



M E M O R A N D U M

TO: Interested Parties  
FROM: John Burns, President  
DATE: June 16, 2021  
SUBJECT: Coos Bay Rail Line, Inc. Board of Directors Meeting Notice

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The **Board of Directors** of the Coos Bay Rail Line, Inc. will hold a Regular Board Meeting and Budget Hearing at **2:45 p.m., Tuesday, June 22, 2021** via Zoom.

The purpose of the hearing is to discuss with interested persons the FY 2021/22 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](http://www.portofcoosbay.com/finances) or by calling the Administrative office at 541-267-7678.

A supplemental budget for the current fiscal year 2020/21 will be considered at this meeting.

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](http://www.youtube.com/portcoos).

To provide public comment during the meeting or the hearing, please call the Administrative office at 541-267-7678 by 12 p.m. on Tuesday, June 22, 2021. Written comment will be accepted until 12 p.m. on Tuesday, June 22, 2021 by sending an email to [portcoos@portofcoosbay.com](mailto:portcoos@portofcoosbay.com) with the subject line 'Public Comment'.

JB/km

**COOS BAY RAIL LINE, INC.**  
**REGULAR BOARD OF DIRECTORS MEETING**  
**2:45 p.m., Tuesday, June 22, 2021**  
Port Commission Chambers, 125 West Central Avenue, Suite 230, Coos Bay, Oregon 97420

**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**
  
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- 7. OTHER**
  
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- 9. NEXT MEETING DATE**
  
- 10. ADJOURN**

# Consent Items

**DRAFT**  
**COOS BAY RAIL LINE, INC.**  
**Coos Bay, Oregon**  
**REGULAR BOARD OF DIRECTORS MEETING & BUDGET HEARING**  
**1:00 p.m., Thursday, June 25, 2020**  
Port of Coos Bay, 125 Central Avenue, Coos Bay, Oregon 97420  
Zoom Webinar

**ATTENDANCE**

**Board of Directors:**

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

**Port/CBRL Staff:**

Lanelle Comstock, Chief Administrative Officer; Rich Lopez, General Manager; Treece Rempelos; Operations Support; Megan Richardson, Director of Finance; and Krystal Moffett, Administrative Assistant.

**Media & Guests:**

Maeora Mosieur, Budget Committee.

**1. CALL MEETING TO ORDER**

Chair David Kronsteiner called the meeting to order at 1:02 p.m.

**2. INTRODUCTION OF GUESTS AND STAFF**

President John Burns opened with an introduction of the combined Zoom and in-person nature of the meeting.

**3. PUBLIC COMMENT**

**4. CONSENT ITEMS**

- A. Approval of June 17, 2019 Regular Board Meeting and Budget Hearing Minutes
- B. Approval of May 8, 2020 Emergency Board Meeting Minutes
- C. Approval of May 27, 2020 Budget Committee Meeting Minutes

Upon a motion by President Burns (second by Chair Kronsteiner), the Board of Directors voted to approve the June 17, 2019 Regular Board Meeting and Budget Hearing Minutes, the May 8, 2020 Emergency Board Meeting Minutes, and the May 27, 2020 Budget Committee Meeting Minutes.  
**Motion Passed.**

## 5. BUDGET HEARING – FY 2020/21 BUDGET

### A. Public Hearing

Chair Kronsteiner opened a public hearing for the Coos Bay Rail Line, Inc. Budget Hearing for the Fiscal Year 2020/21 budget at 1:06 p.m.

### B. 2020Res02: Adoption of Budget and Making Appropriations – Combined for Fiscal Year 2020/21

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.

Chair Kronsteiner asked for any public comment on the proposed budget. There were no comments made. Chair Kronsteiner closed the public hearing at 1:08 p.m.

Upon a motion by Secretary/Treasurer Farm (second by President Burns), the Board of Directors voted to approve Resolution 2020Res02, a resolution adopting a budget, making appropriations– combined for the 2020/21 fiscal year. **Motion Passed.**

## 6. ACTION ITEMS/REPORTS

### A. 2020Res03: Immediate Amendments to CBRL Personnel Policy

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.

Amendments to railroad specific portions of the policy that do not mirror Port policy will be brought to the CBRL Board.

Upon a motion by Secretary/Treasurer Farm (second by President Burns), the Board of Directors voted to 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. **Motion Passed.**

### **B. Reelection of Officers of Coos Bay Rail Line, Inc.**

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.

Upon a motion by Secretary/Treasurer Farm (second by President Burns), the Board of Directors voted to approve the reelection of the current Officers to serve as the following Officers of Coos Bay Rail Line, Inc. for an additional term: David Kronsteiner, Chair; John J. Burns, President; and Eric Farm, Treasurer/Secretary. **Motion Passed.**

### **7. OTHER**

### **8. BOARD OF DIRECTORS COMMENTS**

President Burns stated he is pleased with how CBRL staff have been performing since bringing operations in house November 2018. Unfortunately there had been a lot of deferred maintenance on the line. Crews have responded diligently as those problems have come up while also proactively tending to smooth operations. Last week, conversations were held with all customers reporting a high degree of satisfaction with operations.

