

2018 REPORT TO THE STATE FIVE-YEAR CAPITAL PLAN

published December 2017



ALASKA
RAILROAD



OUR MISSION

Through excellent customer service and sound business management practices, provide safe, efficient and economical rail transportation and real estate services that support and **grow economic development opportunities** for the State of Alaska.

ALASKA
RAILROAD

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(by Bruce Gough)

5-YEAR CAPITAL IMPROVEMENT PLAN

FEDERAL FUNDING

FEDERAL TRANSIT ADMINISTRATION (FTA) FORMULA FUNDS

	2018	2019	2020	2021	2022	5-Year Total
FTA Funding Estimate	\$ 34,688,656	\$ 35,285,680	\$ 35,949,248	\$ 36,594,577	\$ 37,251,560	\$ 179,769,720
ARRC-funded 20% Match	8,672,164	8,821,420	8,987,312	9,148,644	9,312,890	44,942,430
Total FTA Funding (including 20% match):	\$ 43,360,820	\$ 44,107,099	\$ 44,936,561	\$ 45,743,221	\$ 46,564,450	\$ 224,712,151
Preventive Maintenance	15,891,667	16,130,042	16,371,993	16,617,573	16,866,836	81,878,111
2015A Bond Debt Service	15,941,375	15,919,825	15,902,875	-	-	47,764,075
2015B Bond Debt Service	1,883,750	1,886,550	1,884,050	17,768,000	17,747,875	41,170,225
Transit Security	137,009	139,364	142,463	145,313	148,219	712,368
Total Programmed Items	33,853,801	34,075,781	34,301,381	34,530,886	34,762,930	171,524,779
Total FTA Funds Available for Projects	\$ 9,507,019	\$ 10,031,318	\$ 10,635,179	\$ 11,212,335	\$ 11,801,520	\$ 53,187,371
Projects Funded by FTA Funds:						
Track Rehabilitation	6,070,919	5,799,745	-	7,688,579	10,912,020	30,471,263
Passenger Car Rehabilitation	900,000	1,115,178	44,036	1,620,800	877,000	4,557,014
MP 379 Realignment	700,000	-	8,700,000	-	-	9,400,000
Locomotive Engine Overhaul	457,000	-	-	-	-	457,000
Dispatch Radio Modernization	362,500	494,306	419,906	387,956	-	1,664,668
Portage Passenger Restrooms and Shelter	320,000	-	-	-	-	320,000
Locomotive Truck Overhaul	208,000	-	-	-	-	208,000
Transit Asset Management	200,000	2,485,389	1,458,738	1,502,500	-	5,646,626
CP LED Signal up Grade	143,600	-	-	-	-	143,600
Seward Metropolitan Area Fiber	120,000	124,200	-	-	-	244,200
Wheel Chair Lift Replacement	25,000	12,500	12,500	12,500	12,500	75,000
Total FTA Projects, net of Programmed Items	\$ 9,507,019	\$ 10,031,318	\$ 10,635,179	\$ 11,212,335	\$ 11,801,520	\$ 53,187,371

INTERNAL FUNDING

NON-DISCRETIONARY PROJECTS

	2018	2019	2020	2021	2022	5-Year Total
Portable Scale	\$ 55,000	-	-	-	-	\$ 55,000
Transit Security	50,000	100,000	37,000	95,000	23,000	305,000
Avalanche & Slide Zone Risk Mitigation	30,000	933,000	525,000	25,000	525,000	2,038,000

Internally-funded projects continued on next page

INTERNAL FUNDING

(continued...)

NON-DISCRETIONARY PROJECTS

	2018	2019	2020	2021	2022	5-Year Total
Hurricane Cantilever Signal Replacement	452,000	-	-	-	-	452,000
Replcmnt Cut Section Conduit & Track Wire	59,300	-	-	-	-	59,300
IBM i-series Hardware Upgrade	79,000	-	-	-	-	79,000
CMMS/Synergen Retirement & Data Wrhs	25,000	-	-	-	-	25,000
Subtotal Non-Discretionary Projects	\$ 750,300	\$ 1,033,000	\$ 562,000	\$ 120,000	\$ 548,000	\$ 3,013,300

