

# Tacoma Narrows Bridge Toll Rate Setting Update

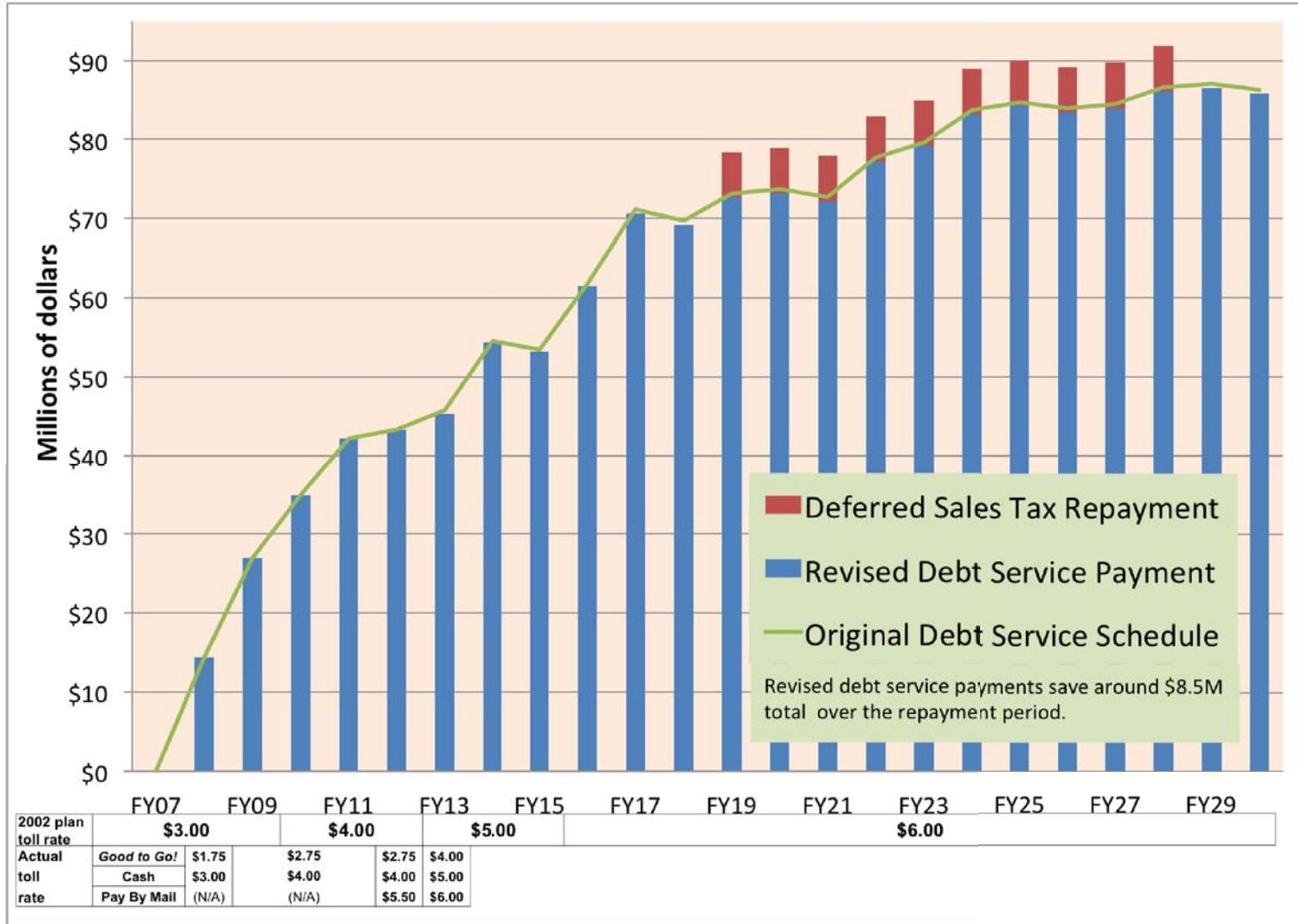
**Paula J. Hammond, P.E.**  
Secretary

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Chief of Staff

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Toll Division Director

**Washington State Transportation Commission**  
**November 13, 2012**

# TNB Debt Service Schedule



# Traffic and Revenue

## TNB Projected and Reported Traffic and Revenue Traffic and Revenue Statistics for Fiscal Year 2013 - Quarter 1

November 7, 2012

	Original Projected Traffic Forecast *	Revised Projected Traffic Forecast**	Reported Traffic	Variance	Original Projected Toll Revenue	Revised Projected Toll Revenue**	Reported Toll Revenue	Variance		
Jul-12	1,230,000	1,217,000	1,245,556	A	28,556	\$ 5,366,000	\$ 5,653,000	\$ 5,382,613	B	\$ (270,387)
Aug-12	1,220,000	1,205,000	1,271,313	A	66,313	\$ 5,386,000	\$ 5,377,000	\$ 5,586,616	B	\$ 209,616
Sep-12	1,110,000	1,093,000	1,162,037	A	69,037	\$ 4,892,000	\$ 4,877,000	\$ 5,037,892	B	\$ 160,892
Oct-12	1,170,000	1,146,000				\$ 5,096,000	\$ 5,102,000			
Nov-12	1,100,000	1,083,000				\$ 4,822,000	\$ 4,808,000			
Dec-12	1,100,000	1,089,000				\$ 4,842,000	\$ 4,824,000			
Jan-13	1,100,000	1,080,000				\$ 4,842,000	\$ 4,779,000			
Feb-13	1,060,000	1,036,000				\$ 4,642,000	\$ 4,580,000			
Mar-13	1,220,000	1,192,000				\$ 5,336,000	\$ 5,276,000			
Apr-13	1,160,000	1,138,000				\$ 5,102,000	\$ 5,036,000			
May-13	1,230,000	1,197,000				\$ 5,386,000	\$ 5,319,000			
Jun-13	1,250,000	1,210,000				\$ 5,436,000	\$ 5,370,000			
