



East Corridor Oversight Committee
Tuesday, November 1, 2005 10:00 a.m.
MPO Conference Room
Nashville, TN

MINUTES

THOSE IN ATTENDANCE:

Rob Shearer	City of Mt. Juliet
Tom Brashear	Wilson County
Jim Ladieu	TDOT
Paul Ballard	RTA – Governor Appointee
Bill Drunsic	NERC / TSG
Jeff Baines	City of Lebanon
Debbie Frank	Governor Appointee
Deb Varallo	RTA
Brenda Wynn	Congressman Cooper's Office
Terry Bebout	TSG
Deborah Varallo	RTA – VPR
John Kennedy	Metro
Bill Farquhar	RTA
Allyson Shumate	RTA
Teresa McKissick	RTA
Kevin Walker	RTA – NS

Mr. Ballard called the meeting to order. He informed the committee of the Tennessee Public Transportation Association conference and invited them to attend. He also mentioned the Music City Star train will run on Friday, November 4, 2005 as part of the conference. There was a lot of discussion on the funding meeting that will be held Tuesday afternoon at the Double Tree.

1. Public Comments

There were no public comments.

2. Approval of October 18, 2005 ECOC Meeting Minutes

Mr. Ballard called for approval of the minutes from the October 18, 2005 meeting. Jeff Baines motioned, Jim Ladieu seconded and the motions passed unanimously.

3. Recommendation on Loan – Bill Farquhar

Mr. Farquhar briefed the committee on the status of the loan. Bank of America, through efforts of our board and other community leaders, has offered a loan for 8%. This equates to approximately \$496,000 in annual interest payments. If this loan is accepted, additional funding commitments will be needed to cover the interest.

Mr. Farquhar thanked Ms. Deb Varallo who has been contacting other banks to try to secure financing. All of the banks who have been contacted, seem interested, however, no term sheets or offers have been received.

The current situation is the project is out of funds to obligate additional work. Staff does not recommend accepting the loan offer from Bank of America. The project is at the point where options need to be evaluated. The senate appropriation bill has the needed funds included. The goal is to sustain the funds in the conference report. Once the conference report is issued, the final appropriation amount will be known.

Staff recommends to not accepting the loan offered from Bank of America. Mr. Tom Brashear had several questions regarding the slow down of the project. He stated that he believed it would be a good idea for the RTA to identify a small portion of the project to borrow against to establish a credit history. Mr. Farquhar mentioned that this is an option; however, if we get a partial appropriation, it would be easier to get a loan for the remaining funds. Tom Brashear mentioned that the ECOC should try to assist the RTA to establish a credit history.

Bill Drunic asked a question about requesting the funds from another government agency. He stated that TDOT was willing to advance money on a greenway project which had the money appropriated, but not allocated. RTA staff explained that the appropriation was the key and once funds are appropriated, getting an advanced draw is much easier.

Ms. Brenda Wynn of Congressman Cooper's Office stated the funding for this project is one of the top priorities of the office.

Mr. Paul Ballard requested staff reply to Bank of America the RTA cannot accept the loan at those terms and request them to restructure the debt.

Rob Shearer made a motion requesting the ECOC recommend the RTA Board not accept the loan from Bank of America, and request staff to request Bank of America to restructure the terms with interest deferred. The motion further recommended construction continue for the authorized work until the conference report is issued for appropriations. Once the conference report on appropriations is issued and the amount of funding to be received known, the financial markets can be revisited to determine the cost impact of a loan for the remaining funds needed. Tom Brashear seconded and the motion passed unanimously.

Mr. Ballard introduced Teresa McKissick as the new marketing coordinator for the RTA.

3. Phasing Construction

Mr. Walker briefed the committee on the slow down plan for construction. RTA staff is working to restructure current construction contracts. This restructuring entails making sure the work remaining is in biddable packages, should the contracts need to be cancelled.

Staff reminded the committee the current authorized work will continue into February and March. At this time, the conference report will be out and hopefully, a grant amendment in process.

Mr. Walker reported that negotiations with contractors are continuing and staff intends to have the details in change orders for the committee's review at the November 8, 2005 meeting.

Staff is recommending the shelters from the stations be reduced from the scope. This will enable funds to be used to complete most of the site work, and leave a clean bid package for the purchase and installation of shelters if necessary.

For Riverfront Station, staff is working to have the station completed with exception of the interior finish work of the building. This will also leave a very clean package to be re-bid if necessary.

The signal contractor, Stansell Electric, has agreed verbally to a contract extension with no additional costs. Staff is working to award the remaining materials so costs increases will not be a factor.

The track and structures contractor, Queen City, will complete all work necessary to leave a safe, operable railroad. The remaining track work may be bid out.

Other Business

Mr. Kevin Walker, the construction manager briefed the committee on a Change Order on Riverfront Station to reconcile field conditions to the contract. Rob Shearer made a motion to approve the change order, Debbie Frank seconded and the motion passed unanimously.

The meeting was adjourned at approximately 11:00 a.m.

Forecast Expenditures With Delay in Project

CA	Work Pkg	Description	Remaining authorized work					Work to be authorized after receipt of appropriation****									
			Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07
PE-11		PE / Task 1 Final Design / Environmental Rv															
Project Management & Oversight																	
PM100	D100	Project Management Consultant	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
PM100	D100	Operations and Start up Services															
PM100	D100	Marketing Support															
PM100	D300	CR 2004-001 Branding															
PM200	C200	QA Oversight - construction								10,000		10,000		10,000	15,400		
PM200	D200	QA Oversight - Design															
PM300	C300	Agency Management - Construction	21,879	21,879	21,879	21,879	21,879	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
PM300	D300	Agency Management - Design															
PM400	C400	NERA / NERC Mgmt - Construction										69,312					
PM400	OL400	Operation Lifesaver				17,604											
PM400	OM400	Operations & Maintenance	43,898									164,000	164,000	164,000	164,000	164,000	
Railroad Rehabilitation																	
R100	C100	Railroad Rehab - Construction	900,000	610,000						530,000	1,035,000	670,000	380,000	160,000			
R100	CMC100	Railroad Rehab - CM	75,000	65,000	63,000	60,000	60,000	60,000	60,000	75,000	65,000	63,000	60,000	75,000	60,000	60,000	60,000
R100	D100	Railroad Rehab - Design															
R100	DSC100	Railroad Rehab - Design svcs															
Subtotal Railroad Rehabilitation			1,060,777	716,879	104,879	119,483	101,879	110,000	120,000	655,000	1,160,000	1,016,312	654,000	459,000	289,400	274,000	380,000
Subtotal Stations			1,100,000	1,200,000	1,500,000	1,350,000	825,000			50,000	375,000	390,000	100,000	100,000			
Total			2,160,777	1,916,879	1,604,879	1,469,483	926,879	110,000	120,000	705,000	1,535,000	1,406,312	754,000	559,000	289,400	274,000	380,000
Total Forecasted Costs			28,563,786	30,480,667	32,085,546	33,555,029	34,481,909	34,591,909	34,711,909	35,416,909	36,951,909	38,358,221	39,112,221	39,671,221	39,960,621	40,234,621	40,614,621

**** Work on Project Management, Construction Management and Agency Administration is ongoing, authorized work. Project Management / Construction Management and Agency Administration costs will increase, the exact amount of this