

# Tacoma Narrows Bridge Citizen Advisory Committee Meeting Agenda

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**January 8, 2020 - 6 – 8 p.m.**

Gig Harbor History Museum  
4121 Harborview Dr, Gig Harbor,

## **TNB Citizen Advisory Committee:**

Bruce Beckett, Gig Harbor (chair)   Michael Murphy, Gig Harbor  
Randy Boss, Gig Harbor

### **AGENDA:**

Call to order.....	Bruce Beckett
Financial plan update.....	Rob Fellows
Loan Report .....	Carl See
Status update on TNB toll system reprocurement.....	Rob Fellows
Public Comment .....	All
Adjourn .....	All

# Tacoma Narrows Bridge Citizen Advisory Committee Minutes

**Date:** Wednesday, Jan. 8, 2020

**Location:** Gig Harbor History Museum

**Time:** 6 p.m. – 8 p.m.

## **Meeting Participants:**

### ***Citizen Advisory Committee:***

#### **Present CAC Members:**

Bruce Beckett (Chair)  
Michael Murphy  
Randy Boss

#### ***Department of Transportation Staff:***

Rob Fellows, Planning and Policy Manager

#### ***Transportation Commission Staff:***

Carl See, Senior Financial Analyst

## **Welcome and Introductions**

Bruce Beckett, Committee Chair, thanked See and Fellows for presenting at the meeting, noting all three of the committee members appreciated their efforts to stick to the agreement to discuss the financial report and loan annually.

Murphy added that he believes the committee still has value, and will “fight to my last breath” if there is a move to disband it.

Boss stated that it was important for the commission and WSDOT to know people were watching what they do.

## **Presentations**

Financial Plan Update: The Washington State Department of Transportation provided updated Traffic and Revenue Statements (FY 2020 Q1) for the Tacoma Narrows Bridge and responded to Citizen Advisory Committee questions.

Fellows highlighted the recent sufficient balance calculation, and briefly discussed the potential for a 25 cent toll rate increase in FY 2022, which would start in July 2021. He also updated the committee on WSDOT efforts to request bids for a new vendor and updated tolling equipment for the Tacoma Narrows Bridge.

CAC discussion: Murphy and Boss expressed concerns that the new tolling equipment should be a capital expense, and toll revenue should not be used to fund it.

The committee was interested in the estimated losses of potential revenue from the new exemptions that went into effect Aug. 1, 2019. See informed them there wasn't enough data available yet to make estimations.

Beckett suggested the committee should remind the commission that a rate setting process would need to begin soon, and there was still value to the committee's work. The committee

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would like to begin discussions earlier because the SMB is less of a driving factor with the upcoming rate increase, and the members would appreciate having a nine-member committee. He noted there were some interesting options in how to impose that 25 cent increase. Boss stated they should consider doing away with the Pay By Mail accounts, or if not, at least make the additional charges for that option break even.

Loan Report: The WSTC provided an update on the status of the loan, noting the commission believed it would be sufficient to cover the difference through 2032.

See noted the numbers in WSDOT financial plan differed slightly due to different assumptions the two agencies made when creating their forecasts (WSDOT not including SR 99 as the facility hadn't opened yet, and WSTC included it; also WSTC already removed certain planned expenses that are in the process of being re-evaluated).

CAC discussion: Murphy expressed frustration that the commission ignored the committee's recommendations, especially the recommendations about the impact of the exemption changes. Beckett asked who he should contact to discuss the committee's status, necessity and future member appointments.

No members of the public were in attendance, and no public comment was made.

**Meeting Adjourned 8:03 p.m.**

# Tacoma Narrows Bridge Citizen Advisory Committee

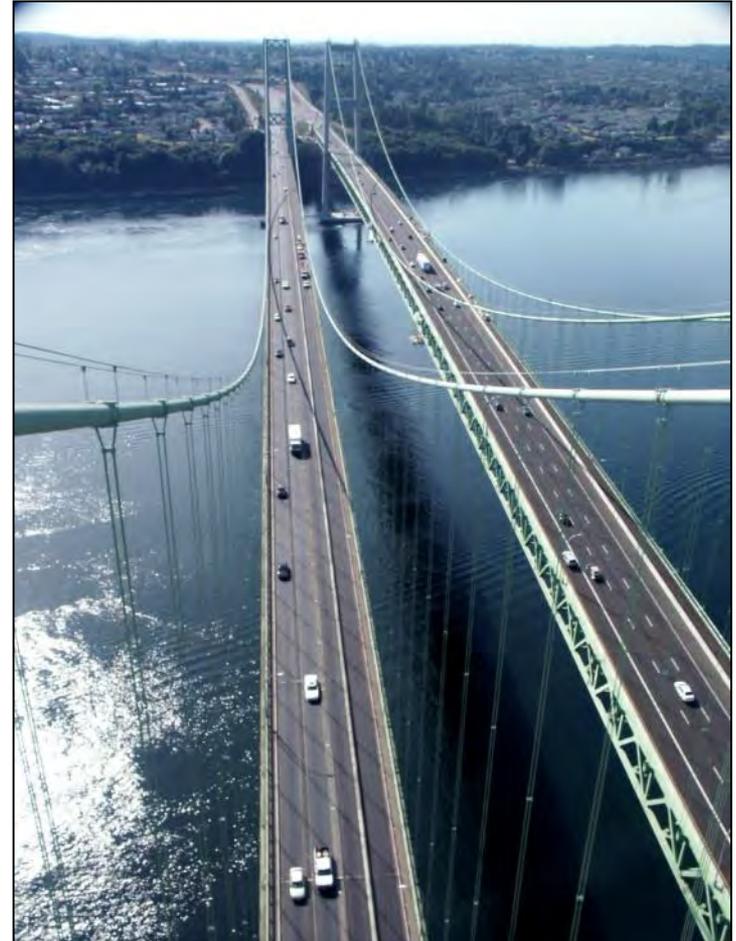
## **SR 16 Tacoma Narrows Bridge Annual Financial Plan Review**

Rob Fellows, Toll Policy and Planning Manager  
January 8, 2020

# Agenda

## Review Financial Plan for FY 2021

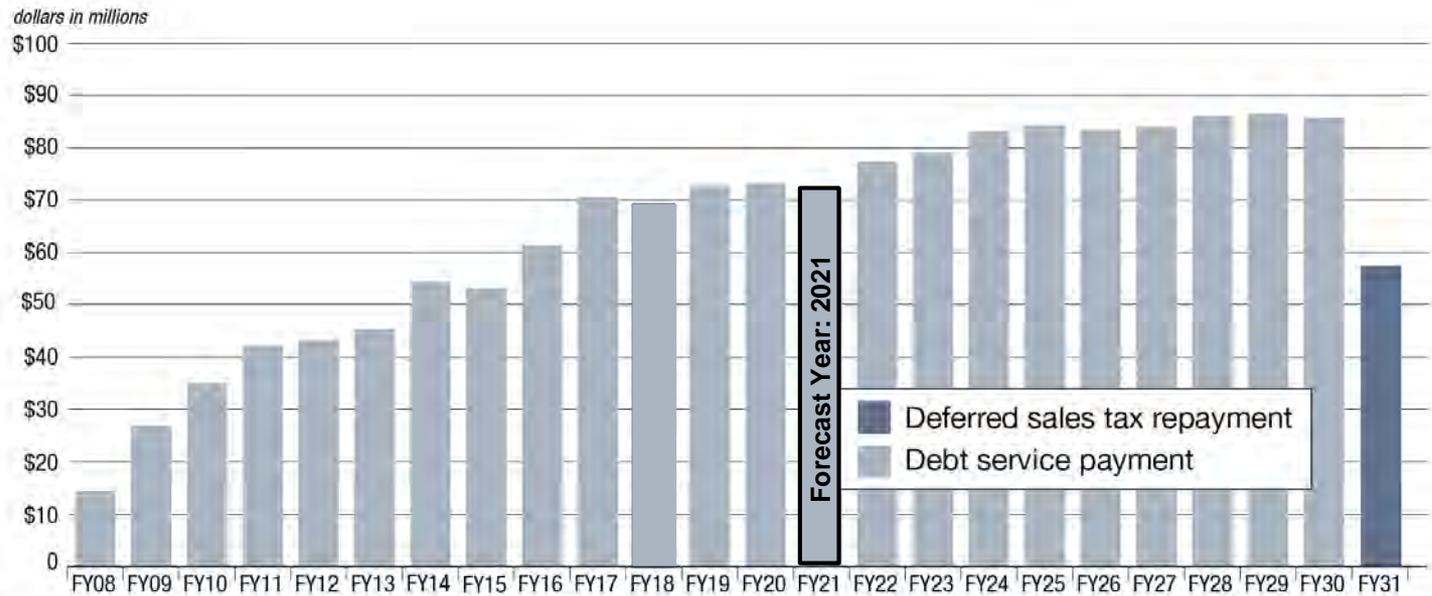
- Context
- Financial Plan overview
  - Debt service
- Traffic and revenue
  - Traffic and revenue highlights
  - Forecast vs. actual traffic and revenue
  - Sources of funds
- Toll collection and facility costs
  - Cost highlights
  - Uses of funds
- Sufficient minimum balance test



