

PECATONICA RAIL TRANSIT COMMISSION

20 S Court Street • PO Box 262 • Platteville, Wisconsin 53818
MEMBER COUNTIES: GREEN • IOWA • LAFAYETTE • ROCK

PRTC/WRRTC FORMAL FUNDING AGREEMENT WORKING COMMITTEE

Green Co. Courthouse 2nd Floor Courtroom, 1016 16th Ave • Monroe, WI

1. Call to Order – Harvey W. Kubly, Chair, 2:48

The meeting was called to order by Chair Harvey W. Kubly at 2:48 PM

2. Establishment of Committee Members Present – Mary Penn, PRTC Administrator

<i>Commissioner</i>	<i>County</i>	
<i>Harvey W. Kubly</i>	<i>Green</i>	<i>x</i>
<i>Rob Wolter</i>	<i>Green</i>	<i>x</i>
<i>Philip Mrozinski</i>	<i>Iowa</i>	<i>x</i>
<i>Charles Anderson</i>	<i>Iowa</i>	<i>x</i>
<i>Alan Sweeney</i>	<i>Rock</i>	<i>x</i>
<i>Wayne Gustina</i>	<i>Rock</i>	<i>x</i>

Also attending: Frank Huntington, Ron Adams, WDOT; Ken Lucht, WSOR, Mary Penn, SWWRPC

3. Certification of Meeting's Public Notice – Noticed by Penn

- *Motion to approve notice of public meeting – Sweeney/Gustina, Passed Unanimously*

4. Approval of Agenda – Prepared by Penn

- *Motion to amend agenda adding motion to approve minutes Jan '2013 and to include FH and Ron Adams comments – Mrozinski/Sweeney, Passed Unanimously*

5. Approval of draft January 2013 Meeting Minutes – Prepared by Penn

- *See item 4, approval of draft January 2013 Meeting minutes.*

Mrozinski asked Kubly as to the final sentence on 1st page of the minutes for clarification on the double negative. Kubly said that if there is representation, there should be a contribution. This stemmed from his observation that that trail uses money. Penn noted the correction, removing "not" in sentence four, agenda item seven.

6. Discussion re: MOU template via Brian Bucholtz, Green County Corporate Counsel – Harvey W. Kubly

Kubly said he had talked to Brian Bucholtz about an MOU and while he regretted not speaking to him sooner due to time constraints, he was able to educate him about the PRTC and its funding situation. Bucholtz said that he would contact Jeff Koglech (Rock County Corp Counsel) to talk about the issue. Kubly said it was time well spent to educate and inform him about the PRTC, seeing as how this is part of the budget.

7. Discussion re: MOU template via Rock County Corporate Counsel – Alan Sweeney

Sweeney spoke to the Rock's County Corp Counsel but he said the County is not willing to write a policy for the PRTC but would review one coming from the PRTC. Rock County suggested that if there is going to be an MOU, it should be nonspecifically based (like the "66 Agreement), more general, and bring that back to Rock County. Furthermore, they discussed the possibility of either the PRTC joining the WRRTC or the member counties joining the WRRTC and having an "under one umbrella" situation. Whatever policy comes out of the Committee can be brought back to Rock County and discussed with them. Kubly said these suggestions have surfaced before but nothing has been done to date. Sweeney said

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upon further thought, he thinks Green and Lafayette counties should join the WRRTC. He didn't think this was an item for this meeting (it is important that Lafayette is included) but the issue should be addressed in another forum. Kubly spoke of the advantages of doing this would give Green County a lot better feel on the railroad as a whole. Because Green County is on the periphery, they are not in the "heart of things" as WRRTC is. Sweeney spoke of Rock County's bigger dependence on WRRTC based on the railroad in Janesville but emphasized it is a regional project. Huntington said that in the past there were more reasons to keep them separate but today there is more traffic and more activity and perhaps there it is perhaps more timely to look at this. Ron Adams said that Green and Lafayette Counties would have to pass resolutions to do that.

Huntington wondered about the ramifications of Green and Lafayette joining the WRRTC or if the PRTC joins WRRTC. He noted that Eileen Brownlee would need to be consulted. Kubly said he had not considered PRTC being disbanded if joining the WRRTC. If that was done it could be complicated: PRTC has trail and rail and is unique. With this uniqueness, he thought member counties would not be opening to giving it up. He thought it would be easier if Green County joined WRRTC because Green is the only one with rail that is not in the WRRTC. Technically, Green County does have line in WRRTC due to Evansville so Green County would have precedent to join. Huntington said that this line is being activated (south of Oregon a small distance). WRRTC and WSOR will be taking this all the way to Evansville. Adams said Evansville is looking at the possibility of moving traffic north. Huntington said that distance of line is very short.

