

# **Coos Bay Rail Line, Inc.**

## **Annual Budget FY 2019/20**

John Burns, President

Coos Bay Rail Line, Inc.

# COOS BAY RAIL LINE, INC - FISCAL YEAR 2019/2020 BUDGET

## INTRODUCTION

This budget message is intended to explain the context and content of the budget document which will be used for Coos Bay Rail Line, Inc. (the Railroad), a wholly owned subsidiary of the Oregon International Port of Coos Bay (Port). The basis of this budget is the Railroad's operating plan. This document may be further refined before presentation to the Railroads Board of Directors for adoption after input from the Committee has been received.

Fiscal Year 2019/2020 represents the Railroad's first full year of operation under the since its inception on November 1, 2018. The Railroad's primary mission for this instant period will be to continue the process of integrating the rail operation with the rest of the Port's business lines. As with any new entity, we will continue to grow and learn with experience. Focus for the coming year will be on Safe Operating Procedures, Resource Management, Customer Development, and Intrastation.

The operations of the Railroad are supported by revenues that are generated from our customer base in the form of Carloads, Demurrage, and miscellaneous other sources. Our current optimal capacity on the line is 10,500 cars per year. The line has had annual volumes in excess of 7,500 cars per year since the Port acquired the line in 2009. Given the recent loss of one of the Railroad's customers, we are estimating car volumes of 7,000 for the coming year. With our perceived volume we expect revenue from Carloads to be \$4,063,964.00 for the period. During FY 2019/20, Demurrage is projected to be \$50,000.00 and Other Revenue will be \$156,000. Total Revenue is expected to be \$4,269,964.

The major focus of the Railroad's efforts will be on Safe Operations. This will be achieved by ensuring that all operating procedures are 1) Codified 2) Communicated 3) Understood and 4) Followed. Our objective is to have a record of zero incidents for the year. Appropriate resources will be applied to ensure we have every opportunity to meet this goal.

During FY 2019/20 we will continue to fine tune our resources, whether they are capital, human, or physical. At the start of rail operations in 2018, we had 15 employees serving in the Administrative, Maintenance of Way, and Transportation departments. We anticipate the number of FTE's to increase to 20 in the next fiscal year. We will continue to work to optimize our fleet of locomotives, hi-rails and other vehicles to cover our operational requirements in the most cost-effective fashion. Given the fact that we expended a considerable amount of finical resources on the acquisition of rolling stock in the previous year, we do not anticipate a significate demand of cash for major purchases of assets. We will enter into a fleet management arrangement to secure roadway vehicles rather than continuing to rent or make out right purchases. This fleet management agreement will have a cost of \$15,000.00 per year.

A plan has been developed for continual Maintenance of Way with considerable focus on the replacement of ties, rail and ballast. This will include \$250,000.00 for capital improvements to our rail. This will be in addition to the work underway on our Tunnel Rehab project and the impending Bridge Projects which will be carried out under our US DOT BUILD Grant.

**RESOURCES**

**CBRL**

(Fund)

**Coos Bay Rail Line, Inc.**

(Name of Municipal Corporation)

Historical Data				Year to date	RESOURCE DESCRIPTION	Budget for Next Year 2019/20			
Actual		Adopted Budget This Year Year 2018/19	Proposed By Budget Officer			Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2016/17	First Preceding Year 2017/18								
1				1	Net working capital (accrual basis)	-	-	-	1
2				2	Previously levied taxes estimated to be received	-	-	-	2
3				3	Property Taxes - Current Year	-	-	-	3
4				4	Interest	-	-	-	4
5			902,500	5	Transferred IN, from other funds	-	-	-	5
6				6	<b>OTHER RESOURCES</b>				6
7				7	<b>Administration</b>				7
8			1,399,442	8	Carloads CBRL	4,063,964	4,063,964	4,063,964	8
9			27,400	9	Demurrage	50,000	50,000	50,000	9
10			9,661	10	Other	156,000	156,000	156,000	10
11				11	Bad Debt Expense	-	-	-	11
12				12		-	-	-	12
13				13	Taxes estimated to be received	-	-	-	13
14	-	-		14	Taxes collected in year levied				14
15	-	-	<b>1,436,503</b>	15	<b>TOTAL RESOURCES</b>	<b>4,269,964</b>	<b>4,269,964</b>	<b>4,269,964</b>	15

150-504-020 (rev 10-16)

\*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**REQUIREMENTS SUMMARY**

**NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM**

CBRL Fund

(name of fund)

FORM

LB-30

	Historical Data			REQUIREMENTS DESCRIPTION	Budget For Next Year 2019/20			
	Actual		Year to date		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2016/17	First Preceding Year 2017/18	2018/19					
1			1,911,859	1 Total Requirements for <b>ALL Org.Units/Programs within fund</b>	3,890,068	3,890,068	3,890,068	1
2			-	2 Reserved for future expenditure	-	-		2
3				3 Ending balance (prior years)				3
4				4 <b>UNAPPROPRIATED ENDING FUND BALANCE</b>	379,896	379,896	379,896	4
5			<b>1,911,859</b>	5 <b>TOTAL REQUIREMENTS</b>	<b>4,269,964</b>	<b>4,269,964</b>	<b>4,269,964</b>	5

