

Wisconsin River Rail Transit Commission

Executive Committee Meeting - Friday, December 9th 2011 @ 10am
 Dane County Hwy Garage, 2302 Fish Hatchery Rd, Madison, WI

10 minutes estimated | Action Items

1. 10:00 AM **Call to Order – Karl Nilson, Chair**
2. Roll Call. **Establishment of Quorum – Amy Seeboth**

Crawford	Tom Cornford	X- Committee	X
	Rocky Rocksvold		X
	Vacant		
Dane	Gene Gray	Treasurer	X
	Jim Haefs-Fleming		
	Forrest Van Schwartz	Advocate	X
Grant	Ivan Farness		
	Margaret Ruf	Secretary	X
	Robert Scallon	2nd Vice Chair	X
Iowa	Charles Anderson	X- Committee	X
	Gerald Dorscheid	Vice Treasurer	X
	Robert Zinck		

Rock	Ben Coopman	Alternate	
	Wayne Gustina		X
	Alan Sweeney	Vice Chair	
	Terry Thomas		X
Sauk	Joel Gaalswijk		
	Rob Sinklair	Assistant Secretary At 10:09	x
	Scott Alexander	At 10:05	x
Walworth	Marty Krueger	Alternate	
	Jerry Grant		
	Richard Kuhnke	X- Committee	X
Waukesha	Allan Polyock		
	Karl Nilson	Chair	X
	Richard Manke		X
	Fritz Ruf		

Others present for all or part of the meeting:

Amy Seeboth and Mary Penn, SWWRPC and WRRTC Administration; Ron Wolf, Pro-rail; Eileen Brownlee, WRRTC Corporate Counsel; Jim Matzinger WRRTC Accountant / Dane County Highway Department; Ken Luchtand Ben Meighan, WSOR; Allan Anderson, Pink Lady; Frank Huntington, WisDOT.

3. Action Item. **Certification of Meeting’s Public Notice – Noticed by Seeboth- Cornford/Thomas– passed unanimously**
4. Action Item. **Approval of Agenda – Prepared by Seeboth- Ruf / Gustina - passed unanimously**
5. Action Item. **Approval of draft Minutes from the November meeting– Prepared by Seeboth- Kuhnke/Anderson – passed unanimously**
6. Updates. **Public Comment –Mary Penn will be our new administrator. Mary has been at SWWRPC since 2002, working mostly on comp plans. The Commission welcomed Mary and thanked Amy Seeboth for her work. Allan Anderson (Pink Lady RTC) – distributed a two page handout on the line in Sauk County and associated economic impacts. Ken Lucht recommended an action item on next month’s agenda to consider encouraging the Dane County extension agent(Bill Rizzo) to do a similar study for Dane County; Rizzo has said that he would be happy to do it with an appropriate request.**
7. Updates. **Correspondence & Communications – Seeboth received the insurance notice and a check from Bolt (Construction) for the salvage in Dane county. Originally paid to WisDOT, they asked that it be paid to WRRRTC so it did not need to be deposited in the WisDOT general fund. Karl Nilson thanked Frank Huntingdon for looking out for the railroad’s interest.**

REPORTS & COMMISSION BUSINESS

8. WRRTC Financial Report –Jim Matzinger, Dane County CPA / WRRTC Accountant provided Commissioners with a copy of the treasurer’s report.

- Bad debt allowance needs to be increased by \$26,000 until we have \$95,000 in the bad debt allowance.
- PRTC will likely not be paying WRRTC this year.
- Eileen Brownlee will look into adjusting 4 leases in the budget.
- Amy Seeboth will determine number of crossing permits each year.
- Jim Matzinger will check what other auditors will charge as comparison.
- **Motion to accept the November’s treasurer’s report as discussed and pay bills – Kuhnke/ Ruf- passed unanimously**

9. Wisconsin & Southern Railroad’s Report on Operations

- Update on Monthly Maintenance Activities

Meighan updated the Commission on the maintenance activities conducted along the WRRTC properties in 2011; this included bridge repair, rail defect detection, surfacing, tie installation, and brush cutting. Meighan suggested that the Commission be provided with timetables so that they can have a better understanding of the route names, etc.

- Update on 2011 Capital Projects –

Lucht asked that the Commission take consideration in January on the 2012 project(s). Also consider an application for a siding between Milton and Janesville. On the northern division WSOR is working to apply for a Capital improvement grant. They also plan to continue the projects from Waukesha into Milton and on the Prairie du Chien line.

