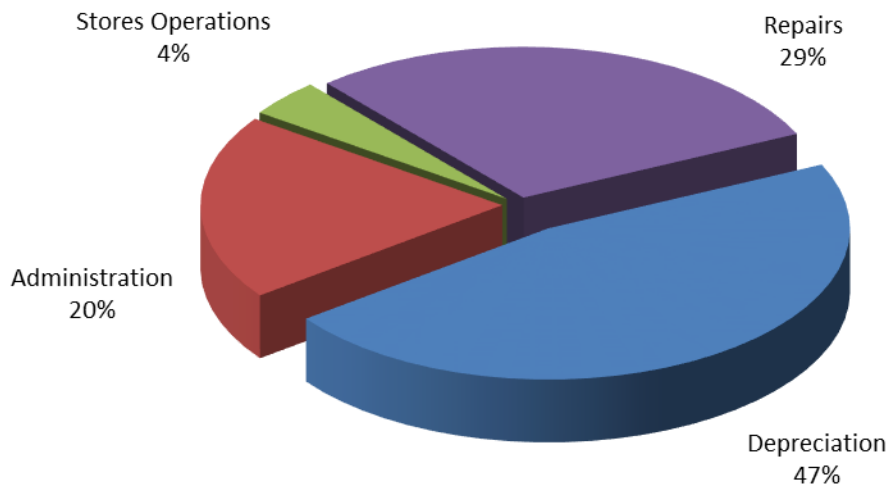
TOTAL OPERATING REVENUES
Year to Date - December 2018 (\$6,357,228)



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



TOTAL OPERATING EXPENSES
Year to Date - December 2018 (\$7,678,024)



Fleet Manager's Report (Unaudited)

Fleet Services completed a successful year providing vehicle and equipment maintenance and management services to our customers.

Fleet Finance

Fleet Services worked with customers during the year to assure they had the vehicles and equipment needed to perform their duties. Specification and purchasing procedures were completed for 50 new pieces of equipment. Fleet Services arranged for public auction for the sale of 60 pieces of equipment that were declared surplus by the assigned sections.

Fleet Services continued to return interest earned on fund investments for the year to our customers. A total of \$247,338 was credited to individual vehicle replacement funds through December 2019, with the allocation based on the amount each had paid into the fund.

After returning these funds to customers, the Fleet Fund ended the year with a \$16,967,945 cash and investment balance.

Fleet Maintenance

Fleet Services maintenance shop performed 1,444 preventive maintenance services and inspections and 3,564 corrective work orders on Public Utilities vehicles and equipment.

Fleet Services also performed state-mandated emissions testing on 128 vehicles with passing results.

Fleet Initiatives

Fleet Services continued efforts to make improvements in 2019 with a focus on reducing fossil fuel consumption through alternative fuel use and considering other environmental friendly alternatives such as:

- Adding four new plug-in hybrid SUV's to our Fleet Motor Pool that are available for employees to reserve for work use.
- Reduced fossil fuel consumption with a 38.5% decrease versus the City's Environmental Action Plan Baseline.
- Begin using renewable diesel (R99) fuel in place of biodiesel for all vehicles mobile fueled nightly. This was joint decision made with City Fleet Operations and the result of a successful pilot of the new alternative fuel by TPU Fleet in late 2018.
- Increased the efforts to reduce negative environmental impacts of conventional oil filter use by expanding our HUBB reusable oil filter program from 60 light duty vehicles in 2018, to 145 light duty and medium duty vehicles.
- Deployed new Automatic Vehicle Location (AVL) system with added fleet reporting benefits and expanded device installs from 238 to 480 vehicles with additional opportunity to expand.

Fleet Parts

Fleet Services parts warehouse issued \$928,876.02 in parts in support of the maintenance shop. Of this amount, 36 percent (\$334,539.65) was issued from stock and 64 percent (\$594,336.37) was ordered non-stock from vendors. The Fleet parts warehouse accomplished 12,253 issue transactions totaling 35,949 items.

Fleet Staff Development

Fleet Services employees received an average of 25.5 hours of technical, personal development, and safety-oriented training per person.

The Fleet Services Tool and Training Committee helped specify and obtain tools and shop equipment designed to increase productivity and safety.

Don Ashmore

Fleet Manager



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.