Huntington said WRRTC is very big but they do not manage trail. He also noted that PRTC actually owns the trail. Ron Wolter said if the trail was all put to rail there would be more similarities with the counties currently in WRRTC. Sweeney said he just wanted a discussion and is considering the options but he noted that it (PRTC) is a unique situation. Given the trail, retaining the PRTC for dealing with rail to trail in Green County is important. Kubly didn't know how easy it would be to separate rail and trail. Sweeney suggested Green County and Lafayette join the WRRTC but retain the PRTC as a viable commission with just Green and Lafayette County. Rock would not have "dog in the fight" since they would be in WRRTC (no trail). Huntington noted that Iowa County would need to be involved due to the trail to Mineral Point. Charles Anderson asked where the money in the checking account came from. Kubly said a lot of it came when the line between Monroe and Mineral Point was abandoned. Huntington said that some of the money is still there from when the Commission was formed (he believed it to be about \$45K). He said some of that was never spent even with the line rehabilitated. Huntington said when the line was salvaged there was a trade with WDOT of land for salvage. The Commission did not pay for the land: it was a trade. Anderson said the Cheese County trail is owned by the PRTC but not the Badger Trail which is owned by WDOT and managed between WDOT and WDNR. Anderson said that Lafayette County is not paying, but Huntington said that originally Lafayette did pay. Of the money Lafayette County paid in the beginning, those funds were not used. Huntington said that money was mostly from the WDNR. Anderson noted that the study done shows good commerce along the line. Huntington said his feeling is that it is true Lafayette hasn't paid recently but they paid their fair share in the beginning: on the initial rehab between Monroe and Janesville, Lafayette County paid. Adams concurred. Huntington said that the PRTC was doing things on an equal share basis, not mileage. Sweeney said that \$125,000 is going to bridge rehabilitation so \$178K is not a number that can be used as the \$125K has been allocated already (all the bridges). Sweeney said that there was considerable money forwarded to the counties in 1980 and that money has returned to those counties "100 fold" and it was money well spent. The money earmarked for rail improvement is set and now it is time to work from this point forward. He said that the conditions as of today, the track is a pretty good system and capable of carrying a lot of traffic. He said we are doing our best to spend the money in PRTC wisely to improve the rail and money (\$25,000) is left and it will take money to manage the trails. Kubly asked if Anderson had meant money going from the PRTC account or the county contribution. Anderson said the PRTC bank account. Anderson clarified that he meant merging the PRTC with the WRRTC - asking if there would be an advantage in being big as opposed to small in terms of projects; he wondered if they were kept separate, would the PRTC be able to fund its projects.

Adams asked about the basis of funding and how projects were funded. Huntington said each county contributes the same amount and is not based on mileage and that money is used for the necessary projects. Anderson said if there is a big rail project, do they not look at that as a priority because PRTC doesn't have as much to contribute. Huntington said the commission and counties contribute the same no matter what. If there is more match needed, WSOR has been putting in better than half of the cost of the local projects. He said this is also happening in the PRTC, using the county contribution of \$25K and WSOR picking up the rest of the tab. Wolter said with all the benefits Lafayette gets, they should be contributing too. Sweeney said he did not disagree but that is an issue that needs to be finalized before even an MOU is made and perhaps that should be addressed first. Kubly wondered if when Sweeney suggested Green County should join the WRRTC, should Green's contribution go there. Sweeney said he was thinking of a commission structure. In his opinion the commissions would be better off joined. If there is an RTC managing rail, Green's contribution should go to the WRRTC. Kubly said then, just in theory if Green's contribution went to the WRRTC like Rock and Iowa, then the PRTC is left not necessarily with any source of funding. He said this somewhat ties into the issue of Lafayette not contributing and maybe if that scenario came to pass, the PRTC would need to look at the way a smaller scale contribution from the PRTC counties would be more equitable than the

