

TACOMA PUBLIC UTILITY BOARD

**2027 - 2028 PROPOSED BUDGET
TACOMA RAIL**

Wednesday, September 9, 2026

Tacoma Rail

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Tacoma Rail Recapitulation of Biennial Budget	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
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REVENUE

Switching Revenue	\$ 74,628,536	\$ 77,194,076	\$ 2,565,540	3.4%
Miscellaneous Revenue	2,974,020	3,199,800	225,780	7.6%
Total Operating Revenue	\$ 77,602,556	\$ 80,393,876	\$ 2,791,320	3.6%
Other Income	2,884,527	10,452,616	7,568,089	262.4%

Total Revenue & Available Funds	\$ 80,487,083	\$ 90,846,492	\$ 10,359,409	12.9%
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EXPENDITURES

Personnel Costs	\$ 41,617,459	\$ 47,302,187	\$ 5,684,728	13.7%
Supplies, Other Services & Charges	22,184,340	21,933,500	(250,840)	(1.1%)
Taxes	7,721,521	7,910,225	188,704	2.4%
Debt Service	1,568,763	1,205,580	(363,183)	(23.2%)
Capital Outlay	7,395,000	12,495,000	5,100,000	69.0%

Total Expenditures	\$ 80,487,083	\$ 90,846,492	\$ 10,359,409	12.9%
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CAPITAL OUTLAY FINANCING DETAIL

Anticipated Bank Loan Proceeds/Grants	\$ 21,735,000	\$ 25,255,000	\$ 3,520,000	16.2%
Funded from Operating Fund	7,395,000	12,495,000	5,100,000	69.0%

Total Capital Outlay	\$ 29,130,000	\$ 37,750,000	\$ 8,620,000	29.6%
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PERSONNEL - Budgeted FTE	120.0 / 120.0	120.0 / 120.0
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Tacoma Rail Revenue	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
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REVENUE SUMMARY

Switching Revenue	\$ 74,628,536	\$ 77,194,076	\$ 2,565,540	3.4%
Miscellaneous Revenue	2,974,020	3,199,800	225,780	7.6%

Total Operating Revenue	77,602,556	80,393,876	2,791,320	3.6%
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Other Income	2,884,527	10,452,616	7,568,089	262.4%
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Total Revenue & Available Funds	\$ 80,487,083	\$ 90,846,492	\$ 10,359,409	12.9%
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REVENUE DETAIL

Switching Revenue

Line Hauls	\$ 68,430,320	\$ 71,064,200	\$ 2,633,880	3.8%
Local & Miscellaneous	2,958,216	2,769,876	(188,340)	(6.4%)
Demurrage	3,240,000	3,360,000	120,000	3.7%

Total Switching Revenue	74,628,536	77,194,076	2,565,540	3.4%
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Locomotive Servicing	2,547,420	2,773,200	225,780	8.9%
Miscellaneous Revenue	426,600	426,600		

Total Miscellaneous Revenue	2,974,020	3,199,800	225,780	7.8%
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Total Operating Revenue	77,602,556	80,393,876	2,791,320	3.6%
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Other Income

Rent Income	2,300,000	3,192,000	892,000	38.8%
Interest Income	480,000	768,000	288,000	60.0%

Total Non-Operating Revenue	2,780,000	3,960,000	1,180,000	42.4%
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Appropriation from Fund Balance	104,527	6,492,616	6,388,089	6111.4%
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Total Revenue & Available Funds	\$ 80,487,083	\$ 90,846,492	\$ 10,359,409	12.9%
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Tacoma Rail Division Consolidation	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
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SUMMARY - Operation & Maintenance by Section

Rail Administration	\$ 24,753,812	\$ 25,345,256	\$ 591,444	2.4%
Rail Operations	27,715,525	30,345,021	2,629,496	9.5%
Rail Mechanical	12,117,909	13,317,793	1,199,884	9.9%
Rail Construction	6,936,074	8,137,842	1,201,768	17.3%

Total for Division	\$ 71,523,320	\$ 77,145,912	\$ 5,622,592	7.9%
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SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$ 28,897,932	\$ 32,125,332	\$ 3,227,400	11.2%
Employee Benefits	12,519,527	14,941,856	2,422,329	19.3%
Capital Credit & Labor To/From Others	200,000	235,000	35,000	17.5%
Total Personnel Costs	41,617,459	47,302,187	5,684,728	13.7%
Supplies	\$ 3,608,082	\$ 3,850,579	\$ 242,497	6.7%
Services	7,758,277	7,613,801	(144,476)	(1.9%)
Other Charges	5,441,420	4,650,745	(790,675)	(14.5%)
Total Assessments	5,376,561	5,818,375	441,814	8.2%
Taxes	7,721,521	7,910,225	188,704	2.4%
Total Supplies & Other Charges	29,905,861	29,843,725	(62,136)	(0.2%)

