



Coos Bay Rail Line, Inc. Annual Budget FY 2020/2021

JOHN BURNS
President



This budget message is intended to explain the context and content of the budget document for Coos Bay Rail Line, Inc. (CBRL, Inc.), a wholly owned subsidiary of the Oregon International Port of Coos Bay (Port). The basis of this budget reflects the railroad's proposed operating plan.

CBRL, Inc. has successfully completed one fiscal year of operation since its inception November 1, 2018. Going into FY 2020/2021, the Port will incorporate lessons learned from the past year to ensure safe and reliable rail service. As owner and operator, the Port has been able to better tie capital improvement and maintenance on the rail line. Significant progress has been made on bridge and tunnel rehabilitation projects as well as routine maintenance activities to bring the rail line up to a state of good repair.

The operation of the Railroad is supported by revenues generated through its customer base in the form of carloads, demurrage, and American Association of Railroads car repair. Given the loss of customer Georgia-Pacific and macroeconomic impacts of COVID-19 and the timber industry, CBRL Inc. is estimating car volumes of 5,000 for the coming year. Our current optimal capacity on the line is 10,500 cars per year. With our perceived volume, we expect revenue from Carloads to be \$2.8 million for the period. During FY 2020/2021, Demurrage is projected to be \$36,000 and Other Revenue is anticipated to be \$457,156. Total Revenue is expected to be \$3,280,901.

CBRL, Inc.'s strategic goals for FY 2020/2021 are to:

1. Provide safe, reliable rail service and operations;
2. Maintain CBRL trackage to protect existing operations and comply with all Federal, State and Port regulations; and
3. Identify and implement required training needs for CBRL staff.

FY 2020/2021 Key Performance Indicators:

1. Sustain zero injuries, derailments or FRA/ODOT violations.
2. Provide right sized service to customers and interchange with UPRR.
3. Ensure locomotive availability and successful car asset management.
4. Record maintenance activity through weekly maintenance activity reports.
5. Manage expenses to reduce costs of labor overtime and car hire.

During FY 2020/2021, CBRL Inc. will continue to fine tune capital and human resources. CBRL, Inc. is budgeting for 18 employees to serve in the Administrative, Maintenance of Way, Mechanical and Transportation departments. Staff will continue to work to optimize the fleet of locomotives, hi-rails, and other vehicles to cost-effectively manage operational requirements.

RESOURCES

CBRL

(Fund)

Coos Bay Rail Line, Inc.

(Name of Municipal Corporation)

Historical Data				RESOURCE DESCRIPTION	Budget for Next Year 2020/21				
Actual		Adopted Budget This Year Year 2019/20			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2017/18	First Preceding Year 2018/19								
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			5	Transferred IN, from other funds	-	-	-	5	
6	-	-	6	OTHER RESOURCES	-	-	-	6	
7			7	Administration				7	
8	2,161,942	4,063,964	8	Carloads CBRL	2,787,745	2,787,745	2,787,745	8	
9	36,650	50,000	9	Demurrage	36,000	36,000	36,000	9	
10	1,168,414	156,000	10	Other	1,000	1,000	1,000	10	
11		-	11	Bad Debt Expense	-	-	-	11	
12		-	12		-	-	-	12	
13			13	Maintenance of Way				13	
14			14	Other	46,500	46,500	46,500	14	
15			15					15	
16			16	Mechanical				16	
17			17	Car Repair	409,656	409,656	409,656	17	
18			18					18	
19		-	19	Taxes estimated to be received	-	-	-	19	
20	-	-	20	Taxes collected in year levied				20	
21	-	3,367,006	4,269,964	21	TOTAL RESOURCES	3,280,901	3,280,901	3,280,901	21

