

Tacoma Narrows Bridge Tolling Citizen Advisory Committee Meeting Notes

Date: December 1, 2009

Location: Gig Harbor Civic Center

Time: 5:30 pm to 7:50 pm

Members:

Present: Caroline Belleci, Ted Hilliard, Ron Jones, Sonja Morgan, Chris Myers, Jim Pasin and Alan Weaver

Excused:

Unexcused:

Transportation Commission:

Dan O'Neal

Department of Transportation:

Craig Stone, David Powell, Jeff Caldwell and Heather Reitmeier

Assistant Attorney General:

Elizabeth Lagerberg

Points of Discussion: Chair Weaver opened the meeting and, because of his laryngitis, immediately handed it over to Vice Chair Belleci who conducted the meeting.

Treasurer's Letter: Commissioner O'Neal reminded the members of the State Treasurer, James L. McIntyre's, March 30, 2009 letter to Washington State Department of Transportation Secretary, Paula Hammond, dealing with the bonding of future road or bridge projects. The letter suggested, in part, that future bonding "must include a contractual commitment to meet a specific coverage ration with a cushion of reserves." Although the letter refers to future bonding (such State 520 and the cross Columbia River bridge) and does not apply to the Tacoma Narrows Bridge, Commission O'Neal suggested that we make an attempt to comply with it. Although the letter was silent on the size of the suggested reserves, he indicated that either the Treasurer's Office and/or the Transportation Commission were considering a 10% figure. However, he intimated that that figure could be worked up to and need not necessarily be met with our forthcoming resolution.

Previously asked questions: Caldwell, reviewed his answers to the seven questions held over from the November 20, 2009 meeting.

\$5.228 million expense: Caldwell again reviewed the history of the \$5.228 million expense which the DOT believes must be paid in fiscal year ending 2011, to which Commissioner O'Neal strongly agreed. There is no provision available for selling new bonds. They presented the letter dated 12.1.09 of Assistant Attorney General Elizabeth Lagerberg in which she opined that the State was handling the matter correctly and, in effect, the interpretation of Randy Boss was incorrect. Ms. Lagerberg addressed the matter later in the meeting. Randy Boss was given time to rebut WSDOT's position. He distributed written materials again standing behind his accusations.

Current/New Business:

Scenarios: Stone and Caldwell again reviewed the numerous scenarios for revision, but most of the time was spent on Scenarios A, B, J and C after the CAC narrowed down the scenarios they wanted to further discuss.

Public Comment: Before the members considered their recommendations, the meeting was opened up to public comment and Randy Boss, Jim Langhelm, Judd Morris, Ken Nelson and Lucrecia Devine spoke.

Committee Business:

Recommendation: The meeting was next devoted to a discussion of the various scenarios and each member was given an opportunity to voice his or her opinion. On the motion of member Pasin and seconded by Hilliard, it was moved that our Committee recommend to the Transportation Commission that the base toll rate for the period July 1, 2010 through June 30, 2011 be \$2.75 for *Good To Go!* electronic toll payers and \$5.00 for cash payers. The motion passed 5 (Pasin, Hilliard, Jones, Morgan and Meyers) to 1 (Weaver). The acting Chair (Vice-Chair Belleci) abstained from voting.

The Chair was requested to make the appropriate presentation to the Transportation Commission on December 16, 2009 in Olympia, which he agreed to do so.

Changes in tolling: At the request of the Committee, Stone advised the members of the projected tolling for the State 520 project and other projects, one feature of which was open road tolling. Thereafter, Pasin spoke at length and distributed a one page sheet in which he argued that open road tolling would not be beneficial to the Tacoma Narrows Bridge.

Adjournment: The meeting was adjourned with no new meeting scheduled in the near future and then only in case the Transportation Commission makes any changes in the above recommendations.

Tacoma Narrows Bridge Citizen Advisory Committee Meeting

December 1, 2009 - 5:30 – 7:30 p.m.

Gig Harbor Civic Center

[3510 Grandview St.](#)

[Gig Harbor, Wa](#)

TNB Citizen Advisory Committee:

Caroline Belleci, University Place

Ted Hilliard, Tracyton

Ron Jones, Gig Harbor

Sonja Morgan, Tacoma

Chris Myers, Gig Harbor

Jim Pasin, Gig Harbor

Alan Weaver, Gig Harbor

WA State Transportation Commission:

Dan O'Neal

AGENDA

- 5:30 – 5:40** Call to order.....Alan Weaver
- 5:40 – 6:00** Points of discussion..... Alan Weaver
- Review of other questions and answers from 11.19.09
 - Comments from the Office of the Attorney General
 - Commission comments
- 6:00 – 6:45** Current/New Business.....All
- Discussion of scenarios
- 6:45 – 7:00** Public Comment.....Public
- 7:00 – 7:25** 1. Possible Rate Recommendation.....All
2. SR520 overview.....Craig Stone
- 7:25 – 7:30** Current/New Business.....Alan Weaver
- Next meeting date December 8, 2009 (if applicable)

***DIRECTIONS:** From the Tacoma Narrows Bridge, take the Wollochet DR NW exit. Turn right onto Pioneer Way. Continue ahead 0.1 miles and turn right onto Grandview. The Civic Center will be on the right in about 0.1 miles.

