



M E M O R A N D U M

TO: Interested Parties

FROM: John Burns, President

DATE: June 18, 2020

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

The **Board of Directors** of the Coos Bay Rail Line, Inc. will hold its Regular Board Meeting, and a Budget Hearing for the 2020/21 Fiscal Year Budget at **1:00 p.m., Thursday, June 25, 2020**, via Zoom Webinar.

The purpose of the hearing is to discuss with interested persons the FY 2020/21 Budget as approved by the Coos Bay Rail Line's Budget Committee. Copies of the budget document may be inspected or obtained at <https://www.portofcoosbay.com/finances> or by calling the Administrative office at 541-267-7678.

Members of the public are invited to attend at the following link: [CBRL Budget Hearing](#). If you are unable to join via computer, or do not have speakers or a microphone on your computer, you may dial in for audio: (669) 900-6833 or (253) 215-8782. Enter Webinar ID 982-9495-0325 and Password 817068.

If you would like to provide public comment during the meeting, please call the Administrative office at 541-267-7678 by 11 a.m. on Thursday, June 25, 2020. Written comment will be accepted until 11 a.m. on Thursday, June 25, 2020 by sending an email to portcoos@portofcoosbay.com with the subject line 'Public Comment'.

JB/km

COOS BAY RAIL LINE, INC.
REGULAR BOARD OF DIRECTORS MEETING & BUDGET HEARING
1:00 p.m., Thursday, June 25, 2020
Port of Coos Bay, 125 West Central Avenue, Coos Bay, Oregon 97420
Zoom Webinar – [CBRL Budget Hearing](#)

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 PORT STAFF

3. PUBLIC COMMENT

4. CONSENT ITEMS	Page
A. Approval of June 17, 2019 Regular Board Meeting and Budget Hearing Minutes.....	4
B. Approval of May 8, 2020 Emergency Board Meeting Minutes	7
C. Approval of May 27, 2020 Budget Committee Meeting Minutes	9

5. BUDGET HEARING – FY 2020/21 BUDGET	Page
A. Public Hearing	
B. 2020Res02: Adoption of Budget and Making Appropriations – Combined for Fiscal Year 2020/21	Megan Richardson, 13

6. ACTION ITEMS	Page
A. 2020Res03: CBRL Personnel Policy.....	Lanelle Comstock, 15
B. Reelection of Officers	Lanelle Comstock, 17

7. OTHER

8. BOARD OF DIRECTORS COMMENTS

9. NEXT MEETING DATE

10. ADJOURN

Consent Items

DRAFT
COOS BAY RAIL LINE, INC.
Coos Bay, Oregon
REGULAR BOARD OF DIRECTORS MEETING & BUDGET HEARING
5:30 p.m., Monday, June 17, 2019
Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Board of Directors:

David Kronsteiner, Chair; and John Burns, President.

Port Staff:

Lanelle Comstock, Chief Administrative Officer; Megan Richardson, Director of Finance; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

Bob Garcia, Port Commissioner; Maeora Mosieur, Budget Committee; and Paul Burgett, ARG Transportation.

1. CALL MEETING TO ORDER

Chair David Kronsteiner called the meeting to order at 5:30 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. CONSENT ITEMS

- A. Approval of October 29, 2018 Special Board Meeting Minutes
- B. Approval of May 20, 2019 Budget Committee Meeting Minutes

Upon a motion by President John Burns (second by Chair David Kronsteiner), the Board of Directors voted to approve the October 29, 2018 Special Board Meeting Minutes and the May 20, 2019 Budget Committee Meeting Minutes. **Motion Passed.**

5. BUDGET HEARING – FY 2019/20 BUDGET

A. Public Hearing

Chair David Kronsteiner opened a Public Hearing for the Coos Bay Rail Line, Inc.'s Fiscal Year 2019/20 budget at 5:31 p.m. No comments were made.

B. 2019Res01: Adoption of Budget, Making Appropriations – Combined for the 2019/20 Fiscal Year

The Coos Bay Rail Line, Inc.’s Budget Committee approved the draft 2019/20 Fiscal Year Budget after its first budget committee meeting May 20, 2019. 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 5:30 p.m., June 17, 2019, 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.

Chair Kronsteiner closed the Public Hearing at 5:32 p.m. and opened the regular Board of Directors meeting.

