



M E M O R A N D U M

TO: Interested Parties

FROM: John Burns, President

DATE: June 11, 2024

SUBJECT: Coos Bay Rail Line, Inc. Board of Directors Regular Meeting

The **Board of Directors** of the Coos Bay Rail Line, Inc. will hold a Regular Meeting and a Budget Hearing at 10:30 a.m., Tuesday, June 18, 2024, in the Port’s Commission Chambers, located at 125 West Central Avenue, Suite 230, Coos Bay, Oregon 97420.

The purpose of the hearing is to discuss with interested persons the FY 2024/25 budget as approved by the Coos Bay Rail Line, Inc.’s Budget Committee. Copies of the budget document may be inspected or obtained at www.portofcoosbay.com/finances or by calling the Administrative office at 541-267-7678.

Members of the public are invited to view the meeting live on the Port of Coos Bay’s YouTube Channel at the following link: www.youtube.com/portcoos.

To provide public comment during the meeting or the hearing, please call the Administrative office at 541-267-7678 by 9:00 a.m. on Tuesday, June 18, 2024. Written comment will be accepted until 9:00 a.m. on Tuesday, June 18, 2024 by sending an email to portcoos@portofcoosbay.com with the subject line ‘Public Comment.’

JB/kk

COOS BAY RAIL LINE, INC.
REGULAR BOARD OF DIRECTORS MEETING
10:30 a.m., Tuesday, June 18, 2024
Port Commission Chambers, 125 West Central Avenue, Suite 230, Coos Bay, Oregon 97420
Watch Live on YouTube: www.youtube.com/portcoos

T E N T A T I V E A G E N D A

1. CALL MEETING TO ORDER

2. INTRODUCTION OF GUESTS AND STAFF

3. PUBLIC COMMENT

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5. BUDGET HEARING – FY 2024/25 BUDGET

A. Public Hearing

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7. OTHER

8. BOARD OF DIRECTORS COMMENTS

9. NEXT MEETING DATE – To Be Determined

10. ADJOURN

Consent Items

DRAFT
COOS BAY RAIL LINE, INC.
Coos Bay, Oregon
BOARD OF DIRECTORS MEETING & BUDGET HEARING
9:30 a.m., Tuesday, June 20, 2023
Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

1. CALL MEETING TO ORDER

Chair Eric Farm called the meeting to order at 9:31 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

Board of Directors:

Eric Farm, Chair; and John Burns, President; was present. Brianna Hanson, Treasurer/Secretary was excused.

Port Staff:

Megan Richardson, Director of Finance & Accounting; Brian Early, CBRL Operations Manager; Treece Rempelos, CBRL Trainmaster; Krystal Karcher, Human Resources Generalist; and Laura Fortin, Administrative Assistant.

3. PUBLIC COMMENT

4. CONSENT ITEMS

- A. Approval of June 16, 2022 Regular Board Meeting & Budget Hearing Minutes
- B. Approval of May 24, 2023 Budget Committee Meeting Minutes

Upon a motion by President John Burns (second by Chair Eric Farm), the Board of Directors voted to approve the June 16, 2022 Regular Board Meeting Minutes & Budget Hearing Minutes, and the May 24, 2023 Budget Committee Meeting Minutes. **Motion Passed.** (Ayes: Farm and Burns. Nays: None)

5. BUDGET HEARING – FY 2023/24 BUDGET

A. Public Hearing

Chair Eric Farm opened the public hearing at 9:32 a.m.

The Coos Bay Rail Line Inc. Budget Committee approved the proposed 2023/24 Fiscal Year Budget after its first budget committee meeting May 24, 2023. Each year, following the Budget Committee's approval of the budget, the Board is required to hold a public hearing. The objective of the public hearing is to receive testimony from any person present.

During the regular Board meeting, the Board is **allowed to make changes to the budget if the total change in any fund does not exceed \$5,000 or 10%**, whichever is greater. Changes in excess of 10% would require the Board to publish notice of a second budget hearing and a new financial summary and hold the second hearing before the adjusted budget can be adopted.

