



SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, DECEMBER 9, 2009
UNION COUNTY GOVERNMENT CENTER, LEWISBURG, PA
12:30 P.M.

**PRESERVING
RAIL FREIGHT
SERVICE**

serving the counties of

Centre

Clinton

Columbia

Lycoming

Mifflin

Montour

Northumberland

Union

AUTHORITY MEMBERS PRESENT

John Gummo, Clinton County
Scott Harvey, Lycoming County
Mike Hawbaker, Centre County (via speaker phone)
Tom Herman, Montour County
Don Kramer, Clinton County
Rob Postal, Mifflin County
Dennis Reitz, Northumberland County
John Showers, Union County
Dennis Shaffer, Union County
John Spychalski, Centre County
Jerry Walls, Lycoming County

GUESTS PRESENT

Tom Avery, Railroad Operating Companies
Susan Hochreiter, Bellefonte Historical Railroad Society
Gary Hoover, Bellefonte Intervalley Area Chamber of Commerce
Debbie Huffert, Fort Discovery
Megan Hummel, Downtown Bloomsburg, Inc.
Todd Hunter, Railroad Operating Companies
Gina Kennedy, Lycoming County Visitors Bureau
Mark Murawski, Lycoming County
Russ Nicodemus, Railroad Operating Companies
Dick Robey, Railroad Operating Companies
Mimi Robey, Railroad Operating Companies
Mark Shermer, Bellefonte Historical Railroad Society
Gary Shields, Railroad Operating Companies
Pete Simcox, Railroad Operating Companies
Jeb Stotter, Railroad Operating Companies
Diana Williams, Railroad Operating Companies
Jesse Woodring, City of Sunbury
Frances Zartman, Fort Discovery

STAFF PRESENT

Tom Schrack, McQuaide Blasko Law Offices
Kay Aikey
Jeff Stover

CALL TO ORDER

Call to Order

Mr. Walls called the meeting to order at 12:30 p.m.

**SEDA-COG JOINT
RAIL AUTHORITY**

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Affiliated with
SEDA Council of Governments

Pledge of Allegiance

Mr. Walls led the Pledge of Allegiance.

Chairman Walls welcomed and led an introduction of new JRA board member, Rob Postal.

ADMINISTRATIVE ITEMS

Public Forum

The following guests expressed their concern regarding the cancellation of the 2009 Christmas passenger excursions: Gary Hoover, Susan Hochreiter, Jesse Woodring, Debbie Huffert, Fran Zartman, Gina Kennedy, Megan Hummel, and Mark Shermer. Each of the guests outlined the significant benefits that the passenger excursions brought to their organizations. It was clear that there were far-reaching positive impacts to the individual organizations and their respective communities. The consensus of the guests was to see if the excursions could be recommenced in 2010. Written comments from some of the guests are appended to the minutes.

Mr. Walls asked Ms. Zartman to provide staff with a list of the organizations that benefited from the passenger excursions she was involved with.

Mr. Walls stated that he received comments from Rail Authority members who want to make a substantial effort early in 2010 to try to achieve a resumption of excursions for 2010.

Mr. Shaffer asked if someone could comment on how the different organizations sponsor the excursions and to share how many people have ridden on these excursions.

Mr. Walls added that it would be useful if each of the communities that have sponsored excursions submit a list of workers, volunteers, and the role they play in the logistics of offering these excursions as well as the ways in which the excursions have been beneficial.

Brief discussion followed on expenses and revenues that the operator has had for these excursions. Mr. Walls asked Ms. Williams of North Shore Railroad to put together a list of items to be addressed – costs, operating logistics, personnel requirements, insurance and other approvals that are needed in order for the Rail Authority to understand the magnitude of what is involved. This information is to be provided to Mr. Stover.

Approval of the November 11, 2009, Meeting Minutes of the SEDA-COG Joint Rail Authority

Dr. Spsychalski made a motion to approve the November 11, 2009 meeting minutes of the SEDA-COG Joint Rail Authority with a change noted to reflect that the meeting was called to order at 11:45 a.m. not 11:45 p.m.; Mr. Harvey seconded the motion; motion carried.

Treasurer's Report

Mr. Reitz presented the Treasurer's Report for the month of November 2009.

Mr. Herman made a motion to approve the Treasurer's Report for the month of November 2009; Mr. Kramer seconded the motion; motion carried.

Recognition of Jeff Pontius

Mr. Stover showed the gift which will be given to Mr. Pontius in recognition of his past service.

Dr. Spychalski made a motion for the full JRA board to officially recognize Mr. Pontius' past service; Mr. Hawbaker seconded the motion; motion carried.

Legal Issues

Attorney Schrack stated there is one issue for the Authority which is the action to quiet title in Williamsport for an 800 square foot parcel. The next step is to commence discovery, but we are waiting on the Plaintiff's next move.

Events Calendar/Projects Map/Staff Report

Mr. Stover presented the events calendar for December and January, the projects map, and staff report.

Dr. Spychalski raised a point of concern regarding track inspections. He stated he was concerned about the mud problem at the NBER track and asked that it be called to the attention of whoever is contracted with the Rail Authority to oversee this effort. Mr. Stover stated Mr. Jannotti is well aware of this issue and that corrections should be considered mainly as a capital item. Staff will ask Mr. Jannotti to do a life cycle cost analysis of the options to fix this problem.

Operator's Status Report and Business Forecast

Mr. Robey referred to the Operator's Report included in the packet.

Mr. Robey announced that this is the last month that he will be on the North Shore payroll and will be pursuing rail retirement.