# Context – Looking ahead to FY 2021

- The 2018 Legislature passed SHB 2990, which declares legislative intent to maintain current toll rates on the Tacoma Narrows Bridge through FY 2022, and limit the increase in 2022 and thereafter to 25 cents.
  - Up to \$85 million could be loaned from the motor vehicle fund
  - Repayment begins after debt service is fully paid
- Assuming these transfers occur, no rate-setting is likely needed until 2021 for tolls beginning in fiscal year 2022
- At the midpoint of TNB tolling, the TNB toll collection vendor contract needs to be competitively rebid and the equipment must be replaced starting this year

# Debt Service and Deferred Sales Tax Repayment Schedule



2002 plan toll rate		\$3.00		\$4.00		\$5.00		\$6.00		
Actual Toll Rate	Good To Go!	\$1.75	\$2.75	\$2.75	\$4.00	\$4.25	\$4.50	\$5.00	\$5.00	\$5.25
	Cash	\$3.00	\$4.00	\$4.00	\$5.00	\$5.25	\$5.50	\$6.00	\$6.00	\$6.25
	Pay By Mail	N/A	N/A	\$5.50	\$6.00	\$6.25	\$6.50	\$7.00	\$7.00	\$7.25

Does not include capitalized interest

(These rates pending planned loans from the motor vehicle fund)

Source: WSDOT Budget and Financial Division

- 2002 planned toll rates were based on the Traffic and Revenue Study completed by Wilbur Smith Associates in August 2002. The financing assumption was \$800 million state general obligation bonds at an interest rate of 5.85%. A 2005 Traffic and Revenue Update, also conducted by Wilbur Smith Associates, confirmed the same toll rate structure.
- Payments and toll rates were assumed to increase over time in the 2002 plan.
- Loans authorized by SHB 2990 and deferred sales taxes will be repaid by FY 2031

# TRAFFIC AND REVENUE

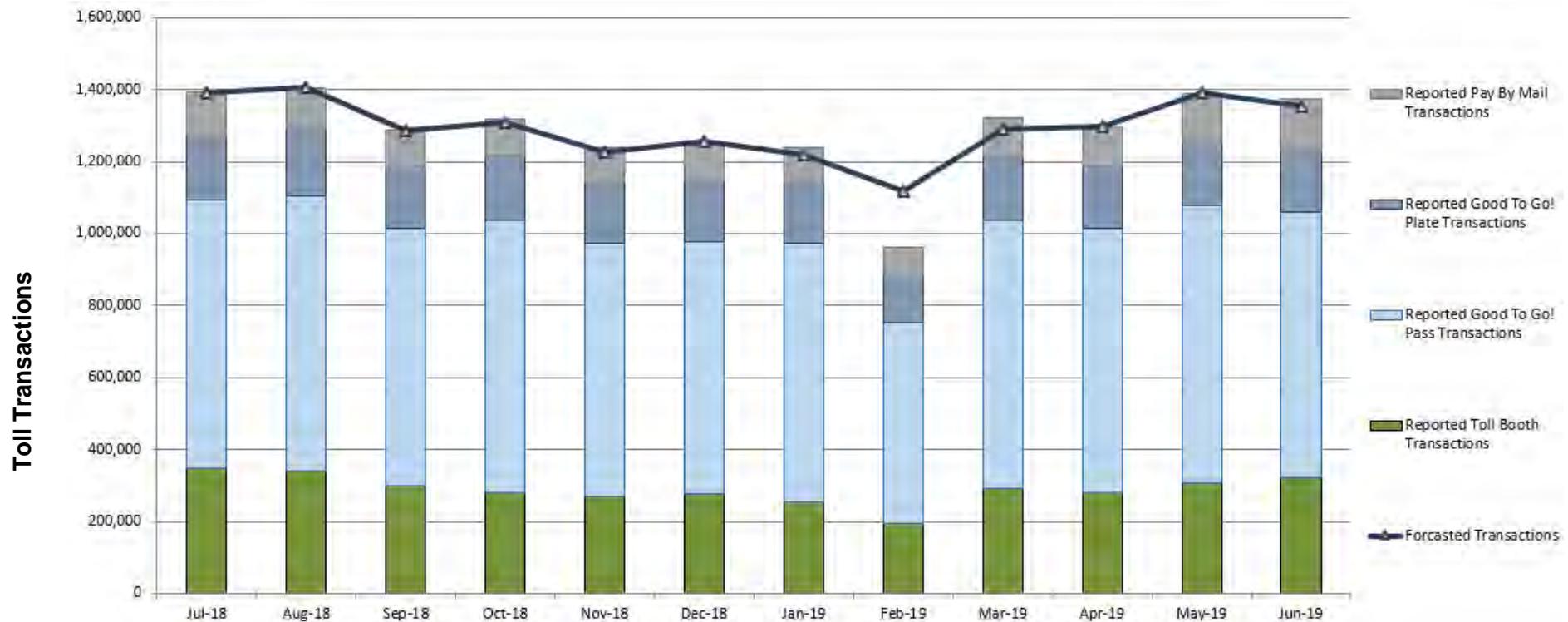
# Traffic and Revenue Highlights

- Due to ten days of snowy weather, traffic in February 2019 was 13.6% below forecast
- Despite that, total annual toll transactions were in line with the forecast:
  - FY 2019 toll transactions were 15.5 million, 0.5% below forecast
  - Total reported adjusted gross toll revenue was 1.4% above the forecast, up by \$1.2 million
- Year-end, one-time account adjustments in June increased the adjusted gross revenue

# Tacoma Narrows Bridge

## FY 2019 annual forecasted and reported toll traffic

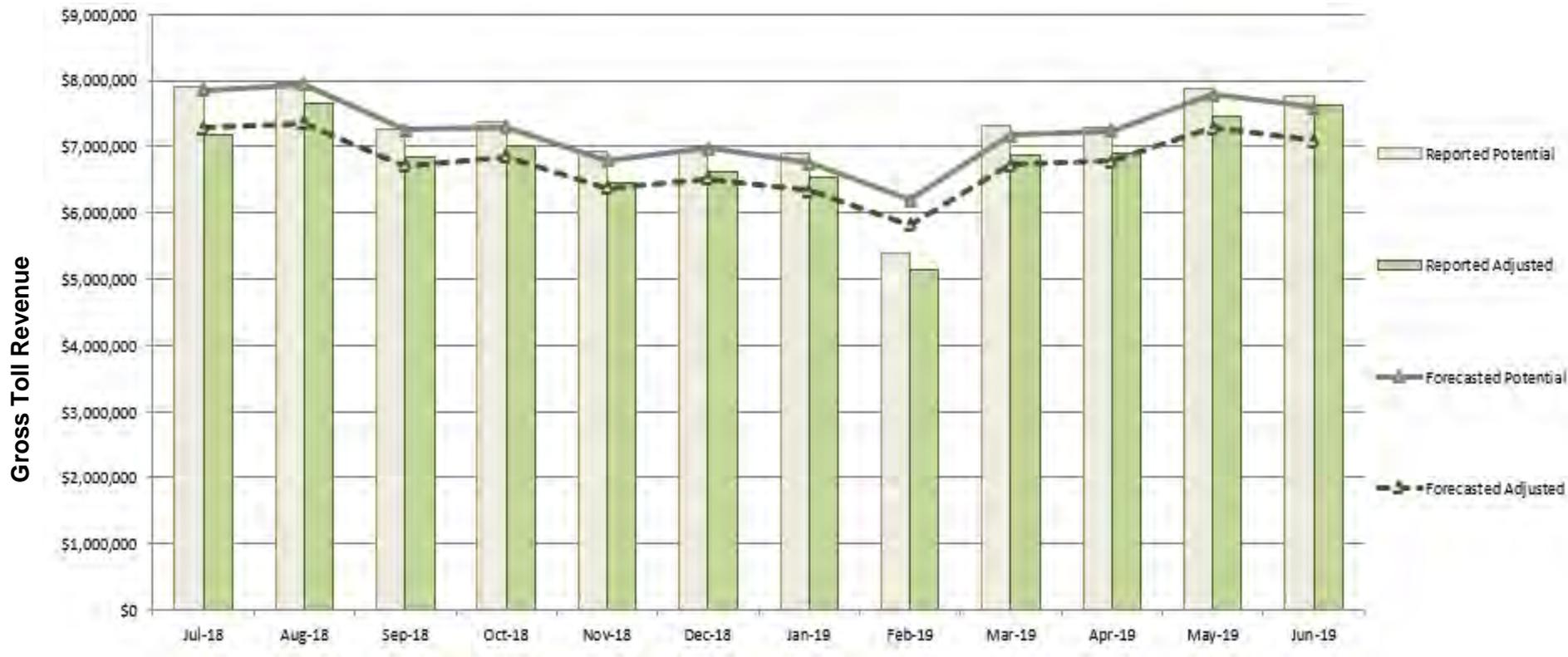
- Total reported toll transactions were 0.5% below the November 2018 forecast



