



## RAILROAD TRANSPORTATION SAFETY DISTRICT

Board Meeting  
Tuesday, March 18, 2014

Meeting Began At: 8:30 a.m.

Meeting Ended At: 9:23 a.m.

Members Present: Deb Schorr, Doug Emery, Brent Smoyer, Leirion Gaylor Baird, Roy Christensen, Roma Amundson

Members Absent: N/A

Others Present: Roger Figard, Randy Hoskins, Tina Queen, Liz Thanel, Susie Filipi, Andy Stebbing, Michelle Raphael, Bill Kutilek, Gary Irvin, Mark Lutjeharms, Rick Haden, Silas Clarke, Dave Dykmann, Bill Edwards, Tom Leikam, Al Cathcart, Harlan Layton.

### **Order No. 14-01 Call Meeting to Order. Approval of Previous Minutes.**

Schorr called the meeting to order.

Christensen motioned to approve the previous minutes. Smoyer seconded the motion. Motion approved 6-0.

### **Order No. 14-02 Statement of Receipts & Disbursements.**

Thanel presented the statement of receipts and disbursements. First half of property taxes are due April 1<sup>st</sup> with approximately \$1 million coming in.

Amundson motioned to approve the statement of receipts and disbursements. Christensen seconded the motion. Motion approved 6-0.

### **Order No. 14-03 Current Budget Status, Project Updates, Committee Updates.**

Figard highlighted the following items:

- 79% operating budget remaining - billed out towards the end of the fiscal year
- 91<sup>st</sup> & Yankee Hill - activity dependent on LPS and the location of the new school, quiet zone components can be built in
- West Pioneers - done and waiting for bill from the Railroad
- Southwest 40<sup>th</sup> - money for contingencies, but no problems to date, most of the utility work has been done and 2/3 of the existing bridge piers are in place, continuing to work with the Railroad on some crossing issues, completion date Fall of 2015 but might have some traffic towards the end of this year
- Salt Creek - located on the east bank of Salt Creek west of 1<sup>st</sup> and J, waiting for an agreement from the Railroad

- Waverly Quiet Zone - update from Mark Lutjeharms with The Schemmer Associates

“The Waverly Quiet Zone project is complete. The project has reached substantial completion and everything has been approved. The only thing that is outstanding is additional invoices from the Railroad. The RTSD has yet to receive any invoices for the full amount that we were originally informed we’d be receiving from the Railroad. Similar to a previous project that Roger just referenced, we’d recommend just carrying that over assuming we do eventually receive those invoices. Cross your fingers that we don’t, but I guess prepare for the worst. Otherwise things are going well.”

Smoyer added that the citizens of Waverly have been happy with the results.

- 33<sup>rd</sup> & BNSF - proposing to move money ahead, no proposals in
- Hickman Quiet Zone - update from Silas Clarke and Rick Haden.

“Morning everyone. Silas Clarke, City Administrator in City of Hickman. I also have Councilman Dykmann here with me this morning.”

“Rick Haden with Felsburg, Holt & Ullevig. I probably have the most recent information since I talked to Andy Amparan who is the representative with BNSF that handles the agreements. Just this morning, we’ve been playing telephone tag. Andy has some health issues so he’s been working part-time. He does have the agreements to their attorneys and has feedback from them. He needs to make some modifications to the agreement and then he’ll be forwarding on to the City. He was very apologetic because he’s been promising Silas that he was going to be getting them to him for quite some time and now actually several months. These health issues I think are taking their toll on him and he’s falling further and further behind in his work. I just asked him point blank are they going to be hiring someone for you to mentor because his plans were to retire before the health issues came up. He said probably when he leaves. Unfortunately that’s where it stands right now. Ours is at the top of his list at least. Hopefully Silas will be seeing something soon.”

Schorr asked how far it puts the project behind.