Tacoma Narrows Bridge Toll Rate Setting

Paula J. Hammond, P.E.
Secretary

David L. Dye, P.E.
Deputy Secretary

Steve Reinmuth
Chief of Staff

Craig Stone
Director,
Toll Division

David Powell
Director of Toll Operations,
Toll Division

Sid Fulford
Manager,
Accounting and
Financial Services

Jeff Caldwell
Assistant Director,
Financial Planning

Tacoma Narrows Bridge Citizen Advisory Committee
December 1, 2009



Washington State
Department of Transportation

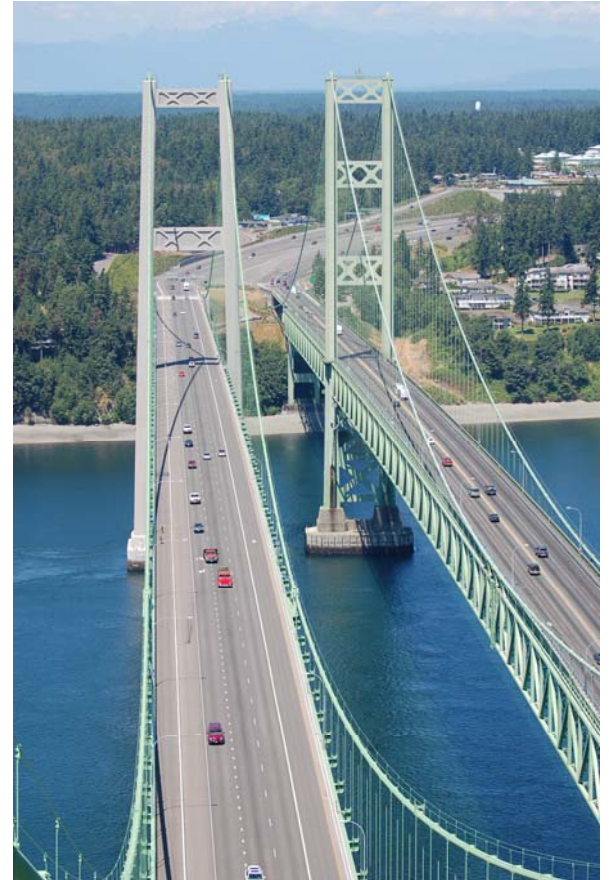
Toll Operations Overview - TNB

Information through November 24, 2009

- Over 125,000 open *Good To Go!* accounts.
- Over 348,000 issued transponders.
- Nearly 70% of traffic used electronic toll lanes.
- Current average violation rate about 2.5%.

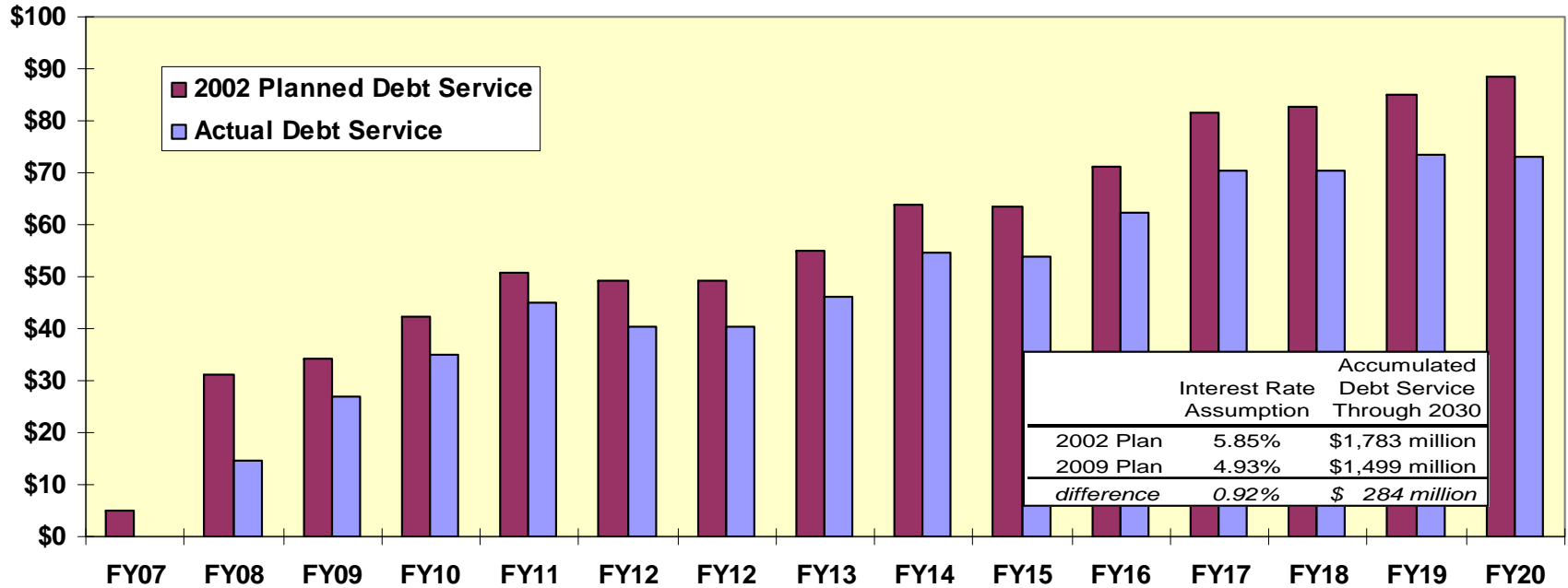
Information through October 2009

- More than 33 million *Good To Go!* transactions to date.
- Over \$90 million in revenue to date.



Debt Service – TNB

Planned vs. Actual Debt Service and Toll Rates



	FY07	FY08	FY09	FY10	FY11	FY12	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
2002 plan toll rate	\$3/\$3	\$3/\$3	\$3/\$3	\$4/\$4	\$4/\$4	\$4/\$4	\$4/\$4	\$5/\$5	\$5/\$5	\$5/\$5	\$6/\$6	\$6/\$6	\$6/\$6	\$6/\$6	\$6/\$6
Actual toll rate		\$1.75/\$3	\$2.75/\$4	\$2.75/\$4											

Projected and Reported Traffic and Revenue

TNB - FY 2010

	Projected Traffic	Reported Traffic	Variance	Projected Toll Revenue	Reported Toll Revenue	Variance	Reported Transponder Revenue	Reported Violation Revenue	Other Reported Revenue	Total Reported Revenue
Jul-09	1,209,709	1,306,609	96,900	\$ 3,782,879	\$ 4,293,278	\$ 510,399	\$ 63,286	\$ -	\$ 25,266	\$ 4,381,830
Aug-09	1,220,066	1,294,569	74,503	\$ 3,837,805	\$ 4,259,985	\$ 422,180	\$ 61,325	\$ 54,736	\$ 1,804	\$ 4,377,849
Sep-09	1,168,866	1,215,868	47,002	\$ 3,675,281	\$ 3,938,650	\$ 263,369	\$ 56,735	\$ 52,083	\$ 1,520	\$ 4,048,989
Oct-09	1,188,273	1,207,464	19,191	\$ 3,717,476	\$ 3,865,982	\$ 148,506	\$ 51,202	\$ 64,966	\$ 24,483	\$ 4,006,633
Year to Date	4,786,914	5,024,510	237,596	\$ 15,013,441	\$ 16,357,895	\$ 1,344,454	\$ 232,548	\$ 171,785	\$ 53,074	\$ 16,815,301
Nov-09	1,138,265	1,106,449	(31,816)	\$ 3,552,155	\$ -					\$ -
Dec-09	1,199,741			\$ 3,728,516	\$ -					\$ -
Jan-10	1,152,774			\$ 3,581,778	\$ -					\$ -
Feb-10	1,154,294			\$ 3,581,480	\$ -					\$ -
Mar-10	1,273,519			\$ 3,953,995	\$ -					\$ -
Apr-10	1,215,770			\$ 3,774,674	\$ -					\$ -
May-10	1,277,719			\$ 3,992,763	\$ -					\$ -
Jun-10	1,292,548			\$ 4,028,717	\$ -					\$ -
FY Total	14,491,544	6,130,959	205,780	\$ 45,207,519	\$ 16,357,895	\$ 1,344,454	\$ 232,548	\$ 171,785	\$ 53,074	\$ 16,815,301

Actual Revenue includes toll revenue, violations fees and transponder sales.