<b>FY To Date</b>	<b>3,560,000</b>	<b>3,515,000</b>	<b>3,678,906</b>		<b>163,906</b>	<b>\$ 15,644,000</b>	<b>\$ 15,907,000</b>	<b>\$ 16,007,122</b>		<b>\$ 100,122</b>
<b>FY Totals</b>	<b>13,950,000</b>	<b>13,686,000</b>	<b>3,678,906</b>			<b>\$ 61,148,000</b>	<b>\$ 61,001,000</b>	<b>\$ 16,007,122</b>		

Notes:

\*The Original Projected Traffic Forecast was dated April 2012

\*\*As the traffic and toll revenue forecasts are revised throughout the year, the revised forecasts will be included in the applicable column for comparison.

A - Reported Traffic - While we are not aware of any material discrepancies on traffic counts for SFY13, key ETCC reconciliations have not been completed. Final transaction counts will not be known until reconciliations are complete.

B - Toll Revenue - As of February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor - Electronic Transaction Consultants Corporation (ETCC). With this transition, the new ETCC system encountered problems in the accuracy and timeliness of recording revenue and other accounting transactions. WSDOT and ETCC have investigated and corrected accounting records for known discrepancies. While we are not aware of any material discrepancies in the accounting records, ETCC has not completed key reconciliations which ensure timely and accurate processing of financial transactions. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments made.

Forecast Details:

FY 2013 monthly Projected Traffic is based on the September Forecast projections for toll transactions, adjusted for estimated revenue leakage resulting from unreadable license plates