- Consideration/Action on H.R. 721- Federal Railroad Rehabilitation Tax Credit –

Lucht also asked that the Commission put on its next month agenda the consideration/action on H.R. 721 Federal Railroad Rehabilitation Tax Credit. WSOR has been asking congress to pass a critical piece of legislation that provides a credit for every mile of rail that the class 2 would rehabilitate. It is estimated that \$7billion is required to upgrade the class 2’s in the US to keep them up to par with class ones. This credit would defer that cost.

- **Motion to draft H.R. 721 Federal Railroad Rehabilitation Tax Credit Letter – Cornford/Van Schwartz - passed**

10. WRRTC Administrator’s Report – Seeboth, WRRTC Admin.

Mary Penn will be updating the WRRTC website to make sure Commissioner appointment dates are current, as well as any other pertinent updates.

11. WisDOT – Frank Huntington, WisDOT

Appraisal has been done on the Reedsburg line and is currently being reviewed by the DOT. As the DOT is still awaiting some additional information, the process will move forward, but slowly. Applications for FRPP grants are starting to come in. By February, the DOT believes they will have a little more than \$15million for these projects.

12. Consideration and approval of private crossing request in Village of Sauk City for Mc Farlane’s manufacturing company

A manufacturing company in Sauk City is asking for a private crossing. The Commission decided that the manufacturing company can remove the rails and stack the ties and build a temporary rail crossing.

- **Motion to approve Mc Farlane’s request for a private crossing in the Village of Sauk City subject to receipt of \$500 permit fee – Van Schwartz/Sinklair – passed unanimously**

13. Discussion regarding WSOR’s Nov. 14th, welded rail and bridge inspection tour.

Lucht talked about the welded rail and bridge inspection tour, noting the destinations and speed of the trip, highlighting the advantages and efficiencies of welded rail. Nilson reminded Commission the point of the tour was to showcase welded rail: higher speeds and lack of derailment were noted.

14. Discussion regarding WSOR ownership transfer

Lucht discussed WATCO buying portions of WSOR, noting that Bill Gardiner wanted to reassure WRRTC that nothing will change with WSOR. The move is based on leveraging more additional capital via WATCO. Rick Webb (WATCO) and Bill Gardner (WSOR) will come to a future WRRTC meeting to give the Commission a presentation on the transfer. Lucht outlined the advantages with having WATCO involved with WSOR.

Brownlee noted there are no problems with the operating agreement between WATCO/WSOR and WRRTC; Huntingdon concurred. Discussion ensued re: WATCO's reputation in coming and buying other lines; treatment of equipment, employees, etc. Sinclair requested that Rick Webb address WRRTC at the February 10th meeting. Make further discussion on this issue an agenda item for the January mtg.

15. Discussion regarding Dee Hall article titled "Lawmaker calls for reform of railroad grants, loans" on Nov. 29th, 2011 from the WI State Journal.

Van Schwartz had written a letter to be sent to WisDOT Secretary Mark Gottlieb outlining WRRTOC's rebuttal to the WSH article. Copies of the WSJ article and the draft letter were distributed to the Commission. The letter's intent is to explain WRRTC's position on the practice of the Wisconsin railroad competitive bidding process. The letter states that bidding is competitive but the available bidder's is a small pool and therefore creates the impression that there is non-competitive bidding. The intent of the draft letter is to refute this. The draft letter lists reasons for why the current system makes the most sense, economically and practically. It was noted that if the letter be sent, a copy should also be sent to the Eastern Counties Consortium, PRTC, and Rep. Brett Hulsley. Lucht reported that his comments were not reported accurately by WSJ and also that Rep. Hulsley's comments were twisted by the reporter. Seeboth reminded the Commission that the Commission does not apply for any grants/loans: WSOR is the grant/loan applicant and WRRTC is an endorser.

- **Motion to approve letter and send as is - Van Schwartz/Gray.** Sinclair requested that the full Commission endorse the letter before sending. Nilson suggested that the letter should be written by WSOR, rather than WRRTC.
 - **Motion to table the discussion - Manke/Sinclair: approved – 5; opposed – 9. Motion still in action.**
 - **Vote on original motion: approved – 10, opposed – 5.** The Commission asked that Penn be sure to remove the typo subject line on the letter prior to mailing.
- 16. Adjournment**
- **Motion to adjourn at 12:10 - Manke/Cornford – passed unanimously.**