CONTINUING CAPITAL PROGRAMS

Positive Train Control Program	\$ 5,182,469	\$ 5,420,532	\$ -	\$ -	\$ -	\$ 10,603,001
Accelerated Energy Program	463,000	463,000	75,000	75,000	75,000	1,151,000
Bridge Program	2,487,000	3,500,000	7,850,000	9,000,000	10,000,000	32,837,000
Pony Truss Bridge Replacements	2,950,000	3,250,000	-	-	-	6,200,000
Printer Consolidation and Replacement Program	39,000	40,000	-	-	-	79,000
Vehicle & Equipment Program	4,318,500	400,000	400,000	400,000	400,000	5,918,500
Rip Rap Program/Drainage Improvements	500,000	500,000	500,000	500,000	500,000	2,500,000
Track Rehabilitation Program	1,194,886	11,025,255	17,825,000	8,836,421	7,212,980	46,094,542
Docks & Slips Maintenance Program	1,720,000	2,010,000	2,100,000	1,955,000	1,210,000	8,995,000
Yard & Branch Improvements	439,500	500,000	500,000	500,000	500,000	2,439,500
17000 & 17100 Chain-Equipped Flat Deck Rebuild	413,000	-	-	-	-	413,000
Trespass Mitigation	35,000	35,000	35,000	35,000	35,000	175,000
Passenger Car Rehabilitation Program	-	-	1,389,764	-	-	1,389,764
Culvert Program	1,303,900	1,000,000	1,000,000	1,560,000	1,230,000	6,093,900
Electrical Upgrades	100,000	100,000	100,000	100,000	100,000	500,000
Roofing Upgrades	744,000	-	416,000	60,000	550,000	1,770,000
Building Maintenance	100,000	75,000	75,000	75,000	75,000	400,000
Power Distribution & Monitoring	135,800	50,000	50,000	50,000	50,000	335,800
Section Improvements	100,000	75,000	75,000	75,000	75,000	400,000
Locomotive Truck Overhaul	104,000	535,000	661,000	454,000	467,000	2,221,000
General Repair	55,000	55,000	55,000	55,000	55,000	275,000
Network Services	200,500	200,000	200,000	300,000	300,000	1,200,500
Land and Utilities	75,000	75,000	75,000	75,000	75,000	375,000
Locomotive Engine Overhaul	229,000	706,000	728,000	750,000	1,030,000	3,443,000

Internally-funded projects continued on next page

INTERNAL FUNDING

(continued...)

CONTINUING CAPITAL PROGRAMS

	2018	2019	2020	2021	2022	5-Year Total
HEP Refresh - ARR3010 & ARR3011	75,000	-	-	-	-	75,000
Locomotive CCBI Air Brake Conversion	245,000	245,000	98,000	-	-	588,000
Tenant Improvements	125,000	155,000	40,000	50,000	50,000	420,000
Subtotal - Continuing Programs	\$ 23,334,555	\$ 30,414,787	\$ 34,247,764	\$ 24,905,421	\$ 23,989,980	\$ 136,892,507

STRATEGIC BUSINESS INITIATIVES

Telecom Site Standardization	\$ 22,300	\$ -	\$ -	\$ -	\$ -	\$ 22,300
CP LED Signal up Grade	143,600	-	-	-	-	143,600
Construct Portage Section House	400,000	-	-	-	-	400,000
Operational Efficiency & Automation	150,000	-	-	-	-	150,000
Off Site B/U & Disaster Recovery/Storage Exp.	73,500	-	-	-	-	73,500
Develop Operating Land in Talkeetna Phase 2	200,000	-	-	-	-	200,000
AEI Expansion	74,000	-	-	-	-	74,000
Mobile Apps Efficiency & Legacy Replacement	91,500	-	-	-	-	91,500
Online Booking Integrations 2018	123,500	-	-	-	-	123,500
HE Shop Replacements Parts Washer	35,000	-	-	-	-	35,000
Whittier Mining Plan	100,000	-	-	-	-	100,000
SQL Server Refresh	100,000	-	-	-	-	100,000
Build out West End of Freight Shed	250,000	-	-	-	-	250,000
Snow River Track Raise	-	-	3,000,000	2,500,000	-	5,500,000
Healy Canyon Stabilization	-	500,000	500,000	500,000	500,000	2,000,000
Wasilla Control Point	-	450,000	-	-	-	450,000
Marginal Wharf Sea Wall Replacement	-	-	500,000	-	5,000,000	5,500,000
Wetlands Bank	-	-	750,000	-	-	750,000
MP 408 Embankment Hardening	-	-	-	1,200,000	-	1,200,000
MOW Track Geometry Car	-	-	1,500,000	-	-	1,500,000
MP 345 Realignment	-	-	-	1,000,000	1,000,000	2,000,000
Subtotal - Strategic Business Initiatives	\$ 1,763,400	\$ 950,000	\$ 6,250,000	\$ 5,200,000	\$ 6,500,000	\$ 20,663,400