150-504-030 (Rev 10-16)

**REQUIREMENTS SUMMARY**

**ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY**

CBRL Fund

(name of fund)

FORM

LB-30

Historical Data				REQUIREMENTS FOR: <b>ADMINISTRATION</b>	Budget For Next Year 2019/20			
Actual		Adopted Budget This Year 18/19	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2016/17	First Preceding Year 2017/18							
1			1	PERSONNEL SERVICES				1
2			2	Salaries	122,600	122,600	122,600	2
3			3	Overtime & Relief	-	-	-	3
4			4	FICA - Payroll Taxes	-	-	-	4
5			5	Rail Road Retirement Tier I	9,379	9,379	9,379	5
6			6	Rail Road Retirement Tier II	16,061	16,061	16,061	6
7			7	Health Insurance	21,745	21,745	21,745	7
8			8	Unemployment Insurance	1,886	1,886	1,886	8
9			9	Term Life & Long Term Disability Insurance	324	324	324	9
10			10	Merit	-	-	-	10
11			11	Allocations	-	-	-	11
12	\$ -	\$ -	\$ -	<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 171,995</b>	<b>\$ 171,995</b>	<b>\$ 171,995</b>	12
13			13	<b>Total Full-Time Equivalent (FTE)</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	13
14			14	MATERIALS AND SERVICES				14
15			15	Staff Training & Development	-	-	-	15
16			16	Staff Travel	1,000	1,000	1,000	16
17			17	Office Supplies	2,000	2,000	2,000	17
18			18	Postage & Courier Services	500	500	500	18
19			19	Memberships	-	-	-	19
20			20	Office Equipment Lease	600	600	600	20
21			21	IT Software Subscription/Licenses	-	-	-	21
22			22	Telephone	9,480	9,480	9,480	22
23			23	Internet	660	660	660	23
24			24	Electricity	1,800	1,800	1,800	24
25			25	Water/Sewer	540	540	540	25
26			26	Garbage	3,150	3,150	3,150	26
27			27	Janitorial Services	1,000	1,000	1,000	27
28			28	Payroll Services	2,020	2,020	2,020	28
29			29	Legal Services	10,000	10,000	10,000	29
30			30	Auditing	-	-	-	30
31			31	Consulting Services	30,000	30,000	30,000	31
32			32	Insurance	118,634	118,634	118,634	32
33			33	Marketing & Sales Expense	1,500	1,500	1,500	33
34			34	Repair & Maintenance	8,350	8,350	8,350	34
35			35	Employee Required Records	1,500	1,500	1,500	35
36			36	Car Accounting/Hire	180,000	180,000	180,000	36
37			37	Communications	8,400	8,400	8,400	37
38			38	Port Administration Fee	406,396	406,396	406,396	38
39			39	Miscellaneous Merchant & Banking Fees	300	300	300	39

**REQUIREMENTS SUMMARY**

**ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY**

CBRL Fund

(name of fund)

FORM

LB-30

Historical Data				REQUIREMENTS FOR: <b>ADMINISTRATION</b>	Budget For Next Year 2019/20				
Actual		Adopted Budget This Year 18/19	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2016/17	First Preceding Year 2017/18								
40			40	Contingency		-	-	40	
41	\$ -	\$ -	\$ -	41	<b>TOTAL MATERIALS AND SERVICES</b>	\$ <b>787,830</b>	\$ <b>787,830</b>	\$ <b>787,830</b>	41
42			42	CAPITAL OUTLAY				42	
43			43	Capital Outlays				43	
44	\$ -	\$ -	\$ -	44	<b>TOTAL CAPITAL OUTLAY</b>	\$ -	\$ -	\$ -	44
45	\$ -	\$ -	\$ -	45	<b>Administration Total</b>	\$ <b>959,825</b>	\$ <b>959,825</b>	\$ <b>959,825</b>	45

# REQUIREMENTS SUMMARY

ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY

FORM

LB-30

CBRL Fund

(name of fund)