Reported Revenue aligns with Fund 511 Financial Statements.

July 2009-August 2009 projections based on the forecast dated June 2009.

September 2009-October 2009 projections based on the forecast dated September 2009.

November 2009-June 2010 projections based on the forecast dated November 2009.

Financial Plan – TNB Account

Draft Financial Plan through 2015

Scenario A – November 2009 Adopted Forecast

(dollars in thousands)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	Current 2010	2011	2012	2013	2014	2015	Total Through 2015
Toll Rate (ETC)						\$ 1.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	2.75
Toll Rate (Cash)						\$ 3.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	4.00
Beginning Fund Balance	-	36,524	34,997	17,076	44,723	10,096	9,995	16,487	16,143	2,293	567	(11,512)	(30,550)	
Operations and Maintenance														
Sources of Funds¹														
Interest Earnings from Tacoma Narrows Account (5117)	-	-	-	8	57	250	290	640	361	56	-	135	130	1,663
Interest Earnings from Toll Collections Account (4957)	-	-	-	-	-	3	115	121	125	130	133	135	130	900
Toll Revenue	-	-	-	-	-	28,960	44,323	46,552	48,227	49,915	51,171	52,187	53,202	375,537
Transponder Sales Revenue	-	-	-	-	-	760	608	688	735	763	783	798	814	5,957
Violations	-	-	-	-	-	467	599	687	724	751	771	786	801	5,585
Fees ²	-	-	-	-	-	1	56	104	104	104	104	104	104	879
Miscellaneous ³	-	-	-	-	913	279	0	-	-	-	-	-	-	1,191
Debt Service	-	-	-	-	-	(14,889)	(26,915)	(34,903)	(41,443)	(49,963)	(58,963)	(64,373)	(63,850)	(316,100)
Transfers from (to) Other Accounts ⁴	-	-	-	1,300	5,288	-	(0)	-	(5,288)	-	-	-	-	1,280
Total Sources of Funds for Operations and Maintenance	-	-	-	1,308	6,258	17,000	19,064	13,898	33	11,275	6,998	(363)	1,200	76,701
Uses of Funds⁴														
WSDOT Oversight & Admin. of Toll Operations ⁵	-	-	-	172	1,866	2,190	2,278	1,879	1,900	1,240	1,240	1,361	1,372	15,692
Toll Operator Contract	-	-	-	490	2,759	8,952	6,932	7,784	7,861	7,861	7,861	7,861	7,861	67,277
Insurance	-	-	-	-	-	2,680	1,339	2,534	2,534	2,534	2,534	2,534	2,534	19,229
Washington State Patrol	-	-	-	-	-	572	315	342	342	328	328	321	324	2,891
Maintenance of New Bridge	-	-	-	-	-	103	268	769	779	746	746	753	760	4,925
Preservation of New Bridges, Roadway & Toll Systems	-	-	-	-	-	-	-	136	546	195	903	13	3,072	4,495
Deferred Sales Tax	-	-	-	-	-	-	-	-	-	-	5,757	5,757	5,757	17,271
Total Uses of Funds for Operations and Maintenance	-	-	-	662	4,625	15,907	11,132	13,454	13,893	13,082	19,077	18,681	21,831	131,734
Current Year Balance for Ops. And Maint. (Sources - Uses)	-	-	-	646	1,632	1,643	7,932	444	(13,850)	(1,727)	(12,079)	(19,044)	(20,631)	(55,032)
Cumulative Balance for Ops. And Maint.	-	-	-	646	2,279	3,921	11,854	12,298	(1,592)	(3,279)	(15,357)	(34,401)	(55,032)	
Capital Improvements														
Sources of Funds														
Interest Earnings ²	2,125	1,239	774	1,523	1,797	805	390	-	-	-	-	-	-	8,653
Bond Proceeds	231,207	197,234	108,634	111,986	16,002	12,716	-	-	-	-	-	-	-	677,780
Capitalized Interest (Debt Service)	-	-	-	(1,792)	(2,580)	-	-	-	-	-	-	-	-	(4,372)
Charges for Services	-	-	4	2	145	-	-	-	-	-	-	-	-	152
Transfers from (to) Other Accounts	39,000	-	-	-	-	-	-	-	-	-	-	-	-	39,000
Total Sources of Funds for Capital	272,332	198,473	109,412	111,720	15,364	13,522	390	-	-	-	-	-	-	724,212
Uses of Funds														
Capital Expenditures	235,800	200,400	127,046	84,720	43,623	23,319	2,230	788	-	-	-	-	-	717,934
Prior Period Recoveries	-	-	(113)	-	-	(50)	(400)	-	-	-	-	-	-	(567)
Total Uses of Funds for Capital	235,800	200,400	126,933	84,720	43,623	23,269	788	-	-	-	-	-	-	717,367
Current Year Balance for Capital (Sources - Uses)	36,524	(1,927)	(17,521)	27,001	(28,260)	(9,744)	(1,440)	(788)	-	-	-	-	-	3,845
Cumulative Balance for Capital Improvements	36,524	34,597	17,076	44,077	15,817	6,073	4,633	3,845	3,845	3,845	3,845	3,845	3,845	
Ending Fund Balance	36,524	34,597	17,076	44,723	10,096	9,995	16,487	16,143	2,293	567	(11,512)	(30,550)	(51,182)	
Debt Service Reserve = Ending Fund Balance / Annual Toll Revenue								34.7%	4.8%	1.1%	-22.5%	-58.6%	-96.2%	
Debt Service Coverage = (Annual Revenue - Annual Uses of Funds) / Annual Debt Service						111.2%	120.5%	101.2%	69.2%	95.7%	73.7%	65.0%	61.7%	

¹ For O&M purposes, Interest Earnings, Donations, Debt Service and Transfers displayed as Operations Sources of Funds are considered to be Nonoperating Activities.

² Interest income displayed is net of the cost of investment activities.

³ Includes NSF check and Customer Service Center administration fees.

⁴ Includes contractor liquidated damages for late project delivery and \$102k of donations for grand opening in FY10.

⁵ The requirement of \$5,288k to the Motor Vehicle Account is included in the Enacted 2009-11 Budget. There is no provision as to whether the transfer will be made in FY10 or FY11.

⁶ The \$10,000 in FY09 reflects a transfer to the Health Care Authority Admin. Account for the state insurance accounting system supporting FTE assigned to the TNB.

⁷ Uses of Funds for Operations reflect the Enacted 2009-11 Budget and legislative plan.

