

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: PUBLIC WORKS

DATE: JUNE 11, 2019

COMMITTEE MEMBERS PRESENT:

SUPERVISORS SIMPSON
MERLINO
FRASIER
DICKINSON
DIAMOND
LOEB
MAGOWAN
WILD
HOGAN
GERAGHTY

OTHERS PRESENT:

KEVIN HAJOS, SUPERINTENDENT OF PUBLIC WORKS
TIM BENWAY, DIRECTOR, PARKS, RECREATION & RAILROAD
RYAN MOORE, COUNTY ADMINISTRATOR
RONALD CONOVER, CHAIRMAN OF THE BOARD
MARY ELIZABETH KISSANE, COUNTY ATTORNEY
SARAH MCLENITHAN, DEPUTY CLERK OF THE BOARD
FRANK THOMAS, BUDGET OFFICER

SUPERVISORS BEATY
BRAYMER
LEGGETT
MCDEVITT
SOKOL

COMMITTEE MEMBER ABSENT:

SUPERVISOR HYDE

TAMMIE DELORENZO, ASSISTANT TO THE COUNTY ADMINISTRATOR
BRIAN REICHENBACH, LEGAL COUNSEL FOR THE TOWN OF CORINTH
REPRESENTING UNITED RAIL
JACK KELLY, CONSULTANT
STEVE FISK, CONSULTANT
TRAVIS WHITEHEAD, TOWN OF QUEENSBURY RESIDENT
LESLIE LOVELACE, SECRETARY TO THE CLERK OF THE BOARD

Please note, the following contains a summarization of the June 11, 2019 meeting of the Public Works Committee; the meeting in its entirety can be viewed on the Warren County website using the following link:
<http://www.warrencountyny.gov/gov/comm/Archive/2019/works/>

Mr. Simpson called the meeting of the Public Works Committee to order at 9:02 a.m.

Motion was made by Ms. Hogan, seconded by Mr. Loeb and carried unanimously to approve the minutes of the last Committee meeting, subject to correction by the Clerk of the Board.

Copies of the Parks, Recreation & Railroad agenda were distributed to the Committee members, a copy of same is on file with the meeting minutes.

Commencing the agenda review, Mr. Simpson introduced Jack Kelly and Steve Fisk who were in attendance to represent United Rail.

Mr. Magowan entered the meeting at 9:03 a.m.

Mr. Simpson noted the Committee had time to review the proposal provided by United Rail and prepare questions for Ryan Moore, *County Administrator*, to present, but none were received.

Mr. Loeb informed he wanted the County to inquire what their liabilities were if they abandoned the railroad and did not involve United Rail, stating he was concerned about the funds received in the past to support the railroad. Mary Elizabeth Kissane, *County Attorney*, informed the County would not be responsible for paying back the State and Federal grant funding. Mr. Loeb asked what it would cost to abandon the railroad and Kevin Hajos,

Superintendent of Public Works, replied he did not have an answer. Mr. Moore advised abandonment meant there would be no further Federal right-of-way over the corridor or regulated train service. He remarked passenger trains could still use the lines, informing when there was an abandoned railroad it became real estate. He reported the County owned all of the right-of-ways with no reversionary rights to former property owners, and if there was it would cause a gap where they would have to pay for a right-of-way for a snowmobile or rail trail. He explained initiating an abandonment could go one of two ways, the first being it could give governments, shippers and rail companies that used the line the opportunity to challenge the abandonment and not allow it to proceed. He said it was a process called OFA (*Offer for Financial Assistance*) where in the rail business he said, “it was use it or loose it”, meaning they could not keep the corridors out of service without someone eventually putting up money to run trains. He notified the OFA process was the STB’s (*Surface Transportation Boards*) mechanism to try and make a deal happen between the owner of the railroad and someone who wanted to operate on it, adding if the owner of the railroad no longer wanted to own it the OFA could assist with negotiations for either a purchase or subsidized operation agreement where a company would pick up the operating costs. He explained if an agreement was not reached the STB would do an over the fence appraisal which determined a value for the land, ties and tracks and provided a price to an operator and if the operator agreed to the price the County would not be able to object. He notified the second way was for the STB to impose a subsidy agreement, informing he asked them if there would be a case where they kept an owner in debt to which they responded they would not impose an agreement in that manner nor would they force an owner to stay in the railroad business if they no longer wanted to. He informed he spoke to the Deputy Director of the Office of Rail Customer and Public Assistance, who assured him they would partner and work together. He informed he outlined how initiating an abandonment procedure could lead to a ruling that the County stay in the railroad business. He reported there was a way it could lead to rail banking, where a private group or State agency that was interested in helping the County turn the forty miles into recreational use. He remarked if the County was interested in adding tourist trains they could do so through rail banking. He apprised the abandonment would not go forward and the Federal Government would retain its right-of-way for the railroad to continue operating. He mentioned they would be free to do what they wanted with the line which, included tearing up the tracks that could later be reinstalled. He informed currently the County had the ability to negotiate with United Rail or they could determine if the Tahawus Mine was interested in working with United Rail or a different operator.