current scenario. Sweeney rhetorically asked if the WRRTC counties managed trail with their county contributions – what would they be getting for their money. He said that these are issues that need to be agreed on or put the MOU back on the table. At some point in time, Sweeney said, Rock and Iowa counties will not be contributing to PRTC but will be members. He said they do contribute to WRRTC which PRTC does depend on for egress. Sweeney theorized an MOU proposed out of the PRTC, asking the WRRTC to agree to PRTC to exist, allowing PRTC egress, and continuing on as at present. Kubly asked if Sweeney thought if the WRRTC wanted the PRTC to join it. Sweeney said that the WRRTC has solicited Jefferson County to join but he guessed they would welcome Green with open arms. Huntington said he thought they would but noted that Jefferson has track but has never joined. Lucht said Jefferson County had always had track but in 05/06 when the line when to Watertown, at that point WSOR started talking to Jefferson County although they did not join. Wolter asked about funding PRTC and Lafayette and a portion of that going to WRRTC every year. Sweeney said that would be a disparity of funding to WRRTC which he believed would be a problem. He said the trail system has to pay for itself and asked how SCWRTC paid for itself. Kubly said neither Green nor Dane funds SCWRTC. The SCWRTC got the salvage money and that is the last money they received other than an occasional lease or permit. Sweeney said it needs to be decided how the Cheese Country Trail be funded and it has to include rail because it is an active rail corridor. If the two commissions or members of them were one, there certainly have to be rail oversight of the Cheese Country Trail. Kubly said he hoped that that is what the PRTC has done and hopes it will continue to exist. Lucht said that five of the six RTCs in the state, their missions are either trail oriented or rail oriented and PRTC is the only one doing both. He said Green joining a commission (WRRTC) that is dedicated to manage rail infrastructure. Green and Dane don't fund SCWRTC and Lafayette has only trail so maybe one option is to see if Lafayette could join the SCWRTC (the two trails converge). Up to this point, he said, it looks like the mission matches SCWRTC. Adams said the mission of all the RTCs is to preserve active rail; this is also true of SCWRTC and he said to be careful of suggesting otherwise. He said there has to be recognition that just because there is no track does not make it not a railroad.

Kubly said their fundamental mission is to preserve the corridor and the commissions as they are and were created with the legal implications could get fuzzy if they were "tinkered with". He added that the counties involved would have to agree also and he did not foresee Lafayette County wanting to be at the table with Dane County because there is little relation between the two counties. He added that there is still a good reason for the PRTC to exist. Anderson said then Lafayette needs to pay its contribution. Wolter said this started out because over the years the Green County contribution has gone to the WRRTC. Anderson said over the years the WRRTC has directed a lot of money back to Green County.

Kubly said the bottom line is there has been a lot of money going to the WRRTC without an agreement but there ought to be something in writing considering tax money is being spent. Adams said there used to be a yearly meeting between the WRRTC and the ECWRTC. Huntington said there was a signed agreement between the two (the "66 agreement") and was more project based but this died when commissions began funding more of their own projects. Anderson said because the Cheese Country Trail is active rail technically, does that mean if a bridge goes out, does WSOR have to replace the bridge. Adams said that PRTC would have to replace any bridge that was washed out. Huntington said that the Tri-County Trails Commission (TCTC) assumed the cost of a bridge replacement in their management agreement. Anderson said if that was the case, would the PRTC be asked to pay for that replacement. Sweeney said having the PRTC viable would serve to keep the rail component to the trail but would also be able to deal with issues like the one Anderson suggested. Sweeney said sending the trail section of the PRTC to the WRRTC and retain the PRTC to be the rail component to the Cheese Country trail.

Anderson asked if the Badger State Trail had an agreement with the railroad. Huntington said in the case of the line through the Badger Ammunition plant, that amount of trail would be taken out of the agreement with the operator and the WDNR would take over the track responsibility. Huntington said the land between Monroe and Mineral Point is owned by the PRTC and there is no WDNR oversight: the WDNR is not involved. Adams said PRTC was created by the four county boards. For Green to become a member of the WRRTC, the County board would have to pass a resolution to do that and he did not know if the County would be interested in WRRTC if they are already in the PRTC. Adams said there was an RTC (in Green Bay) that dissolved itself and turned its properties back to the state so there are a lot of possibilities. The WRRTC has the ability to accept a new member but the new member has to get its county to agree. However, he said there has to be some way to make people understand how the money is handled and that it can be done informally and not raise the question of "what do we do with this organization in order to belong to that organization". The 66/30 agreement requires county action to join. Anderson said maybe Green County would join but PRTC rail would still exist. Adams said it could be like Rock and Iowa where they are members to both but contribute to one. Sweeney said this would still take a funding agreement formally. Huntington said a way to approach it is for Green to join the WRRTC. In years without Green county projects on the PRTC, both fund WRRTC. In years when the PRTC has projects, all that money goes to PRTC. If there are projects in both, the counties could split between the commissions. Sweeney said that may be an easier agreement to come up with. Sweeney said WSOR prioritizes projects so the commissions could see where the projects were happening. Anderson asked Lucht what capital projects are coming up in PRTC. Lucht said \$5M in capital upgrades (bridges) and crossings. He said there has been 2 cycles of ties, some welded rail,

