

Railroad Advisory Board
Meeting Minutes
August 17, 2010

The meeting of the Railroad Advisory Board was called to order at 7:30a.m., August 17, 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

Mike Teel, Member

Kee Groshong, Member

Tad Johnsen, Water and Light Director

Christian Johanningmeier, Acting Power Production Superintendent

Jim Windsor, Manager of Rates/Fiscal Planning

Ryan Williams, Assistant Water and Light Director

Tina Worley, Utility Services Manager

Connie Kacprowicz, Utility Services Specialist

David Storvick, Engineering Manager

Marilyn Thorpe, Administrative Support Supervisor

Tracy Frevert, Administrative Support Assistant III

APPROVAL OF MINUTES: The minutes of the regular meeting of May 13, 2010 were approved unanimously by voice vote on a motion by Jack Blaylock and second by Greg Eiffert.

DIRECTOR'S REPORT: Tad Johnsen introduced new colleagues and members to the Board, the first of which was himself as the new Director of Water and Light. He also introduced Mike Teel, owner of Mid-City Lumber, who replaced Harry "Doc" Wulff as a Board member, selected by the Council. All in attendance introduced themselves.

Mr. Johnsen reported on an overgrowth of trees at Lakeview Crossing, a railroad right of way in Centralia. Christian Johanningmeier examined the crossing, which is signalized, and determined that some trees should be removed. Mr. Johnsen said that several property owners may be adverse to tree removal, which is why he wanted to report the situation to the Board. Property owners will be notified by letter and a personal visit, and Staff will also contact Centralia's City Administrator, Lynn Behrns. The property owners will be notified in approximately a month, and the trees cleared in approximately two months.

The width of the right of way is typically cleared 50' either side from the center of the main track and a distance along the track 250' either side of the road crossing.

TRAFFIC REPORT: Christian Johannningmeier reported that traffic through the end of July, 2010 has been 1,248 cars versus 971 cars this time last year. The best year was in 2005 with 2,200 carloads. Coal, metal and scrap traffic is up, but building materials traffic is down. Transload is 469 carloads versus 394 carloads last year. Mr. Johannningmeier declared that July is the fifth consecutive month of traffic growth.

MARKETING: Tina Worley has been meeting with several prospective rail customers, including Hubbell, and a local manufacturer needing warehouse space. She also reported that Waterloo, which is primarily metal products, is projecting a strong fourth quarter.

NEW BUSINESS: Tad Johnsen and Jim Windsor reviewed the proposed FY 2011 budget presented to the Council, which show a 5% revenue increase above FY 2010 estimated revenue budgets. The budget includes an increase in revenue due to rental revenue of the Transload facility, and modest expenses because of increased supplies and materials.

The City's FY 2011 budget includes the addition of three to four positions, two of which will be Transload personnel. One Railroad position, Engineer, will remain vacant until rail traffic supports it.

Discussion and questions followed the budget review. Mr. Johnsen reported on expense and revenue for the Transload. The Railroad is purchasing the building from Electric to consolidate the land and building. Railroad will pay an additional interest expense of \$12,820 for the Transload in FY 2011.

Kee Groshong made a motion to recommend the Proposed FY 2011 Budget to the Council. Jack Blaylock made a second to the motion, which passed by unanimous vote.

Mr. Windsor also reported that funds are in CIP to repair the College Avenue crossing next year.

Mr. Windsor reviewed the Detail Schedule of Operating Revenues and Expenses for the nine months ended June 30, 2010. He stressed that there is no net income of \$1,149,248. He explained that Capital Contribution is bridge construction and the Capital Maintenance fee is directed towards Capital Projects. So, remove those items for a Net Income of \$75,718.

OLD BUSINESS: Christian Johannningmeier reported on the US 63 Bridge Update, that all of the steel has been delivered and erected, and water proofing installed. The steel will develop a layer of oxidation making it a uniform brown color. No paint will be utilized. The bridge should be in service near the end of August, possibly early September. The contact completion date is October 15. A dedication ceremony will be held in the end of October.

Additional Old Business discussion concerned the Dinner Train. Mr. Johannningmeier confirmed that the contracts have been fully executed. Central States Rail Associates

have already hired maintenance and office personnel, and are currently looking to hire a chef. They are refurbishing equipment, working on the utilities installation, and have established an office at the Transload facility. Also, Shapiro Brothers has been relocated from track 1 to track 2, so the dinner train can be on track 1. They are renting office and storage space at the Transload facility.

The dinner train's start up date is early to mid September, and they hope to be up and running for MU's football season. Dinnertrain.com is the website. The train will be Wabash colors: blue, gray and white.

Discussion followed concerning dinner train customer cost, the potential number of customers, growth of the business, and the need for additional dinner train personnel.

Mr. Johnsen announced that Christian Johanningmeier is now Acting Power Production Superintendent, so now conducting both electric production and railroad business.

At a past meeting, Bryan Ross suggested the possibility of using social networking sites for COLT services. Connie Kacprowicz explained how social networking is used for business practices. Typically, public awareness is not good for social media. However, marketing for potential customers would be. She suggested contacting REDI and possibly partnering with them. The Utility Services Division has purchased a Facebook add which pops up when someone from Columbia opens his Facebook page. The City has nixle, which is a forum to post news feeds. Customers who have signed up for nixle receive information via cell phone or email.

Ms. Kacprowicz recommended the Board determine what ideas they would like presented to customers, then determine if social media can work for them. Social media can be used as a customer service, public outreach tool, marketing tool and educational tool. Discussion followed, determining that Ms. Kacprowicz will develop ideas using social media for general awareness, marketing, and grade crossing updates.

Tad Johnsen and Marilyn Thorpe presented coffee mugs and flashlights to the Advisory Board members in appreciation for their service.

NEXT MEETING DATE: The next meeting is October 14, 2010 at the Utility Services Conference Room.

The meeting adjourned at 8:22 a.m.

Respectfully Submitted,