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 2020/21			
Actual		Adopted Budget This Year 2019/20		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2017/18	First Preceding Year 2018/19						
1	3,607,881	3,890,068	1 Total Requirements for ALL Org.Units/Progams within fund	3,280,901	3,280,901	3,280,901	1
2		-	2 Reserved for future expenditure	-	-		2
3			3 Ending balance (prior years)				3
4			4 UNAPPROPRIATED ENDING FUND BALANCE	(0)	0	0	4
5		3,890,068	5 TOTAL REQUIREMENTS	3,280,901	3,280,901	3,280,901	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: <u>ADMINISTRATION</u>	Budget For Next Year 2020/21				
Actual		Adopted Budget This Year 19/20	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2017/18	First Preceding Year 2018/19								
1			1	PERSONNEL SERVICES			1		
2		52,091	122,600	2	Salaries	128,627	128,627	128,627	2
3			-	3	Overtime & Relief	-	-	-	3
4		137	-	4	FICA - Payroll Taxes	-	-	-	4
5		3,856	9,379	5	Rail Road Retirement Tier I	9,840	9,840	9,840	5
6		7,055	16,061	6	Rail Road Retirement Tier II	16,850	16,850	16,850	6
7		9,463	21,745	7	Health Insurance	26,093	26,093	26,093	7
8		1,987	1,886	8	Unemployment Insurance	906	906	906	8
9		107	324	9	Term Life & Long Term Disability Insurance	324	324	324	9
10			-	10	Merit	-	-	-	10
11			-	11	Allocations	-	-	-	11
12	\$ -	\$ 74,695	\$ 171,995	12	TOTAL PERSONNEL SERVICES	\$ 182,640	\$ 182,640	\$ 182,640	12
13		1.00	2.00	13	Total Full-Time Equivalent (FTE)	2.00	2.00	0.00	13
14				14	MATERIALS AND SERVICES			14	
15		11,221	-	15	Staff Training & Development	-	-	-	15
16		3,013	1,000	16	Staff Travel	700	700	700	16
17		3,156	2,000	17	Office Supplies	3,500	3,500	3,500	17
18		55	500	18	Postage & Courier Services	-	-	-	18
19		815	-	19	Memberships	-	-	-	19
20		149	600	20	Office Equipment Lease	240	240	240	20
21		6,181	-	21	IT Software Subscription/Licenses	1,850	1,850	1,850	21
22		3,325	9,480	22	Telephone	10,200	10,200	10,200	22
23		689	660	23	Internet	792	792	792	23
24		409	1,800	24	Electricity	2,000	2,000	2,000	24
25		571	540	25	Water/Sewer	1,550	1,550	1,550	25
26		23,104	3,150	26	Garbage	3,135	3,135	3,135	26
27		426	1,000	27	Janitorial Services	1,320	1,320	1,320	27
28		3,338	2,020	28	Payroll Services	3,100	3,100	3,100	28
29		145,496	10,000	29	Legal Services	10,000	10,000	10,000	29
30		-	-	30	Auditing	-	-	-	30
31		680	30,000	31	Consulting Services	-	-	-	31
32		87,316	118,634	32	Insurance	134,157	134,157	134,157	32
33		1,566	1,500	33	Marketing & Sales Expense	-	-	-	33
34		33,870	8,350	34	Repair & Maintenance	4,210	4,210	4,210	34
35		5,681	1,500	35	Employee Required Records	2,215	2,215	2,215	35
36		25,081	180,000	36	Car Accounting/Hire	224,000	224,000	224,000	36
37		10,713	8,400	37	Communications	8,312	8,312	8,312	37
38				38	ODOT Annual Revenue Fee	6,504	6,504	6,504	38
39		492,986	406,396	39	Port Administration Fee	278,775	278,775	278,775	39

REQUIREMENTS SUMMARY

ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY

CBRL Fund

(name of fund)

FORM

LB-30

Historical Data				REQUIREMENTS FOR: <u>ADMINISTRATION</u>	Budget For Next Year 2020/21				
Actual		Adopted Budget This Year 19/20	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2017/18	First Preceding Year 2018/19								
40		505	300	40	Miscellaneous Merchant & Banking Fees	300	300	300	40
41			-	41	Contingency	134	134	134	41
42	\$ -	\$ 860,346	\$ 787,830	42	TOTAL MATERIALS AND SERVICES	\$ 696,994	\$ 696,994	\$ 696,994	42
43				43	CAPITAL OUTLAY				43
44				44	Capital Outlays				44
45	\$ -	\$ -	\$ -	45	TOTAL CAPITAL OUTLAY	\$ -	\$ -	\$ -	45
46	\$ -	\$ 935,042	\$ 959,825	46	Administration Total	\$ 879,634	\$ 879,634	\$ 879,634	46