there was some structural work and what is left is removal of some structures and about 20 crossings. He said there is scheduled capital work every year in PRTC territory for the next 5 years. Huntington said 100% of the PRTC's contribution could go to Green and Iowa and Rock could split. Anderson said there will be some that say if we are only paying half to trails and half to rails does that put projects on the back burner. Huntington said that the TCTC can ask for assistance but that money is on a case-by-case basis. Lucht said the funding the Cheese Country trail is strictly by WDNR grants. Kubly said the trail clubs contribute too. Anderson said there is some concern in Iowa County about the Lone Rock Bridge. Other than that he did not think Iowa County would object but there might be objection if Iowa County discovered Lafayette was not paying. Sweeney said he liked Huntington's idea of joining the WRRTC and let the PRTC stand as oversight of the trail but let the projects be prioritized. He said there is no sign of Rock, Iowa, and Green County making that commitment, but with a priority put on rehabilitation projects, there would be the force of both commissions in funding a project. The solution may be to talk to the Green County Board and see what they think. Kubly said he can do that. Sweeney said to keep it simple. This would be a hybrid of an MOU and membership into WRRTC.

8. Discussion re: economic impact figures outlining the PRTC line and its contribution to WRRTC, and Lafayette County economic impact less the trail – Ken Lucht

Kubly asked for input from Huntington, Wolter, Adams and Lucht. He said the basic mission is to come up with an agreement (formal or not) and any suggestions they could give would be helpful. Huntington said the whole thing is a system. He said the PRTC is smaller funding and track-wise but regardless they work together and keeping things simple would be most productive. He suggested splitting the costs and leave the PRTC as it is at this point. He recommended leaving the two commissions as they are at this point, have Green join the WRRTC, then create a simple system of assigning funding based on project priority. Lucht said that one problem with the 66 Agreement was the differing fiscal agent from year to year and after a couple of years it got to be a nightmare administratively because it was so confusing. To simplify things, this agreement should look to have one fiscal agreement.

Adams said both commissions should contract with WSOR (WSOR provides a fair share of any rehabilitation) and if Green joined the WRRTC, WSOR would have the money to match and even if all three counties put their money into the PRTC, it would not be enough. Adams said he did not think he saw any advantage to send money to projects wherever they are. He did not see the counties making the commitment to get back to a higher match than they provide today. If Green County joined and kept its contribution to the PRTC then the PRTC would have money to contribute to a project and money to go to the trail if they wanted to, reiterating that the Cheese Country Trail must do its funding, along with the WDNR. He said there is more rail traffic now than ever envisaged. He did not see a need at this point for the counties to send their contributions to projects here and there. Ultimately, he said a county gets a project but not every year and in the future all the matches may need to come to Green.

Kubly and Sweeney thanked Huntington and Adams for their input. Adams said the commissions and the local people are the ones who got the program started and that had been the beauty of the program: local people make the decisions, not the WDOT. The WDOT does not have a master plan for the railroad: they wait for the operators and the commissions to inform them.

Kubly said he would talk the Green County Board and see what their opinion would be on joining the WRRTC. Sweeney said he would be happy to go back to Corp counsel and try to put things into a more formal structure. He also recommended including Eileen Brownlee as she has both legal and commission insight. Kubly said Green County Corp Counsel would talk to Rock County's. He also said he could ask Eileen to join the Committee at the next meeting. Sweeney said we want to make sure there are no surprises and they have covered their bases.

Lucht added that there is a real benefit to Lafayette County being in the Commission in terms of grain, as the grain originating west of Monroe and rail benefit as opposed to trucking. He also spoke of sand traffic coming from Janesville and into Monroe and used in Green and Lafayette counties. He said there is a definite tie to rail for Lafayette County with economic benefits. He said that the local moves can be controlled more if done locally which is why there is economic benefit for the PRTC investing in WRRTC line. The improvements Rock makes has an impact in Green County. He said that Milwaukee County joined and they said they felt they should be paying for the benefit in joining the Commission. Lucht said he didn't understand why Lafayette County didn't look at it that way.

9. Adjournment

Motion to adjourn at 4:23 PM – Gustina/Wolter, Passed Unanimously