⁸ For Uses beyond 2013, the legislative assumption of 1.0% rate of RPI growth is assumed except for insurance which is expected to have no growth, and preservation which is based on the expenditure plan dated April 2007.

⁹ WSDOT Oversight & Admin. includes Credit Card and Bank Fees, Salaries and Benefits, Personal Service Contracts, Travel, and Capital Outlays for use in TNB Operations.

Note: See handout for details

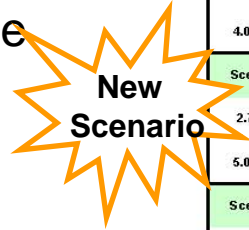
Discussed Toll Rate Scenarios - TNB

Scenario	Electronic Toll Collection	Cash
A	\$2.75	\$4.00
B	\$3.00	\$4.00
J	\$2.75	\$5.00
C	\$3.00	\$5.00
D	\$3.25	\$5.00
E	\$3.50	\$5.00
F	\$3.75	\$5.00
G	\$4.00	\$5.00
H	\$4.25	\$5.00
I	\$4.50	\$5.00



Toll Rate Scenarios

Tacoma Narrows Bridge
Scenarios in thousands

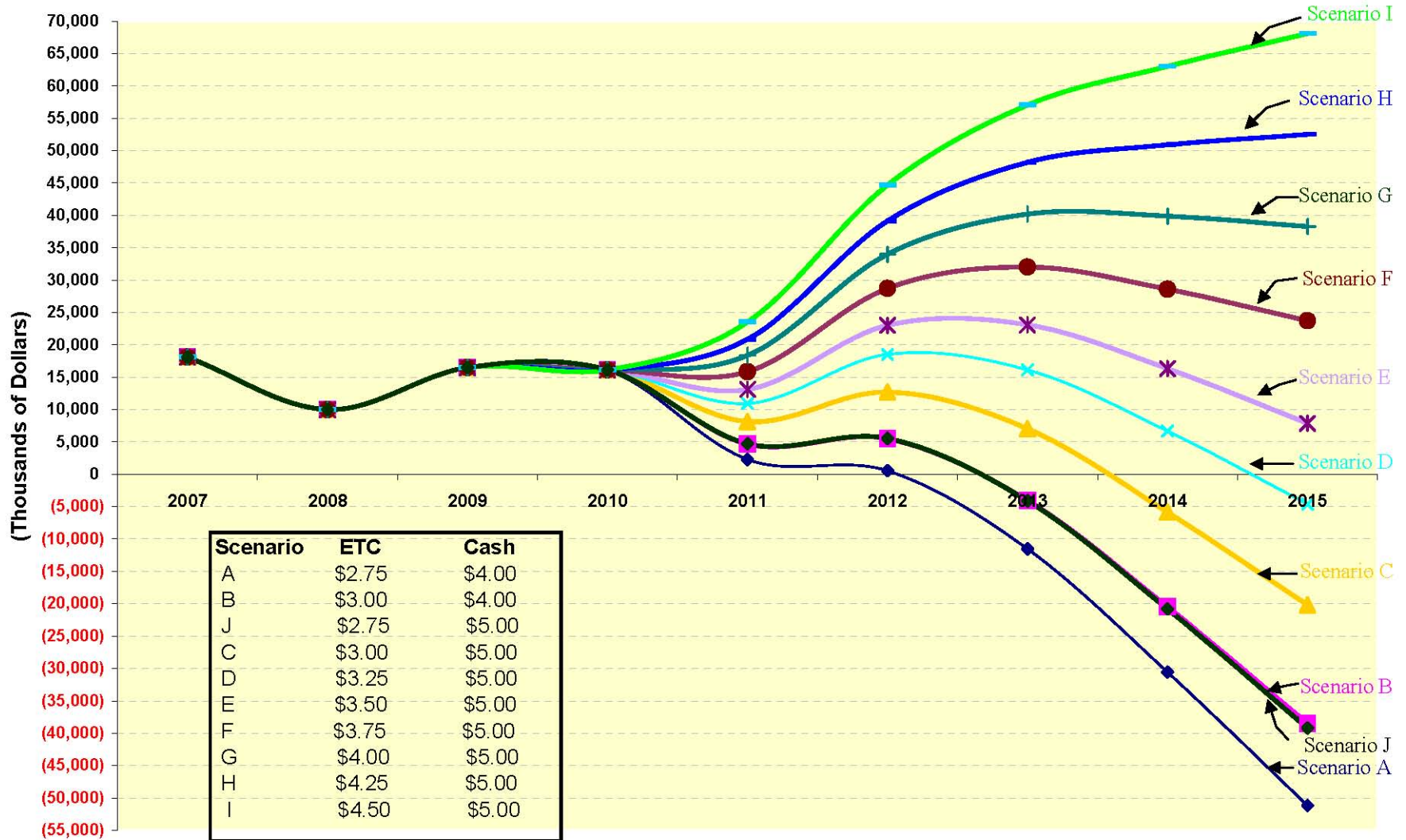


		2011	2012	2013	2014	2015
Scenario A	Ending Balance	2,293	567	(11,512)	(30,556)	(51,187)
2.75 ETC	Debt Service Reserve	4.8%	1.1%	-22.5%	-58.6%	-96.2%
4.00 Cash	Debt Service Coverage	69.2%	95.7%	73.7%	65.0%	61.7%
Scenario B	Ending Balance	4,669	5,526	(4,033)	(20,507)	(38,519)
3.00 ETC	Debt Service Reserve	9.2%	10.6%	-7.5%	-37.5%	-69.0%
4.00 Cash	Debt Service Coverage	74.5%	102.1%	79.2%	69.7%	66.6%
Scenario J	Ending Balance	4,718	5,563	(4,083)	(20,808)	(39,207)
2.75 ETC	Debt Service Reserve	9.3%	10.6%	-7.6%	-38.2%	-70.7%
5.00 Cash	Debt Service Coverage	74.6%	102.1%	79.0%	69.2%	65.8%
Scenario C	Ending Balance	8,156	12,694	7,043	(5,840)	(20,191)
3.00 ETC	Debt Service Reserve	15.1%	22.7%	12.3%	-10.0%	-34.0%
5.00 Cash	Debt Service Coverage	82.2%	111.2%	87.7%	76.3%	73.4%
Scenario D	Ending Balance	10,957	18,532	16,126	6,702	(4,580)
3.25 ETC	Debt Service Reserve	19.3%	31.6%	26.8%	10.9%	-7.3%
5.00 Cash	Debt Service Coverage	86.5%	118.7%	94.8%	82.7%	79.1%
Scenario E	Ending Balance	13,108	23,016	23,105	16,322	7,876
3.50 ETC	Debt Service Reserve	22.3%	37.8%	37.0%	25.6%	12.1%
5.00 Cash	Debt Service Coverage	93.2%	124.5%	100.2%	87.5%	84.3%
Scenario F	Ending Balance	15,850	28,737	32,013	28,603	23,723
3.75 ETC	Debt Service Reserve	25.8%	45.1%	49.0%	43.0%	34.9%
5.00 Cash	Debt Service Coverage	99.3%	131.9%	107.1%	93.7%	90.9%
Scenario G	Ending Balance	18,375	33,998	40,199	39,864	38,278
4.00 ETC	Debt Service Reserve	28.7%	51.3%	59.2%	57.6%	54.2%
5.00 Cash	Debt Service Coverage	105.0%	138.6%	113.5%	99.4%	97.0%
Scenario H	Ending Balance	20,846	39,147	48,210	50,925	52,522
4.25 ETC	Debt Service Reserve	31.4%	56.9%	68.3%	70.8%	71.6%
5.00 Cash	Debt Service Coverage	110.5%	145.3%	119.7%	105.0%	103.0%
Scenario I	Ending Balance	23,515	44,708	57,048	63,042	68,107
4.50 ETC	Debt Service Reserve	34.1%	62.5%	77.6%	84.3%	89.3%
5.00 Cash	Debt Service Coverage	116.4%	152.4%	126.8%	111.0%	109.4%