Upon a motion by President John Burns (second by Chair David Kronsteiner), the Board of Directors voted to approve Resolution 2019Res01, a resolution adopting a budget and making appropriations – combined for the 2019/20 fiscal year. **Motion Passed.**

6. ACTION ITEMS/REPORTS

A. 2019Res02: 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 limited availability of a second check signer, CBRL staff wishes to add David Kronsteiner and Lanelle Comstock to be signers on the following Umpqua Bank account, to be effective June 18, 2019:

CBRL General Account #6912

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

John Burns	President
David Kronsteiner	Chair
Eric Farm	Secretary / Treasurer
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 David Kronsteiner), the Board of Directors voted to approve Resolution 2019Res02 updating signature authority for the Coos Bay Rail Line, Inc. banking account at Umpqua Bank, Coos Bay Branch. **Motion Passed.**

7. **OTHER**

8. **BOARD OF DIRECTORS COMMENTS**

9. **NEXT MEETING DATE**

10. **ADJOURN**

Chair David Kronsteiner adjourned the meeting at 5:35 p.m.

DRAFT
COOS BAY RAIL LINE, INC.
Coos Bay, Oregon
EMERGENCY BOARD OF DIRECTORS MEETING
10:00 a.m., Friday, May 8, 2020
125 Central Avenue, Coos Bay, Oregon 97420
Conference Call-In Only

ATTENDANCE

Board of Directors:

David Kronsteiner, Chair; and John Burns, President.

Port Staff:

Patrick Kerr, Director of Rail Operations; Megan Richardson, Director of Finance; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

None Present.

1. CALL MEETING TO ORDER

Chair David Kronsteiner called the meeting to order at 10:14 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. ACTION ITEMS/REPORTS

A. 2020Res01: Approval of Loan Agreement for the Paycheck Protection Program

The Coos Bay Rail Line, Inc (CBRL), a 501 (c) (3) non-profit corporation, has been adversely impacted by its customers slowdown of the shipment of goods and materials due to the Coronavirus COVID-19 which has resulted in a loss of revenue. CBRL has applied for a U.S. Small Business Administration backed loan/grant as set out pursuant to the Coronavirus, Aid, Relief and Economic Security Act (CARES Act) through Umpqua Bank.

The CBRL wishes to move forward with the process of securing the funds associated with the Paycheck Protection Program under the CARES Act. A resolution is needed to authorize CBRL to enter into the loan agreement. The loan will be in such amount and with such terms as determined by the CBRL President.

Upon a motion by Chair Kronsteiner (second by President Burns), the Board of Directors voted to approve Resolution 2020Res01 authorizing CBRL President John Burns to enter into a loan agreement under the Paycheck Protection Program of the CARES Act with Umpqua Bank and/or the U.S. Small Business Administration. **Motion Passed.**

5. **OTHER**

6. **BOARD OF DIRECTORS COMMENTS**

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

8. **ADJOURN**

Chair Kronsteiner adjourned the meeting at 10:17 a.m.

DRAFT
COOS BAY RAIL LINE, INC.
Coos Bay, Oregon
BUDGET COMMITTEE MEETING
3:00 p.m., Wednesday, May 27, 2020
125 Central Avenue, Coos Bay, Oregon 97420
Zoom Webinar

ATTENDANCE

Board of Directors:

John Burns, President; David Kronsteiner, Chair; and Eric Farm, Treasurer/Secretary.

Budget Committee:

Maeora Mosieur; Ed Ellingsen; and Richard Dybevik.

Port Staff:

Lanelle Comstock, Chief Administrative Officer; Megan Richardson, Director of Finance and Accounting; Rich Lopez, Operations Manager; Mary Green, Fiscal Support Technician; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

None Present.

1. CALL MEETING TO ORDER

Chair Kronsteiner called the meeting to order at 3:01 p.m.

2. INTRODUCTIONS

3. SELECTION OF BUDGET COMMITTEE CHAIR

Upon a motion by Chair Kronsteiner (second by Maeora Mosieur) the Budget Committee voted to appoint Maeora Mosieur as Budget Committee Chair. **Motion Passed.**

4. RECEIVE FY 2020/21 BUDGET MESSAGE BY JOHN BURNS, PRESIDENT

John Burns began the budget message by thanking all in attendance. Coos Bay Rail Line, Inc. has just completed the first full year of operations. It has been a year of great learning. CBRL has been fortunate to have dedicated staff who are familiar with the rail line. In this coming year, staff will continue to hone their skills and efficiencies. The biggest challenge faced in past year has been overcoming the poor track condition when CBRL took over operations. Much has been done to catch up with needed maintenance and repairs. This coming fiscal year budget includes the manpower and additional financial resources needed to replace some of the track, ties, and ballast, as well as ensure the track is maintained while operations continue. Other resources are being pursued to continue rebuilding the rail line.

Strategic goals for this fiscal year include:

1. Provide safe, reliable rail service and operations. It is imperative to keep all employees, customers and their cargo, and the surrounding communities safe.
2. Maintain CBRL trackage to protect existing operations and comply with all Federal, State, and Port regulations.
3. Identify and implement required training needs for CBRL staff.

Key performance indicators will include:

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

This will be a year of continued growth and learning. The current revenue stream does not support adding additional staff at this time, although current staff will plan for that in the years to come.