If no significant changes are made, the Board should consider approval of the resolution adopting the budget.

Chair Eric Farm asked for any public comment or testimony on the proposed resolution. There being none, Chair Eric Farm closed the public hearing at 9:34 a.m.

B. 2023Res01: Adoption of Budget and Making Appropriations - Combined for Fiscal Year 2023/24

Upon a motion by President John Burns (second by Chair Eric Farm), the Board of Directors voted to approve Resolution 2023Res01, a resolution adopting a budget and making appropriations – combined for the 2023/24 fiscal year. **Motion Passed.** (Ayes: Farm and Burns. Nays: None)

Mr. Burns thanked the staff for doing a realistic job putting the budget together. He also acknowledged the Budget Committee who adopted and moved the budget forward.

6. ACTION ITEMS

A. Appointment of Directors and Election of Officers

Per the Coos Bay Rail Line, Inc. bylaws, an annual meeting of the Board of Directors shall be held for the purpose of electing Directors and Officers.

Directors:

Directors are appointed by the Member (the Oregon International Port of Coos Bay). Directors must be individuals that are employees or Commissioners of the Member.

With the recent resignation of David Kronsteiner, staff recommends reappointing Eric Farm and John Burns, and appointing Brianna Hanson to the Board of Directors.

Each Director is appointed for a three-year term. Directors hold their term of office for three years or until a successor is named, whichever is later.

Officers:

Staff recommends electing the following Directors to serve as the following Officers of Coos Bay Rail Line, Inc.

Chair:	Eric Farm
President:	John Burns
Treasurer / Secretary:	Brianna Hanson

Officers hold their term of office until the second annual meeting after his election or until a successor is named, whichever is later.

Upon a motion by President John Burns (second by Chair Eric Farm), the Board of Directors voted to reappoint Eric Farm and John Burns and to appoint Brianna Hanson to the Coos Bay Rail Line, Inc. Board of Directors, and elect the Directors as the following Officers: Eric Farm, Chair; John Burns, President; and Brianna Hanson, Treasurer / Secretary. **Motion Passed.** (Ayes: Farm and Burns. Nays: None)

B. 2023Res02: Update Signature Authority on Umpqua Bank Account

For internal control, all Coos Bay Rail Line, Inc. bank accounts must be authorized and approved by the Board of Directors. With the resignation of David Kronsteiner, CBRL staff wishes to remove David Kronsteiner as signer on the following Umpqua Bank account, to be effective June 20, 2023:

CBRL General Account #6912

The following individuals will be authorized signatories on these Umpqua Bank accounts:

John Burns	President
Eric Farm	Chair
Lanelle Comstock	Chief Administrative Officer
Megan Richardson	Director of Finance & Accounting

A resolution is required for signature authorization for the bank accounts.

Upon a motion by President John Burns (second by Chair Eric Farm), the Board of Directors voted to approve Resolution 2023Res02, updating signature authority for the Coos Bay Rail Line, Inc. banking account at Umpqua Bank, Coos Bay Branch. **Motion Passed.** (Ayes: Farm and Burns. Nays: None)

7. **OTHER**

8. **BOARD OF DIRECTORS COMMENTS**

9. **NEXT MEETING DATE** – To Be Determined.

10. **ADJOURN**

Chair Eric Farm adjourned the meeting at 9:39 a.m.

COOS BAY RAIL LINE, INC.
Coos Bay, Oregon
BUDGET COMMITTEE MEETING
Monday, May 20, 2024, 2:00 p.m. – 3:00 p.m.
Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

DRAFT MINUTES

ATTENDANCE

Board of Directors:

John Burns, President; and Eric Farm, Chair. Brianna Hanson, Treasurer/Secretary was absent.

Budget Committee:

Maeora Mosieur; Elise Hamner; and Shane McGowne.

Port and CBRL Staff:

Lanelle Comstock, Chief Administrative Officer; Megan Richardson, Director of Finance and Accounting; Brian Early, CBRL General Manager; Mike Dunning, Chief Port Operations Officer; Matt Friesen, Director of External Affairs; Mary Green, Accounting Supervisor; Thomas Morton, Procurement Specialist; and Krystal Karcher, Human Resources Generalist.