Notes:
Debt Service Reserve = Ending Fund Balance / Annual Toll Revenue
Debt Service Coverage = (Annual Revenue - Annual Uses of Funds) / Annual Debt Service

Toll Rate Scenarios - TNB

Projected Ending Fund Balances



Questions?

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

www.wsdot.wa.gov/tolling/TNBtolling,

or contact:

Jennifer Ziegler, Director of Toll Communications
and Government Relations, at:

206-464-1194

ZiegleJ@wsdot.wa.gov



Tacoma Narrows Toll Bridge Account (511)
 Draft Financial Plan Through 2015 - November 19, 2009
 Scenario A - November 2009 Adopted Forecast.
 (dollars in thousands)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	Current 2010	2011	2012	2013	2014	2015	Total Through 2015
Toll Rate (ETC)						\$ 1.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	2.75
Toll Rate (Cash)						\$ 3.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	4.00
Beginning Fund Balance	-	36,524	34,597	17,076	44,723	18,096	9,995	16,487	16,143	2,293	567	(11,512)	(30,556)	
Operations and Maintenance														
Sources of Funds ¹														
Interest Earnings from Tacoma Narrows Account (511) ²	-	-	-	8	57	250	290	640	361	56				1,663
Interest Earnings from Toll Collections Account (495) ²	-	-	-	-	-	3	115	121	125	130	133	135	138	900
Toll Revenue	-	-	-	-	-	29,960	44,323	46,552	48,227	49,915	51,171	52,187	53,202	375,537
Transponder Sales Revenue	-	-	-	-	-	760	608	698	735	763	783	798	814	5,957
Violations	-	-	-	-	-	467	598	687	724	751	771	786	801	5,585
Fees ³	-	-	-	-	-	1	56	104	104	104	104	104	104	679
Miscellaneous ⁴	-	-	-	-	913	279	0	-	-	-	-	-	-	1,191
Debt Service	-	-	-	-	-	(14,689)	(26,915)	(34,903)	(44,955)	(40,443)	(45,963)	(54,373)	(53,859)	(316,100)
Transfers from/(to) Other Accounts ⁵	-	-	-	1,300	5,288	-	(10)	-	(5,288)	-	-	-	-	1,290
Total Sources of Funds for Operations and Maintenance	-	-	-	1,308	6,258	17,030	19,064	13,898	33	11,275	6,998	(363)	1,200	76,701
Uses of Funds ⁴														
WSDOT Oversight & Admin. of Toll Operations ⁷	-	-	-	172	1,866	2,180	2,278	1,879	1,888	1,348	1,348	1,361	1,372	15,692
Toll Operator Contract	-	-	-	490	2,759	9,852	6,932	7,794	7,861	7,861	7,861	7,932	8,002	67,277
Insurance	-	-	-	-	-	2,680	1,339	2,534	2,534	2,534	2,534	2,534	2,534	19,223
Washington State Patrol	-	-	-	-	-	572	315	342	328	328	328	331	334	2,891
Maintenance of New Bridge	-	-	-	-	-	103	268	769	779	746	746	753	760	4,925
Preservation of New Bridge, Roadway & Toll Systems	-	-	-	-	-	-	-	136	546	185	503	13	3,072	4,455
Deferred Sales Tax	-	-	-	-	-	-	-	-	-	-	5,757	5,757	5,757	17,271
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Current Year Balance for Ops. And Maint. (Sources - Uses)	-	-	-	646	1,632	1,643	7,932	444	(13,850)	(1,727)	(12,079)	(19,044)	(20,631)	(55,032)
Cumulative Balance for Ops. And Maint.	-	-	-	646	2,279	3,921	11,854	12,298	(1,552)	(3,279)	(15,357)	(34,401)	(55,032)	
Capital Improvements														
Sources of Funds														
Interest Earnings ²	2,125	1,239	774	1,523	1,797	805	390	-	-	-	-	-	-	8,653
Bond Proceeds	231,207	197,234	108,634	111,986	16,002	12,716	-	-	-	-	-	-	-	677,780
Capitalized Interest (Debt Service)	-	-	-	(1,792)	(2,580)	-	-	-	-	-	-	-	-	(4,372)
Charges for Services	-	-	4	2	145	-	-	-	-	-	-	-	-	152
Transfers from/(to) Other Accounts	39,000	-	-	-	-	-	-	-	-	-	-	-	-	39,000
Total Sources of Funds for Capital	272,332	198,473	109,412	111,720	15,364	13,522	390	-	-	-	-	-	-	721,212
Uses of Funds														
Capital Expenditures	235,808	200,400	127,046	84,720	43,623	23,319	2,230	788	-	-	-	-	-	717,934
Prior Period Recoveries	-	-	(113)	-	-	(54)	(400)	-	-	-	-	-	-	(567)
Total Uses of Funds for Capital	235,808	200,400	126,933	84,720	43,623	23,266	1,830	788	-	-	-	-	-	717,367
Current Year Balance for Capital (Sources - Uses)	36,524	(1,927)	(17,521)	27,001	(28,260)	(9,744)	(1,440)	(788)	-	-	-	-	-	3,845
Cumulative Balance for Capital Improvements	36,524	34,597	17,076	44,077	15,817	6,073	4,633	3,845	3,845	3,845	3,845	3,845	3,845	
Ending Fund Balance	36,524	34,597	17,076	44,723	18,096	9,995	16,487	16,143	2,293	567	(11,512)	(30,556)	(51,187)	
Debt Service Reserve = Ending Fund Balance / Annual Toll Revenue								34.7%	4.8%	1.1%	-22.5%	-58.6%	-96.2%	
Debt Service Coverage = (Annual Revenue - Annual Uses of Funds) / Annual Debt Service						111.2%	129.5%	101.3%	69.2%	95.7%	73.7%	65.0%	61.7%	

¹ For GAAP purposes, Interest Earnings, Donations, Debt Service and Transfers displayed as Operations Sources of Funds are considered to be Nonoperating Activity

² Interest income displayed is net of the cost of investment activities.