5. REVIEW THE PROPOSED BUDGET BY MEGAN RICHARDSON, DIRECTOR

Megan Richardson began by reviewing the CBRL fund, consisting of four departments. Total resources budgeted for this fiscal year are \$3,280,901.

Total projected revenue for Administration is \$2,824,745. Maintenance of Way has other revenues of \$46,500 which is earmarked if bridge inspections are added to the list of services. The Mechanical department provides car repair services with an estimated revenue of \$409,656. Total requirements for CBRL this budget year are \$3,280,901.

Expenses for the Administration department include personnel services which are consistent from last year, only adding a 3% cost of living adjustment. Expenses have increased for insurance premiums as well as car accounting and car hire. The ODOT annual revenue fee, which was not budgeted for previously, is a required fee that ODOT charges based on the previous calendar year's revenue. The Port administrative fee is reduced this year due to lower anticipated carloads. Last year, the budget was based on 7,000 carloads and this year it is anticipated only 5,000. The fee paid to the Port is 10% of the car movement revenue.

CBRL has no capital outlay or debt service. That is all contained within the Port budget.

The Maintenance of Way department has total requirements of \$739,687. Personnel services has been reduced from 8.0 FTE last year to 6.0 FTE this year. The reduction is due to a reallocation from Maintenance of Way to the new Mechanical department. Operational supplies for car repair have been moved from Maintenance of Way to the Mechanical department. Repairs and maintenance of vehicles has increased, due to the increased number of owned fleet vehicles. Repairs and maintenance of train cars has also been moved to the Mechanical department.

The Transportation department has total requirements of \$1,180,920. Personnel services has been reduced from 10.0 FTE last year to 8.0 FTE this year. The budgeted amount for fuel has been reduced

based on consumption this year. Repairs and maintenance of locomotives has been moved to the Mechanical department.

The Mechanical department is new this year and has no budget history. Personnel services includes the 2.0 FTE reallocated from the Maintenance of Way department. Materials and services includes the fuel expenses for staff, maintenance of equipment and car repair as needed. Locomotive repair and car repair are the largest expenses in the Mechanical department.

6. CONCLUDING COMMENTS BY JOHN BURNS, PRESIDENT

John Burns stated the two staff moved from the Maintenance of Way department to the Mechanical department have worked diligently. One staff member is responsible for car repair, which generates about \$400K in revenue. The other staff in the mechanical department is Tom Teeters, locomotive mechanic for CBRL. About one year ago, nearly all of the equipment was leased and CBRL had to pay for its maintenance, as it was not included in the lease agreement. Mr. Burns stated Mr. Teeters has worked very hard since joining the CBRL team to bring the equipment up to good working order. At this time, all locomotives being utilized are Port-owned.

Mr. Burns stated that not long after taking operations of the line, there was a significant derailment event. Now after more than a year, there have not been any other derailment events, thanks to a job well done by the Transportation department. The Maintenance of Way crews have been very consistent, out on the line every day working to replace ties and inspecting every inch of the line. The Administrative support staff have done a fabulous job of integrating rail operations with the Port staff to share a full understanding of day to day operations and needs.

Mr. Burns stated expenses have been pared down as much as possible. There is a revenue line item for bridge inspections, and the intention is to hire a bridge inspector. Though that position would not be utilized for the full year, there is an opportunity to hire that inspector out to other shortline railroads in Oregon and generate revenue. This will be researched further.

7. PUBLIC COMMENT

8. COMMITTEE COMMENT

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

Upon a motion by Richard Dybevik (second by Eric Farm), the Budget Committee voted to recommend the budget to the CBRL Board of Directors for adoption. **Motion Passed.**

10. ADJOURN MEETING

Chair Kronsteiner adjourned the meeting at 3:21 p.m.

Action Items

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

DATE: June 18, 2020

PROJECT TITLE: Resolution 2020Res02: Adoption of Budget, Making Appropriations – Combined for the 2020/21 Fiscal Year

ACTION REQUESTED: Adoption of Resolution 2020Res02

BACKGROUND:

The Coos Bay Rail Line, Inc.’s Budget Committee approved the draft 2020/21 Fiscal Year Budget after its first budget committee meeting May 27, 2020. 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 1:00 p.m., June 25, 2020, 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 2020Res02, a resolution adopting a budget, making appropriations—combined for the 2020/21 fiscal year.

Resolution 2020Res02

**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 2020/21**

BE IT RESOLVED that the Board of Directors of the Coos Bay Rail Line, Inc. adopts the 2020/21 fiscal year budget as approved by the Budget Committee in the amount of \$3,280,901 now on file at the Oregon International Port of Coos Bay.

