

PRTC JULY 26, 2024 MEETING MINUTES – APPROVED 9/6/2024

Pecatonica Rail Transit Commission Commission Meeting – Friday, July 26 2024 at 1:00 pm

1. 1:00 PM **Call to Order** – *Harvey Kubly, Chair*
2. Roll Call. **Establishment of Quorum** – *Misty Molzof, Admin*

Green	<i>Harvey W. Kubly, Chair</i>	X	Iowa	<i>Charles Anderson, Secretary</i>	X
	<i>Larry Kranig</i>	X		<i>Bill Ladewig</i>	Excused
	<i>Mark Gundlach</i>	X		<i>Craig Hardy</i>	Excused
Lafayette	<i>Jeff Berget</i>	X	Rock	<i>Tom Brien, 1st Vice Chair</i>	X
	<i>Luke McGuire</i>	X		<i>Dave Homan</i>	Excused
	<i>Donna Flannery, Vice-Secretary</i>	X		<i>Kevin Stone</i>	Excused
	<i>Mark Pinch, Alternate</i>	Excused			Excused

Others present for all or some of the meeting:

<i>Misty Molzof, Administrator</i> <i>Julia Potter, Attorney</i>	<i>Ken Lucht, WSOR</i> <i>Max Blacbourn, TCTC</i> <i>Becky Burbach (lesee) & Ruthie Horner</i>
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3. Action Item. **Certification of Meeting's Public Notice** – *Noticed by Molzof.*
 - Motion to approve meeting's public notice – Anderson/Brien. Passed Unanimously.*
4. Action Item. **Approval of Agenda** – *Prepared by Molzof.*
 - Motion to approve the agenda. McGuire/Gundlach. – Passed Unanimously.*
5. Action Item. **Approval of draft May 24, 2024 Meeting Minutes** – *Prepared by Molzof.*
 - Motion to approve the May 24, 2024 meeting minutes. Brien/Berget. Passed Unanimously.*
6. Action Item. **Election of Officers**
 - Motion to nominate Mark Gundlach as Treasurer. Kranig*
 - Motion to close nominations and cast a unanimous ballot for Mark Gundlach as Treasurer. Anderson/Berget. Passed Unanimously.*
7. Updates. **Public Comment** – *None.*
8. Updates. **Announcements by Commissioners**– *None.*

REPORTS & COMMISSION BUSINESS

9. **Approve Treasurers Report and Payment of Bills** – *Molzof, Admin*
 - Motion to approve treasurers report and payment of invoices to SWWRPC: \$1,928.00 for 2nd quarter services. Anderson/Kranig. Passed Unanimously.*

Molzof stated that on the Cash Flow, you can see we have received 1st and 2nd Qtr WSOR payments, 3rd Quarter was received and sent to the bank on July 24th, and invoices to the counties were sent out on July 24, 2024. Our checking account has received \$47.71 in interest so far this year, and we paid 1st quarter administrative services to SWWRPC, with the 2nd quarter invoice ready for approval today. Ending balance in the checking is \$83,134.41 as of June 30, 2024. The Woodford Bank CD renewed on June 19, 2024; however, the new Treasurer appointed today will go to the bank and take care of necessary paperwork. Currently in Fidelity after some automatic transfers, we have \$185,959.19. We received quite a bit of interest over the last couple of months as the cd's matured while we were without a treasurer. Revenue and Expense Statement: we have received about 50% of our annual revenues; received about \$8,200 more in interest than what we anticipated or budgeted this year; and should be receiving our county funds in the next couple of weeks. There haven't been any legal bills received yet this year, 50% of administration will be paid after today's meeting, and there hasn't been any other expenses. Net revenue over expenses through June is \$11,499.35. Balance sheet lists out the accounts, balances in each, for total cash assets of \$294,094, liabilities of \$1,928 which is the 2nd quarter administration fees, for a total fund balance of \$292,166. There is the one bill for approval to SWWRPC for 2nd quarter 2024 services in the amount of \$1,928.00

10. 2025 Budget – Molzof, Admin

- *Motion to approve the 2025 budget with changes as noted. Gundlach/Kranig. Passed Unanimously.*

Molzof explained the proposed 2025 budget. Changes from 2024 to 2025: increase in interest income from \$600.00 to \$1,250; increase in management and accounting fees to reflect the proposed contract with SWWRPC from \$7712 to \$8000; an increase in misc. fees from \$138 to \$500 to account for the advisor fees paid for our investments. Total revenues of \$47,500, and total expenditures of \$47,500, leaves us with a \$0 net budget for 2025.

11. WSOR Operations Report – Lucht, WSOR

Lucht reported that WSOR is in full swing with maintenance programs: Monroe Sub 800 ties installing between Janesville and Monroe; they are gearing up to replace crossing on Hwy 11 at Janesville; installing ties on the Reedsburg Sub. about 25,000 ties between Waunakee and Devil's Lake is in process; 8,000 ties are being installed on the Fox Lake Subdivision, from Janesville to Chicago; the \$6 million new locomotive shop is complete and should last for the next 100 years, an event is being scheduled in late August to showcase the new shop.

Kranig – When Badger State Ethanol doubles in size, is the rail ready and able to handle it. Lucht – WSOR is polishing their capital plan right now, and it will include new rail between Janesville and Monroe. Largely 90lb jointed rail, and not too many defects in the 100-year-old rail, this is tested annually. Monroe sub. will be scheduled in the next 5 years or so. WSOR will be applying for funds and bringing back plans to the commissions in the next couple of years for these projects. Business development includes a good customer base in Cottage Grove.