INTERNAL FUNDING

RANKED CAPITAL PROJECTS

	2018	2019	2020	2021	2022	5-Year Total
ATCS 2018 Network Updates	\$ 118,800	\$ -	\$ -	\$ -	\$ -	\$ 118,800
Fairbanks Campus Fiber - Phase 1	-	162,560	-	-	-	162,560
Facility HVAC Upgrades (GOB in 2018)	85,000	230,000	75,000	100,000	50,000	540,000
Gift Shop Upgrade	16,600	-	-	-	-	16,600
Anchorage Yard Service Upgrade	-	-	400,000	-	-	400,000
Niles Boring Upgrades	35,000	-	-	-	-	35,000
Locomotive Software Upgrade to QNX	-	125,400	-	-	-	125,400
Paint Exterior of Anchorage Car Shop	70,000	-	-	-	-	70,000
JDE 9.2 Application Upgrade	145,000	-	-	-	-	145,000
Paint Exterior of Fairbanks Freight House	60,000	-	-	-	-	60,000
Crash Hardened Event Recorders	-	1,600,000	-	-	-	1,600,000
Chena Landing - Utility Plat	500,000	-	-	-	-	500,000
Subtotal - Ranked Projects	\$ 1,030,400	\$ 2,117,960	\$ 475,000	\$ 100,000	\$ 50,000	\$ 3,773,360
Total Internally Funded Project Requests	\$ 26,878,655	\$ 34,515,747	\$ 41,534,764	\$ 30,325,421	\$ 31,087,980	\$ 164,342,567
Estimated Funds from Internal Cash flow	\$ 26,878,655	\$ 29,800,000	\$ 31,710,000	\$ 33,760,000	\$ 34,540,000	\$ 156,688,655
Total Internal Funding Surplus (Shortage)	\$ -	\$ (4,715,747)	\$ (9,824,764)	\$ 3,434,579	\$ 3,452,020	\$ (7,653,912)

POTENTIAL DEBT FINANCING

Vehicle & Equipment Program	\$ -	\$ 5,255,000	\$ 5,000,000	\$ 5,070,000	\$ 4,745,000	\$ 20,070,000
Freight Car End of Life Replacement	-	2,962,500	1,975,000	2,468,750	2,468,750	9,875,000
Subtotal - Debt Financing	\$ -	\$ 8,217,500	\$ 6,975,000	\$ 7,538,750	\$ 7,213,750	\$ 29,945,000

UNIDENTIFIED FUND SOURCE

Seward Passenger Dock Replacement	\$ -	\$ -	\$10,000,000	\$50,000,000	\$40,000,000	\$100,000,000
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TOTAL FTA GRANT FUNDS AVAILABLE	\$ 9,507,019	\$ 10,031,318	\$ 10,635,179	\$ 11,212,335	\$ 11,801,520	\$ 53,187,371
TOTAL INTERNAL FUNDING AVAILABLE	\$ 26,878,655	\$ 29,800,000	\$ 31,710,000	\$ 33,760,000	\$ 34,540,000	\$ 156,688,655
TOTAL PRIOR YEAR ROLLOVER FUNDS	\$ 7,234,195	\$ -	\$ -	\$ -	\$ -	\$ 7,234,195
TOTAL POTENTIAL DEBT FINANCING	\$ -	\$ 8,217,500	\$ 6,975,000	\$ 7,538,750	\$ 7,213,750	\$ 29,945,000
TOTAL UNIDENTIFIED FUND SOURCE	\$ -	\$ -	\$10,000,000	\$50,000,000	\$40,000,000	\$100,000,000
TOTAL CAPITAL PROJECT PROGRAM	\$43,619,869	\$48,048,818	\$59,320,179	\$102,511,085	\$93,555,270	\$347,055,221