³ Includes NSF check and Customer Service Center administration fees

⁴ Includes contractor liquidated damages for late project delivery and \$102k of donations for grand opening in FYC

⁵ The repayment of \$5,288m to the Motor Vehicle Account is included in the Enacted 2009-11 Budget. There is no proviso as to whether the transfer will be made in FY10 or FY11

⁶ The \$10,000 in FY09 reflects a transfer to the Health Care Authority Admin. Account for the state insurance accounting system supporting FTEs assigned to the TNB.

⁷ Uses of Funds for Operations reflect the Enacted 2009-11 Budget and legislative plan

⁸ For Uses beyond 2013, the legislative assumption of 1/2 the rate of IPD growth is assumed except for insurance which is expected to have no growth, and preservation which is based on the expenditure plan dated April 2007.

⁹ WSDOT Oversight & Admin. includes Credit Card and Bank Fees, Salaries and Benefits, Personal Service Contracts, Travel, and Capital Outlays for use in TNB Operator

**Tacoma Narrows Bridge
Toll Rate Scenarios (in thousands)
December 1, 2009**

		2011	2012	2013	2014	2015
Scenario A	Ending Balance	2,293	567	(11,512)	(30,556)	(51,187)
2.75 ETC	Debt Service Reserve	4.8%	1.1%	-22.5%	-58.6%	-96.2%
4.00 Cash	Debt Service Coverage	69.2%	95.7%	73.7%	65.0%	61.7%
Scenario B	Ending Balance	4,669	5,526	(4,033)	(20,507)	(38,519)
3.00 ETC	Debt Service Reserve	9.2%	10.6%	-7.5%	-37.5%	-69.0%
4.00 Cash	Debt Service Coverage	74.5%	102.1%	79.2%	69.7%	66.6%
Scenario J	Ending Balance	4,718	5,563	(4,083)	(20,808)	(39,207)
2.75 ETC	Debt Service Reserve	9.3%	10.6%	-7.6%	-38.2%	-70.7%
5.00 Cash	Debt Service Coverage	74.6%	102.1%	79.0%	69.2%	65.8%
Scenario C	Ending Balance	8,156	12,694	7,043	(5,840)	(20,191)
3.00 ETC	Debt Service Reserve	15.1%	22.7%	12.3%	-10.0%	-34.0%
5.00 Cash	Debt Service Coverage	82.2%	111.2%	87.7%	76.3%	73.4%
Scenario D	Ending Balance	10,957	18,532	16,126	6,702	(4,580)
3.25 ETC	Debt Service Reserve	19.3%	31.6%	26.8%	10.9%	-7.3%
5.00 Cash	Debt Service Coverage	88.5%	118.7%	94.8%	82.7%	79.1%
Scenario E	Ending Balance	13,108	23,016	23,105	16,322	7,876
3.50 ETC	Debt Service Reserve	22.3%	37.8%	37.0%	25.6%	12.1%
5.00 Cash	Debt Service Coverage	93.2%	124.5%	100.2%	87.5%	84.3%
Scenario F	Ending Balance	15,850	28,737	32,013	28,603	23,723
3.75 ETC	Debt Service Reserve	25.8%	45.1%	49.0%	43.0%	34.9%
5.00 Cash	Debt Service Coverage	99.3%	131.9%	107.1%	93.7%	90.9%
Scenario G	Ending Balance	18,375	33,998	40,199	39,884	38,278
4.00 ETC	Debt Service Reserve	28.7%	51.3%	59.2%	57.6%	54.2%
5.00 Cash	Debt Service Coverage	105.0%	138.6%	113.5%	99.4%	97.0%
Scenario H	Ending Balance	20,846	39,147	48,210	50,925	52,522
4.25 ETC	Debt Service Reserve	31.4%	56.9%	68.3%	70.8%	71.6%
5.00 Cash	Debt Service Coverage	110.5%	145.3%	119.7%	105.0%	103.0%
Scenario I	Ending Balance	23,515	44,708	57,048	63,042	68,107
4.50 ETC	Debt Service Reserve	34.1%	62.5%	77.6%	84.3%	89.3%
5.00 Cash	Debt Service Coverage	116.4%	152.4%	126.8%	111.0%	109.4%

Notes:
Debt Service Reserve = Ending Fund Balance / Annual Toll Revenue
Debt Service Coverage = (Annual Revenue - Annual Uses of Funds) / Annual Debt Service

Tacoma Narrows Bridge Citizen Advisory Committee

Frequently Asked Questions from Nov. 19, 2009

1. **Question:** What are the sources vs. the uses of the Tacoma Narrows Bridge Capital funds planned vs. actual?

Answer: See below chart

Tacoma Narrows Bridge Capital Construction		
Sources and Uses of Funds		
2009 Plan Compared to the 2002 Plan		
State Fiscal Years 2002-2010		
<i>Thousands of Dollars</i>		
	November 2009 Financial Plan*	July 2002 Financial Plan
Sources of Funds		
Interest Earnings	9	10
Net Bond Proceeds	678	792
Capitalized Interest	(4)	(73)
Transfers from Other Accounts	39	39
Total Sources of Funds for Capital	\$721	\$768
Uses of Funds		
Capital Construction	717	761
Total Uses of Funds for Capital	\$717	\$761
FY 2010 Ending Balance for Capital Const.	4	7
Interest Rates on Bonds Sold	4.93%	5.85%
Total Estimated Debt Service through FY 2030	1,496	1,783
* Includes actuals through FY 2009 and enacted budget for FY 2010.		
Interest rates experienced in the November 2009 Financial Plan are roughly estimated using the weighted average of bond issues.		

2. **Question:** For the year ending June 30 2009, an item is listed on the Tacoma Narrows Bridge Account Statements of Revenues, Expenditures and Changes in Fund Balance under Operating Expenditures - Goods and Services - Other for \$880,484. What types of expenditures make up that number?

Answer: See the table below for an explanation of what makes up the amount listed as "Other" on the June 30, 2009 financial statement.