Total for Division	\$ 71,523,320	\$ 77,145,912	\$ 5,622,592	7.9%
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Tacoma Rail Taxes	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
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TAX PAYMENTS

City of Tacoma:				
Gross Earnings Tax (8.0%)	\$ 6,548,346	\$ 6,700,000	\$ 151,654	2.3%
State of Washington:				
Utility & Business Tax	1,170,625	1,210,000	39,375	3.4%
Other Taxes	2,550	225	(2,325)	(91.2%)
Subtotal	7,721,521	7,910,225	188,704	2.4%
Federal Railroad Taxes	5,256,493	5,900,114	643,621	12.2%
Total Tacoma Rail Taxes	\$ 12,978,014	\$ 13,810,339	\$ 832,325	6.4%

Note: State Sales Tax is included in O&M budget line items for Materials

Federal Railroad Taxes are paid in lieu of FICA and Retirement and are included in O&M category Personnel Services.

Tacoma Rail Debt Service	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
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DEBT SERVICE SUMMARY

Interest	\$ -	\$ -	\$ -	-
Principal	1,568,763	1,205,580	(363,183)	(23.2%)

Total Debt Service	\$ 1,568,763	\$ 1,205,580	\$ (363,183)	(23.2%)
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DEBT SERVICE DETAIL

Rail Bank Loans - \$9,773,897, 0% Interest				
- Principal	1,568,763	1,205,580	(363,183)	(23.2%)

Total Debt Service	\$ 1,568,763	\$ 1,205,580	\$ (363,183)	(23.2%)
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Tacoma Rail Capital Outlay	2025-2026 Current Budget	2027-2028 Proposed Budget
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SUMMARY

General Plant	\$ 0	\$ 0
Communications	-	-
Facility Upgrades	1,850,000	1,660,000
Rail Equipment/Vehicles	19,800,000	31,290,000
Track Improvements	7,480,000	4,800,000

Sub-Total	\$ 29,130,000	\$ 37,750,000
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Projects Funded from Rail Bank Loan	\$ (640,000)	\$ -
Projects Funded from Anticipated Bank Loan	(1,200,000)	(1,150,000)
Projects Funded from CIAC	(950,000)	-
Projects Funded from Grants	(18,945,000)	(24,105,000)

Total Current Fund Capital Outlay	\$ 7,395,000	\$ 12,495,000
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Communications

Locomotive Health & Location Monitoring	\$ 0	\$ 0
Communications Total	\$ 0	\$ 0

Facility Upgrades

Installation of BEL Charging Station	\$ 1,400,000	\$ 1,000,000
Camera System Enhancement	-	50,000
Locomotive Jacks	450,000	-
Admin Building Retrofits	-	600,000
DEF Tank	-	10,000
Secondary Fueling Upgrades	-	-
Facility Upgrades Total	\$ 1,850,000	\$ 1,660,000

Tacoma Rail Capital Outlay	2025-2026 Current Budget	2027-2028 Proposed Budget
Rail Equipment/Vehicles		
Locomotive Repower	\$ 16,650,000	\$ 30,100,000
2100 Consent Decree Upgrades	250,000	-
Track Ballast Tamper	1,400,000	-
Locomotive Truck Overhauls	200,000	-
Dump Truck - Bed Upfit	-	100,000
Boom Truck	600,000	-
Vehicles	700,000	1,090,000
Rail Equipment/Vehicles Total	\$ 19,800,000	\$ 31,290,000
Track Improvement Projects		
Tidelands Infrastructure Improvements	\$ 1,000,000	\$ 3,000,000
Crossing Improvements	250,000	-
Milwaukee Crossover/Port Main/Port Pass	-	1,700,000
AEI Reader at Milwaukee	-	100,000
509 Crossing Removal	455,000	-
Taylor Way Yard Upgrades	1,600,000	-
Annie Tracks Switch and Curve Upgrade	950,000	-
US Oil Crossings Signalization	2,500,000	-
Six Switch Replacements	725,000	-
Switch Replacements - Blair Peninsula	-	-
Track Improvement Projects Total	\$ 7,480,000	\$ 4,800,000
TOTAL CAPITAL OUTLAY	\$ 29,130,000	\$ 37,750,000