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

### **10. ADJOURN**

Chair Kronsteiner adjourned the meeting at 1:13 p.m.

**COOS BAY RAIL LINE, INC.**  
**Coos Bay, Oregon**  
**BUDGET COMMITTEE MEETING**  
**11:00 a.m., Thursday, May 27, 2021**  
Zoom Meeting

**DRAFT MINUTES**

**ATTENDANCE**

**Board of Directors:**

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

**Budget Committee:**

Richard Dybevik; Elise Hamner; and Maeora Mosieur;

**Port Staff:**

Lanelle Comstock, Chief Administrative Officer; Megan Richardson, Director of Finance and Accounting; Rich Lopez, Operations Manager; Mary Green, Fiscal Support Technician; Treece Rempelos, Rail Operations Support; and Krystal Moffett, Administrative Assistant.

**Media & Guests:**

None Present.

**1. CALL MEETING TO ORDER**

Chair Kronsteiner called the meeting to order at 11:02 a.m.

**2. INTRODUCTIONS**

**3. SELECTION OF BUDGET COMMITTEE CHAIR**

Upon a motion by Director Farm (second by Richard Dybevik) the Budget Committee members voted to appoint Eric Farm as Budget Committee Chair. **Motion Passed.**

**4. RECEIVE FY 2020/21 BUDGET MESSAGE BY MEGAN RICHARDSON, DIRECTOR OF FINANCE & ACCOUNTING**

Megan Richardson stated this is the third year presenting a proposed budget for CBRL. Staff have learned much in those years and have seen growth in the knowledge of operating a railroad and in customers. This FY 2021/22 budget has been put together by focusing on the six strategic goals outlined in the budget document. These include a focus on safe and reliable rail service, fiscal responsibility, maintenance, compliance with all Federal, State, and local agencies, training, and a continued commitment to customers. These strategic goals aim to further the Port's mission of economic development for the region.

## **5. REVIEW THE PROPOSED BUDGET**

The CBRL Fund consists of four departments: Administration, Maintenance of Way, Transportation, and Mechanical. Maintenance of Way focuses on maintenance of the line to make sure the train cars and locomotives move along the line and get cars to customers and out to the national rail network. Transportation operates the trains, while Mechanical focuses on the maintenance of the locomotives and fleet vehicles.

This year's budget includes 8,200 carloads. Freight revenue is estimated at \$4.2 million, railcar repair revenue at about \$605,000, and assessorial (demurrage) at \$40,000. Railcar repair revenue consists of replacing cables, corners, and welding on the train cars to stay in compliance with FRA regulations. Total resources budgeted are \$4.8 million. Expenses are budgeted at \$4.8 million, which covers personnel, materials and services, and any transfer of excess revenue to the Port. All capital expenditures are budgeted within the Port budget, as the infrastructure is owned by the Port.

Rich Lopez stated the Coos Bay rail line is 134 miles from Eugene to Coquille, including 121 bridges, both steel and wooden structures, and nine tunnels. The main commodities on the line are wood products and aggregate. The primary goal and objective is to always provide a safe, reliable, and cost-effective transportation option for the Oregon southwest coast with a connection into the National Railway Network.

The economic impact sustains the economic growth and development of rural Lane, Douglas, and Coos Counties. There are currently 19 full time employees of the Coos Bay Rail Line, Inc. and 983 employees directly supported by the rail line. The shippers served by this line have an annual economic activity of \$460 million. The Coos Bay rail line provides the fundamental link for the Port's economic development mission by providing local and regional businesses with safe, direct, efficient, and cost-effective access to the national rail network and the global market. The primary emphasis is to provide safe and reliable service, deliver operations on plan and on budget, and enhance rail customer relations and retain and expand operations.

The Administration department has 2.0 FTE, a General Manager and Trainmaster. Maintenance of Way currently has 4.0 FTE, growing to 6.0 FTE in the next fiscal year. This includes two track inspectors, two additional track laborers, a signal maintainer/assistant trainmaster, and a bridge tender. The transportation department has 10.0 FTEs, the engineer/conductors who run the trains. The Mechanical department has 3.0 FTEs, one mechanic who services the locomotives and keeps the fleet moving, and two carmen who tend to the cars and make sure that all cars online are operating within FRA compliance.

## **6. CONCLUDING COMMENTS BY MEGAN RICHARDSON, DIRECTOR OF FINANCE & ACCOUNTING**

Ms. Richardson thanked staff and budget committee members for hearing the operating plan for this upcoming fiscal year and asked if there were any questions or further discussion.

## **7. PUBLIC COMMENT**



## **8. COMMITTEE COMMENT**

Elise Hamner asked about the beginning fund balance and whether the goal each year is to move carryover funds to the Port. Ms. Richardson confirmed.

Ms. Hamner asked where the increase in carloads is coming from. Mr. Lopez stated the growth has already started. Weyerhaeuser has been bringing in export logs, as well as fire logs. Southport will look to continue log service into their facility. They have extended their track to accommodate an additional 8 log cars. Weyerhaeuser is working with Greenhill Reload to move chip cars to the North Spit RFP area. RFP has brought back and increased their chip movements from Northern California back to the North Bend area. There are other potential customers as well that are communicating with staff about additional commodities.