Tacoma Narrows Bridge Account
Other Goods and Services Expenditures
 State Fiscal Year 2009

<u>Type of Expense</u>	<u>Amount</u>
Financial Services (Auditing)	\$ 21,127.59
Excise Tax	\$ 17.14
Supplies and Materials*	\$ 596,635.36
Communications and Telecommunications	\$ 60,024.06
Rentals and Leases - Land and Buildings	\$ 128,134.50
Repairs, Alterations, and Maintenance	\$ 11,606.00
Printing and Reproduction	\$ 39,151.10
Employee Professional Development and Training	\$ 436.05
Rentals and Leases - Furnishings and Equipment	\$ 10,596.90
Subscriptions	\$ 1,833.50
Other Purchased Services	\$ 9,081.83
Other Goods and Services	\$ 1,839.68
Total	\$ 880,483.71

**Consists of the cost of transponders (\$617,998.95) and credits to supplies (-\$21,363.59).*

3. **Question:** Why was \$10,000 transferred to the Health Care Authority and how was the amount determined?

Answer: This amount is TNB's share of the funding to acquire a statewide insurance accounting system. Please see the attached memo (see page 3) from the statewide Office of Financial Management. Notice that the amount related to the Tacoma Narrows Bridge Account is listed with other transportation funds at the bottom of the memo. The amount of revenue transferred from TNB was calculated based upon employee head counts.



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

June 11, 2009

TO: Agency Budget and Fiscal Officers

FROM: Pam Davidson, Senior Budget Assistant to the Governor

SUBJECT: JUNE 2009 HCA BAIAS SYSTEM FUNDING

The following information is being provided to all agencies regarding a requirement in the 2009 Supplemental budget that changes the funding mechanism for the Health Care Authority's insurance accounting system that will ultimately handle employee health insurance payments from agencies. The information below provides background, budget language, and instructions on how to proceed. The attachment provides the specific dollars to be transferred for each account.

Please have the necessary transactions completed **by June 22, 2009**. For questions, please contact Suzanne Coit, Office of Financial Management, Statewide Accounting, 360.725.0187, or by email at Suzanne.coit@ofm.wa.gov.

Background

In a September 13, 2007 letter from the Department of Health and Human Services to all states, the federal government reasserted its prohibition on using federal resources to pay, either directly or indirectly, for large, enterprise-wide central services information technology systems. At that time, the Health Care Authority's insurance accounting system replacement project was funded from an administrative account supported by transfers from the Public Employees' and Retirees' Insurance Account. Because some of the expenditures in the account were supported by federal resources, this financing arrangement was not allowable under federal regulations. The alternative, approved in the budget by the Legislature, is to provide funding to the project from state funds that support Public Employees Benefit Board (PEBB)-eligible employees. The level of the transfer is based on head-count data used to determine statewide allocation of PEBB contribution rates. All amounts that had previously been funded by federal dollars are now covered by General Fund-State. All funding previously paid from dedicated accounts via employee health insurance (PEBB) payments will, for the 2007-09 Biennium, be acquired via revenue transfers from each account. The exceptions are the transportation and related General Fund-State accounts, from which appropriations have been made to the State Health Care Authority Administrative Account.

SPECIAL APPROPRIATIONS TO THE GOVERNOR--INSURANCE ACCOUNTING SYSTEM

ESHB 1978 Section 501: The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section fund various state transportation agencies to support the state insurance accounting system. The appropriations in this section are provided solely for expenditure into the health care authority administrative account.

Account Type	Account Name	Appropriated Transfer
Treasury	039 Aeronautics-State	\$ 2,000
	081 WSP Highway Account-State	\$ 338,000
	099 PS Cap Construction-State	\$ 24,000
	09H Transport Partner A-State	\$ 44,000
	106 Highway Safety Accnt-State	\$ 120,000
	108 Motor Vehicle Accnt-State	\$ 882,000
	109 Puget Sound Fry Oper-State	\$ 294,000
	112 M/V Urbn Art Trst-State	\$ 2,000
	144 Tran Improv Account-State	\$ 2,000
	201 DOL Services Account-State	\$ 2,000
	218 Multimodal Account-State	\$ 12,000
	511 Tacoma Narrows Toll-State	\$ 10,000
	550 Transportation 2003-State	\$ 120,000
TOTAL APPROPRIATION		\$ 1,852,000



OFM will make the expenditure

4. **Question:** Why are all violations for citations issued at the Tacoma Narrows Bridge toll plaza not collected by the Pierce County District Court?

Answer: Before the Washington State Patrol certifies a citation for Violation, that occur at the Tacoma Narrows Bridge toll facility, the violations go through a verification process. From July 2007 through November 2009 there were 912,117 potential violations of which, 409,360 were identified as customer accounts and the toll was deducted. Another 216,388 were rejected through the image review process. The three most common reasons for a rejected citation are: bad image taken/camera aim, obstructed view of license plate (tow hitch), and no license plate/temporary plate. In these situations, the license plate image is not clear and there is no way of linking the vehicle to a violation event. The Washington State Patrol certified 274,595 for adjudication at Pierce County District Court.

Once received by the Pierce County Court (PCC), another 4% (10,984) are dismissed by WSDOT through customer service. PCC has reported that 30 percent (79,083) pay on notification. This equates to approximately \$949,000. Out of the remaining 70 percent, approximately 16 percent ask for a hearing, where the judge determines if the violation should hold or be dismissed or reduced. 52 percent are ultimately sent to collections.

5. **Question:** How was the \$17.4 million in capital expenditures spent from Dec. 08 to present?

Answer: The \$17.4 million figure came from a spreadsheet titled Tacoma Narrows Bridge Capital Improvements dated December 11, 2008. This figure represented the "total" cost to complete the outstanding items of Capital Improvement. Many of these items were in progress or near completion. An example of this was the contract for the Tolling Collection System where \$12.6 million had already been expended prior to December 2008. A majority of the \$17.4 million had already been expended and this figure did not represent an estimate of the amount yet to be spent. In fact, only \$1.9 million have been expended on capital improvements between December 2008 and the present date. Beginning at the start of the current biennium (July 2009) the Legislature approved \$788,000 to complete all of the capital improvements on the project.

6. **Question:** What is the cost per transaction breakdown of electronic transactions versus manual cash transactions at the Tacoma Narrows Bridge toll facility?
 - **Answer:** The following chart shows a cost breakdown of ETC vs. Cash transactions.

	Total	ETC	Cash
Total Labor	\$4,725,357	\$2,091,935	\$2,633,422
Total Expenses	\$1,425,400	\$730,080	\$695,320
Total Fee	\$922,614	\$423,302	\$499,311
Annual Cost Total	\$7,073,370	\$3,245,317	\$3,828,053
Monthly Cost Total	\$589,448	\$270,443	\$319,004
Estimated Annual Traffic	14,270,720	9,989,504	4,281,216
Extended Cost / Transaction	\$0.50	\$0.32	\$0.89

***Please Note: Values based on WSDOT Toll Systems and Operations contract amounts. Does not include capital expenses, WSDOT staff, WSP enforcement, maintenance and preservation, or bridge insurance**

7. **Question:** What are the details of the ten bond sales used for the Tacoma Narrows Bridge project?

