



**SEDA-COG JOINT RAIL AUTHORITY MEETING**  
**Wednesday, January 8, 2020**  
**SEDA-COG, Lewisburg, PA**  
**12:30 P.M.**

**PRESERVING  
RAIL FREIGHT  
SERVICE**

*serving the counties of*

**Centre**

**Clinton**

**Columbia**

**Lycoming**

**Mifflin**

**Montour**

**Northumberland**

**Union**

**AUTHORITY MEMBERS**

Frank Dombroski, Montour County  
Russ Graham, Centre County  
John Gummo, Clinton County  
Scott Harvey, Lycoming County  
Lisa Hoover, Northumberland County  
Bob Hormell, Northumberland County (via teleconference)  
Brent Jones, Clinton County  
Michael Krentzman, Mifflin County  
Dave Park, Columbia County  
Rob Postal, Mifflin County (via teleconference)  
David Schultz, Lycoming County  
John Showers, Union County  
John Spychalski, Centre County  
Jennifer Wakeman, Montour County  
Eric Winslow, Union County

**JRA OPERATOR**

Tom Avery, Director of Operations  
Jeb Stotter, President & CEO  
Diana Williams, Treasurer/Controller

**GUESTS**

Lauren Bryson, Focus Central Pennsylvania  
Allen Bubb, West Shore Railroad  
Ron Johnson, National Railway Historical Society  
Alex Lang, Carload Express

**LEGAL COUNSEL**

John Bee, Esq., McQuaide Blasko  
Tom Schrack, Esq., McQuaide Blasko

**JRA STAFF**

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

**SEDA-COG JOINT  
RAIL AUTHORITY**

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## CALL TO ORDER

### Call to Order

The Chairman called the meeting to order at 12:34 p.m.

### Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

### Welcome – Chairman’s Statements

The Chairman 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.

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

### Public Forum

The Chairman asked if there is any public comment to come before the Board. Mr. Johnson was recognized by the Chair and stated that GAF donated \$50,000 to the White Deer Historical Society for the train station and equipment.

The Chairman recognized Lauren Bryson from Focus Central Pennsylvania. Ms. Bryson stated that the JRA has been a long-time contributor to Focus Central Pennsylvania. Focus Central PA is a non-profit, and its mission and job is to attract new companies to the region, so they make quality investments in the region and provide quality fair opportunities. Ms. Bryson stated that Focus had a great successful 2019 and has some exciting plans for 2020. Ms. Bryson thanked the JRA for its support and commitment to Focus Central Pennsylvania. In addition, she thanked the JRA for the support for the Industrial Development Forum planned in June at Susquehanna University.

The Chairman stated that the JRA and the Operator share in the contribution to Focus Central Pennsylvania. Ms. Bryson stated there is a board level investment and both the SEDA-COG Joint Rail Authority and North Shore Railroad Company partner together to have that board level investment.

Ms. Bryson brought a large facsimile check which reflected the JRA's contribution to Focus and thanked the JRA for its contribution. A photo with Lauren and board members was taken for a future media release.

## ADMINISTRATIVE ITEMS

### Nominating Committee Report and Recommendations & Election of Officers

Committee Chair Eric Winslow gave a report from the Nominating Committee relative to election of 2020 JRA officers.

The proposed slate of officers for 2020 was as follows:

Chairman: John Showers	Treasurer: Scott Harvey
Vice-Chairman: Dave Park	Assistant Secretary: Russ Graham
Secretary: Michael Krentzman	Assistant Treasurer: Jennifer Wakeman

Attorney Schrack stated the requested action is a motion to accept and approve the slate of officers to serve as officers for the 2020 Joint Rail Authority year.

*Mr. Winslow made a motion for the Board to accept and approve the slate of officers for 2020 as presented; Mr. Dombroski seconded the motion.*

Attorney Schrack asked if there was any further discussion from the floor. There was no response received from the Board.

*Motion carried.*

### Appointment of 2020 Committees

Chairman Showers announced his appointment of members to the JRA committees for 2020 and provided a copy of the current 2020 JRA committees to the Board. The appointment of committee members is at the discretion of the Chairman under the JRA's Bylaws, so no Board action was required.

### Approval of the December 11, 2019 Meeting Minutes

Chairman Showers noted a correction to the minutes of December 11, 2019. The minutes should show that the members of the nominating committee are: Eric Winslow (Chair), John Gummo, Rick Jenkins, and Russ Graham. Chairman Showers stated that Frank Dombroski was added in error to this committee for 2020.

*Dr. Spychalski made a motion for the Board to approve the December 11, 2019 JRA Meeting Minutes with the noted correction; Mr. Winslow seconded the motion; motion carried.*

### Treasurer's Reports

Mr. Harvey presented the Treasurer's Report for the month of December 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.

