

MINUTES
Coos Bay Rail Line, Inc.
Budget Committee Meeting
Monday, May 18, 2026, 3:30 p.m. – 4:30 p.m.
Port Commission Chambers, 125 W. Central Avenue, Suite 230, Coos Bay, Oregon 97420

Meetings are broadcast live on [YouTube](#). Hyperlinks below redirect to the recording.

Attendance

Board of Directors: Lanelle Comstock, President; Kyle ViksneHill, Chair; and Kyle Stevens, Treasurer/Secretary.

Budget Committee: Lexie Woodward; Dax Davidson; and Pat Goll.

Port and CBRL Staff: Megan Richardson, Director of Finance and Accounting; Matt Friesen, Director of External Affairs; Ray Dwire, Charleston Marina Manager; Brian Early, CBRL General Manager; Rick Adamek, Director of Asset Management; Mary Green, Accounting Supervisor; Krystal Karcher, Administrative Services Manager; and Christina Sanders, Administrative Assistant.

1. [Call Meeting To Order](#)

President Comstock called the meeting to order at 3:31 p.m.

2. [Introductions](#)

3. [Selection Of Budget Committee Chair](#)

Upon a motion by Lanelle Comstock (second by Dax Davidson), the Budget Committee members voted to appoint Lexie Woodward as Budget Committee Chair. **Motion Passed Unanimously.** (Ayes: Comstock, Davidson, Goll, Stevens, ViksneHill, and Woodward. Nays: None.)

4. [Receive FY 2026/27 Budget Message By Megan Richardson, Budget Officer](#)

Megan Richardson presented the fiscal year 2026/27 budget for Coos Bay Rail Line, Inc. (CBRL). Coos Bay Rail Line is a wholly owned nonprofit subsidiary of the Oregon International Port of Coos Bay. CBRL operates the Port-owned rail line, providing local and regional businesses with safe, direct, efficient, and cost-effective rail access to the national rail network and global markets. Because of the relationship to the Port of Coos Bay, CBRL is also required to follow Oregon local budget law and provide a balanced budget. CBRL has one fund with four departments: Administration, Maintenance of Way, Transportation, and Mechanical. The CBRL fund has 18 FTEs across the four departments. There is no change to the FTEs this fiscal year. Major changes to the CBRL fund include a 4% increase to salaries as outlined in the collective bargaining agreement and a 10% increase to health insurance.

5. Review The Proposed Budget Document By Brian Early, General Manager

Ms. Richardson, with input from Brian Early, reviewed the proposed fiscal year 2026/27 budget by department, detailing operational and financial adjustments to enhance efficiency and fiscal responsibility.

The CBRL fund has budgeted revenues of \$4,260,359 for fiscal year 2026/27. While carload revenue is based on 4,336 car movements, a decrease of 566 from the current fiscal year, total car revenue exceeds the previous adopted budget due to an expected increase in shipments from the more profitable southern end of the rail line. Demurrage revenue is budgeted at \$25,000, down from \$250,000 last budget year as CBRL has not yet identified an effective method for passing car-hire costs through to customers. \$7,000 is projected from incidentals such as one time scrap steel sales, and mechanical revenue is budgeted at \$1,007,635, a decrease from the prior year due to lower projected car repair volume.

A. Administration

Administration expenses total \$988,308, a decrease of \$88,953 from the prior year. Under Personnel Services staffing remains consistent at three positions. Increases in salaries and taxes reflect the 4% adjustment outlined in the collective bargaining agreement. Health insurance is projected to increase by 10%. The health insurance line item decrease is due to enrollment changes rather than changes in premium cost. There was a reduction in the amount reserved for Federal Employers Liability Act (FELA) based on experience from prior years. Mr. Early stated railroads are not subject to OSHA, but to federal control by the Federal Railroad Administration, meaning if an employee gets an injury they can sue CBRL directly rather than go through OSHA.

