
Sponsor: Public Works

Meeting Date: 8/26/2025

Title: Use of Fund Balance - Union Depot Insurance Premiums

File Number: 2025-306

Background and Rationale:

On March 19, 2024, the Ramsey County Regional Railroad Authority (RCRRA) approved the First Amendment to the Operating Agreement with National Railroad Passenger Corporation (Amtrak) for passenger rail service at Union Depot. One of the changes provided by the amendment was the removal of Amtrak's exclusive use of the track and platform for passenger rail service. This removal coincided with an increase in risk associated with third party liability for Union Depot.

On November 19, 2024, the RCRRA accepted a grant award and approved a grant agreement with the Minnesota Department of Transportation for the Union Depot Rail Insurance grant to provide up to \$1,000,000 in state funds for the purchase of increased rail liability insurance coverage. These funds allowed RCRRA to procure an additional \$125 million of liability coverage, increasing total liability coverage to \$175 million. This was a one-time grant that was expended in 2024. The 2025 state legislature did not provide additional state funds nor are additional funds expected in future years.

In consultation with Enterprise Risk Management, it was determined that \$175 million in coverage is the appropriate level of insurance for Union Depot based upon changes to the lease and operating agreements in 2024. The increased costs associated with the new level of coverage was not budgeted in the 2024-2025 approved budget or the 2025 supplemental budget. This request for use of fund balance will allow RCRRA to maintain liability coverage of \$175 million. The cost to maintain this level of coverage will be included in future proposed budgets.

Recommendation:

The Ramsey County Regional Railroad Authority resolved to:

Approve the transfer of \$800,000 from Ramsey County Regional Railroad Authority tax levy fund balance to the 2025 Multimodal Planning operating budget to be used for the cost of insurance premiums related to increased rail liability coverage.

A motion to approve was made by Commissioner Miller, seconded by Commissioner McGuire.
Motion passed.

Aye: - 5: Jebens-Singh, McGuire, Miller, Moran, and Xiong

Excused: - 2: McMurtrey, and Ortega

By: _____



Jason Yang, Chief Clerk - County Board