

NORTH COAST RAILROAD AUTHORITY (NCRA) FINANCE COMMITTEE MEETING

April 28, 2009– 11:00 a.m.
Ukiah Valley Conference Center
200 South School Street
Ukiah, Mendocino County

Approved MINUTES

A. *CALL TO ORDER*

Committee Chairman Ziedrich called the meeting to order at 11:05 a.m.

B. *ROLL CALL*

Directors Present: MacDonald, Ollivier, Vice-Committee Chairman Ziedrich

Directors Absent: Committee Chair Colfax

Also Present: Executive Director Stogner, Recording Secretary Heather Lindsteadt, and Sonoma County Auditor Controller's Office Accountant II Scott Catania

C. *AGENDA APPROVAL*

Agenda stood as presented

D. *MATTERS FROM THE COMMITTEE*

1. *Director MacDonald – Cash Flow Projection*

Director MacDonald provided a draft agency cash flow projection and a lengthy discussion ensued about how to best utilize the document once it is finalized. Director MacDonald said that there are many line items that should be reviewed and verified. It was the consensus of the committee that a finalized cash flow projection could be a valuable tool in seeking funding from federal, state and local agencies as well as a valuable tool for NCRA staff and Board.

Executive Director Stogner updated the committee on the progress that has been made in the past 5 years. He said:

- In August of 2003 NCRA had three capital grants:
 - \$7.9 mil. FEMA Alternate Project;
 - \$8.6 mil ISTEPA Grant;
 - \$41.2 mil. TCRP that the state would not let NCRA access.
- He said that he was told in 2003 that NCRA did not have sufficient accounting, project engineering, administrative funding to be given any funds from the above mentioned capital grants.

- Eventually after NCRA struggled to overcome many obstacles, FEMA decided to allow NCRA to begin utilizing the \$7.9 mil. Alternate Project which allowed NCRA to repair the Black Point Bridge, purchase rail cars and equipment;
- Purchase of the rail cars and equipment enabled NCRA to hire Project Management services and a transportation planner;
- NCRA worked on getting the Q-Fund forgiven, and being name as “lead agency” for the ISTEAs funds.
 - NCRA received the lead agency status in August 2005
 - NCRA got the Q-Fund Loan forgiven in August 2005
- NCRA sponsored a bill that would have allowed NCRA to retain a portion of the forgiven Q-Fund for administrative funding. That request was made twice. Once in 2005 (SB 792 Chesbro) and again in 2007 (SB 861 Wiggins). Both times the bill was vetoed by the Governor. Executive Director Stogner said that each included more than \$3.5 million that would have been used for the Environmental Consent Decree.
- With the Administrative funding (\$130,000) provided from the FEMA Grant and a loan through the Humboldt Bay Harbor and Recreation District, NCRA was able to cover its expenses in 2005-06.
- With the assistance of American Rail Consultants, NCRA began working toward contracting with a private Operator to run trains on the line and to seek TCRP funding to make repairs to the line;
- Following a lengthy RFP, interview and evaluation process, in September 2006 the NCRA Board of Directors selected NWP Co. to be NCRA’s private railroad Operator. As part of this agreement, NWP Co. agreed to begin making monthly payments to NCRA in the amount of \$20,000.
- The three sources of agency funding continue to be;
 - Lease fees from rolling stock and equipment;
 - Advance Lease Payments from the operator;
 - Revenue from NCRA owned property.

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Though it is a state agency with state-mandated responsibilities to oversee, preserve, and restore 316 miles of railroad right-of-way, the NCRA receives no state operating assistance or any agency funding from local, state, or federal governments. All state funds for capital repairs are a straight pass-through to the contractor and consulting engineers.

E. PUBLIC COMMENT

No public comment

F. CONDUCT OF BUSINESS

1. Discussion and Possible Approval of NCRA Preliminary Agency Budget for Fiscal Year 2009-2010

Motion to approve the NCRA Preliminary Agency Budget for FY 09-10 made by Director MacDonald, Seconded by Director Ollivier. Motion carried **AYES: 3, NOES: 0, ABSTAIN: 0, ABSENT: 1**, with the following changes:

- a. The Committee will approve the budget with the deficit understanding that the deficit will be handled by deferring accounts payable for Legal Services (C.J. Neary) and Consultant Services (ARC);
- b. Staff will add an additional informational column that will show a budget that would be the ideal budget if the agency was appropriately staffed and funded, for Board use, at the upcoming strategic planning workshop in August;
- c. Item 76540 – Contract Service Fees was reduced to \$90,000 to reflect a contract amendment which reduces the amount charged by American Rail Consultants;
- d. Item 76507 – Weed Abatement – Staff was directed to insert a footnote stating that this budget item is severely underfunded;
- e. Staff was directed to continue efforts to collect delinquent and current lease fees;
- f. Staff was directed to add a footnote to Item 77930 – Interest LTD – that the NWP Co. interest is not included in this amount as it is to be repaid to NWP Co. as credits against future lease payments.

2. Discussion and Possible Approval of NCRA Preliminary TCRP Budget for Fiscal Year 2009-2010

Upon Motion by Director MacDonald, seconded by Director Ollivier the Preliminary TCRP budget for Fiscal Year 09-10 was approved. **AYES: 3, NOES: 0, ABSTAIN: 0, ABSENT: 1**

3. Discussion and Possible Approval of NCRA Preliminary Fish & Game Budget for Fiscal Year 2009-2010

Upon Motion by Director Ollivier, seconded by Director Ziedrich the Preliminary Fish & Game (Wingo Camp II) budget for Fiscal Year 09-10 was approved. **AYES: 3, NOES: 0, ABSTAIN: 0, ABSENT: 1**

4. Discussion and Possible Approval of Request for Proposals (RFP) for Financial Compliance Audit Services for Fiscal Years Ended 2009 and 2010

Upon Motion by Director MacDonald, seconded by Director Ollivier the Draft Request for proposals for Financial Compliance Audit Services for Fiscal Years Ended 2009 and 2010 was approved. **AYES: 3, NOES: 0, ABSTAIN: 0, ABSENT: 1**

G. STAFF REPORTS

Executive Director – Mitch Stogner

1. Discussion Regarding Possible Workshop Including Schedule, Agenda and Location

Executive Director Stogner said that the tentative date for the NCRA Workshop and Strategic Planning Session has been scheduled for August 12, 2009 at the Ukiah Valley Conference Center. A discussion ensued about the possibility of conducting the Workshop rather than the Board Meeting that is scheduled for that day. Staff was instructed to update the Board as necessary.

H. ANNOUNCEMENT OF NEXT MEETING

NCRA Board of Directors Regular Meeting
May 13, 2009
Ukiah Valley Conference Center
200 South School Street
Ukiah, Mendocino County

I. ADJOURNMENT

Vice Chair Ziedrich adjourned the meeting at 1:40 p.m.