REQUIREMENTS SUMMARY

ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY

FORM

LB-30

CBRL Fund

(name of fund)

Historical Data				REQUIREMENTS FOR: Maintenance of Way	Budget For Next Year 2020/21			
Actual		Adopted Budget This Year 2019/20	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2017/18	First Preceding Year 2018/19							
1			1	PERSONNEL SERVICES			1	
2		167,813	2	Salaries	293,864	293,864	293,864	2
3		38,692	3	Overtime & Relief	25,206	25,206	25,206	3
4		543	4	FICA - Payroll Taxes	-	-	-	4
5		15,606	5	Rail Road Retirement Tier I	24,409	24,409	24,409	5
6		29,782	6	Rail Road Retirement Tier II	41,798	41,798	41,798	6
7		29,712	7	Health Insurance	72,335	72,335	72,335	7
8		6,857	8	Unemployment Insurance	2,717	2,717	2,717	8
9		561	9	Term Life & Long Term Disability Insurance	972	972	972	9
10		\$ 289,565	10	TOTAL PERSONNEL SERVICES	\$ 461,302	\$ 461,302	\$ 461,302	10
11		6.00	11	Total Full-Time Equivalent (FTE)	6.00	6.00		11
12			12	MATERIALS AND SERVICES			12	
13		2,061	13	Office Supplies & Misc	-	-	-	13
14		10,093	14	Utilities	26,910	26,910	26,910	14
15		1,880	15	Professional Services	-	-	-	15
16		24,045	16	Operational Supplies	8,375	8,375	8,375	16
17		16,060	17	Equipment Rental	10,000	10,000	10,000	17
18		-	18	Vehicle Lease / Rental	-	-	-	18
19		22,747	19	Fuel	32,000	32,000	32,000	19
20		3,537	20	Repairs & Maintenance - Equipment	-	-	-	20
21		1,712	21	Repairs & Maintenance - Vehicles	14,420	14,420	14,420	21
22		7,727	22	Repairs & Maintenance - Bridges	-	-	-	22
23		14,952	23	Repairs & Maintenance - Signal	15,500	15,500	15,500	23
24		570,716	24	Repairs & Maintenance - Track & Tunnel	136,180	136,180	136,180	24
25		3,575	25	Repairs & Maintenance - Train Cars	-	-	-	25
25		145	26	Vegetation Control	35,000	35,000	35,000	25
26		-	27	Communications	-	-	-	26
27		116,984	28	Insurance Claims				27
28		\$ 796,234	29	TOTAL MATERIALS AND SERVICES	\$ 278,385	\$ 278,385	\$ 278,385	28
29			30	CAPITAL OUTLAY			29	
30			31					30
31		\$ -	32	TOTAL CAPITAL OUTLAY	\$ -	\$ -	\$ -	31
32		\$ 1,085,800	33	Maintenance of Way Total	\$ 739,687	\$ 739,687	\$ 739,687	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 2020/21				
Actual		Adopted Budget This Year 2019/20	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2017/18	First Preceding Year 2018/19								
1			1	PERSONNEL SERVICES			1		
2		279,760	2	Salaries	391,937	391,937	391,937	2	
3		52,683	3	Overtime & Relief	54,462	54,462	54,462	3	
4		936	4	FICA - Payroll Taxes				4	
5		25,004	5	Rail Road Retirement Tier I	34,150	34,150	34,150	5	
6		47,522	6	Rail Road Retirement Tier II	58,478	58,478	58,478	6	
7		75,996	7	Health Insurance	128,189	128,189	128,189	7	
8		11,054	8	Unemployment Insurance	3,622	3,622	3,622	8	
9		866	9	Term Life & Long Term Disability Insurance	1,296	1,296	1,296	9	
10		-	10	Allocations				10	
11	\$ -	\$ 493,821	\$ 858,016	11	TOTAL PERSONNEL SERVICES	\$ 672,135	\$ 672,135	\$ 672,135	11
12		9.00	10.00	12	Total Full-Time Equivalent (FTE)	9.00	9.00		12
13				13	MATERIALS AND SERVICES			13	
13		175	-	13	Training	-	-	-	13
14		289	-	14	Travel & Entertainment	-	-	-	14
15		411	-	15	Office Expenses	-	-	-	15
16		331	-	16	Memberships	-	-	-	16
17		27,066	10,000	17	Garbage/Hazardous Material Disposal	1,500	1,500	1,500	17
18		22,031	12,800	18	Operation Supplies	34,825	34,825	34,825	18
19		80,412	-	19	Equipment Rental	-	-	-	19
20		402,745	666,000	20	Fuel	471,760	471,760	471,760	20
21		7,372	-	21	Repairs & Maintenance-Equipment	-	-	-	21
22		221	1,200	22	Repairs & Maintenance-Vehicles	700	700	700	22
23		123,441	204,000	23	Repair & Maintenance-Locomotive	-	-	-	23
24		42,616	-	24	Repair & Maintenance-Train Cars	-	-	-	24
25		25,292	1,800	25	Communications	-	-	-	25
26		360,818	-	26	Other	-	-	-	26
27	\$ -	\$ 1,093,218	\$ 895,800	27	TOTAL MATERIALS AND SERVICES	\$ 508,785	\$ 508,785	\$ 508,785	27
28				28	CAPITAL OUTLAY			28	
29				29				29	
30	\$ -	\$ -	\$ -	30	TOTAL CAPITAL OUTLAY	\$ -	\$ -	\$ -	30
31	\$ -	\$ 1,587,040	\$ 1,753,816	31	Transportation Total	\$ 1,180,920	\$ 1,180,920	\$ 1,180,920	31