Silas Clarke - “I would say eight months probably. It’s been a long time. There’s been many phone calls, many emails, government services division has been in on it, also management on the upside. It’s not Mr. Amparan’s issue there. It’s kind of a Railroad issue there for new people in that position and some other things. So we will continue to work through it. We are ready to fly on this as soon as these agreements get put in place and we’ll keep pushing. I appreciate your patience in this process as we are moving through this also and your continued support. I receive a lot of questions. I have a newsletter that goes out and have put a few updates in that. But people are absolutely wondering what is going on. I give an update and it’s always on our unfinished business actually for the City Council meetings also so it’s always in the minutes there of ongoing, ongoing, ongoing. I would say everyone is getting tired of it that is for sure. Once the project is completed, it’s going to be a great thing and a huge change for Hickman. So everyone is looking forward to it.”

Emery added that communities have to go into this process with eyes open. Quiet zones should not have a time frame.

- OPPD & 84<sup>th</sup> - waiting for activity
- A & Park Trails - waiting for NRD and the Railroad to come to an agreement
- Flight for December NCUTCD conference was cancelled. Flight reimbursement is finished. Still working on the registration fee.

**Order No. 14-04      2014 - 2015 Draft Budget & CIP.**

Figard highlighted the following items on the CIP:

- 33<sup>rd</sup> & BNSF - approval from NDOR naming the RTSD as a Local Public Agency
- Beltway funding - equally shared over a six year period
- 12 year cash flow - adds the 33<sup>rd</sup> & BNSF crossing through 2025 as well as levy differences
- six year CIP based on cash, proposing a 2.6 levy in the future

**Order No. 14-05      Proposed Deposit Placement Agreement.**

Andy Stebbing - "I brought Michelle Raphael with me. She's my banking director. Over the last six months or so Westgate Bank was the first one to approach us and offer that we would have another vehicle for investments. This basically states that the money we invest in that bank doesn't have to stay in that bank. They can look for better deals out there, about \$250,000 per bank if they go outside of our state. We formed a contract and this has been working out very well. We added it to a number of banks, but we're asking you to do is approve the same agreement (CDARS, ICS) not only for First State Bank but to use other banks as well and look for the best possible rate for your money that we can find. It's federally insured and protected. Now the County Board has approved this a number of times. We've been adding more and more banks, local banks, as we go forward growing that list looking for the best interest rate."

Michelle Raphael - "It's a nice opportunity the ICS program can accommodate short term or long term money and the CDARS is more long term money. The ICS will offer liquidity so we can put money in short term and leave it there for a week or a month or six months or a year if we want. We don't sacrifice security for all the funds of the RTSD. It's another tool to use. It's available and out there if we want to use it, but it also allows some competition between the banks for better rates."

Bill Kutilek - "Bill Kutilek. Crosby Guenzel Law Firm. The RTSD was approached by the Treasurer's Office with respect to the two deposit placement agreements, the ICS and the CDARS agreement. I reviewed both of those agreements. The ICS agreement basically addresses demand deposits and money market accounts. The CDARS agreement is more time deposit accounts. So we have two agreements that we were approached on with respect to this by First State Bank Nebraska. We were approached because as the statutory treasurer of the RTSD, the bank was interested in making sure that this Board approved of these agreements. I prepared an addendum with respect to each of the two agreements with First State Bank Nebraska that basically does three things. One it makes the RTSD a part of the agreement to the same extent that the Lancaster County is. Second it that the funds of the RTSD will be protected to the same extent that the County funds would be. Third is that the County officials who are designated to represent the County with respect to the counter parties to the agreements will also be the officials for the RTSD until notice is given by the RTSD to the County that we would like that otherwise. I believe that with the addendum we are protecting the RTSD's funds to the same extent that the County fund is."

Gaylor Baird asked for a clarification that the \$10.5 million currently invested would be broken down into smaller chunks and re-invested.

