

**Railroad Advisory Board**  
**Meeting Minutes**  
**May 13, 2010**

The meeting of the Railroad Advisory Board was called to order at 7:34 a.m., May, 2010 in the W&L: Utility Services Conference room at 105 E. Ash, Columbia, MO.

The following people were present:

Peter Davis, Chairperson  
Greg Eiffert, Vice-Chair  
Jack Blaylock, Member  
Bryan Ross, Member  
Benny Lusk, Member  
Harry "Doc" Wulff, Member – Excused  
Kee Groshong, Member – Excused  
Michael J. Schmitz, Interim Water and Light Director  
Christian Johanningmeier, Engineer II  
Tad Johnsen, Power Plant Superintendent  
Jim Windsor, Rates/Fiscal Manager  
Tina Worley, Utility Services Manager  
Dave Sprague, Railroad Operations Supervisor  
Ryan Williams – Assistant Water and Light Director  
Marilyn Thorpe, Administrative Support Supervisor  
Tracy Frevert, Administrative Support Assistant III

**APPROVAL OF MINUTES:** The minutes of the regular meeting of February 11, 2010 were approved unanimously by voice vote on a motion by Greg Eiffert and second by Bryan Ross.

**DIRECTOR'S REPORT:** Mike Schmitz informed the Board that a business plan for the Transload had been developed by Tad Johnsen and Christian Johanningmeier. The business plan gives a clearer picture on the route the City should take regarding the Transload. He said it might make more sense for the City to operate the facility rather than have a private, outside entity operate it.

Tad Johnsen reviewed the business plan with the board. He said the plan was divided into three sections: Section A is a five-year business plan for the COLT Railroad, Section B is a five-year business plan for the Transload, and Section C is a plan for integration of COLT Services within the Water and Light Department.

Mr. Johnsen first explained some of the figures used in Section A of the business plan. He stated that there was a 3% projected growth rate shown in Table 1, page A-3. The 3% growth rate figure was used for all projections. He said that Appendix A-1 is the budget for FY 2010.

The figures in Section B are estimated projections based on operating figures from the Transload facility's previous owner. The 25-30% growth rate is projected to level out at 15% within five years. Mr. Johnsen also noted that the Transload facility currently has two temporary employees that W&L acquired with the facility purchase. These two employees will be included in the budget as permanent employees. Future plans may include hiring an administrative assistant and marketing representative. Currently marketing is handled by the Utility Services Manager, Tina Worley, and her staff. They would

continue to maintain current business contacts,. The new marketing representative may work on commission, making new business contacts. A new marketing plan will be developed at a later date.

Section C outlines the integration of the COLT Railroad and the COLT Transload in the COLT Services group. Currently the railroad owns the land and tracks, and the Transload that was purchased by the Electric Department. This plan proposed a 30 year term loan program in place for the railroad to purchase the Transload from the Electric Department.

Mr. Johnsen also reviewed chart C-4, which exhibits the employee responsibility structure, including both current and projected positions. He explained that all COLT employees would relocate to the Transload facility. The conference room should be converted into office space, so future plans would include the addition of a new conference room.

Discussion and questions followed Mr. Johnsen's report. Mr. Schmitz noted that COLT Transload operational and advisory decisions should stay under the jurisdiction of the Railroad Advisory Board, even though the expenses are reflected in the Electric Department's budget. This would have to be approved by the City Council, and the Railroad Advisory Board's mission statement would have to be amended to include the COLT Transload.

Jack Blaylock had a question concerning the revenue figure on Appendix A-1, which he thought seemed elevated. Christian Johanningmeier explained that the FY09 figures are actual, but the FY10 and FY11 figures are estimated. FY11 figures are based upon projected annual growth and after researching information regarding each current customer.

Peter Davis expressed concern that once the economy improves, the community may want the Transload to be run by a private entity once again, rather than a public one. The Advisory Board needs to be prepared to either easily transfer the Transload to the private sector again, or have justification in place as to why it should remain public. Michael Schmitz believes that we can provide all services cheaper than a private entity, proving we are a "full service city." Mr. Davis recommended revising the railroad business plan to include justification for keeping the Transload as a public entity.

Since the City of Columbia has a new Mayor and two new City Council members, Bryan Ross expressed concern about how much they know about the COLT railroad. Mr. Schmitz said that the Transload is not on the May 15, 2010 City Council tour. However, the W&L Director is on the agenda to brief them on the COLT budget at the June, 2010 City Council retreat.

Jack Blaylock recommended the Railroad Advisory Board proceed with the railroad business plan so the W&L director can present the plan to the City Council with the Board's approval. Greg Eiffert made a second to the motion, which passed by a unanimous vote.

**FINANCIAL REPORT:** Jim Windsor said the railroad's financial status had improved from the last Board meeting. He said there are three items that should be excluded when considering the operating revenues and expenses. The Capital Maintenance Fee is revenue that is dedicated to capital expenses not operation and maintenance; Depreciation is a non-cash expense; and the third item is Contributed Capital. The Contributed Capital being shown is the first costs associated with the construction of the new bridge. Removing those, results in a positive balance of \$1,536.

**TRAFFIC REPORT:** Christian Johanningmeier reported that total traffic year to date was 839 cars, an increase of 104 cars from this time last year. He said that coal traffic is up, but metals and building materials traffic was down. April, 2010 is the railroad's best month since 2008.

**MARKETING:** Tina Worley said she and David Dick were continuing to meet with prospective rail customers, including ABB, Hayes Wheel and Waterloo. Tina said the MODOT Intermodal Study completed last summer shows a need for containerized out-bound grain. There is interest from a national intermodal company to visit the transload and discuss the potential for development.

**NEW BUSINESS:** Christian Johanningmeier provided details on the draft contract that will be forwarded to the dinner train operation. The five-year contract includes provisions for the dinner train operators to use Track No. 2 at the Rail Terminal to store and service the train, and to use the entire length of the railroad for the excursions. The dinner train plans to launch in late summer and operate 144 trains per year, including Friday and Saturday evenings and a Sunday brunch. COLT will charge a \$250 per train rate with a \$1,000 per month minimum. This rate will be re-negotiated at the beginning of the third year. Passengers will load and unload at the terminal. The dinner train operator will supply their own personnel and equipment, and will pay for the addition of water and electric lines. They will also have to meet insurance requirements.

Michael Schmitz introduced Ryan Williams, the new Assistant Water & Light Director. Marilyn Thorpe introduced the new Administrative Support Assistant III, Tracy Frevert.

**OLD BUSINESS:** US Highway 63 Bridge Update – Christian said the bridge construction was underway and the foundations are complete. He said six of seven concrete piers have been constructed. Steel fabrication is about 95% complete, and once the final pier is constructed, the contractor will have the steel delivered and will begin steel erection. Construction is slightly behind schedule because of the weather.

**NEXT MEETING DATE:** The next meeting is July 8, 2010 at the Utility Services Conference Room.

The meeting adjourned at 8:34 a.m.

Respectfully Submitted,