# Tacoma Narrows Bridge

## FY 2019 annual forecasted and reported toll revenue

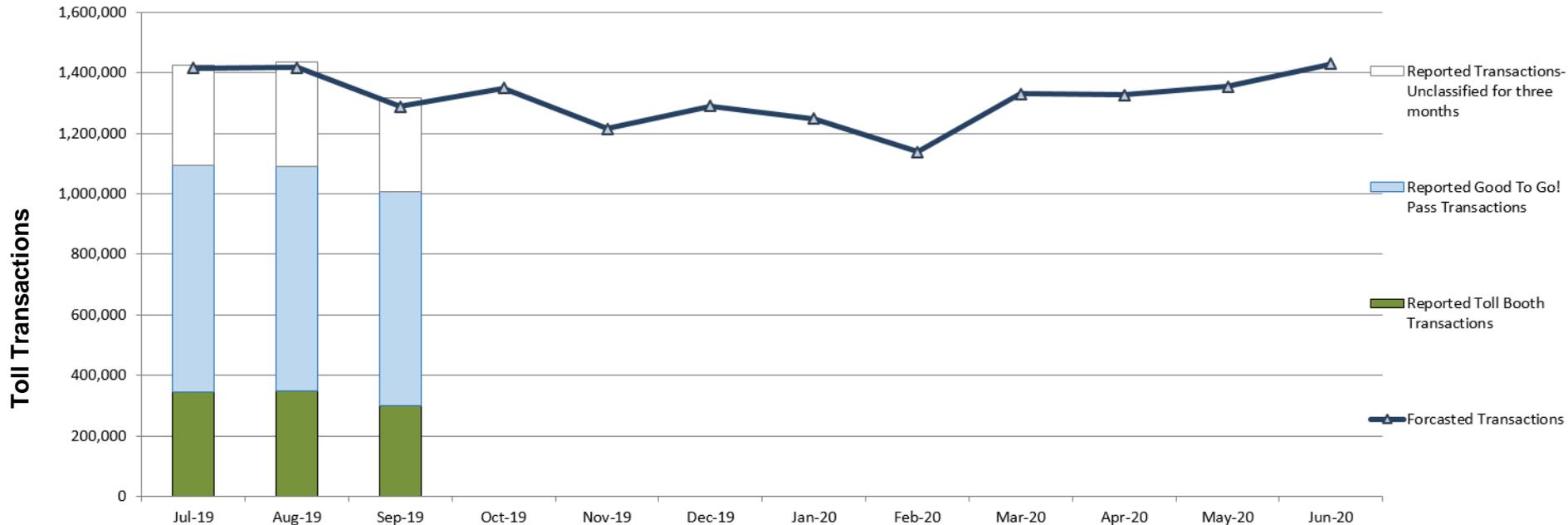
- Total reported adjusted gross toll revenue was 1.4% above the forecast, up by \$1.2 million



# Tacoma Narrows Bridge

## FY 2020 Q1 forecasted and reported toll traffic

- Total reported toll transactions were 1.4% above the November 2019 forecast

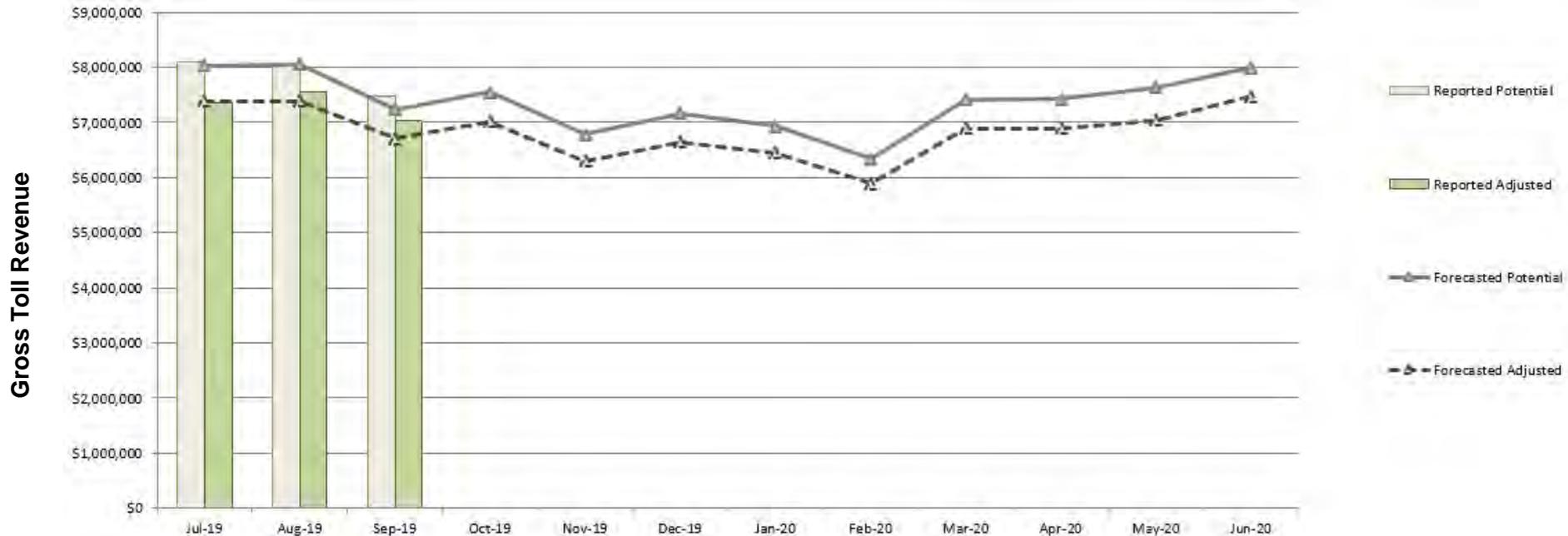


Note: Photo toll transactions' details are not finalized

# Tacoma Narrows Bridge

## FY 2020 Q1 forecasted and reported gross toll revenue

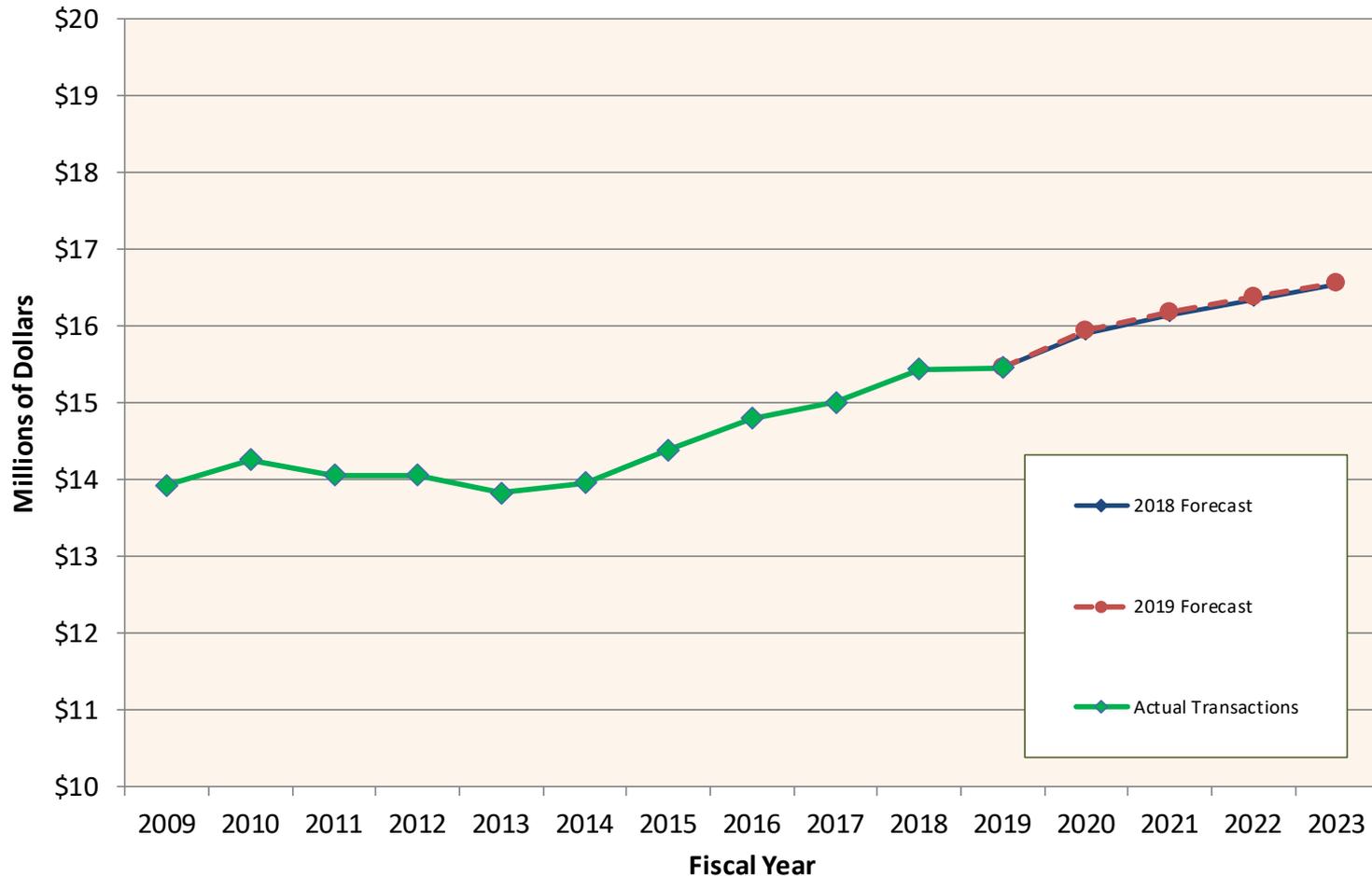
- Total reported adjusted gross toll revenue was 2.1% above the forecast, up by \$500,000