FRAPP – Freight Railroad Preservation Program – funding source for funding rail projects, requires a 20% local match which usually comes from railroad and commissions. Proposed changes include removing the public owned lines language from the program requirements, which creates a wider base of eligible recipients. By removing this language, it may be more competitive for public entities as the program is made available to all rail entities in the state. The reason is that the funds are no longer bonded and are now considered part of the segregation funds in the state budget or cash reserve. This allows the state to not have to go through the bonding process. State wants to use up cash reserve and make it available statewide to public or private. WSOR position is that they have a number of concerns: state taxpayer dollars should not be offered to Class 1 railroad or railroads with over \$1 billion in revenues per year; Class 1 Railroad like Union Pacific, could apply for the entire \$20 million and wipe out the funding for the year; do believe that Class 2 and Class 3 railroads, short line railroads, should be eligible, because they rely on this to keep the rail lines going; proposed revisions are substantial. City owned tracks are not eligible under the proposed revisions, these come off of the main lines. Billion-dollar companies will be eligible for these grants, but municipalities are not eligible. Municipalities do not have funds to update their tracks. Makes sense that the state would return taxpayers dollars to other government entities. Encourage the Commission to weigh in on this. 7 miles of new rail will cost about \$7 million; therefore, there are many public benefits to rail. Lucht will provide WSOR response to Molzof to send out to Commissioners. Action can be taken under item #15.

12. WisDOT Report

None.

13. Tri-County Trail Commission Report – Blackburn, TCTC

Blackburn stated that the trail has had a lot of use, a lot of phone interest from Iowa and Illinois people, maintenance activities are underway, and a request for bid proposal is in the works for gravel replacement.

14. Administrator's Report – Molzof, Admin.

None.

15. FRPP Policy Revision – Molzof, Admin.

- *Motion to approve Molzof writing a letter to WisDOT. McGuire/Kranig. Passed Unanimously.*

16. TCTC Request to Trim and/or Remove Trees – Molzof, Admin

Blackburn asked if trees are removed and trimmed, can they burn them along the trail? McGuire stated that there are a lot of trees that need to be dealt with along the trail. Potter read a portion of the contract that relates. No Action

17. Permit Requests, if any – Molzof, Admin

- *Motion to approve ATC, Town of Clarno, Village of Browntown, pending compliance with Trans 29 and additional drawings for construction project prior to proceeding with construction and clearing work and coordination with TCTC on any trail closures and coordination needed. Flannery/Gundlach. Passed Unanimously.*
- *Motion to Approve reimbursing \$500.00 to Stanton's for application fee received, not necessary, not RTC owned property. Berget/Kranig. Passed Unanimously.*

18. 2025 Staff Services Agreement with SWWRPC

- *Motion to approve staff services agreement for 2025 in the amount of \$8,000.00 for administration services. Brien/McGuire. Passed Unanimously.*

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- 19. PRTC Owned Tax Parcel ID 206-1078.0000, City of Darlington, Lafayette Co, WI – Molzof, Admin**
- *Motion to direct tenant to work with city to come up with a plan to bring it into compliance and bring back to next meeting with information from the city and possible new building owner, and to remove everything off of the land, since the lease is for the building only. Anderson/Gundlach. Passed Unanimously.*

Molzof updated commission on status, Burbach stated that they have completed repairs in 2022, including a new roof, removal of a chimney, etc, project costs of \$7,200, painting that needed to be done, looks like they could use some touchup again, and some boards are missing on the boarding docks, new tongue and groove has been installed to replace it, stray cats have been removed and metal grates have been installed to prevent cats from entering, and other repairs have been made. The biggest problem is the North wall, a little bit of an issue with some cracking in May, but it has gotten a lot worse in two months' time. They have an interested person in purchasing the building, a plumber in Darlington, who has history of restoring buildings in Darlington. Would like to sell the building, and for new owner take over the lease with PRTC, or they will keep the building, and make the repairs. Potter, asked if son is currently a legal owner of the building, and Burbach replied that it is in the will; however, title has not been changed. Potter, commission owns the property, Burbach owns the building, recommendation is that the Commission only enters into a lease with the owner of the building; however, could be some language in the lease stating who the building lease transfers to. Lease and conversation regarding what is included in the lease, just the building, or the land as well. Commission attorney and administrator relayed that the building only is on our records; however, Burbach claims that the map that should have been attached and included the land as well. Potter, recommend to bring this back at next meeting with more information from the city and updates on ownership of the building. Before renewed or extend or anything else, get confirmation that it is in compliance.

- 20. Discussion and possible action on Encroachments and trespassing issues – Molzof, Admin.**

- 21. Adjourn to Closed Session – Potter, Attorney.**
- *Motion to adjourn to closed session at 2:15 pm. Berget/McGuire. Upon roll call vote, passed unanimously.*
 - *Motion to return to open session at 2:33 pm. McGuire/Berget. Upon roll call vote, passed unanimously.*

- 22. Discussion and possible action on Encroachments and trespassing issues – Potter, Attorney.**
- *Motion to proceed on the timber trespass matter, agenda item #20 as discussed in closed session. McGuire/Gundlach. Passed Unanimously*

- 23. Adjournment.**
- *Motion to Adjourn at 2:34 pm. Brien/McGuire. Passed Unanimously.*

Meeting adjourned at approximately 2:34 pm.