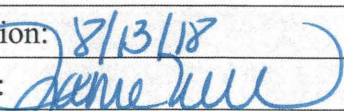


CITY OF
WASILLA
 • ALASKA •





Council Action: Approved: <input checked="" type="checkbox"/> Denied: <input type="checkbox"/>
Date of Action: 8/13/18
Verified by: 

CITY COUNCIL ACTION MEMORANDUM

AM No. 18-30: Authorizing Annual Signal Crossing Inspections, Maintenance and Capital Improvements with the Alaska Railroad Corporation in the amount of \$60,000.

Originator: Ashley Loyer, Public Works Department
 Date: July 31, 2018

Agenda of: August 13, 2018

Route to:	Department Head	Signature	Date
X	Public Works Director		8/1/18
X	Finance Director		8-1-18
X	Deputy Administrator		8/1/18
X	City Clerk		8/1/18

Reviewed by Mayor Bert L. Cottle:  8/1/2018

Fiscal Impact: yes or no

Funds Available: yes or no

Account name/number/amount: Contractual Services 001-4320-432.40-91 \$35,000
 ARRC Crossings 160-4320-432.45-73 \$25,000

Attachments: ARRC 2016 letter (2 pages)

Summary Statement: The Alaska Railroad Corporation provides signal maintenance services for City road crossings of the railroad in accordance with ARRC Permit No. 7588 with the City. This service includes routine maintenance under Contractual Services and capital improvements under ARRC Crossings. Capital improvements are defined as the failure and replacement of a major component of the signal crossing.

Staff Recommendation: Adopt AM No. 18-30

ALASKA
RAILROAD

August 8, 2016

City of Wasilla
290 E. Herning Avenue
Wasilla, AK 99654-7091
Attention: Archie Giddings

Project Management
TEL 907.265.3095
FAX 907.265.2638

RE: Invoicing for Signal Crossing Inspections and Maintenance
City of Wasilla PO No. 20494; Permit No. 7588

Dear Mr. Giddings,

The Alaska Railroad Corporation ("ARRC") recently reviewed the actual costs it has incurred for signal crossing inspections and maintenance services related to the City of Wasilla's Blanket Permit No. 7588 for Road Crossings and Other Facilities ("the Permit"). That review indicated that ARRC's charges to the Borough for those services have not been recouping ARRC's costs. ARRC can no longer continue to subsidize these activities and therefore we must modify our billings to the Borough to ensure adequate cost recovery. Because we understand the adverse impact to the Borough of applying a retroactive adjustment, this change is prospective only. It is not ARRC's intention to go back and recover uncollected costs associated with signal crossing inspections and maintenance service from prior years.

The above-described situation has led ARRC to change the way it bills for signal crossing inspections and maintenance services. As of April 1, 2016, ARRC changed the billing format and timing for those activities for the following crossings:

ARRC MP 157.1 Sewer Plant – Jude Road Crossing
ARRC MP 158.6 Glenwood Drive Crossing
ARRC MP 161.2 Lucille Lane Crossing
ARRC MP 162.6 South Clapp/South Mack Road Crossing

Since April 1, 2016, all services have been invoiced based on actual cost plus overhead per Section 6 of the Permit. Any expenses reasonably incurred by ARRC in connection with engineering, labor, material and other related activities and costs associated with the Permit are being computed using Federal Highway Administration (FHWA) approved procedures as audited on an annual basis by Alaska Department of Transportation and Public Facilities. All expenses incurred with respect to a crossing during a month will be invoiced on approximately the 15th of the following month.