# 2018 and 2019 Traffic Forecast Comparison

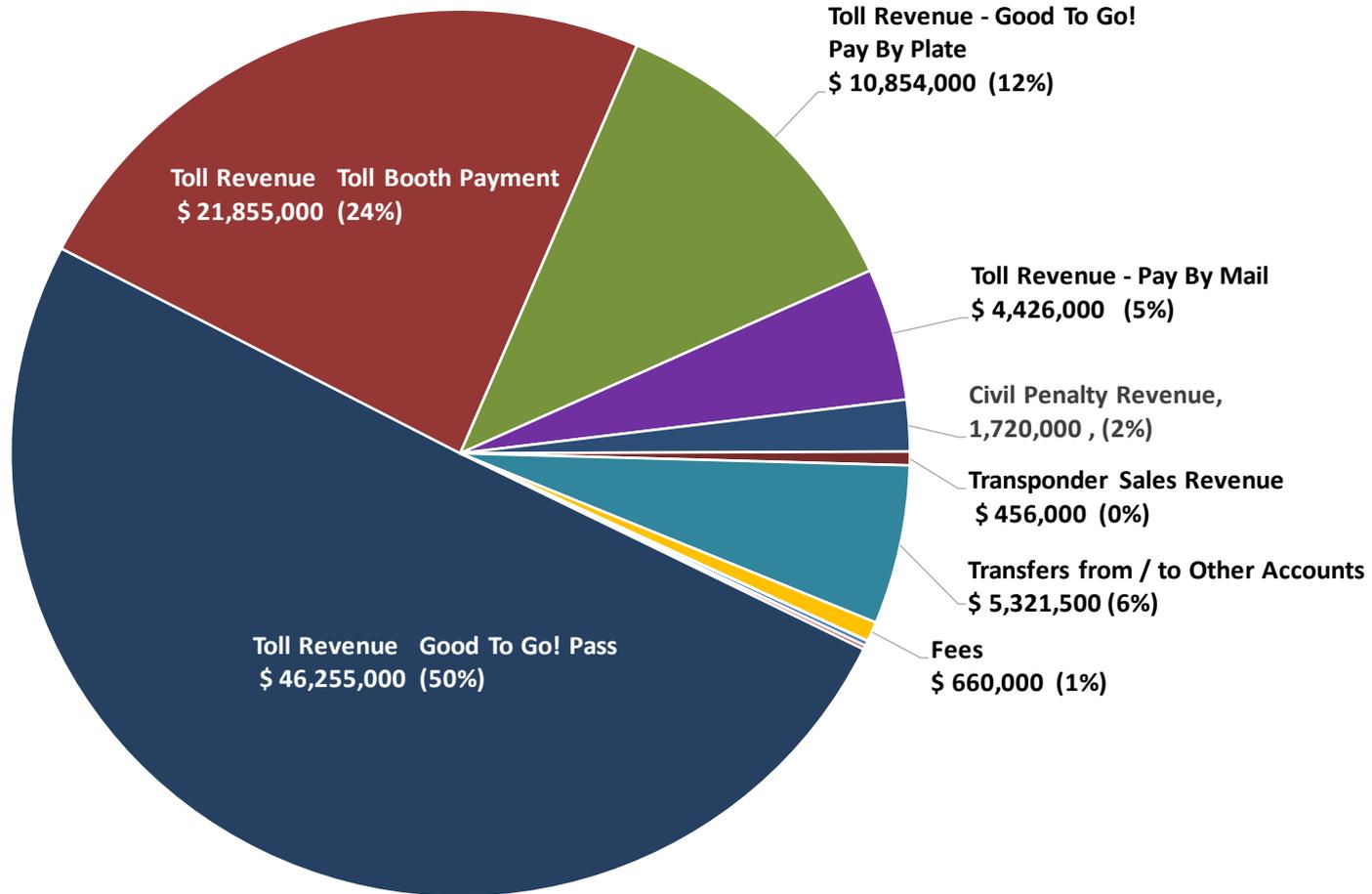
## Millions of Transactions – Eastbound on Bridge

Actual and Forecasted Annual Eastbound Toll Transactions on TNB (in millions)



# FY 2021 Projected Sources of Funds

FY 2021



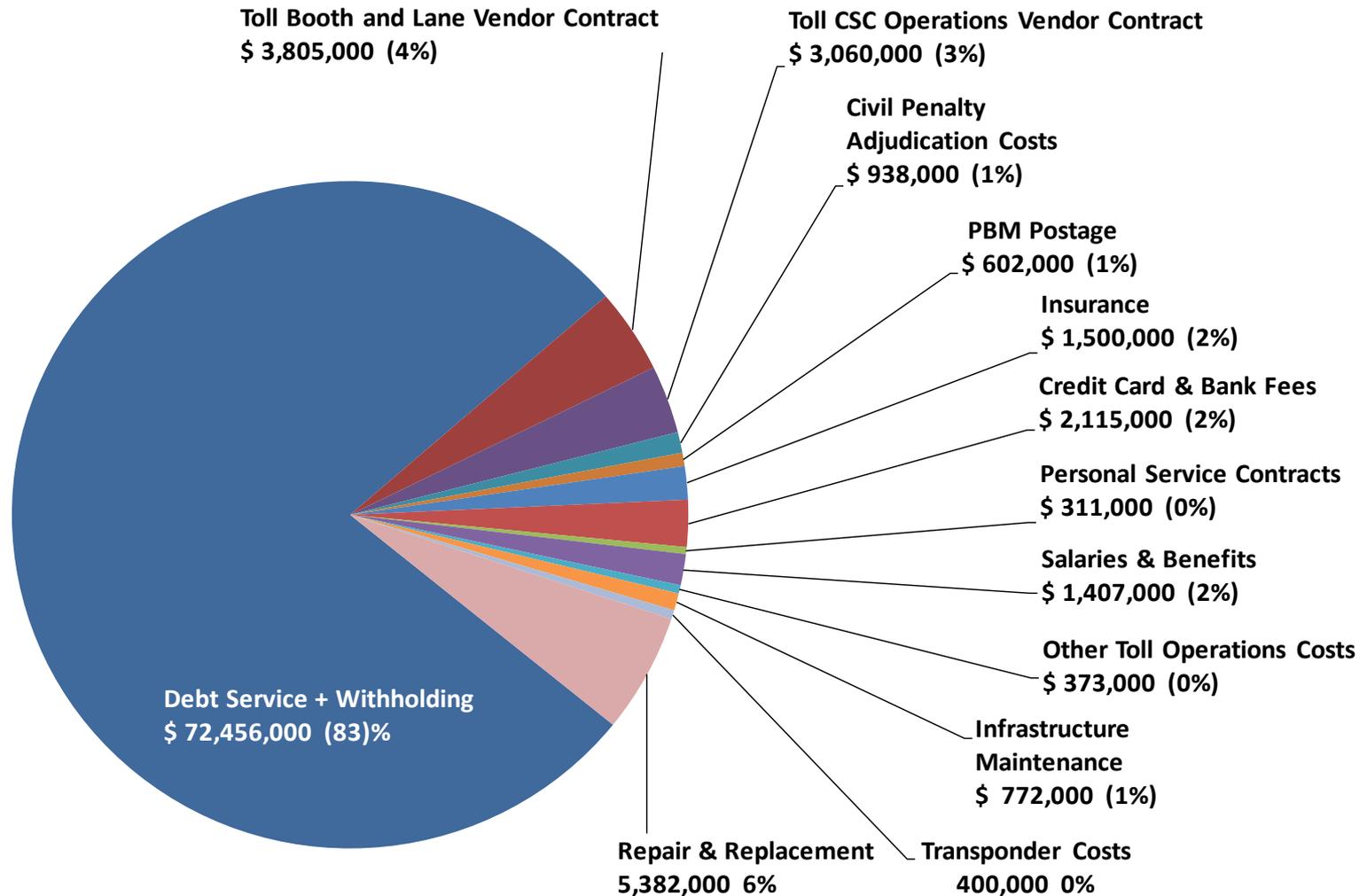
# TOLL EXPENSES

# Cost Highlights

- \$1.6M toll lane system costs are advanced from 2021-23 biennium to 2019-21 biennium
  - Overall lane system project costs are slightly reduced by \$200K
- Next CSC reprourement project previously planned for the late 2020's timeframe are removed from TNB's expenditure plan
- FY 2021 Toll operation costs increase slightly from last year's estimate (\$130K/year)
  - Cost increases are driven by toll lane O&M, CSC operation, and state costs
  - Those increases are partially offset by adjudication cost reduction
- Facility maintenance costs increased slightly, less than \$35,000 per year on average

