

**NORTH COAST RAILROAD AUTHORITY (NCRA)  
FINANCE COMMITTEE MEETING**

Monday, September 22, 2008– 2:30 p.m.  
Conference Call  
Various Locations

**Approved Minutes**

Approved by the Board of Directors on October 8, 2008

**Call-In location:**

NCRA: 419 Talmage Road, Ste M, Ukiah

**Alternate Public Call-in Locations:**

**Director Colfax:** 21799 Redwood Ridge Road, Boonville

**Director Ollivier:** 1970 Ollivier Road, McKinleyville

**Director Ziedrich:** 359 Hudson Street, Healdsburg

**Director MacDonald:** 29 Olympia Way, Novato 94949

***A. CALL TO ORDER***

Director Ollivier was appointed Chairman of the September 22, 2008 Finance Committee meeting.

***B. ROLL CALL***

Committee Members Present: MacDonald, Ziedrich, Ollivier

Committee Members Absent: Colfax

Also Present: Executive Director Mitch Stogner, Recording Secretary Heather Lindsteadt

***C. AGENDA APPROVAL***

Agenda Stood as Presented

***D. MATTERS FROM THE COMMITTEE***

No matters from Committee

***E. PUBLIC COMMENT***

No Public Comment

**The following members of the public were in attendance:**

Leishara Ward – Caltrans Dist 01

**F. CONDUCT OF BUSINESS**

***1. Discussion and Possible Approval of NCRA Final Preliminary Agency Budget for Fiscal year 2008-2009***

The Committee discussed the Agency budget for fiscal year 08-09. The Committee was concerned about the budget deficit and discussed possible ways to reduce expenses and increase revenues.

Possible revenue sources that were discussed were increased Property Lease revenue by contracting with a real estate professional, possible increased revenue from NCRA’s contract operator, and possible funding from Federal, State, Counties and Cities.

The possible spending reductions that were discussed included the possibility that legal fees would be reduced after the Novato lawsuit was resolved, and the possibility of reductions in project management costs would be reduced after the construction was complete. It was also suggested that maintenance and utility costs would be shifted to the Operator once operations begin.

Director Ziedrich asked staff to comment on Application Fee revenue, and the retirement fee increase. Director Ziedrich asked staff to explain the decrease in Professional Fees. Executive Director Stogner said that HNTB was doing agency budget related work before American Rail Consultants was contracted to complete engineering and capital programming related tasks. He said that there was a substantial amount due. He said the remaining balance owed to HNTB was the requested amount of \$5,000 which would satisfy the HNTB debt.

Director Ziedrich said that he was pleased that the weed abatement expenditure amount was increased. Executive Director Stogner said that the requested weed abatement amount is not enough, and that NCRA hopes to receive assistance from local cities and counties to help with the weed abatement costs.

Heather Lindsteadt reported that the property application fees are being diligently pursued because engineering fees associated with review of application fees are being charged to the applications and generating some additional revenue. She also said that CalPERS retirement fees have been increased for all CalPERS employers statewide.

Director MacDonald asked staff to clarify the decrease in equipment revenue. Executive Stogner said that the Lease of the railcars has been renegotiated and the annual revenue realized by NCRA is \$45,000 less than the previous 3 year term because of depreciation of the box cars and the current market rate for box cars. Director MacDonald also asked about the Contract Service Fees and noted that NCRA only paid ARC \$45,000 in the last fiscal year, and he asked what the outstanding balance owed was.

Executive Director Stogner said that ARC has agreed to a repayment plan of \$3,000 per month and NCRA currently owes ARC approximately \$200,000 for the last two fiscal years. He also said that the outstanding amount owed is listed as an account payable.

Upon Motion by Director Ziedrich, seconded by Director MacDonald the Agency Budget for fiscal year 08-09 was approved by the Committee with the understanding that the Committee has acknowledged that the budget is not balanced and requested that staff present the Final Agency Budget to the Board of Directors for approval. Staff was also directed to prepare a short statement explaining that efforts will be made to balance the budget by accruing unpaid invoices from consultants, legal counsel and lease revenues to addresses the deficit. Motion approved (3-0).

***2. Discussion and Possible Approval of NCRA Final Preliminary TCRP Budget for Fiscal Year 2008-2009***

The Committee directed staff to review the budget, and make necessary changes to reflect corrected budget revenues and expenditures for the TCRP budget presented to the Committee. The Committee also directed staff to make the changes and present the final version to the full Board for approval on October 8. No action taken.

***3. Discussion and Possible Approval of NCRA Final Preliminary Fish & Game Project Budget for Fiscal Year 2008-2009***

Executive Director Stogner told the Committee that NCRA entered into an agreement with the Department of Fish and Game for \$3.057 million to Dewater Schellville (Phase I), and repairs to the outboard levees or possibly of raising NCRA's railroad embankment to serve as a levee(Phase II). He said that Phase II is funded by FEMA and so the decision for repairs will be made by FEMA.

Motion to approve the fiscal year 08-09 Fish & Game Budget made my Director Ziedrich seconded by Director MacDonald. Motion approved (3-0).

***G. ANNOUNCEMENT OF NEXT MEETING***

*NCRA Board of Directors Regular Meeting  
October 8, 2008 -10:30 a.m.  
Healdsburg City Council Chambers  
401 Grove Street, Healdsburg  
Sonoma County*

***H. ADJOURNMENT***

Director Ollivier adjourned the meeting at 3:33 p.m.