Media & Guests:

Lou Leberti.

1. CALL MEETING TO ORDER

Chair Eric Farm called the meeting to order at 2:01 p.m.

2. INTRODUCTIONS

3. SELECTION OF BUDGET COMMITTEE CHAIR

Upon a motion by Elise Hamner (second by Maeora Mosieur) the Budget Committee members voted to appoint Eric Farm as Budget Committee Chair. (Ayes: Burns, Farm, Hamner, McGowne, and Mosieur. Nays: None. Absent: Hanson.) **Motion Passed Unanimously.**

4. RECEIVE FY 2024/25 BUDGET MESSAGE BY MEGAN RICHARDSON, BUDGET OFFICER

Ms. Richardson said the budget message is intended to explain the budget document for Coos Bay Rail Line, Inc., a wholly owned subsidiary of the Oregon International Port of Coos Bay. The priority for FY 2024/25 is for continued safe and reliable rail service. This will be accomplished through the effective management and training of employees, and consistent inspections of infrastructure and equipment. Ongoing maintenance and grant funded capital improvement projects to enhance existing

operations will continue to be a critical focus. Departments within the CBRL budget consist of Administration, Maintenance of Way, Transportation, and Mechanical.

5. REVIEW THE PROPOSED BUDGET DOCUMENT BY BRIAN EARLY, GENERAL MANAGER

Mr. Early reviewed the budgeted revenues of CBRL. CBRL is estimating car volumes of 7,675 for the upcoming fiscal year, with anticipated revenues to be \$4.6 million, which is significantly less than last year's projections due to an insufficient amount of chip cars available in the national car supply system and because the green lumber market and export market is unpredictable.

Car repair revenues are increasing because the larger railroads are no longer conducting as many repairs, so smaller railroads are becoming responsible for the repairs, increasing the billable repairs and revenues for CBRL.

CBRL does not expect any demurrage revenue this fiscal year. Other revenue is a pass through of funds received from the State for signage.

A. Administration

Administration salary increased due to adding an Operations Manager/Bridge Inspector. Because this is a blended position, CBRL no longer has to hire a third party to conduct bridge inspections. Health insurance increased due to a 6.4% increase from the carrier. Funds are allocated to the "Workers Comp" line item for medical expenses, in case an employee, who is protected under FELA, becomes injured on the job.

Staff Training and Development increased for CDL training for two employees and required annual training for staff. Staff Travel increased due to anticipated customer visits and attendance of industry meetings by the General Manager. IT Subscriptions decreased due reducing usage of select software. Vehicle Repair/Maintenance increase slightly for the maintenance of the Operations Manager/Bridge Inspector vehicle.

B. Maintenance of Way

Increases in Repairs/Maintenance of Bridges and Signals from previous years is in anticipation of conducting needed repairs of bridges and signals. The PIDP project has repaired much of the track infrastructure, so there is a decrease in the cost of Repairs/Maintenance of Track/Tunnels.

C. Transportation

Operational Supplies increased from previous years because it includes full value of employee protective clothing reimbursement, which is not anticipated to be met. Equipment Rental is substantially increased for the rental of locomotives. Locomotive Fuel reduced due to anticipated reduced car numbers. Repairs/Maintenance of Vehicles increased due to the aging hyrail vehicles.

D. Mechanical

Personnel salaries increased due to adding another Car Repairman to the team. Consulting Services is for the locomotive maintenance contract with Columbia Rail as there is no mechanic on staff. Repairs/Maintenance of Vehicles increased due to anticipated repairs of the aging hyrail vehicle in

this department. Repairs/Maintenance of Locomotive decreased because of fewer needed repairs to the newer locomotives and less expensive parts. Repairs/Maintenance of Cars increased due to the increased amount of expected billable repairs.

