



SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, December 11, 2019
SEDA-COG, Lewisburg, PA
3:30 P.M.

**PRESERVING
RAIL FREIGHT
SERVICE**

serving the counties of

Centre

Clinton

Columbia

Lycoming

Mifflin

Montour

Northumberland

Union

**SEDA-COG JOINT
RAIL AUTHORITY**

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Affiliated with
SEDA Council of Governments

AUTHORITY MEMBERS

Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins Columbia County
Brent Jones, Clinton County
Dave Park, Columbia County
David Schultz, Lycoming County
John Showers, Union County
John Spychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Monica Bee
Alex Lang, Carload Express

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
Tom Schrack, Esq., McQuaide Blasko (via teleconference)

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler, McGraw & Associates, Inc.

JRA STAFF

Kay Aikey, Program Assistant
Kyle Postupack, Property & Maintenance of Way Manager
Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 3:33 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

Chairman Showers stated that the use of audio or video recording devices at the public meeting is permitted. The Authority does not require pre-registration for recording purposes; however, any individual intending to record all or any part of the meeting must notify the Chairman or the Executive Director in advance of such recording. If the Authority recesses to Executive Session, no recording of that session shall be permitted.

Chairman Showers asked if anyone would be recording the meeting. No one expressed an intention to record the meeting.

Chairman Showers asked for introductions of guests present.

Public Forum

Chairman Showers asked if there is any public comment to come before the Board. No one expressed any comments.

ADMINISTRATIVE ITEMS

Approval of the November 13, 2019 Meeting Minutes

Dr. Sychalski made a motion for the Board to approve the November 13, 2019 JRA Meeting Minutes as distributed; Mr. Winslow seconded the motion; motion carried.

Appointment of the 2020 Nominating Committee

Chairman Showers reappointed the Nominating Committee as it has stood for the last several years. The following Board members were reappointed to the Nominating Committee: Eric Winslow (Chair), Russ Graham, Rick Jenkins, and Frank Dombroski. This committee is charged with returning, at the January 8th meeting, a proposed slate of officers to serve in 2020.

Treasurer's Reports

Mr. Harvey presented the Treasurer's Report for the month of November 2019, as well as the JRA's PIB Loan Account, JRA's loan summary, DCED Grant – "Milesburg 3 Pipes" financial statement, and the JRA's detailed accounting associated with the operating fees paid by the Operator.

Mr. Jenkins made a motion for the Board to accept the Treasurer's Report for the month of November 2019 and file for audit; Mr. Park seconded the motion; motion carried.

Mr. Stover stated that the Authority is in the process of changing banks from Jersey Shore State Bank to First National Bank (FNB). This action was prompted by a question raised earlier by Mr. Hormell and Mr. Gummo as to what interest rate the Authority is currently receiving. The subsequent banking RFP resulted in a significant savings to the Authority for both its borrowing and deposits. The Authority officers have been signing the documents for FNB related to the loan, refinancing, and/or the deposit accounts.

Mr. Stover stated that a resolution is needed from the Board that would ratify all documents being signed by the Chairman, Vice-Chairman, Secretary, Treasurer, and Assistant Treasurer of all FNB bank loan and deposit documents.

Attorney Schrack stated that the Board previously approved transferring the funds over to FNB and they approved in substance the transactions; however, the actual loan documents were then signed by the Chair and the other officers, including a loan agreement, promissory note, security agreements and other associated loan documents for both of the loans. Because the documents were signed by the officers after the last meeting, it would be appropriate to have a ratification of the execution of those documents by the JRA officers.

Dr. Spychalski made a motion for the Board to ratify and approve the resolution of the signing of the FNB documents by the JRA Board officers; Mr. Graham seconded the motion; motion carried.

Mr. Stover said the two loans previously with Jersey Shore State Bank have been consolidated into a 10-year fixed rate loan with FNB at 2.95%. The Authority also has two PIB loans from the Commonwealth. The larger PIB loan, from 2011, is tied to the Conrad Bridge. The loan is in the name of Lycoming County; the Authority pays the County and then the County pays the State.