# FY 2020 Projected Uses of Funds

FY 2021

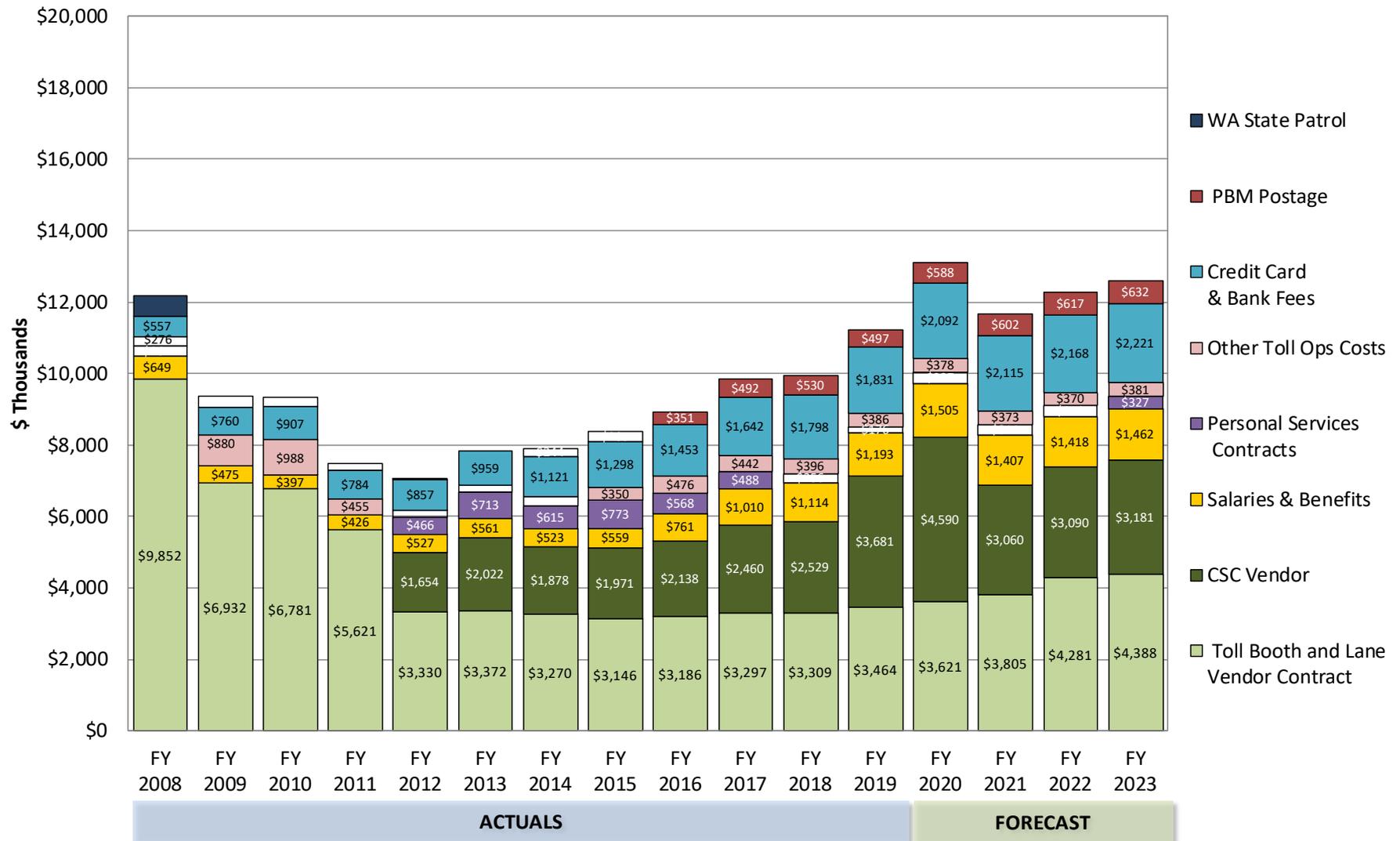


# TNB Toll System Reprourement Status

- With the system reaching the end of its operational life in 2021, and the existing contract nearing the end of term, the system needs to be replaced
- The TNB RFP effort began in FY20 with a planned release in spring 2020
- The transition to a new vendor will occur in 2021
- Customers may see changes such as more self-service options or automation, depending on successful bidder's proposal
- As part of the RFP, we will be asking for two prices:
  1. a baseline cost with no operational or technical efficiencies
  2. a second cost with those efficiencies incorporated to see how it lowered costs