Materials and Services has a reduction in staff training and travel based on planned training requirements and associated travel needs. IT software and subscriptions are reduced due to Microsoft subscriptions being moved to the Port's General Fund. The telephone expense is reduced due to restructuring of the phone plan. Internet service costs are reduced due to the costs being moved to the Port's General Fund. Utilities are increasing in part because staff are now in the depot on Hall Avenue. Insurance rates are increasing, and the budget reflects the higher costs. Fuel expense is increased to reflect rising fuel costs. Employee required records are reduced due to lower anticipated demand. Car accounting and hire expense is reduced due to lower carload volumes and ongoing efforts with Union Pacific to identify solutions that reduce car-hire costs. The Committee discussed how car-hire costs and demurrage function for the rail line. Mr. Early explained that the current system charges CBRL for having cars on the line after six days. Due to the length of time it takes to transport cars from Eugene to the southern end of the line and back to Eugene, it is difficult for CBRL to participate, as it is a short line. He stated that CBRL is working with Union Pacific to either significantly change the amount charged or have CBRL exempted from the program.

Miscellaneous merchant and banking fees include penalties; the budget anticipates fewer penalties in the upcoming fiscal year.

B. Maintenance of Way

Maintenance of Way expenses total \$757,887, a decrease of \$48,812 from the current fiscal year. Staffing remains consistent at six positions. Budgeted increases reflect a 4% salary adjustment and a 10% increase in health insurance costs.

Under Materials and Services, fuel expense is increased to reflect rising fuel costs. Repairs and maintenance line items are reduced in total to align with available resources. Vegetation Control has been moved to the

Port's General Fund. The Committee discussed the distribution of maintenance needs along the track. Mr. Early explained that the needs are fairly equal on both ends of the line, which contributes to high fuel costs as the crew frequently travels from the Coos Bay hub to the north end due to only having a crew in Coos Bay.

C. Transportation

Transportation expenses total \$1,612,399, an increase of \$13,868 from the prior year. Transportation expenses are generally consistent with the prior year. Within Personnel Services, staffing remains consistent at six positions. Within Materials and Services, fuel expense is increased to reflect rising fuel costs, even with lower car movement volume. Mr. Early stated the fuel cost has gone up approximately 60%. Director Stevens asked if CBRL was surcharging for the fuel costs. Mr. Early and Ms. Richardson confirmed that CBRL does.

D. Mechanical

Mechanical expenses total \$901,765, a decrease of \$29,957 from the prior year. Mechanical expenses are generally consistent with the prior year. Within Personnel Services, staffing remains consistent at three positions. Within Materials and Services, repairs and maintenance for locomotives are reduced as CBRL restructures its approach to locomotive repairs. CBRL has not had an on staff mechanic for approximately three years, and mechanical work is contracted out. The contractor currently comes every month; however, CBRL is considering moving that to every other month to reduce costs. Pat Goll asked about the costs of contracting out locomotive mechanical repairs, with a suggestion to potentially perform this work on the other end of the line. Mr. Early stated while it would be cheaper, CBRL lacks the necessary facility space in Eugene. Repairs and maintenance for train cars are reduced because fewer repairs are budgeted, resulting in lower anticipated spending on car repair supplies.

To address increased operating costs, CBRL will implement an operations surcharge of \$100 per car for every customer on the line in the new budget.

6. Public / Committee Comment

No public comment was received.

Mr. Goll stated the CBRL packet was put together well, and when he was a member of the North Bend City Council and attended many budget meetings, the packets were hard to follow.

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 Kyle Stevens (second by Pat Goll), the Budget Committee voted to approve the budget for fiscal year 2026/27 and recommend to the CBRL Board of Directors for adoption. **Motion Passed Unanimously.** (Ayes: Comstock, Davidson, Goll, Stevens, ViksneHill, and Woodward. Nays: None.)

8. Adjourn Meeting

Chair Lexie Woodward adjourned the meeting at 3:57 p.m.