Andy Stebbing - "Yes but it just gives us the option. So when Michelle shops for the best rate, what would happen would say a local smaller bank would take our money but they would stop us at a certain amount because they weren't collateralized for the higher amounts. The local banks said we would take more money if you let us find other banks in America. So we went to the County Attorney and got approval. It gives us the option to do that. Not only with First State Bank, we'd ask it to be with the other banks too under our umbrella. Shopping for the best rate with CDARS and ICS or whatever program the bank has."

Gaylor Baird asked if there are other banks that participate in the CDARS or ICS program.

Michelle Raphael - "Some of our other banks are as well. The County Board just executed an agreement with Frontier Bank. We also have Westgate as the Treasurer had mentioned. Also Security First."

Gaylor Baird asked about switching costs.

Michelle Raphael - "No fees."

Gaylor Baird asked if the money can be accessed.

Michelle Raphael - "Yes we can."

Amundson motioned to approve the deposit placement agreement and to authorize the Board Chair and Executive Director to sign the agreement. Smoyer seconded the motion. Motion approved 6-0.

Michelle Raphael - "We do have one more thing. If we could talk about the transition from Wells Fargo. We have been in the process of working with Liz and Roger on transitioning the account over to US Bank. And the new account is set up at US Bank. There is still funds sitting in Wells Fargo, but we will be moving that in the next two weeks. As part of the transition, the RTSD will save about 50% of the banking fees for the year. And we agreed to re-examine those fees every year to see if the volumes change for transactions and those kind of things. In addition to not only saving fees, the RTSD as well will be moving into making electronic payments for all vendor payments. So that will be nice. No more check issuance costs and things like that. No more lost checks or those issues as well."

Schorr stated this was part of a financial services RFP.

Michelle Raphael - "That's correct. We had five responses. US Bank was the winner of that."

#### **Order No. 14-06      Denton Quiet Zone.**

Bill Edwards - "I'm Bill Edwards and I'm on the Village Board in Denton. For a long time, we didn't think there was anything we could do about the horns but after Waverly and Hickman got in line, we decided it was our turn. We've had quite a few developments out in our area, housing developments and those people aren't used to horns and so we just thought we'd start the process and see what we could see what happens. There is one crossing on West Denton Road and one on Southwest 98<sup>th</sup>."

Figard added that the RTSD has provided funding for a feasibility study. The RTSD has been the contract holder for that feasibility study to see if the quiet zone can be done and estimate the cost associated with the project. The local road authority then enters into a contract with the consulting firm to do the design. The

consulting firm used is dependent on who the community chooses to hire as long as they are educated with quiet zones.

Al Cathcart - Olsson Associates Quiet Zone Expert - "Thanks Roger. Welcome to the RTSD. Glad to be here. You'll see, I guess you can call this business propaganda. The front sheet shows some information on my experience in transportation. I have 40+ years in the area of transportation. I'm semi-retired. I work part-time for Olsson Associates and work from home in Topeka, Kansas. The majority of my experiences is working with the Kansas Department of Transportation. One thing that's not on here I should mention I am a University of Nebraska graduate. I graduated in 1970 from University of Nebraska. In this there are several quiet zones. Some of these are just feasibility studies. Some of them are being implemented. Some of them have been implemented. They are in Nebraska, Missouri and Kansas. I got involved with quiet zones when the rules were being written. I was involved in helping with the writing of the rules and have a good experience with the railroad companies, especially the BNSF. I've worked a lot with them and the State of Kansas. Olsson Associates has a good working experience with BNSF. I've looked at the information on the FRA crossing inventory and I've looked at google earth. And this morning when I drove up, I drove through on-site and looked at it. It's going to be an interesting quiet zone and like Mr. Emery said, each one of these has some challenges and there's likely to be some challenges with this one. It's something can be implemented."

Figard stated that if all three crossings are involved, all of them are in Lancaster County which would be managed and operated by the County Engineer's office. The County Board and County Engineer support and agree with the infrastructure if built. The feasibility study could cost approximately \$30,000 to \$35,000. The Board would need to authorize the Executive Director to negotiate a feasibility contract and if it's within the \$30,000 to \$35,000 range, the Executive Director could sign the contract with Board Chair concurrence. The funding would come from the Emergency & Safety budget line item.