Regarding the JRA Loan Summary, Mr. Harvey stated that the two Jersey Shore State Bank loans were paid off and have been replaced by the loan with First National Bank at a 2.95% interest rate fixed for the 10-year period.

Mr. Harvey stated that previously the monthly loan payments for the JRA were approximately \$61,000 a month for debt service. With the refinance from Jersey Shore State Bank to First National Bank the JRA's new monthly debt service is approximately \$47,500. There is a significant increase in interest the JRA is now earning on a monthly basis and there has been approximately a \$15,000 reduction in cash paid out every month for servicing that debt.

Mr. Stover stated there will be a new PIB loan replacing the other two PIB loans. PennDOT has recently asked for the final audit. This will go to zero for about 24 months so the only debt the Authority will have to pay for two years will be the First National Bank loan.

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

Mr. Harvey referred to the 2019 Full Year JRA Performance to Budget Review handout provided to Board members and stated that overall the revenue exceeded the budget. Mr. Harvey noted the following correction: Timing of Section 130 money Receipt – Received in December, had planned for it in 2020. It should read: Section 130 money Receipt – received in December, not reflected in the 2020 budget.

Mr. Harvey stated that revenue was significantly over the 2019 budget and cash disbursements roughly equal to budget, so net cash receipts exceeded the disbursements and the account balance of the JRA went up significantly in the calendar year 2019. Things are occurring approximately to budget with a couple of deviations. The JRA remains in a strong financial position.

### Presentation of 2020 JRA Budget

The following handouts were provided to Board members: 2020 JRA Budget and PennDOT District 3-0 SEDA-COG Joint Rail Authority /NSHR Railroads Section 130 Candidate Crossing Projects.

Mr. Stover stated that two changes have been made to the budget. The building maintenance/upgrades amount was increased from \$100,000 to \$115,000 to cover some anticipated work in Newberry and possibly Bellefonte; and a new bridge repair line item was added at \$25,000. This is possibly for a bridge seat issue on a NBER Main bridge, or another small need that may occur this year.

Mr. Stover stated that the Section 130 money that is in the current 2020 budget is for the grade crossing surfaces – the money that PennDOT is allocating for the surfaces which is paying 100% of construction and engineering, which is really a benefit to the Authority and the railroad. This is the \$1,305,000 item that is reflected under grade crossing surfaces. Not included in the budget is the signal work being done by Diamondback as this is money in/ money out. Mr. Stover stated that an additional line item may be inserted in the budget to reflect the Section 130 signal upgrades.

*Mr. Harvey made a motion for the Board to approve the final 2020 JRA Budget contingent upon addition of a line item for Section 130 signals and upgrades; Ms. Wakeman seconded the motion; motion carried.*

### Events Calendars

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

Mr. Postupack shared a slide showing the updated Wye area on Henderson Street in Lock Haven.

### Operator's Status Report

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

Ms. Williams stated that operating fee revenue for November is ahead of last year by 16% and in November went over 20,000 carloads. This has been the strongest year since 2014. The operator has changed banks and will now be with First Commonwealth Bank. The \$1 million Letter of Credit also had to be re-negotiated with the bank. The operator will soon be going into audit season with the auditors coming in the month of February. The railroad collected over \$3,000 in monetary donations and over 1,000 toys for Toys for Tots.

Ms. Wakeman asked for clarification of the operator's Letter of Credit. Ms. Williams explained that the Letter of Credit was for the change of control. The JRA had asked the operator for a \$1 million Letter of Credit to be in place back in 2012. Mr. Stover stated this was for the purpose when Mr. Robey was getting out of the ownership and it was moving on to the employees. The Authority wanted to have some assurance that there would be a financial wherewithal to handle the transition and this has worked out well. This costs the operator about \$10,000 a year.

Attorney Schrack stated this is a part of the Operating Agreement and a term that was required as part of the operator's change in control several years ago as additional security for the operator's performance under the agreement, similar to a bond. It is an annual requirement and would require a change to the existing Operating Agreement to remove it.

Mr. Stotter stated that the operator will be undertaking three major projects in 2020 which have been awarded PennDOT grants to assist with funding of the projects.

Mr. Park stated that he received a compliment from one of the operations managers at GAF that the site manager said of the 8 installations he had done over his 20 plus years of working for GAF, the North Shore Railroad was the best and easiest to work with of all the other railroads.

Mr. Gummo extended his thanks to Dick Robey for his continued civic work in the area. The Milton Moose has an extensive model railroad on display on the second floor. It includes two state of the art new locomotives with digital sound controls and lighting. Mr. Robey donated \$1,000 for this display.

## **OLD BUSINESS**

### **Bridge Engineer's Report**

The Bridge Engineer's Report was provided as a handout at the meeting. Mr. Postupack stated that the GP-11 permit for the NBER at Miller Siding (Three pipes) was received on December 28, 2019. The Bridge Engineer is working with the contractor to schedule the work.