Historical Data				<b>REQUIREMENTS FOR: Maintenance of Way</b>	Budget For Next Year 2019/20			
Actual		Adopted Budget This Year 2018/19			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2016/17	First Preceding Year 2017/18							
1			1	PERSONNEL SERVICES			1	
2		90,502	2	Salaries	355,697	355,697	355,697	2
3		20,782	3	Overtime & Relief	73,213	73,213	73,213	3
4		8,898	4	FICA - Payroll Taxes	-	-	-	4
5			5	Rail Road Retirement Tier I	32,812	32,812	32,812	5
6			6	Rail Road Retirement Tier II	56,187	56,187	56,187	6
7		18,450	7	Health Insurance	65,077	65,077	65,077	7
8		3,123	8	Unemployment Insurance	7,546	7,546	7,546	8
9		364	9	Term Life & Long Term Disability Insurance	1,296	1,296	1,296	9
10	\$ -	\$ 142,119	10	<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 591,828</b>	<b>\$ 591,828</b>	<b>\$ 591,828</b>	10
11		<b>6.00</b>	11	<b>Total Full-Time Equivalent (FTE)</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	11
12			12	MATERIALS AND SERVICES			12	
13		1,685	13	Office Supplies & Misc	-	-	-	13
14		4,811	14	Utilities	15,600	15,600	15,600	14
15		1,880	15	Professional Services	-	-	-	15
16		19,825	16	Operational Supplies	48,000	48,000	48,000	16
17			17	Equipment Rental	30,000	30,000	30,000	17
18			18	Vehicle Lease / Rental	15,000	15,000	15,000	18
19		12,813	19	Fuel	60,000	60,000	60,000	19
20		2,179	20	Repairs & Maintenance - Equipment	90,000	90,000	90,000	20
21		1,165	21	Repairs & Maintenance - Vehicles	3,400	3,400	3,400	21
22		2,441	22	Repairs & Maintenance - Bridges	15,000	15,000	15,000	22
23		6,769	23	Repairs & Maintenance - Signal	14,000	14,000	14,000	23
24		321,930	24	Repairs & Maintenance - Track & Tunnel	100,000	100,000	100,000	24
25		1,152	25	Repairs & Maintenance - Train Cars	120,000	120,000	120,000	25
25			26	Vegetation Control	70,000	70,000	70,000	25
26			27	Communications	3,600	3,600	3,600	26
27		85,170	28	Insurance Claims	-	-	-	27
28	\$ -	\$ -	29	<b>TOTAL MATERIALS AND SERVICES</b>	<b>\$ 584,600</b>	<b>\$ 584,600</b>	<b>\$ 584,600</b>	28
29			30	CAPITAL OUTLAY			29	
30			31					30
31	\$ -	\$ -	32	<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	31
32	\$ -	\$ -	33	<b>Maintenance of Way Total</b>	<b>\$ 1,176,428</b>	<b>\$ 1,176,428</b>	<b>\$ 1,176,428</b>	32

**REQUIREMENTS SUMMARY**

ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY

FORM

LB-30

CBRL Fund

(name of fund)

Historical Data				REQUIREMENTS FOR: <u>Transportation</u>	Budget For Next Year 2019/20				
Actual		Adopted Budget This Year 2018/19	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2016/17	First Preceding Year 2017/18								
1			1	PERSONNEL SERVICES			1		
2		154,248	2	Salaries	467,517	467,517	467,517	2	
3		29,697	3	Overtime & Relief	118,310	118,310	118,310	3	
4		14,605	4	FICA - Payroll Taxes		-	-	4	
5			5	Rail Road Retirement Tier I	44,816	44,816	44,816	5	
6			6	Rail Road Retirement Tier II	76,743	76,743	76,743	6	
7		48,843	7	Health Insurance	139,576	139,576	139,576	7	
8		5,132	8	Unemployment Insurance	9,432	9,432	9,432	8	
9		598	9	Term Life & Long Term Disability Insurance	1,620	1,620	1,620	9	
10			10	Allocations		-	-	10	
11	\$ -	\$ -	\$ 253,122	11	<b>TOTAL PERSONNEL SERVICES</b>	\$ 858,016	\$ 858,016	\$ 858,016	11
12		9.00	12	<b>Total Full-Time Equivalent (FTE)</b>	10.00	10.00	10.00	12	
13			13	MATERIALS AND SERVICES			13		
13		175	13	Training	-	-	-	13	
14		283	14	Travel & Entertainment	-	-	-	14	
15		442	15	Office Expenses	-	-	-	15	
16		331	16	Memberships	-	-	-	16	
17		13,506	17	Garbage/Hazardous Material Disposal	10,000	10,000	10,000	17	
18		21,636	18	Operation Supplies	12,800	12,800	12,800	18	
19		46,012	19	Equipment Rental	-	-	-	19	
20		258,250	20	Fuel	666,000	666,000	666,000	20	
21		4,059	21	Repairs & Maintenance	-	-	-	21	
22		32	22	Repairs & Maintenance-Vehicles	1,200	1,200	1,200	22	
23		78,160	23	Repair & Maintenance-Locomotive	204,000	204,000	204,000	23	
24		17,519	24	Repair & Maintenance-Train Cars	-	-	-	24	
25		25,292	25	Communications	1,800	1,800	1,800	25	
26		7,987	26	Other	-	-	-	26	
27	\$ -	\$ -	\$ 473,683	27	<b>TOTAL MATERIALS AND SERVICES</b>	\$ 895,800	\$ 895,800	\$ 895,800	27
28			28	CAPITAL OUTLAY			28		
29			29					29	
30	\$ -	\$ -	\$ -	30	<b>TOTAL CAPITAL OUTLAY</b>	\$ -	\$ -	\$ -	30
31	\$ -	\$ -	\$ 726,806	31	<b>Transportation Total</b>	\$ 1,753,816	\$ 1,753,816	\$ 1,753,816	31

150-504-030 (Rev 10-16)