150-504-030 (Rev 10-16)

REQUIREMENTS SUMMARY

ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY

FORM

LB-30

CBRL Fund

(name of fund)

1	Historical Data			REQUIREMENTS FOR: Mechanical	Budget For Next Year 2020/21			1
	Actual		Adopted Budget This Year 2019/20		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2017/18	First Preceding Year 2018/19						
1			1	PERSONNEL SERVICES				1
2			-	2 Salaries	95,769	95,769	95,769	2
3			-	3 Overtime & Relief	10,330	10,330	10,330	3
4			-	4 FICA - Payroll Taxes	-	-	-	4
5			-	5 Rail Road Retirement Tier I	8,117	8,117	8,117	5
6			-	6 Rail Road Retirement Tier II	13,899	13,899	13,899	6
7			-	7 Health Insurance	19,426	19,426	19,426	7
8			-	8 Unemployment Insurance	906	906	906	8
9			-	9 Term Life & Long Term Disability Insurance	324	324	324	9
10				10 Allocations				10
11	\$ -	\$ -	\$ -	11 TOTAL PERSONNEL SERVICES	\$ 148,771	\$ 148,771	\$ 148,771	11
12			0.00	12 Total Full-Time Equivalent (FTE)	2.00	2.00		12
13				13 MATERIALS AND SERVICES				13
13			-	13 Training	-	-	-	13
14			-	14 Travel & Entertainment	-	-	-	14
15			-	15 Office Expenses	-	-	-	15
16			-	16 Memberships	-	-	-	16
17			-	17 Garbage/Hazardous Material Disposal	18,050	18,050	18,050	17
18			-	18 Operation Supplies	7,850	7,850	7,850	18
19			-	19 Equipment Rental	5,000	5,000	5,000	19
20			-	20 Fuel	20,100	20,100	20,100	20
21			-	21 Repairs & Maintenance				21
22			-	22 Repairs & Maintenance-Vehicles	2,440	2,440	2,440	22
23			-	23 Repair & Maintenance-Locomotive	125,000	125,000	125,000	23
24			-	24 Repair & Maintenance-Train Cars	153,450	153,450	153,450	24
25			-	25 Communications				25
26			-	26 Other				26
27	\$ -	\$ -	\$ -	27 TOTAL MATERIALS AND SERVICES	\$ 331,890	\$ 331,890	\$ 331,890	27
28				28 CAPITAL OUTLAY				28
29				29				29
30	\$ -	\$ -	\$ -	30 TOTAL CAPITAL OUTLAY	\$ -	\$ -	\$ -	30
31	\$ -	\$ -	\$ -	31 Transportation Total	\$ 480,661	\$ 480,661	\$ 480,661	31

150-504-030 (Rev 10-16)