## **REPORTS FROM COMMITTEES**

### **Passenger Excursions Committee**

Committee Chair Spsychalski reported on the work of the Passenger Excursions Committee which met at 11:00 a.m.

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Committee Chair Spsychalski stated that the committee reviewed the first draft of the 2020 passenger excursions time table. During the meeting a number of amendments to the draft time table were noted. Additional work will be undertaken with the sponsor groups to make any necessary additional adjustments. Another meeting of the committee will be held in February to review the final draft of the time table and make a recommendation to the full Board for its approval.

### **Property Management/Capital Budget Committee Meeting**

Committee Vice-Chair Dave Park reported on the work of the Property Management/Capital Budget Committee in the absence of Committee Chair Rick Jenkin which met at 10 a.m.

Mr. Postupack stated that the members of the PMC will visit the LVRR office and Newberry Yard on January 29, 2020 at 10:00 a.m. All Board members are invited to attend.

### **PPL – SVRR (Carbon Run Branch)**

Mr. Postupack stated that PPL Electric Utilities Corporation has approached staff requesting an aerial easement for construction of 69kV 3 phase conductor over the SVRR, Carbon Run Branch in Coal Township, Northumberland County.

Annual fee of \$690 will be assessed along with an application fee of \$800. All plans have been approved.

***Mr. Graham made a motion for the full Board to approve this easement and authorize its execution by the Chair; Mr. Schultz seconded the motion; motion carried.***

### **Tree Removal – LVRR (Newberry Yard)**

Mr. Postupack stated that on December 11, 2019, staff met with the LVRR representatives for a tour of the LVRR offices and surrounding areas. The former Sechler garage which is in the M/W/ compound directly south of Bulkmatic was also inspected.

There are eight (8) trees growing within the fenced compound. One tree, along the access road to Bulkmatic, is dead and demands immediate removal. It was agreed that the other seven trees, including stumps, should be removed.

Mr. Zach Mahaffey from the LVRR secured two quotes to remove the eight trees and stumps. Steinbacher Tree Service quoted \$9,675, while a lower bid of \$7,500 from Loffredo's Tree Trimming & Removal was received.

***Mr. Harvey made a motion that the full Board approve the bid of \$7,500 from Loffredo's Tree Trimming and Removal; Mr. Winslow seconded the motion; motion carried.***

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**Parking Along the NSHR**

Mr. Postupack discussed the parking issues along DL&W Avenue between Pine and Church Streets in Danville along the NSHR and shared slides of the vehicles and other materials being stored in that area.

Mr. Postupack also discussed the ongoing issues of vehicles being parked too close to the railroad in the area from Iron Street to East Street (Route 487) in Bloomsburg.

The PMC discussed this during their meeting and have recommended that a survey be done by Vassallo Engineering to see where the boundary line is.

***Mr. Park made a motion for the full Board to approve a survey to be done by Vassallo Engineering; Ms. Wakeman seconded the motion; motion carried.***

**LEGAL**

**Legal Issues**

**NARCOA (speeder) Runs**

Attorney Schrack stated that Board approval is needed for the following NARCOA events for 2020:

- Saturday, April 4, 2020 (LVRR)
- Sunday, April 5, 2020 (NBER)
- Saturday, May 16, 2020 (NSHR)
- Sunday, May 17, 2020 (SVRR)
- Saturday, November 21, 2020 (NSHR) (Toys for Tots)
- Sunday, November 22, 2020 (UCIR) (Toys for Tots)

Chairman Showers stated that Dr. Spychalski indicated there are no conflicts in these dates with the dates of the passenger excursions.

***Dr. Spychalski made a motion for the full Board to accept the NARCOA dates as listed; Mr. Dombroski seconded the motion; motion carried.***

Chairman Showers stated that the Board will be going into executive session to discuss litigation; there will be an announcement regarding the March meeting schedule at the conclusion of the executive session.

Chairman Showers recessed the regular meeting at 1:25 p.m. to convene into executive session.

Chairman Showers reconvened the regular meeting at 1:58 p.m.



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Attorney Schrack stated that the Authority Board had discussion with solicitor about the ongoing litigation and some brief discussion about a potential real estate acquisition. No action is recommended to be taken.

Chairman Showers reported that the argument before the Supreme Court of Pennsylvania has been rescheduled to March 11<sup>th</sup> which is the JRA regular board meeting date. A large number of Board members are hoping to attend the argument, so the regular meeting date on the 11<sup>th</sup> will be rescheduled. The March JRA Board meeting will be held on Wednesday, March 18, 2020. The Chair will convene the JRA in regular session on Wednesday, March 18, 2020 at usual appointed times.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:00 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 February 12, 2020.

  
\_\_\_\_\_  
Secretary/Assistant Secretary