



501 Union Street, 6th Floor
Nashville, Tennessee 37219-1705



East Corridor Oversight Committee
Tuesday, December 14, 2004 10:00 a.m.
Metropolitan Transit Authority (MTA)
130 Nestor Street, Nashville, TN

MINUTES

THOSE IN ATTENDANCE:

Jim Ladieu	TDOT
Jeff Baines	City of Lebanon
Diane Thorne	Metro
Rob Shearer	City of Mt. Juliet
Paul Ballard	MTA
Gene Turnage	NERC
Bill Drunic	NERC
Pete Sklannik, Jr.	Guest
John Kennedy	Metro
Tom Brashear	Wilson County
Deb Varallo	RTA – NS/BAH
Eric C. Beyer	RTA
Randall Dunn	MDHA
Joseph Perry	Citizen
Sam Edwards	GNRC/RTA
Allyson Shumate	RTA
Kevin Walker	RTA – NS/BAH
Hanne Flippen	RTA
Eric Bischoff	RTA – NS /BAH
Paul Price	RTA – NS/BAH

CALL TO ORDER

Mr. Paul Ballard called the meeting to order at approximately 10:00 on Tuesday, December 14, 2004. Mr. Peter Sklannik was in town from Trinity Rail Express in Texas to meet the ECOC. Mr. Ballard introduced him to the committee. Mr. Sklannik is meeting with the HR department regarding the Commuter Rail Director position. He will attend the RTA Board meeting on Wednesday, December 15, 2004.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES – November 16, 2004

Mr. Ballard called for approval of the minutes from the November 16, 2004 meeting. Jeff Baines made a motion to approve the minutes. Tom Brashear seconded and the motion passed unanimously.

ENVIRONMENTAL REVIEW STATUS AND ACTION PLAN

RTA staff briefed the committee on the Environmental Assessment. The document was issued for public review and comment on November 26, 2004. A public hearing is scheduled for January 11, 2005, directly after the regularly scheduled ECOC meeting. ECOC members were encouraged to attend the hearing. After the public hearing and comment process, a request for a supplemental Finding of No Significant Impact (FONSI) will be requested from the FTA. After this is received and other items as noted below are completed, the remaining properties can be acquired and the construction at Riverfront station can begin.

Several items are needed before construction can start at the Riverfront Station location. The Core of Engineers (COE) must approve the sublease agreement between RTA and Metro. This agreement must be approved by the Metro Parks Board, the Metro Council and the RTA Board. The amendment to the MOU with Metro that defines the betterments for the Riverfront Station must also be approved.

PROJECT STATUS REPORT

a. Management Action Plan

Paul Price reviewed the Management Action Plan. Mr. Price emphasized the issues needing resolution before Riverfront Station construction can begin, as noted in RTA staff's discussion earlier. Mrs. Diane Thorne stated that the sublease agreement had been forwarded to the COE and the Parks for review. The amended MOU needs to be reviewed and brought to the attention of approval authorities.

Mr. Price briefed the committee on the meeting in Boston regarding the ticket vending machines (TVMs). These meetings were with Bay Area Rapid Transit (BART), who is looking for buyers of their used equipment, and Scheidt and Bachmann, the manufacturer of this equipment. Scheidt and Bachmann would need to perform software modifications to this equipment. Mr. Price stated that the main cost drivers had been identified and the scope was being finalized to reduce costs as much as possible.

b. Construction Status Update

Mr. Kevin Walker briefed the committee on the status of construction. The first rail train arrived in November and offloaded 80,000 feet of rail. Eight thousand tie plates and materials for tie change out were also delivered. The team is reviewing the contractor's schedules. The signal contractor has begun installation of signal housing.

Mr. Walker briefed the committee on the change request presented to cover a gap in the final design plans for the replacement rail. The design team did a field investigation back in 2002, and this section of rail was missed. This rail is not control cooled and should be replaced. If this change is approved, the RTA can add it to the second shipment and not have to pay for extra shipment changes.

Mr. Rob Shearer requested the cost be moved from the contingency line item. RTA staff stated that this would be revised and mailed out to the committee.

Mr. Paul Ballard asked for a motion to approve the change request for the additional replacement rail. Rob Shearer made the motion, Tom Brashear seconded and the motion passed unanimously.

c. Cost / Schedule Update – Allyson Shumate

RTA staff briefed the committee on the need to add a line item to the Neel-Schaffer / Booz Allen Hamilton contract for marketing activities. During the contract negotiations, staff had requested this item be handled via task order for discreet marketing tasks. The line item was inadvertently removed from the contract. This effort is budgeted, so this will only be a change to the contract to enable the task orders to be issued. Mrs. Diane Thorne asked how much was budgeted for advertising and Mr. Paul Price stated that there is money available in the operations budget for ongoing advertising activities.

Mr. Paul Ballard asked for a motion to approve the change in the contract to add the line item for marketing. Diane Thorne motioned, Jeff Baines seconded. The motion passed unanimously.

d. Spare Locomotive

Paul Price mentioned that the RTA has negotiated a price for the spare locomotive with the NERC of \$65,000. The committee asked the team to negotiate a lease for the spare locomotive that would be leased from the Tennessee Central Rail Museum and stored at the west end of the line. The terms that have been agreed to are a retainage fee of \$300 / month to keep the locomotive in condition for use, and if used, there is a straight fee of \$225 / day. This strategy protects both ends of the system. Staff recommends the ECOC authorize the finalization of the lease agreement with the Tennessee Central Rail Museum and the procurement of the second locomotive from NERC at \$65,000. No action was requested at this time. This item will be brought back before the committee upon finalization of the lease agreement.

Mr. Paul Price clarified that interest payments in the lease agreement applies to late payments only. Mr. John Kennedy stated that there is an attorney reviewing this lease agreement for the Museum. RTA legal counsel is also reviewing this document.

e. Legislation

Mr. Paul Price briefed the committee on the needed legislation for the operations of the commuter service as noted below:

CONDUCTORS TO ISSUE CITATIONS.

The fares for the Music City Star will be handled with a proof of payment system. The conductors will randomly check the tickets to ensure proper fares have been paid.

After much discussion, it was decided to move forward with a two-pronged approach. The short –term solution would be to have the conductors issue an invoice to the patron who has not paid. This invoice will be for the price of the ticket and an additional administrative fee, and will provide a specified time period in which the patron can pay. If payment is not received during that period, the issue will be turned over to general sessions court. The long-term approach would begin to move legislation to allow citations to be issued in anticipation for future corridors. The citation amount will be based on the legislation.

SELF INSURANCE RETENTION FUND –

This is more unique to the Music City Star circumstances. Proposed language has been provided to the legal counsel. The most costly part of insurance for commuter rail operations is the first \$5 million. The \$2 million retention fund would make this much more affordable.

The more general and broad of scope that this can be made will be of benefit. Legal counsel stated that the State Treasurer wanted to see examples of other systems.

It was decided by the group that more discussions were needed with TML.

BORROW MONEY AND COLLATERIZE ASSETS -

The RTA enabling legislation needs to be revised to add the power for the RTA to borrow money. The language used by the short line alliance last year should be used if possible.

f. Marketing Update-

Mrs. Hanne Flippen briefed the committee on the marketing activities. We are going to be issuing task orders on marketing activities shortly. The first issue is a prioritization of the marketing implementation plan. We are also looking to do a marketing segmentation study through The Ingram Group. A flyer and brochure have been developed and will be issued soon. The next newsletter is in final review and will be issued in a couple of weeks. Construction photos will be posted on the web site.

The meeting was adjourned at approximately 11:40 a.m.