Answer: There have been ten bond sales supporting the TNB projects. See below for individual bond sale information.

1- First Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2003C Sale date: 9/18/2002 Dated date: 10/2/2002
 Par Amount (Gross Proceeds): \$158,000,317.05 (\$371,975,000 Compound Accreted Value at Maturity)
 Awarded to: J.P. Morgan Securities, Inc. -- New York, NY Interest Rate: 4.857424% (TIC)

Non-Callable – Zero Coupon Bonds

Insured by*: MBIA

Premium: \$0

Cost of Issuance: \$71,510.64

Underwriters Discount: \$724,172.33

Funds delivered to the Tacoma Narrows Bridge Account: \$157,204,634.08

2- Second Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2003F Sale date: 1/22/2003 Dated date: 2/5/2003
 Par Amount (Gross Proceeds): \$75,001,618.40 (\$178,625,000 Compound Accreted

Value at Maturity)

Awarded to: Morgan Stanley, Dean Witter, New York, NY

Interest Rate: 5.237513% (TIC)

Non-Callable – Zero Coupon Bonds

Insured by*: MBIA

Premium: \$0

Cost of Issuance: \$60,250.00

Underwriters Discount: \$939,039.01

Funds delivered to the Tacoma Narrows Bridge Account: \$74,002,329.39

3 - Third Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation

Bonds, Series 2004C Sale date: 7/22/2003 Dated date: 8/6/2003

Par Amount (Gross Proceeds): \$110,001,631.95 (\$266,910,000 Compound Accreted Value at Maturity)

Awarded to: Lehman Brothers, New York, NY

Interest Rate: 5.378896% (TIC)

Non-Callable – Zero Coupon Bonds

Insured by*: FGIC

Premium: \$0

Cost of Issuance: \$54,777.00

Underwriters Discount: \$1,737,560.48

Funds delivered to the Tacoma Narrows Bridge Account: \$108,209,294.47

4 - Fourth Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation

Bonds, Series 2004F Sale date: 2/3/2004 Dated date: 2/19/2004

Par Amount (Gross Proceeds): \$89,982,568.15 (\$201,425,000 Compound Accreted Value at Maturity)

Awarded to: Goldman, Sachs & Co. - New York, NY

Interest Rate: 4.889481% (TIC)

Non-Callable – Zero Coupon Bonds

Insured by*: AMBAC

Premium: \$0

Cost of Issuance: \$45,436.00

Underwriters Discount: \$912,900.14

Funds delivered to the Tacoma Narrows Bridge Account: \$89,024,232.01

5 - Fifth Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation

Bonds, Series 2005C Sale date: 7/13/2004 Dated date: 7/27/2004

Par Amount (Gross Proceeds): \$65,001,473.45 (\$139,050,000 Compound Accreted Value at Maturity)

Awarded to: Lehman Brothers - New York, NY

Interest Rate: 5.188052% (TIC)

Non-Callable – Zero Coupon Bonds

Insured by*: AMBAC

Premium: \$0

Cost of Issuance: \$31,777.00

Underwriters Discount: \$806,676.74

Funds delivered to the Tacoma Narrows Bridge Account: \$64,163,019.71

6- Sixth Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation

Bonds, Series 2005F Sale date: 3/1/2005 Dated date: 3/15/2005

Par Amount (Gross Proceeds): \$45,001,192.45 (\$87,320,000 Compound Accreted Value at Maturity)

Awarded to: UBS Financial Services Inc. - New York, NY

Interest Rate: 4.8391517% (TIC)

Non-Callable – Zero Coupon Bonds

Insured by*: AMBAC

Premium: \$0

Cost of Issuance: \$32,091.00

Underwriters Discount: \$498,201.90

Funds delivered to the Tacoma Narrows Bridge Account: \$44,470,899.55

7 - Seventh Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation

Bonds, Series 2006C Sale date: 9/7/2005 Dated date: 9/21/2005

Par Amount (Gross Proceeds): \$55,000,000.00

Awarded to: Citigroup Global Markets Inc

Interest Rate: 4.443042% (TIC)

Certain Maturity: 6/1/06 – 6/1/30 maturities

Call Date: Callable at 6/1/15

Premium: \$2,262,012.80

Cost of Issuance: \$69,350.00

Underwriters Discount: \$130,350.00

Net Proceeds: \$57,062,312.80

Transferred to Escrow for Debt Service: \$4,202,093.34

Funds delivered to the Tacoma Narrows Bridge Account: \$52,860,219.46

8 - Eighth Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation

Bonds, Series 2006F Sale date: 1/24/2006 Dated date: 2/07/2006

Par Amount (Gross Proceeds): \$55,001,856.00 (\$100,735,000 Compound Accreted Value at Maturity)

Awarded to Morgan Stanley, Dean Witter, New York, NY

Interest Rate: 4.381372% (TIC)

Non-Callable – Zero Coupon Bonds

Insured by*: AMBAC

Premium: \$0

Cost of Issuance: \$31,688.00

Underwriters Discount: \$46,134.46

Funds delivered to the Tacoma Narrows Bridge Account: \$54,924,033.54

9 - Ninth Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation

Bonds, Series 2007E Sale date: 1/23/2007 Dated date: 2/06/07

Par Amount (Gross Proceeds): \$16,180,976.45 (\$33,955,000 Compound Accreted Value at Maturity)

Awarded to LaSalle Financial Services, Inc., New York, NY

Interest Rate: 4.512695% (TIC)

Non-Callable – Zero Coupon Bonds

Insured by*: XL

Premium: \$0

Cost of Issuance: \$6,894.00

Underwriters Discount: \$172,058.63

Funds delivered to the Tacoma Narrows Bridge Account: \$16,002,023.82

10 - Tenth Sale:

Series: State of Washington, Motor Vehicle Fuel Tax General Obligation

Bonds, Series 2008B Sale date: 9/12/2007 Dated date: 9/26/2007

Amount: \$12,000,000.00 (\$20,004,333.33 Compound Accreted Value at Maturity)

Awarded to J.P. Morgan Securities, Inc., New York, NY

Interest Rate: 4.4316061% (TIC)

Premium: \$0

Cost of Issuance: \$138,376.06

Underwriters Discount: \$1,448,913.18

Funds delivered to the Tacoma Narrows Bridge Account: \$12,716,462.86

**Insurance purchased by the option of the underwriter. For the insured series, all maturities have been insured.*