Mr. Stover reviewed the 2015 RTAP Bridges program. He stated that the NSHR Bridge 194.07 project at Catawissa has been completed. Mr. Stover also reviewed the list of PennDOT District 3-0 Section 130 grade crossings projects. Printed summaries of both sets of projects was provided to Board members.

Presentation of Draft 2020 JRA Budget

Mr. Stover reviewed the Draft 2020 JRA Budget for which no action is required at this time. The 2020 JRA Budget will be brought back to the January 2020 Board meeting for approval.

Mr. Harvey made the following comments from the Draft 2020 JRA budget:

- There is approximately \$1.9 million in revenue and \$1.22 million in expenses, so the income exceeds what needs to be spent.
- If you compare the funds that flow through the projects and sum up the grants and contributions from the operator tied to the capital improvements it is approximately \$1.9 million. The amount that is going to be spent in 2020 is \$2.3 million so more is going to be spent on projects than what is coming in. The excess of \$680,000 in revenue will need to be put to the projects that need to be done in 2020.

Events Calendars

Mr. Stover presented the events calendars for December and January as well as the staff report.

Mr. Postupack shared the following slides:

- Replacement of the power poles in Newberry Yard, that had failed.
- NBER Main MP 46.4 culvert replacement in Beech Creek Township.

Operator's Status Report

The Operator's report was provided as a handout to Board members.

Ms. Williams stated the operator remains strong with its maintenance of way program. The operator has changed banks and will now be with First Commonwealth Bank.

OLD BUSINESS

Bridge Engineer's Report

Mr. Shura reviewed the Bridge Engineer's report provided in the meeting packet and gave an update on some of the projects.

Track Consultant Report

Mr. Jannotti was not present at the meeting due to a family matter and will present his track consultant report at the January 2020 meeting.

REPORTS FROM COMMITTEES

Property Management/Capital Budget Committee Meeting

Committee Chair Rick Jenkins reported on the work of the Property Management/Capital Budget Committee.

Adoption of 2020 Fee Schedule

Mr. Jenkins stated that the PMC considered a new Fee Schedule at the November meeting, but it needed to go to legal to include some additional verbiage. Attorney Schrack stated he tightened up some language and added language to clarify the timing of payments and ability for payments to be made up front in a lump sum. There were no other changes. The PMC is recommending that the Board adopt the new fee schedule effective January 1, 2020.

Mr. Jenkins made a motion for the Board to adopt the new fee schedule effective January 1, 2020; Mr. Winslow seconded the motion.

Dr. Spsychalski referred to page 5 of the Fee Schedule under Private Grade Crossing License and asked if some type of activated warning device or signage be installed on private crossings.

Motion carried.

LEGAL

Legal Issues

Bellefonte Victoria Christmas Speeder Run

Mr. Stover stated that the Bellefonte Historical Railroad Society is seeking permission to operate a speeder run limited to downtown Bellefonte (Match Factory to the Oil House in the wye) on Saturday, December 14, 2019 from 10 a.m. to 5:00 p.m. This proposed operation is like ones done in the past. The NBER has no objections to the proposal.

Dr. Spsychalski made a motion for the Board is approve the Bellefonte Victorian Christmas Speeder Run; Mr. Jones seconded the motion; motion carried.

Chairman Showers recessed the regular meeting at 4:44 p.m. to convene into executive session.

Chairman Showers reconvened the regular meeting at 5:07 p.m.

Attorney Schrack stated that the Authority Board and solicitor had discussed the RFP litigation. Thereafter, the operator was then invited into the executive session for the sole purpose of discussing a confidential real estate transaction. The transaction discussed does not directly involve the operator at this point; rather, it involves a third party. No action is recommended to be taken, nor was any action taken in executive session.

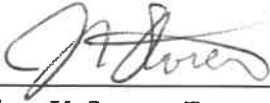
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With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 5:08 p.m.

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 8, 2020.



Secretary/Assistant Secretary