Ms. Mosieur asked if the FTE count is increasing or decreasing for the 24/25 fiscal year. Mr. Burns explained four new positions were budgeted in the current fiscal year, of which only one was filled. The remaining 3 positions are not being budgeted in the 24/25 fiscal year.

6. COMMITTEE COMMENT

Ms. Hamner asked about the future of the railroad. Mr. Burns said the rail continuously has discussions with customers to increase carloads. Mr. Burns says the rail is optimistic about increasing carloads with the existing customers and by adding additional customers.

Ms. Mosieur stated she appreciates the efforts of estimating and projecting that it takes to put together the budget. She said it is evident that a lot of thought and calculation is considered.

7. PRESENT THE MOTION TO RECOMMEND THE BUDGET TO THE BOARD OF DIRECTORS FOR ADOPTION, OR SCHEDULE A FOLLOW UP MEETING

Upon a motion by Maeora Mosieur (second by Shane McGowne), the Budget Committee voted to approve the budget for fiscal year 2024/25 and recommend to the CBRL Board of Directors for adoption. (Ayes: Burns, Farm, Hamner, McGowne, and Mosieur. Nays: None. Absent: Hanson.)
Motion Passed Unanimously.

8. ADJOURN MEETING

Chair Eric Farm adjourned the meeting at 2:35 p.m.

Action Items

**COOS BAY RAIL LINE, INC.
BOARD OF DIRECTORS
ACTION/DECISION REQUEST**

DATE: June 11, 2024

PROJECT TITLE: Resolution 2024Res01: Adoption of Budget, Making Appropriations – Combined for the 2024/25 Fiscal Year

ACTION REQUESTED: Adoption of Resolution 2024Res01: Adoption of Budget, Making Appropriations – Combined for the 2024/25 Fiscal Year

BACKGROUND:

The Coos Bay Rail Line, Inc.’s Budget Committee approved the proposed Fiscal Year 2024/25 budget after its first budget committee meeting May 20, 2024. Each year, following the Budget Committee’s approval of the budget, the Board is required to hold a public hearing. The objective of the public hearing is to receive testimony from any person present. The public hearing is scheduled for 10:30 a.m., June 18, 2024, prior to the regular Board of Directors meeting.

During the regular Board meeting, the Board is **allowed to make changes to the budget if the total change in any fund does not exceed \$5,000 or 10%**, whichever is greater. Changes in excess of 10% would require the Board to publish notice of a second budget hearing and a new financial summary and hold the second hearing before the adjusted budget can be adopted.

If no significant changes are made, the Board should consider approval of the resolution adopting the budget.

RECOMMENDED MOTION:

Approve Resolution 2024Res01, a resolution adopting a budget and making appropriations – combined for the 2024/25 fiscal year.

Resolution 2024Res01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COOS BAY RAIL LINE, INC**

**A RESOLUTION ADOPTING A BUDGET, MAKING APPROPRIATIONS
- COMBINED FOR THE FISCAL YEAR 2024/25**

BE IT RESOLVED that the Board of Directors of the Coos Bay Rail Line, Inc. adopts the 2024/2025 fiscal year budget as approved by the Budget Committee in the amount of \$6,901,303, now on file at the Coos Bay Rail Line, Inc.

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2024 and for the purposes shown below are hereby appropriated as follows:

<u>CBRL FUND</u>		
Administration	\$ 2,542,401	
Maintenance of Way	964,756	
Transportation	2,209,693	
Mechanical	1,184,453	
TOTAL CBRL FUND		\$ 6,901,303
TOTAL APPROPRIATIONS ALL FUNDS		\$ 6,901,303
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TOTAL APPROPRIATIONS		\$ 6,901,303
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UNAPPROPRIATED ENDING BALANCE & RESERVED FOR FUTURE EXPENDITURE		\$ -
Total Budget		\$ 6,901,303

APPROVED and ADOPTED by the Board of Directors of the Coos Bay Rail Line, Inc. this 18th day of June 2024

Eric Farm

Brianna Hanson

**COOS BAY RAIL LINE, INC.
BOARD OF DIRECTORS
ACTION/DECISION REQUEST**

DATE: June 11, 2024

PROJECT TITLE: 2024Res02: Update Signature Authority on Umpqua Bank Accounts

ACTION REQUESTED: Approve Resolution 2024Res02 updating signature authority for the banking accounts at Umpqua Bank, Coos Bay Branch.