Mr. Walls thanked Mr. Robey for 25 years of building a successful rail operation.

Mr. Hunter announced that a 90 car unit train of coal is loading for Penn State University and those cars will be delivered to the NBER and offloaded at Whiterock and trucked in to the University. G.O. Hawbaker has provided the logistics for handling of the coal.

There was brief discussion regarding the Avis Branch and standing water in the outlet along the road in the Borough of Jersey Shore. Mr. Walls asked that Mr. Stover look into the magnitude of work to be done there.

A collision occurred on railroad property during the filming of the movie "Unstoppable" involving movie equipment. The operator had reported at the November meeting of a "stellar safety record" during the filming of the movie.

Nominating Committee

Mr. Walls asked staff to be sure to include the nominating committee report and election of officers on the agenda for the January 2010 meeting.

PROPERTY MANAGEMENT COMMITTEE

Berwick Area Joint Sewer Authority (NSHR)

Mr. Kramer reported that the Berwick Area Joint Sewer Authority has requested an easement for completion of a storm water control project. This easement involves three transverse undertrack crossings in Berwick. All engineering plans have been received and the project meets all JRA requirements. Total easement cost is \$52,375.

Mr. Kramer made a motion that the full board approve the request for the Berwick Area Joint Sewer Authority easement in the amount of \$52,375 for execution by the Chairman and Secretary; Dr. Spychalski seconded the motion; motion carried.

Electrical Upgrades to the Rumberger Engine House (NBER)

Mr. Kramer reported that the existing electrical service at the Rumberger Engine House needs to be upgraded to accommodate the needs of the railroad. Lockcuff Electric, LLC has provided an estimate to do the work in the amount of \$5,475.

Mr. Kramer made a motion that the full board authorize Lockcuff Electric to complete the electric upgrades to the Rumberger Engine House in the amount of \$5,475; Mr. Herman seconded the motion; motion carried.

Lycoming Valley Office Roof (LVRR)

Mr. Kramer reported that the PMC held discussion regarding the roof over the office portion of the building at Newberry which has been leaking. Staff has been authorized to contact appropriate contractors for an estimate for roof repairs and interior cleanup.

Mr. Walls noted that he has asked the PMC to spend time in 2010 to take a look at whether the JRA can acquire land adjacent to the Newberry Yard to do some expansion.

Mr. Kramer stated a meeting has been scheduled for January 11, 2009 at 10 a.m. to go over some matters related to the Newberry Yard and other issues. This meeting will be held at the Lycoming Valley Railroad office. An email will be sent to the operator for the use of the conference room.

OLD BUSINESS

DCED Audit for First Moran Project (LVRR)

Mr. Stover reported that the JRA received \$126,400 from the PA DCED which paid for a new turnout and a portion of a new siding to serve the Moran Industries distribution center. Moran paid for all improvements off JRA property.

Herring and Roll Accountants have completed the required audit of the JRA DCED grant for this project. The clean audit has been sent to Harrisburg per the grant agreement.

NEW BUSINESS

IPC Site Agreement and MOU (LVRR – Montgomery)

Mr. Stover reported that there will be a conference call with Jason Fink from the Williamsport-Lycoming Chamber and Attorney Pepperman to discuss the structure of a Memorandum of Understanding between the Rail Authority and the Industrial Properties Corporation related to a rail siding to a site adjacent to Koppers.

OTHER COMMITTEE REPORTS

Capital Budget Committee

Mr. Shaffer reported that the Capital Budget Committee met on December 4, 2009 to consider further updates to the JRA's Capital Budget. A handout of the updated JRA Capital Budget was provided to board members which Mr. Stover reviewed with the board.

Mr. Shaffer made a motion to approve the Capital Budget Update dated December 9, 2009; Dr. Spsychalski seconded the motion; motion carried.

Change Order for Newberry South (LVRR)

Mr. Stover reported that there is a change order for Newberry South project to reinforce a suspended beam that is used to hang air hoses in the garage area. The change order is in the amount of \$7,780 and this cost will be passed on to Bulkmatic.

Mr. Shaffer made a motion to approve the change order in the amount of \$7,780 subject to reimbursement by Bulkmatic; Mr. Herman seconded the motion; motion carried.

Operating Agreement Committee

Mr. Reitz made a motion that effective January 1, 2010, the Joint Rail Authority appoint as its solicitor Tom Schrack, the Executive Director to send a letter of appreciation to Attorney Hurvitz for his years of service to the JRA, and also to name Attorneys Jack Stover and Keith O'Brien to continue to be special counsel for the Authority relative to their areas of expertise; Dr. Spsychalski seconded the motion.

Mr. Walls asked board members if they were ready to act on the motion or to have further discussion.

Mr. Walls stated that he had a discussion with Attorney Hurvitz regarding this. Attorney Schrack asked the board if he could have a discussion with Attorney Hurvitz on this matter and to postpone this action until that time.

Mr. Walls stated this motion will be tabled until that time.

Mr. Stover reported that the Operating Agreement Committee met on December 2, 2009 to discuss the operator's change of control request. Due to the absence of the chair of this committee no further discussion was held and Mr. Walls called for an Executive Session at 3:00 p.m. to discuss the operator's change of control.

Mr. Hawbaker left the Executive Session at 3:30 p.m. The Executive Session was adjourned at 3:48 p.m.

Mr. Walls reconvened the regular meeting at 3:50 p.m.

ADJOURNMENT

Mr. Walls adjourned the meeting at 3:52 p.m.

Respectfully submitted,



Jeffery K. Stover, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on January 13, 2010.



Secretary/Assistant Secretary