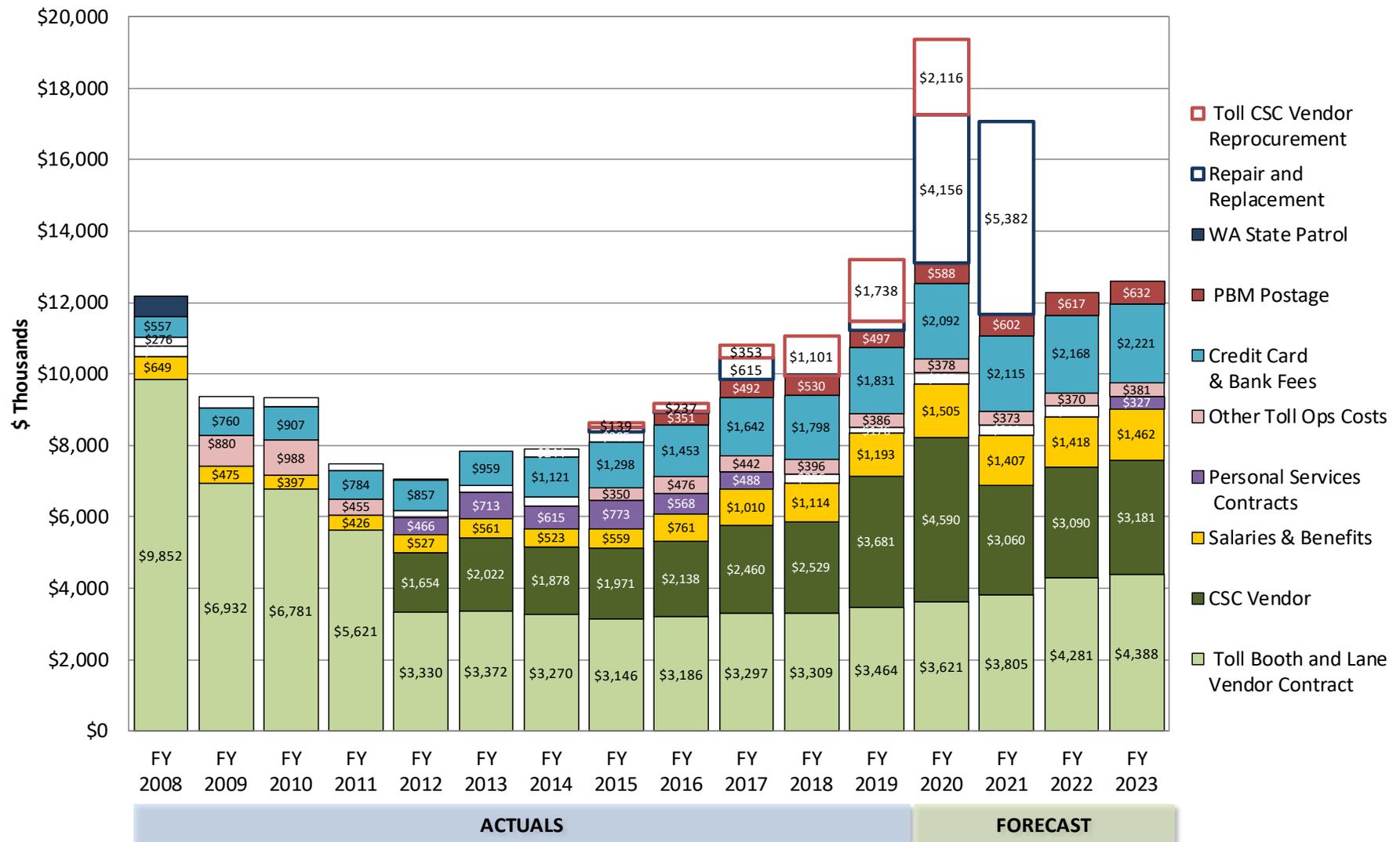
# Annual Use of Funds

## Toll Operations

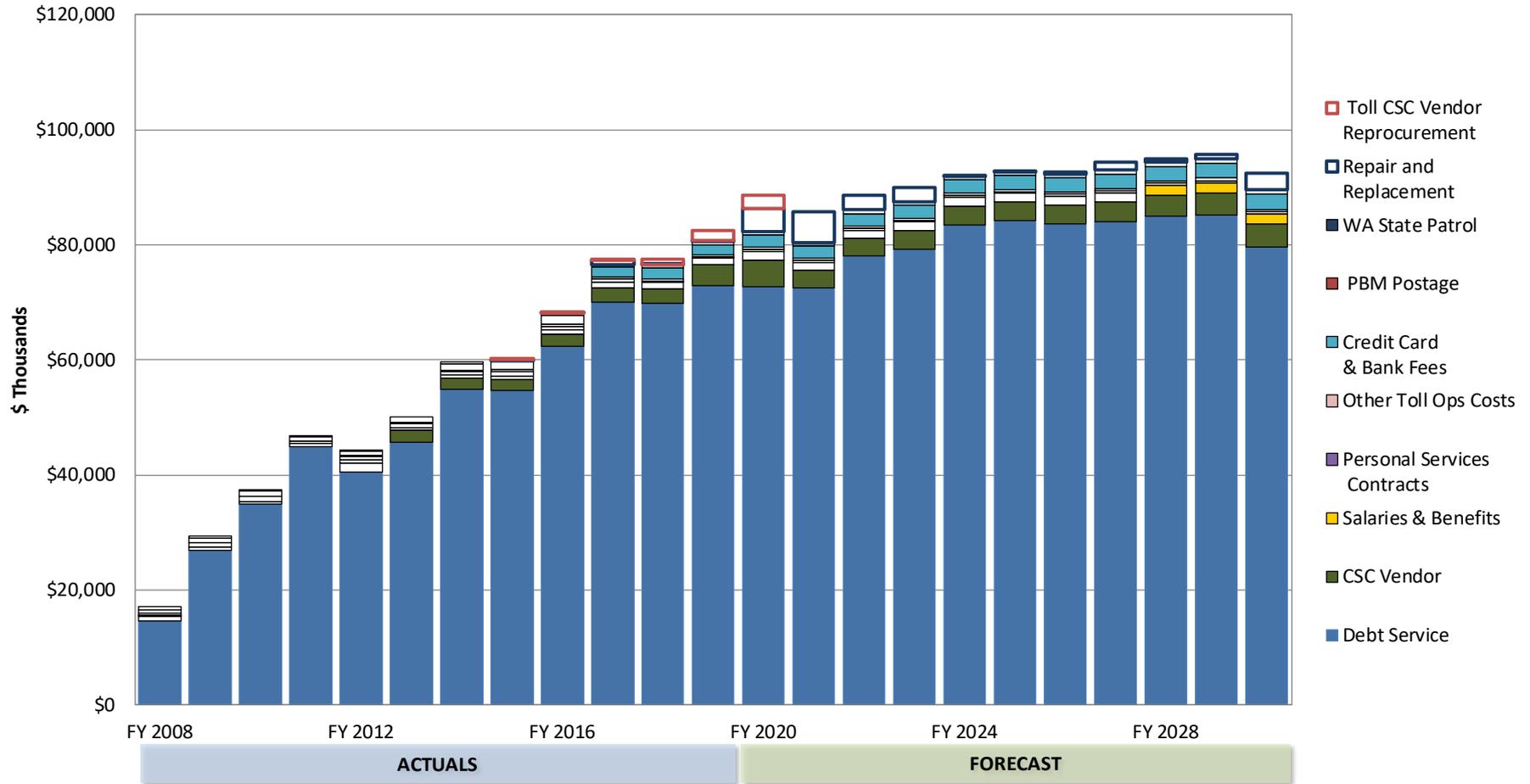


# Annual Use of Funds

Includes Toll System Reprocurrency and Facility R&R



# All Costs Forecast to FY 2030



# Fund Balance

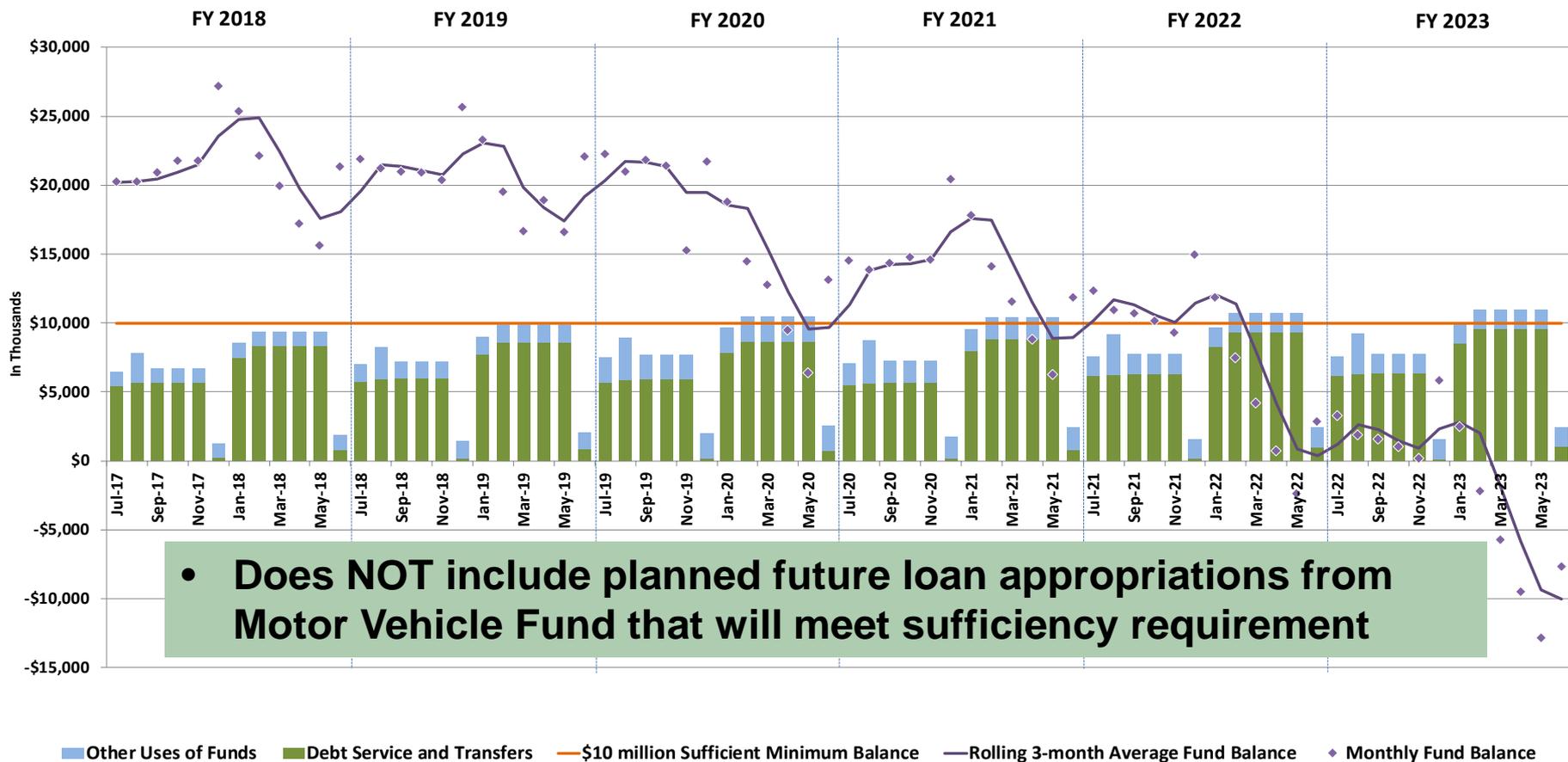
- For 2019-21 biennium, we don't see the need to raise TNB toll rates
- The ending fund balance in FY 2021 is expected to be \$11.84M, \$1.1M below the SMB requirement.
  - \$1.2M of facility R&R costs is likely not to happen
  - Assuming that's the case, the SMB would remain above the \$10M requirement through the whole 2019-21 biennium
- After removing the \$12.5M loan transfer impact, the ending fund balance in FY 2021 in the updated financial plan is estimated to be \$189K higher than the FY 2021 ending fund balance in last year's plan
- Long-term fund balance also improves, benefiting from the removal of the next round of CSC system replacement costs, now scheduled to go-live in FY 2030

# Sufficient Minimum Balance

## Rolling 3-month Average

Tacoma Narrows Bridge Fund Balance (\$ Thousands)

Forecast based on TNB Financial Plan



# CONTACT

Rob Fellows  
Planning and Policy Manager, WSDOT Toll Division  
206-464-1257 or [Rob.Fellows@wsdot.wa.gov](mailto:Rob.Fellows@wsdot.wa.gov)

# Tacoma Narrows Toll Bridge Account (511)

Printed on: 12/23/2019

## Financial Plan - Updated on December 23, 2019 - DRAFT

Forecasted revenue is based on November 2019 TRFC. FY 2020 and FY 2021 expenditures are based on December 2019 Gov Budget.