# Updated Financial Plan

## Tacoma Narrows Toll Bridge Account (511)

## Annual Financial Plan

Draft Financial Plan Through 2015 - Updated on October 24, 2012

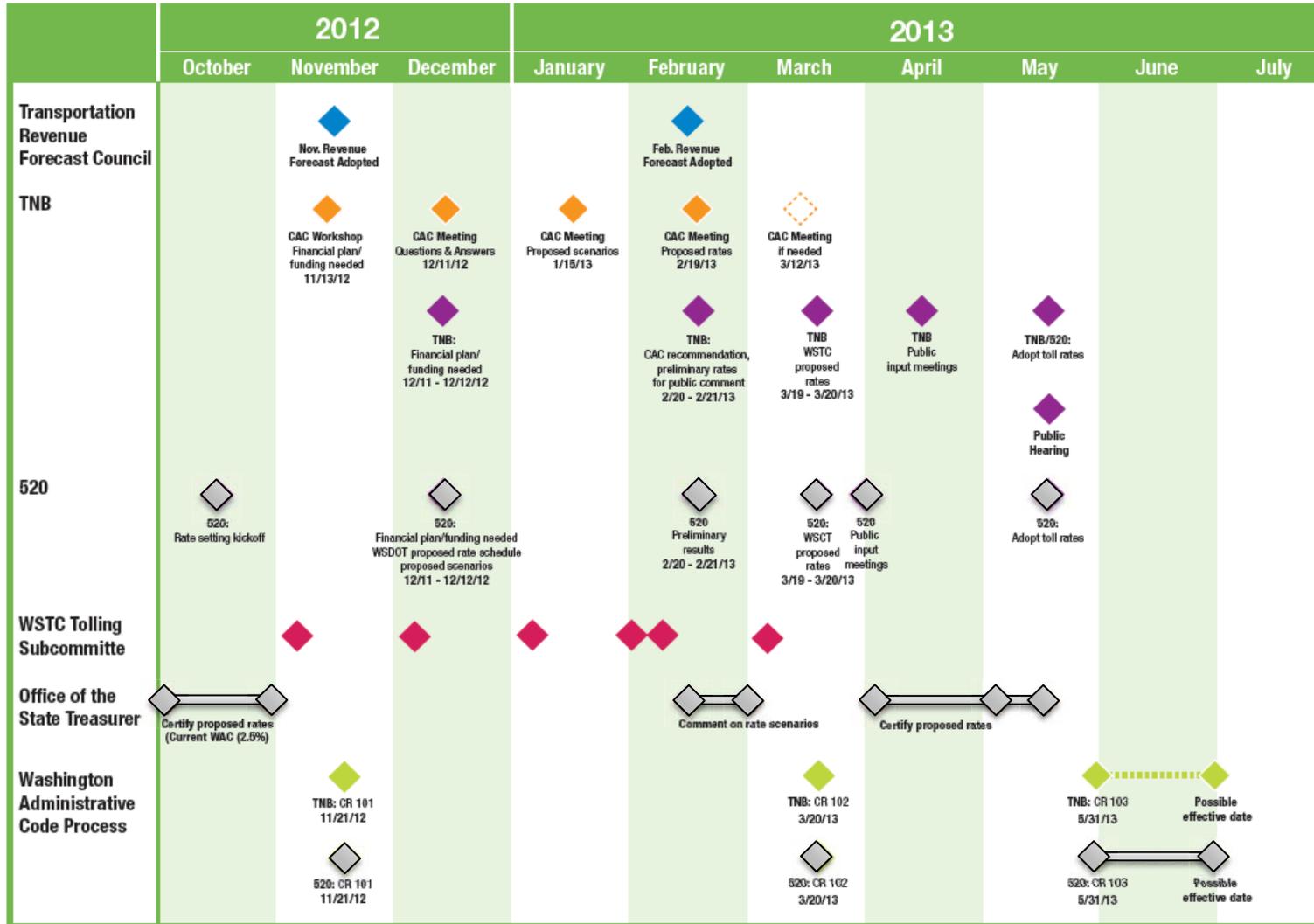
Revenue estimate is based on adopted September 2012 Revenue Forecast

Expenditures for FY12 represent actual experience and FY13 are based on agency allotment plan

(dollars in thousands)