Chairman Conover entered the meeting at 9:14 a.m.

Mr. Merlino asked why they were discussing abandonment when there was a rail company interested, adding there had also been a loss of \$50,000 by not having anyone running the railroad. Ms. Hogan asked about maintaining the railroad and Mr. Moore replied he inquired if United Rail was interested in having a Capital Expenditure Program to maintain the railroad. He said United Rail toured the rail lines, adding he was not aware if they had questions or a change in their point of view. Steve Fisk, *Consultant, United Rail*, advised the railroad was a strong Class 2, advising there were beaver pond issues and ditching that needed to be addressed over the next few years, along with a small Safety Tie Program and correcting plugs. He mentioned that the biggest issue was the Hadley Bridge was in need of new decking and he mentioned the NYSDOT (*New York State Department of Transportation*) would have a Rail Program opening at the end of June that would provide grant funds which could aid with the cost of re-decking the bridge. He opined the bridge would be usable for only another year or two. He notified if they received the 80/20 grant the local share cost amounted to \$200,000. Mr. Diamond inquired if Warren County owned railroad in Saratoga County and Mr. Simpson replied affirmatively. Jack Kelly, *Consultant, United Rail*, added the County owned rail line from Antone Mountain south in Towns of Corinth and Hadley. Mr. Magowan informed he was concerned with the financial stability of the railroad. Mr. Kelly informed they planned to purchase railroads now and in the future, explaining if he did not see a successful future for the rail company he would not be here today. Mr. Fisk explained they would perform regular maintenance. A lengthy discussion ensued during which Messrs.

Fisk and Kelly answered questions posed by the Committee members and attendees.

Mr. Dickinson entered the meeting at 9:33 a.m.

Following, a motion was made by Mr. Wild and seconded by Mr. Dickinson to commence negotiations with United Rail. Upon further discussion Messrs Wild and Dickinson withdrew their motions.

A motion was made by Mr. Dickinson, seconded by Mr. Loeb and carried by majority vote, with Ms. Hogan voting in opposition, to authorize the Committee to commence the negotiation process with United Rail and the Town of Corinth.

Mr. Simpson announced an executive session would be necessary to discuss the proposed acquisition, sale or lease of real property. Mr. Moore added it was also required to discuss a matter leading to an appointment of a corporation.

Motion was made by Mr. Loeb, seconded by Mr. Wild and carried unanimously to enter into an executive session pursuant to Sections 105(f) and (h) of the Public Officer's Law.

Executive session was held from 10:02 a.m. until 10:50 a.m.

Upon reconvening, Mr. Simpson announced that no action had been taken during the executive session.

Mr. Dickinson exited the meeting during executive session.

Concluding, Mr. Simpson announced Supervisors Geraghty, Hogan, Braymer, Wild and Messrs. Moore and Hajos, as well as members of the Corinth Town Board were appointed to the Railroad Negotiation Team by Chairman Conover.

There being no further business to come before the Public Works Committee, on motion made by Mr. Geraghty and seconded by Mr. Loeb, Mr. Simpson adjourned the meeting at 10:52 a.m.

Respectfully submitted,
Leslie Lovelace, Secretary to the Clerk of the Board
As transcribed by Molly Ganotes-Gleason, Legislative Office Specialist