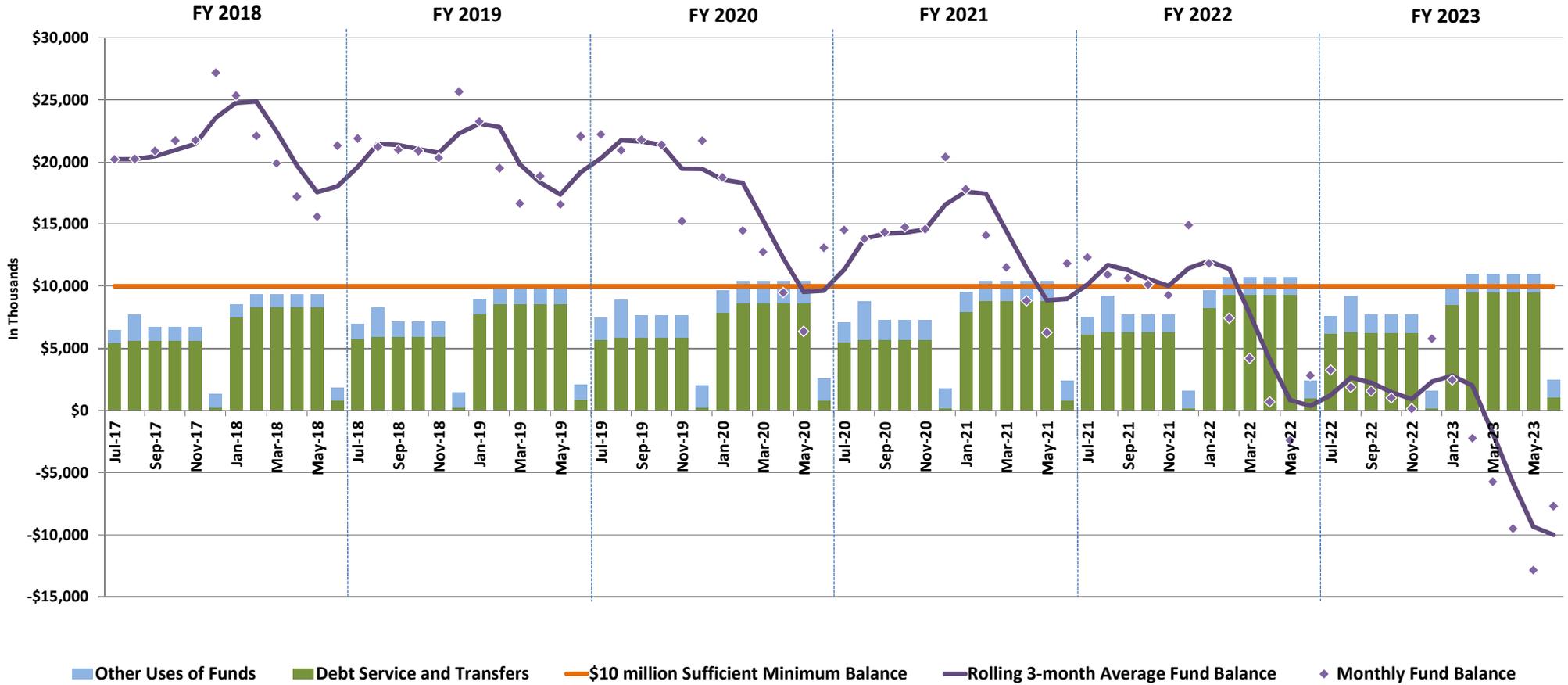
Historical Revenues and expenses from 2006 - 2019 are based on TNB Income Statements.

		Current Biennium				
		Actuals	Forecast			
		2019	2020	2021	2022	2023
<i>(Amounts in thousands of nominal dollars except toll rates)</i>						
	<b>Fiscal Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
1	Toll Rate (Good To Go! Pre-Pay)	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
2	Toll Rate (Cash)	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
3	Toll Rate (Pay-By-Mail)	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
4	<b>Beginning Fund Balance (Financial Statements)</b>	<b>21,320</b>	<b>22,070</b>	<b>13,105</b>	<b>11,843</b>	<b>2,822</b>
5	<b>Sources of Toll Revenue Funds 1</b>					
6	Interest Earnings from Tacoma Narrows Account (511) 2	435	261	180	79	-
7	Interest Earnings from Toll Collection Account (495) 2	132	132	132	132	132
8	Toll Revenue - Good To Go! Pass	45,321	45,516	46,255	46,810	47,590
9	Toll Revenue - Good To Go! Pay By Plate	10,833	10,652	10,854	11,046	11,281
10	Toll Revenue - Pay By Mail	4,299	4,340	4,426	4,503	4,426
11	Toll Revenue - Toll Booth Payment	21,822	21,612	21,855	22,020	22,098
12	Civil Penalty Revenue 11	1,458	1,685	1,720	1,749	1,719
13	Transponder Sales Revenue	480	480	456	456	456
14	Violations	2	-	-	-	-
15	Transfers from / to Other Accounts 13	4,050	1,272	5,322	-	(950)
16	Fees 3	596	648	660	671	660
17	Contractual Damages 4	7	-	-	-	-
18	Miscellaneous Revenue 5	84	-	-	-	-
19	<b>Total Sources of State Funds</b>	<b>89,517</b>	<b>86,597</b>	<b>91,859</b>	<b>87,466</b>	<b>87,412</b>
20	<b>Uses of Toll Revenue Funds 6</b>					
21	Toll CSC Vendor Contract	(3,681)	(4,590)	(3,060)	(3,090)	(3,181)
22	Toll CSC Vendor Reprocurement	(1,738)	(2,116)	-	-	-
23	PBM Postage	(497)	(588)	(602)	(617)	(632)
24	Toll Booth and Lane Vendor Contract	(3,464)	(3,621)	(3,805)	(4,281)	(4,388)
25	Insurance 7	(1,092)	(1,235)	(1,500)	(1,500)	(1,500)
26	Credit Card and Bank Fees	(1,831)	(2,092)	(2,115)	(2,168)	(2,221)
27	Transponder Cost of Goods Sold	(347)	(449)	(400)	(410)	(420)
28	Other Toll Operations Costs	(386)	(378)	(373)	(370)	(381)
29	Personal Service Contracts 8	(176)	(337)	(311)	(319)	(327)
30	Salaries and Benefits	(1,193)	(1,505)	(1,407)	(1,418)	(1,462)
32	Civil Penalty Adjudication Costs	(769)	(970)	(938)	(933)	(938)
31	Infrastructure Maintenance	(543)	(777)	(772)	(776)	(790)
32	<b>Subtotal: Operations and Maintenance Uses of Funds</b>	<b>(15,716)</b>	<b>(18,658)</b>	<b>(15,284)</b>	<b>(15,882)</b>	<b>(16,240)</b>
33	<b>Subtotal: Operating Sources less Operating Uses</b>	<b>73,801</b>	<b>67,939</b>	<b>76,575</b>	<b>71,584</b>	<b>71,171</b>
34	Debt Service Payment 9	(72,590)	(73,102)	(72,151)	(77,171)	(79,087)
35	Debt Service Paid by MVA Account 12					
36	Debt Service Withholding 9	(212)	355	(304)	(865)	(196)
37	<b>Subtotal: Uses of Funds incl. Debt Service</b>	<b>(88,518)</b>	<b>(91,405)</b>	<b>(87,740)</b>	<b>(93,918)</b>	<b>(95,524)</b>
38	Deferred Sales Tax Repayment 10	-	-	-	-	-
39	Repair & Replacement (early years covered by capital balance)	-	(1,230)	(5,382)	(2,568)	(2,401)
40	<b>Total Uses of Toll Funds</b>	<b>(88,518)</b>	<b>(92,636)</b>	<b>(93,122)</b>	<b>(96,486)</b>	<b>(97,925)</b>
41	<b>Current Year Sources less Uses Balance</b>	<b>999</b>	<b>(6,038)</b>	<b>(1,263)</b>	<b>(9,020)</b>	<b>(10,513)</b>
42	<b>Cumulative Sources Less Uses Balance</b>	<b>19,144</b>	<b>13,105</b>	<b>11,843</b>	<b>2,822</b>	<b>(7,691)</b>
43	Beginning Capital Balance	3,175	2,926	0		
44	Total Sources of Capital Funds	-	-	-		
45	Repair and Replacement (covered by Capital Balance)	(249)	(2,926)	-		
46	Ending Capital Balance	2,926	0	0		
47	<b>Ending Fund Balance (Financial Statements)</b>	<b>22,070</b>	<b>13,105</b>	<b>11,843</b>	<b>2,822</b>	<b>(7,691)</b>
48	<b>\$10 million Sufficient Minimum Balance (SMB)</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
49	<b>Amount Above/Below \$10m SMB</b>	<b>12,070</b>	<b>3,105</b>	<b>1,843</b>	<b>(7,178)</b>	<b>(17,691)</b>
50	<b>Lowest 3-month Rolling Average Balance</b>	<b>17,381</b>	<b>9,546</b>	<b>8,879</b>	<b>378</b>	<b>(10,010)</b>
51	<b>Amount (of 3-month average) Above/Below SMB</b>	<b>7,381</b>	<b>(454)</b>	<b>(1,121)</b>	<b>(9,622)</b>	<b>(20,010)</b>
52	<b>Civil Penalty Program - FOR INFORMATIONAL PURPOSES ONLY, NOT INCL. IN SUFFICIENCY FUND BALANCE 11</b>					
53	Civil Penalty Revenue (not incl. in Operating Revenue)	1,458	1,685	1,720	1,749	1,719
54	Civil Penalty Adjudication Costs (not incl. in Operating Expenses)	(769)	(970)	(938)	(933)	(938)
55	<b>Subtotal: Civil Penalty Net Revenue</b>	<b>689</b>	<b>715</b>	<b>782</b>	<b>816</b>	<b>781</b>
56	Scheduled Motor Vehicle Loan Repayment	(950)	-	(950)	-	(950)
57	<b>Civil Penalty Net Revenue after Loan Repayments</b>	<b>(261)</b>	<b>715</b>	<b>(168)</b>	<b>816</b>	<b>(169)</b>
58	<b>Cumulative Balance for Civil Penalties</b>	<b>3,477</b>	<b>4,192</b>	<b>4,024</b>	<b>4,840</b>	<b>4,671</b>

