



CITY OF WASILLA

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INFORMATION MEMORANDUM NO. 91-05

TO: Council

FROM: Deputy Administrator

DATE: April 18, 1991

RE: Railroad Crossing Maintenance Costs

The purpose of this memorandum is to remind Council of a long-standing issue between the City of Wasilla and the Alaska Railroad (ARR).

Prior to the ARR becoming a state agency, the City obtained permits to place utilities in the right-of-way and for road crossings. A condition of the permits is that the City pay the ARR for maintenance of the road crossings. Initially, none of the crossings were signalized and the federally-owned ARR did not bill the City for routine maintenance of crossings. This practice of not billing the City continued after the Hallea crossing was signalized.

Since the ARR became a state enterprise, the annual permit fee renewals and attempts to enforce the strict letter of the permit contracts have been made. In FY88, the City paid \$11,902.36 to the railroad for routine inspection and repairs to the three signalized crossings. At that time, administration began efforts to re-negotiate the terms of the permits.

The City budgeted \$15,000 and actually paid the ARR \$17,764.29 for crossing maintenance in FY89. The City Council objected to the increasing costs and did not authorize any funds for ARR crossing maintenance in FY90.

Administration has had several meetings with ARR officials in attempts to restructure an acceptable permit and railroad crossing maintenance cost allocation. These efforts are continuing. Under one of our proposals, the annual fee for routine maintenance would be about \$7,000 for the three crossings. Council has authorized, in the FY91 budget, \$7,000 for ARR fees and the same amount is requested for FY92. We have placed \$5,500 in a reserve (liability) account to cover what we believe to be a fair cost for FY90.

No agreement has been reached with the ARR and the City has not paid any of the billings since July, 1989, which now total \$16,334.04.

Robert E. Harris
Deputy Administrator