

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

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.