BACKGROUND:

For internal control, all Coos Bay Rail Line, Inc. bank accounts must be authorized and approved by the Board of Directors. With the resignation of Eric Farm and John Burns, CBRL staff wishes to replace Eric Farm and John Burns with Brianna Hanson and Mike Dunning as signers on the following Umpqua Bank account, to be effective June 18, 2024:

CBRL General Account #6912

The following individuals will be authorized signatories on these Umpqua Bank accounts:

Brianna Hanson	Treasurer/Secretary
Lanelle Comstock	Chief Administrative Officer
Mike Dunning	Chief Port Operations Officer
Megan Richardson	Director of Finance & Accounting

A resolution is required for signature authorization for the bank accounts.

RECOMMENDED MOTION:

Approve Resolution 2024Res02 updating signature authority for the Coos Bay Rail Line, Inc. banking account at Umpqua Bank, Coos Bay Branch.

RESOLUTION 2024Res02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
COOS BAY RAIL LINE, INC.**

**RESOLUTION CHANGING THE SIGNATURE AUTHORIZATION FOR THE
BANK ACCOUNTS AT UMPQUA BANK**

WHEREAS Coos Bay Rail Line, Inc. (CBRL) has designated Umpqua Bank as a bank and depository for funds of CBRL, which may be withdrawn on checks, drafts, receipts or advices of debt given or signed in CBRL's name; and

WHEREAS CBRL wishes to update the names of the individuals authorized to initiate changes to the bank accounts listed below, effective June 18, 2024:

CBRL General Account #6912

The following individuals will be authorized signatories on these Umpqua Bank accounts:

Brianna Hanson	Treasurer/Secretary
Lanelle Comstock	Chief Administrative Officer
Mike Dunning	Chief Port Operations Officer
Megan Richardson	Director of Finance & Accounting

And that said Bank shall be and is authorized to honor and pay the same whether or not they are payable to bearer or to the individual order of any person or persons signing the same.

APPROVED and ADOPTED by the Board of Directors of Coos Bay Rail Line, Inc. this 18th day of June 2024.

Eric Farm

Brianna Hanson

**COOS BAY RAIL LINE, INC.
BOARD OF DIRECTORS
ACTION/DECISION REQUEST**

DATE: June 11, 2024

PROJECT TITLE: Appointment of Directors and Election of Officers of Coos Bay Rail Line, Inc.

ACTION REQUESTED: Appoint Directors and elect Officers of Coos Bay Rail Line, Inc.

BACKGROUND:

Per the Coos Bay Rail Line, Inc. bylaws, an annual meeting of the Board of Directors shall be held for the purpose of electing Directors and Officers.

Directors:

Directors are appointed by the Member (the Oregon International Port of Coos Bay). Directors must be individuals that are employees or Commissioners of the Member.

With the recent resignations of John Burns and Eric Farm, staff recommends appointing Kyle ViksneHill and Lanelle Comstock to the Board of Directors.

Each Director is appointed for a three-year term. Directors hold their term of office for three years or until a successor is named, whichever is later.

Officers:

Staff recommends electing the following Directors to serve as the following Officers of Coos Bay Rail Line, Inc.:

Chair:	Kyle ViksneHill
President:	Lanelle Comstock
Treasurer / Secretary:	Brianna Hanson

Officers hold their term of office until the second annual meeting after his election or until a successor is named, whichever is later.

RECOMMENDED MOTION:

Approve the appointment of Kyle ViksneHill and Lanelle Comstock to the Coos Bay Rail Line, Inc. Board of Directors, and elect the Directors as the following Officers: Kyle ViksneHill, Chair; Lanelle Comstock, President; and Brianna Hanson, Treasurer / Secretary.