Fiscal Year	Actuals				Forecast			
	2008	2009	2010	2011	2012	2013	2014	2015
Toll Rate (Pre-Pay)	\$ 1.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 4.00	\$ 4.00	\$ 4.00
Toll Rate (Cash)	\$ 3.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 5.00	\$ 5.00	\$ 5.00
Toll Rate (Pay-By-Mail)					\$ 5.50	\$ 6.00	\$ 6.00	\$ 6.00
<b>Beginning Unreserved Fund Balance</b>	<b>17,753</b>	<b>9,418</b>	<b>16,290</b>	<b>16,413</b>	<b>8,124</b>	<b>3,709</b>	<b>9,511</b>	<b>6,197</b>
3-month Debt Service				11,200	(700)	100	(100)	
<b>Operations and Maintenance</b>								
<b>Sources of Funds <sup>1</sup></b>								
Interest Earnings from Tacoma Narrows Account (511) <sup>2</sup>	232	281	341	145	51	142	124	127
Interest Earnings from Toll Collection Account (495) <sup>2</sup>	3	115	71	33	21	29	29	30
Toll Revenue	29,960	44,323	45,353	44,049	44,103	61,005	61,690	63,591
Transponder Sales Revenue	760	608	629	644	353	346	351	362
Violations	467	598	594	489	131	-	-	-
Civil Penalties Gross Revenue	-	-	-	-	469	698	708	730
Civil Penalties (Contractual Damages)	-	-	-	-	16	-	-	-
Transfers from/(to) Other Accounts <sup>3</sup>	-	(10)	-	-	-	(284)	(708)	(730)
Fees <sup>4</sup>	1	56	104	76	166	362	367	378
Contractual Damages <sup>10</sup>	-	-	-	-	1,462	-	-	-
Miscellaneous Revenue <sup>5</sup>	279	0	16	768	23	2	2	2
Inventory Reserve <sup>6</sup>	(234)	380	(190)	387	-	-	-	-
Debt Service Payment & Withholding <sup>7</sup>	(14,689)	(26,915)	(34,903)	(44,955)	(40,443)	(45,836)	(54,118)	(54,735)
<b>Total Sources of Funds for Operations and Maintenance</b>	<b>16,777</b>	<b>10,435</b>	<b>12,013</b>	<b>1,636</b>	<b>6,352</b>	<b>16,465</b>	<b>8,445</b>	<b>9,746</b>
<b>Uses of Funds <sup>8</sup></b>								
Oversight & Administration of Toll Operations <sup>9</sup>	2,180	2,278	2,301	2,260	2,367	2,795	3,047	3,116
Adjudication Process	-	-	-	-	401	497	518	520
Toll Operator Contract	9,852	6,932	6,781	5,621	4,984	5,459	5,741	5,797
Insurance	2,680	1,339	1,602	1,463	1,486	1,600	1,750	1,750
Washington State Patrol	572	315	271	209	15	-	-	-
Maintenance of New Bridge	103	268	229	211	187	240	270	305
Preservation of New Bridge, Roadway & Toll Systems	-	-	-	113	-	-	-	-
Intangible Asset (Software, etc.)	-	-	-	-	1,346	-	-	-
Compensation Adjustment <sup>12</sup>	-	-	-	-	(30)	(30)	-	-
<b>Total Uses of Funds for Operations and Maintenance</b>	<b>15,387</b>	<b>11,132</b>	<b>11,184</b>	<b>9,876</b>	<b>10,746</b>	<b>10,553</b>	<b>11,326</b>	<b>11,488</b>
<b>Current Year Balance for Ops. And Maint. (Sources - Uses)</b>	<b>1,390</b>	<b>8,302</b>	<b>829</b>	<b>(8,240)</b>	<b>(4,395)</b>	<b>5,911</b>	<b>(2,882)</b>	<b>(1,743)</b>
<b>Cumulative Balance for Ops. And Maint.</b>	<b>3,321</b>	<b>11,624</b>	<b>12,453</b>	<b>4,213</b>	<b>(182)</b>	<b>5,729</b>	<b>2,848</b>	<b>1,105</b>
<b>Capital Improvements</b>								
<b>Sources of Funds</b>								
Interest Earnings <sup>2</sup>	824	400	-	-	-	-	-	-
Bond Net Proceeds <sup>10</sup>	12,716	-	-	-	-	-	-	-
<b>Total Sources of Funds for Capital</b>	<b>13,540</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Uses of Funds</b>								
Capital Expenditures <sup>11</sup>	23,319	2,230	707	50	-	-	-	-
Preservation of New Bridge, Roadway & Toll Systems	-	-	-	-	20	109	107	2,902
Prior Period Recoveries	(54)	(400)	-	(1)	-	-	-	-
<b>Total Uses of Funds for Capital</b>	<b>23,265</b>	<b>1,830</b>	<b>707</b>	<b>49</b>	<b>20</b>	<b>109</b>	<b>107</b>	<b>2,902</b>
<b>Current Year Balance for Capital (Sources - Uses)</b>	<b>(9,725)</b>	<b>(1,430)</b>	<b>(707)</b>	<b>(49)</b>	<b>(20)</b>	<b>(109)</b>	<b>(107)</b>	<b>(2,902)</b>
<b>Cumulative Balance for Capital Improvements</b>	<b>6,097</b>	<b>4,667</b>	<b>3,960</b>	<b>3,911</b>	<b>3,891</b>	<b>3,782</b>	<b>3,675</b>	<b>774</b>
<b>Ending Unreserved Fund Balance</b>	<b>9,418</b>	<b>16,290</b>	<b>16,413</b>	<b>8,124</b>	<b>3,709</b>	<b>9,511</b>	<b>6,523</b>	<b>1,879</b>
Days of Expenses Covered by Ending Fund Balance			128	57	25	62	36	10
Sufficient Fund Balance = Ending Fund Balance / (Total Uses of Fund + Debt Service Payment)			35.1%	15.6%	6.9%	17.0%	9.9%	2.8%
12.5% Sufficient Minimum Balance			5,852	6,516	6,754	6,999	8,225	8,446
Additional Fund Balance Needed to Reach 12.5% Sufficient Minimum Balance					3,045	(2,512)	1,699	6,567

# DRAFT FY 2014 Rate Setting Schedule



# Questions?

For additional information on the Tacoma Narrows Bridge Rate Setting, please contact:

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