



East Corridor Oversight Committee
Tuesday, March 14, 2006 – 10:00 a.m.
MTA Conference Room
Nashville, TN

Minutes

THOSE IN ATTENDANCE

Paul Ballard	Governor Appointee
Rob Shearer	City of Mt. Juliet
Jeff Baines	City of Lebanon
Tom Brashear	Wilson County
Terry Bebout	TSG/NERC
Diane Davidson	TDOT
Randall Dunn	MDHA
Bill Farquhar	RTA
Paul Price	RTA/BAH
Kevin Walker	RTA/NS
Teresa McKissick	RTA

Mr. Paul Ballard called the meeting to order at approximately 10:00 a.m. on March 14, 2006.

1. Public Comments

There were no public comments.

2. Approval of the Minutes from February 28, 2006 ECOC Meeting

Mr. Paul Ballard called for the approval of the minutes from the February 28, 2006 meeting. Mr. Tom Brashear of Wilson County motioned, Mr. Rob Shearer seconded and the motion passed unanimously.

3. Self Insured Retention Funding

Mr. Bill Farquhar informed the committee of the definition of the Self Insured Retention Fund with an analogy saying it is similar to the deductible on your car. It's money you don't expect to use, but that you need to have available. RTA must have two million dollars available. One million for each of two occurrences should they happen. Mr. Rob Shearer made the motion and Mrs. Diane Davidson seconded as follows:

The ECOC recommends:

- 1) Staff is directed to prepare an amendment to the Music City Star business plan showing how the SIR would be funded and a reasonable amount of time for that to happen.

- 2) The RTA will pursue with the FTA the potential of a letter subordinating their interest in vehicles and station property to any liability claim.
- 3) Staff will perform an appraisal of the value of the cars and locomotives to present to Bank of America.
- 4) Staff will prepare a proposal for TDOT for contingent funding from that entity to RTA for any funds that might be needed should an occurrence happen.
- 5) Staff will work with the ECOC to explore the potential for expanding the public agency tort liability cap to operators of commuter rail.

The motion carried.

4. Insurance Proposal for Music City Star

Mr. Farquhar explained that the insurance will be purchased in layers with a different underwriting firm providing the coverage for each layer. The first layer is for \$25M, the second to \$50M, the third to \$75M and the final layer is \$200M. This insurance is to cover the operation of the commuter trains only; NERC and TSG are providing their own insurance for their employees. The staff was directed to continue working with Marsh to identify methods of reducing the premiums and to make a recommendation to the full RTA Board on the April 19th.

5. Amendment to the Trackage Rights Agreement

Mr. Farquhar informed the committee that there had been an amendment to the item since the agenda was released, saying he and Mr. Bill Drunsic had spoken since it had been distributed. The change is as follows: Liability insurance will be reviewed on an annual basis and coverage limits lower than \$200 million dollars may be procured and instituted by RTA, with the written approval of both NERC and NERA. The amount of the insurance premium will vary each year based on the claims history of the commuter rail operation. Motion was made by Mr. Brashear and seconded by Mr. Shearer that the committee approve a recommendation to the RTA Board for a modification of Section 8.01 of the RTA/NERC/NERA Memorandum of Agreement. The motion carried.

6. Third Party Administrator (TPA) Claims Contract

Mr. Farquhar advised the committee that the operation of the Music City Star will require the ability to provide insurance claims administration for the passengers. RTA's insurance broker, Marsh, Inc., has informed staff that the potential major underwriter, Arch Insurance strongly recommended that the RTA retain the services of Rail Services, Inc. (RSI) to provide Third Party Administration (TPA) insurance claim services. RSI is well known in the industry and conducted a risk assessment for the Music City Star in the summer of 2005 and has worked several years with the Nashville and Eastern Railroad.

Mr. Paul Ballard suggested that the sole source would not be appropriate and he directed the staff to investigate other companies by making phone calls and getting quotes before making the presentation to the board. Mr. Shearer made the motion and Mr. Jeff Baines seconded. The motion carried.

7. Temporary Martha Station

Mr. Kevin Walker updated the committee on the status of the temporary Martha Station. He informed the committee that the platform is being installed, there will be three paved ADA parking spaces and the remaining parking lot will be gravel and will house approximately 80 vehicles. He also said NES has offered to give RTA light fixtures similar to those used in private lawns; RTA will have to pay the bill. Ms. Davidson made motion and Mr. Baines seconded that the committee recommend to the full RTA Board a Change Order to the Queen City contract in the amount of \$138,681.42 to construct the temporary station. Motion carried.

8. Mobilization Update

In addition to items on the agenda, Mr. Farquhar informed the committee that the layover facility will be functional in two weeks and that RTA should be able to move the equipment shortly. He also said the RTA staff is ready to begin accepting names for the invitation list for the opening ceremony events. The date for the opening ceremony will be a date that works best for the public officials and not necessarily tied to the start of service date. Mr. Farquhar reviewed

the sample uniforms. He also said the MCS will operate a special event train for the Fourth of July Fireworks. Paul Ballard suggested RTA get a sponsor so the train could be free for passengers. Mr. Paul Price advised against this option to lessen the opportunity for overcrowding. Mr. Farquhar said some tickets will be given away as part of a promotional campaign, but that the special event train would be fee based. Mr. Baines suggested it might work best to run the train from Hermitage and Donelson because Lebanon has its own fireworks celebration and that the City of Lebanon and Mayor Fox would not want to transport people out of the city and in to Nashville.

9. Funding Update

In Mrs. Shumate's absence Mr. Farquhar informed the committee that RTA has received the letters from the federal appropriations and that the funds should arrive in a week or two. RTA has already drawn down on the line of credit with Bank of America and will have to do so again in the next couple of weeks.

10. Construction Update

Mr. Kevin Walker informed the committee that the construction of the Lebanon Layover Facility continues, the ballast cleaning is complete, Phase II of the grade crossings signals were installed, landscaping, curbing and electrical work have been completed at both Mt. Juliet and Lebanon, the concrete platforms are completed at both Hermitage and Donelson and installation of the insulation, drywall and exterior masonry and metal roofing has begun at Riverfront Station. Ms. Davidson asked for a numerical breakdown of the budget. Kevin gave estimates as follows: Signals 90%, Stations 75% and Track work 90%. He offered to follow up with exact percentages.

11. Riverfront Station Site Visit

Mr. Kevin Walker led tour of Riverfront Station for those committee members who wanted to participate.

12 Other Business

There was no other business raised.

Mr. Ballard adjourned the meeting at approximately 11:40 a.m.