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2020, and for the purposes shown below are hereby appropriated as follows:

<u>CBRL FUND</u>			
Administration	\$	879,634	
Maintenance of Way		739,687	
Transportation		1,180,920	
Mechanical		480,661	
TOTAL CBRL FUND	\$		3,280,901
TOTAL APPROPRIATIONS ALL FUNDS	\$		3,280,901
<hr/>			
TOTAL APPROPRIATIONS	\$		3,280,901
<hr/>			
UNAPPROPRIATED ENDING BALANCE & RESERVED FOR FUTURE EXPENDITURE	\$		-
Total budget	\$		3,280,901
<hr/>			

APPROVED and ADOPTED by the Board of Directors of the Coos Bay Rail Line, Inc. this 25th day of June 2020.

John Burns, President

David Kronsteiner, Chair

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

DATE: June 18, 2020

PROJECT TITLE: 2020Res03: Immediate Amendments to Coos Bay Rail Line Inc.'s Personnel Policy to Reflect Adopted Revisions Within the Port of Coos Bay's Personnel Policy

ACTION REQUESTED: Adopt Resolution 2020Res03 immediately amending Coos Bay Rail Line Inc.'s Personnel Policy upon adoption of any revision to the Port of Coos Bay's Personnel Policy

BACKGROUND:

The Personnel Policy of Coos Bay Rail Line, Inc. (CBRL) is intended to set a general framework for effective personnel administration and is designed to inform CBRL employees an understanding of what is expected of them, and to ensure consistent, fair, and uniform treatment of CBRL employees.

The proposed Personnel Policy for CBRL is nearly an exact duplicate of the Oregon International Port of Coos Bay's Personnel Policy. Only few minor differences exist to reflect railroad best practices, safety rules, and laws.

Frequently the Port of Coos Bay's Personnel Policy is amended to reflect best practices or changes in laws. In an effort to not have to bring the same policy revisions to the CBRL Board, Port Staff requests the CBRL Personnel Policy immediately be amended upon adoption of any revision to the Port of Coos Bay's Personnel Policy. This ensures consistent policies between Port and CBRL staff.

RECOMMENDED MOTION:

Adopt Resolution 2020Res03 immediately amending Coos Bay Rail Line Inc.'s Personnel Policy upon adoption of any revision to the Port of Coos Bay's Personnel Policy, to ensure consistent policies between Port and CBRL staff.

RESOLUTION 2020Res03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF COOS BAY RAIL LINE, INC.
IMMEDIATELY AMENDING COOS BAY RAIL LINE, INC.'S PERSONNEL POLICY
UPON ADOPTION OF ANY REVISION TO THE PORT OF COOS BAY'S
PERSONNEL POLICY**

WHEREAS, Coos Bay Rail Line, Inc. (CBRL) is a nonprofit corporation and 100% wholly owned subsidiary of the Oregon International Port of Coos Bay (Port) who owns the Coos Bay rail line, a railroad with rail lines from Eugene, Oregon to Coquille, Oregon; and

WHEREAS, The Personnel Policy of Coos Bay Rail Line, Inc. (CBRL) is intended to set a general framework for effective personnel administration and is designed to inform CBRL employees an understanding of what is expected of them, and to ensure consistent, fair, and uniform treatment of CBRL employees; and

WHEREAS, The proposed Personnel Policy for CBRL is nearly an exact duplicate of the Oregon International Port of Coos Bay's Personnel Policy. Only few minor differences exist to reflect railroad best practices, safety rules, and laws; and

WHEREAS, Frequently the Port of Coos Bay's Personnel Policy is amended to reflect best practices or changes in laws; and

WHEREAS, In an effort to not have to bring the same policy revisions to the CBRL Board, and to ensure consistent policies between Port and CBRL Staff, Port Staff requests the CBRL Personnel Policy immediately be amended upon adoption of any revision to the Port of Coos Bay's Personnel Policy.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of Coos Bay Rail Line, Inc. approves immediately amending Coos Bay Rail Line Inc.'s Personnel Policy upon adoption of any revision to the Port of Coos Bay's Personnel Policy, to ensure consistent policies between Port and CBRL staff.

APPROVED and ADOPTED, by the Board of Directors of Coos Bay Rail Line, Inc. this 25th day of June 2020.

David Kronsteiner, Chair

Eric Farm, Treasurer/Secretary

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

DATE: June 18, 2020

PROJECT TITLE: Reelection of Officers of Coos Bay Rail Line, Inc.

ACTION REQUESTED: Reelect Current Officers of Coos Bay Rail Line, Inc. for an Additional Term

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. Each Director currently holds a three year term; however the Officer positions must be reelected.

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

Chair	David Kronsteiner
President	John J. Burns
Treasurer, Secretary	Eric Farm

Officers shall 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 reelection of the current Officers to serve as the following Officers of Coos Bay Rail Line for an additional term: David Kronsteiner, Chair; John J. Burns, President; and Eric Farm, Treasurer/Secretary.