Ms. Hamner asked about accounting for new equipment or vehicles. Mr. Lopez stated that all vehicles are within the Port's operating budget as the Port owns the rolling stock.

## **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 Maeora Mosieur (second by Elise Hamner), 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 11:17 a.m.

# Action Items

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

**DATE:** June 16, 2021

**PROJECT TITLE:** Resolution 2021Res01: Adoption of Budget, Making Appropriations – Combined for the 2021/22 Fiscal Year

**ACTION REQUESTED:** Adoption of Resolution 2021Res01: Adoption of Budget, Making Appropriations – Combined for the 2021/22 Fiscal Year

**BACKGROUND:**

The Coos Bay Rail Line, Inc.’s Budget Committee approved the proposed Fiscal Year 2021/22 Budget after its first budget committee meeting May 27, 2021. 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 2:45 p.m., June 22, 2021, 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 2021Res01, a resolution adopting a budget and making appropriations – combined for the 2021/22 fiscal year.

**Resolution 2021Res01**

**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 2021/22**

BE IT RESOLVED that the Board of Directors of the Coos Bay Rail Line, Inc. adopts the 2021/22 fiscal year budget as approved by the Budget Committee in the amount of \$4,865,335 now on file at the Coos Bay Rail Line, Inc.

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2021, and for the purposes shown below are hereby appropriated as follows:

<u>CBRL FUND</u>		
Administration	\$	1,958,297
Maintenance of Way		888,237
Transportation		1,327,757
Mechanical		691,044
TOTAL CBRL FUND	\$	4,865,335
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TOTAL APPROPRIATIONS ALL FUNDS	\$	4,865,335
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<b>TOTAL APPROPRIATIONS</b>		\$ 4,865,335
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<b>UNAPPROPRIATED ENDING BALANCE &amp; RESERVED FOR FUTURE EXPENDITURE</b>	\$	-
Total budget	\$	4,865,335
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APPROVED and ADOPTED by the Board of Directors of the Coos Bay Rail Line, Inc. this 22nd day of June 2021.

\_\_\_\_\_  
John Burns, President

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David Kronsteiner, Chair

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

**DATE:** June 16, 2021

**PROJECT TITLE:** Resolution 2021Res02: Adoption of Supplemental Budget for Fiscal Year 2020/21

**ACTION REQUESTED:** Adoption of Resolution 2021Res02 Adopting the Supplemental Budget for Fiscal Year 2020/21

**BACKGROUND:**

The CBRL Fund has earned revenue that has exceeded the budgeted amount. In order for CBRL to spend those funds a supplemental budget must be approved by the CBRL Board of Directors.

Staff wishes to amend the 2020/21 budget as follows:

<b><u>CBRL Fund</u></b>	<b><u>Budgeted Amounts</u></b>	<b><u>New Amounts</u></b>	<b><u>Change</u></b>
Administration	879,634	1,062,918	183,284
Maintenance of Way	739,687	739,687	0
Transportation	1,180,920	1,180,920	0
Mechanical	480,661	480,661	0
<b>CBRL Fund Total</b>	<b>3,280,901</b>	<b>3,464,186</b>	<b>183,284</b>

Under Oregon Budget Law, if an increase of appropriation authority is equal to an increase of revenues and the overall change does not change any fund by 10%, the budget may be adopted at a regularly scheduled Board of Directors meeting. Staff wishes to amend the budget in the CBRL Fund to increase appropriation level of Administration, for a net change of \$183,284.

**RECOMMENDED MOTION:**

Approve Resolution 2021Res02 adopting the supplemental budget and increasing appropriations in the CBRL Fund.

**RESOLUTION 2021Res02**

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

**RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FY 2020/21**

**WHEREAS**, a supplemental budget is required when occurrences or conditions, which were not known at the time the budget was prepared, require changes in financial planning, and

**WHEREAS**, unforeseen events were incurred by the Coos Bay Rail Line, Inc. during the current fiscal year, and

**WHEREAS**, recommended changes do not exceed 10% to the CBRL Fund.

**THEREFORE, BE IT RESOLVED**, that the 2020/21 budget be modified, increasing spending authority equal to the unanticipated additional revenue earned in the fiscal year.

<b><u>CBRL Fund</u></b>	<b><u>Budgeted Amounts</u></b>	<b><u>New Amounts</u></b>	<b><u>Change</u></b>
Administration	879,634	1,062,918	183,284
Maintenance of Way	739,687	739,687	0
Transportation	1,180,920	1,180,920	0
Mechanical	480,661	480,661	0
<b>CBRL Fund Total</b>	<b>3,280,901</b>	<b>3,464,186</b>	183,284

**APPROVED and ADOPTED**, by the Board of Directors of the Coos Bay Rail Line, Inc. this 22nd day of June 2021.

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John Burns, President

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David Kronsteiner, Chair