Smoyer motioned to approve the Executive Director (with concurrence of the Board Chair) to sign a feasibility contract for the Denton Quiet Zone, expenditure not to exceed \$35,000. Amundson seconded the motion. Motion approved 6-0.

**Order No. 14-07      Lincoln North Quiet Zone Re-Evaluation.**

Figard stated that there is a separate requirement from the Federal Rail Authority that requires going back to review and certify that the safety measures and appurtenances are still there and working. This needs to be done four to five years after the quiet zone is implemented and continue every four to five years thereafter. The City of Lincoln owns and maintains this quiet zone. The RTSD should fund that re-certification 100% whether it's Lincoln, Waverly, Hickman, etc. and hire a consultant to help the community to do that re-certification. A proposal from Felsburg Holt & Ullevig was done for this quiet zone at an estimated cost of \$4,500. The proposal needs to be re-drafted to be a contract with the RTSD, not the City of Lincoln.

Rick Haden - "It is our understanding that Roger's staff would be involved with us and we would take them through the process so that they could do it on their own in the future. About the only caveat is and I think Al Cathcart would attest to that too, it's kind of a moving target sometimes. The Railroads have been challenging different interpretations so there might be some of that, but for the most part it's just going back and looking at what was put in and affirming that nothing has changed, that everything is still in place the way it was. We review the crash history of the crossings, make sure there hasn't been a uptake in the

number of incidents at the crossings and then update the inventory information that goes on the FRA website so we provide the most recent data for them.”

Figard added that even though City staff are capable of doing the work, they are busy. By participating, the staff will know what else to watch for in an ongoing basis. Some of the smaller communities won't have the same kind of signal and roadway staff that Lincoln does. The requests may come in from the smaller communities to have the consultant do the evaluation.

Amundson motioned to approve the expenditure of \$4,500 out of the Emergency & Safety budget line item to Felsburg Holt & Ullevig to cover the North Quiet Zone re-evaluation costs and to authorize the Board Chair and Executive Director to sign the contract. Smoyer seconded the motion. Motion approved 6-0.

**Order No. 14-08      South Beltway Funding Discussion.**

Figard stated there are conversations ongoing on how to best poster and leverage the position of the local community to implement the South Beltway and protect the City of Lincoln's cost share. Figard recommends that the RTSD show a cash flow over the next six years to pay approximately \$13 - \$14 million, not taking into account inflation.

**Order No. 14-09      Petitions/Letters/Requests.**

Figard stated that the RTSD received a letter from Nebraska Department of Roads on the LPA certification.

**Order No. 14-10      Non-Agenda Items.**

Harlan Layton - “Well it's my understanding that the Railroad is using the tracks in the old L & B yard which is south of our main line and west of 33<sup>rd</sup> Street. They will have a train coming in from the east so they have to stop there because the switch going into that yard is hand thrown. It's not electric. So they pull into there and then the train will set there and if it's going south, then it can go through the yard or there's not enough room in the main yard so they yard in there sometimes. And the same thing, they will bring them out of the yard, take them over there and wait til they want to get them on out on the main line. Then they have to line that switch and pull out, line it back and then walk out. That's blocking 33<sup>rd</sup> and Adams when they are doing this. Eventually, from my understanding, it's pretty regular depends on if they are blocked in the yard or whatever. They evidently don't want to electrify the switch and put a signal up and all that. So that's how that's working and it gets them stopped out there sometimes. If they would get something done on 33<sup>rd</sup> crossing and work it on up to Superior, then we might solve that problem.”

The next Board meeting will be held on Monday, June 9, 2014 @ 11:00 am.

Amundson motioned to adjourn the meeting. Christensen seconded the motion. Motion approved 6-0.

**Prepared by: Tina Queen, Engineering Services**