- <sup>1</sup> For GAAP purposes, Interest Earnings, Debt Service and Transfers displayed as Operations Sources of Funds are considered to be Nonoperating Activities.
- <sup>2</sup> Interest income displayed is net of the cost of investment activities. It is reported as a separate line item for actuals in the income statement.
- <sup>3</sup> Includes NSF check, Customer Service Center administration fees, and the reprocessing fee associated with the second Pay By Mail statement.
- <sup>4</sup> Contractual damages are not forecasted for FY 2020 to FY 2032.
- <sup>5</sup> Includes donations, sales of surplus right of ways, cash over and short, and prior period recoveries.
  - FY 2008: \$104k of donations for grand opening; FY 2010: \$2,350 down-payment for the \$21,501 sale of surplus right of way; FY 2011 - FY 2030 \$164 monthly payment for the same real estate sale.
- <sup>6</sup> Uses of Funds for Operations in FY 2020 - FY 2021 reflect the agency budget request submitted in fall 2019. Maintenance and preservation are from WSDOT plan updated July 2018. WSDOT Salaries and Benefits, Personal Services Contracts, and Other Toll Operations costs include costs associated to TNB's share of system-wide administrative costs.
- <sup>7</sup> Insurance for FY 2020 is the forecast expense, however a majority of this cost was paid from July to August 2019.
- <sup>8</sup> Other previously included the Personal Services expense, until FY 2012 when Personal Services was broken out separately.
- <sup>9</sup> Debt Service Payment represents Principal and Interest payments paid out of the Highway Bond Retirement Account for bonds sold for TNB Account construction costs. Debt Service Withholding represents the amount transferred in a given fiscal year from the TNB Account, more or less than the Debt Service Payment. RCW 47.10.847 requires the State Treasurer to withhold amounts for as required by the bond proceedings into the Highway Bond Retirement Account, which is on a monthly basis prior the due dates of the debt service payment.
- <sup>10</sup> In spring 2015 Legislature passed bill 2ESSB 5987, Sec. 405 of the bill postpones TNB's repayment of the deferred sales tax to FY 2032 or sooner (the first payment is no later by December 31, 2031).
- <sup>11</sup> Revenues and Expenses for Civil Penalties are included in the Financial Plan; they are part of the fund balance and the sufficiency test analysis.
  - As stated in RCW 46.63.160 (9): "Except as provided otherwise in this subsection, all civil penalties, including the photo toll and associated fees, collected under this section must be deposited into the toll facility account of the facility on which the toll was assessed. However, through June 30, 2015, civil penalties deposited into the Tacoma Narrows toll bridge account created under RCW 47.56.165 that are in excess of amounts necessary to support the toll adjudication process applicable to toll collection on the Tacoma Narrows bridge must first be allocated toward repayment of operating loans and reserve payments provided to the account from the motor vehicle account under section 1005(15), chapter 518, Laws of 2007."
- <sup>12</sup> In spring 2016 Legislature proposed 2016 supplemental budget bill ESHB 2524, Sec. 401 of the bill set \$2.5 million appropriation in 2015-17 biennium under Motor Vehicle Account (MVA) to pay for TNB's debt service.
- <sup>13</sup> In spring 2017 Legislature passed 2017-19 Transportation Budget bill ESB 5096, Sec. 403 of the bill set \$5 million transfer in April 2019 from Motor Vehicle Account (MVA) to TNB Account. In November 2019 an equivalent reimbursing transfer will occur. In spring 2019 Legislature passed 2019-21 Transportation Budget bill ESHB 1160, Sec. 406 of the bill set \$12,543,000 transfer from Nickel Account to TNB Account in 2019-21 biennium.

# Tacoma Narrows Bridge Fund Balance (\$ Thousands)

Forecast based on TNB Financial Plan





Washington State  
Transportation Commission



# 2020 TNB Loan Report Draft Results

*Carl See*

*WA State Transportation Commission*

*Senior Financial Analyst*



# TNB Loan Legislation Recap

- In 2018, the Legislature passed legislation (SHB 2990) stating its intent to provide up to \$85 million in loans for the TNB Account.
- Loans are meant to keep TNB toll rates at no more than \$0.25 above current levels until debt service, deferred sales tax, and loans are repaid (through about FY 2032).
- Assumes no more than a \$0.25 rate increase, beginning on July 1, 2021 (FY 2022) or later.

# Loan for 2019-21 Biennium

- In 2019, the Legislature appropriated \$12.543 million to the TNB Account as a loan for the 2019-21 biennium.
- The loan amount was \$2.36 million less than recommended in the 2019 TNB Loan Report
  - Legislature assumed less system-wide costs paid by TNB tolls for the 2019-21 biennium.

## TNB Loan: 2019-2021 Biennium\*

	FY 2020	FY 2021	2019-21 Biennium
<b>2019 Loan Report Estimates</b>	<b>\$ 6,511,000</b>	<b>\$ 8,392,000</b>	<b>\$ 14,903,000</b>
<b>Enacted Loan Amounts (2019 Legislature)^</b>	<b>\$ 6,271,500</b>	<b>\$ 6,271,500</b>	<b>\$ 12,543,000</b>

*^Enacted loan distribution by fiscal year based on approved fund transfer schedule.*

*\*Estimates rounded to nearest thousand.*

# Report to Legislature

- SHB 2990 directed the Transportation Commission to annually provide the Legislature a status report on the loan amounts necessary to meet the bill's intent.
  - First submitted in January 2019, as part of Commission's 2019 Tolling Report (Appendix A), and will provide update in January 2020.
  - Report directed to the Transportation Committees of the Legislature.
  - Required annually through the end of debt service payments in FY 2030, followed by reports on the loan repayment.

# 2020 TNB Loan Report

- Provides comparison to 2019 TNB Loan Report
- Updates to traffic, revenue, and costs based on input for WSDOT's 2020 TNB Financial Plan, unless noted.
  - Reduced facility repair & replacement costs based on WSDOT update.
  - Assumed higher impact from exemptions based on additional information. *Increased annual impact by \$10,000 over 2019 TNB Loan Report.*
- Assumes cost and revenue impacts from a \$0.25 rate increase on July 1, 2021 (FY 2022).
- Annual loan estimates assume compliance with Commission's TNB Sufficient Minimum Balance policy.
- *Information in this presentation is draft final, pending final review.*

# 2019-21 Fund Balance Status

- The \$12.5 million loan supports a positive TNB Account fund balance through the 2019-21 biennium.
  - FY 2019 ending fund balance was \$6 million more than projected.
  - Ending TNB Account fund balance projects at over \$13 million for each fiscal year of the biennium.

## Ending Fund Balance Estimates with Current Loan by Fiscal Year (FY 2019 – FY 2021)\*

	FY 2019	FY 2020	FY 2021
<b>2019 TNB Loan Report<sup>^</sup></b>	\$ 16,063,000	\$ 13,500,000	\$ 13,500,000
<b>2020 TNB Loan Report</b>	\$ 22,103,000	\$ 13,777,000	\$ 13,032,000
<b>Difference</b>	<b>\$ 6,040,000</b>	<b>\$ 277,000</b>	<b>\$ -468,000</b>

\*Estimates rounded to nearest thousand.

<sup>^</sup>Loan Report sets fund balance target of \$13.5 million each year to support meeting TNB SMB requirement.

# 2019-21 Biennium TNB SMB Status

- Fund balance projects to fall slightly below Commission's \$10 million SMB requirement at end of FY 2021.
- The Commission plans no rate-setting action to address the SMB in 2019-21 biennium.
- Commission's SMB Policy Summary
  - Retrospective 3 month rolling average of the TNB Account fund balance shall not be less than \$10 million.
  - The Commission shall take action to identify measures that address a projected shortfall.
  - Policy does not require a rate-setting action.

# 2020 TNB Loan Report Takeaways

- No change is necessary in the current loan of \$12.543 million for the 2019-21 biennium.
- The Commission anticipates no rate setting action before the assumed rate increase for FY 2022 (July 1, 2021) of up to \$0.25.
- Loans for future biennia (FY 2022 - FY 2030) now project about \$6.9 million less than in prior report.
  - Largely results from reduction in assumed costs for bridge preservation and future toll system replacement.

# Next Steps

- Provide Report to Commission for approval and present at January 2020 Commission meeting.
- Submit Report to Transportation Committees of the Legislature in January 2020.

# Questions?

