



**SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, JANUARY 9, 2013
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 PRESENT

John Gummo, Clinton County
Scott Harvey, Lycoming County
Tom Herman, Montour County
Rick Jenkins, Columbia County
Don Kramer, Clinton County
Michael Krentzman, Mifflin County
Dave Park, Columbia County
Rob Postal, Mifflin County
Dennis Reitz, Northumberland County
Frank Sawicki, Northumberland County
John Showers, Union County
John Spychalski, Centre County
Jerry Walls, Lycoming County
Eric Winslow, Union County

RAILROAD OPERATOR FOR JRA

Gary Shields
Pete Simcox
Jeb Stotter
Diana Williams

GUESTS PRESENT

Don Alexander, Focus Central PA
Allen Bubb, NRHS
Reuben Brouse, NRHS
Steve Campbell, Roaring Creek & Catawissa Valley Historical Study Group
Tom Canich, Bellefonte Historical Railroad Society
Mark Murawski, Williamsport MPO
Don Purcell, Penn Valley Railroad, LLC
Andrew Richards, Bellefonte Historical Railroad Society
Meg Smith, Focus Central Pennsylvania
Don Stringfellow, Focus Central Pennsylvania

LEGAL COUNSEL PRESENT

Tom Schrack, Esq., McQuaide Blasko Law Offices

JRA STAFF PRESENT

Kay Aikey, Program Assistant
George Fury, Property and Maintenance of Way Manager
Jeff Stover, Executive Director

**SEDA-COG JOINT
RAIL AUTHORITY**

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Affiliated with
SEDA Council of Governments

JRA CONSULTING PROFESSIONALS PRESENT

John Conrad, P.E., Bridge Engineer
Paul Jannotti, Track Consultant

CALL TO ORDER

Call to Order

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

Pledge of Allegiance

Chairman Walls led the Pledge of Allegiance.

ADMINISTRATIVE ITEMS

Public Forum

Mr. Andrew Richards from the Bellefonte Historical Railroad Society (BHRS) offered thanks to the JRA, Penn Valley Railroad, LLC, and the North Shore Railroad for their support during the 2012 passenger excursions in Bellefonte. He stated that the Christmas runs for the BHRS were very successful; over 3,700 people were able to partake in the 2012 trips. Several members of the JRA Board and staff also participated in some of the rides.

Mr. Richards shared a letter he received on behalf of the Bellefonte Borough Council signed by Ralph Stewart, Bellefonte Borough Manager, expressing their thanks for bringing the passenger excursions back to Bellefonte.

Approval of the December 12, 2012 Meeting Minutes

Dr. Spsychalski made a motion to approve the December 12, 2012 meeting minutes; Mr. Kramer seconded the motion; motion carried.

Nominating Committee Report and Recommendation

Nominating Committee Chairman Winslow stated that the Nominating Committee comprised of Frank Dombroski, Rick Jenkins and Rob Postal have conferred and have a slate of officers for 2013 to recommend to the full Board. Mr. Winslow stated that after 25 plus years of service, Mr. Kramer has indicated his interest to step down as Secretary of the Joint Rail Authority Board. Mr. Winslow presented the slate of officers for 2013.

Chairman – Jerry Walls
Vice Chairman – John Showers
Secretary – Michael Krentzman
Treasurer – Scott Harvey
Assistant Secretary – Dave Park
Assistant Treasurer – Frank Sawicki

Attorney Schrack stated that the way elections would be conducted would be to hold voting by position after seeking nominations from the floor. If there are no nominations from the floor, the Board will be asked to vote to accept the Nominating Committee's recommendation and to elect the specific individual nominated by the Nominating Committee. If there are two individuals nominated then a roll call vote will be done for each candidate to tally votes.

Attorney Schrack then conducted the election of officers recommended by the Nominating Committee:

The Nominating Committee nominated Jerry Walls as Chairman of the JRA for 2013. Attorney Schrack asked if there were any nominations from the floor. There were none.

Mr. Krentzman made a motion to accept the Nominating Committee's recommendation to have Jerry Walls serve as Chairman for the next year and to elect him to so serve; Mr. Jenkins seconded the motion; motion carried unanimously.

The Nominating Committee nominated John Showers as Vice Chairman of the JRA for 2013. Attorney Schrack asked if there were any nominations from the floor. There were none.

Mr. Krentzman made a motion to accept the Nominating Committee's recommendation to have John Showers serve as Vice Chairman for the next year and to elect him to so serve; Mr. Winslow seconded the motion; motion carried unanimously.

The Nominating Committee nominated Michael Krentzman as Secretary of the JRA for 2013. Attorney Schrack asked if there were any nominations from the floor. There were none.

Mr. Jenkins made a motion to accept the Nominating Committee's recommendation to have Michael Krentzman serve as Secretary for the next year; Mr. Park seconded the motion; motion carried unanimously.

The Nominating Committee nominated Scott Harvey as Treasurer of the JRA for 2013. Attorney Schrack asked if there were any nominations from the floor. There were none.

Mr. Showers made a motion to accept the Nominating Committee's recommendation to have Scott Harvey serve as Treasurer for the next year; Mr. Kramer seconded the motion; motion carried unanimously.

The Nominating Committee nominated Dave Park as Assistant Secretary of the JRA for 2013. Attorney Schrack asked if there were any nominations from the floor. There were none.

Mr. Gummo made a motion to accept the Nominating Committee's recommendation to have Dave Park serve as Assistant Secretary of the JRA for the next year; Mr. Sawicki seconded the motion; motion carried unanimously.

The Nominating Committee nominated Frank Sawicki as Assistant Treasurer of the JRA for 2013. Attorney Schrack asked if there were any nominations from the floor. There were none.

Mr. Jenkins made a motion to accept the Nominating Committee's recommendation to have Frank Sawicki serve as Assistant Treasurer of the JRA for 2013; Mr. Harvey seconded the motion; motion carried unanimously.

Appointment of 2013 Committees

Chairman Walls distributed and reviewed the list of the 2013 committee assignments and mission for each committee. The newly formed Governance Committee was added to the list. Board members were asked to review the appointments of the committees and indicate any changes to Chairman Walls.

Chairman Walls encouraged Board members to attend any of the Board committee meetings.

As Chairman of the Operating Agreement Committee, Mr. Krentzman stated that he would like to have Eric Winslow serve as a member on the Committee. Mr. Winslow agreed to serve on this committee.

The Operating Agreement Committee will be chaired by Michael Krentzman with the following other members: Scott Harvey, John Showers, Dennis Reitz, Dave Park, John Gummo, Dr. John Spychalski, and Eric Winslow. All appointees agreed to serve on this committee.

The Capital Budget/Property Management Committee will be chaired by Rick Jenkins, with the following other members: Rob Postal, Tom Herman, Frank Sawicki, Eric Winslow, and Scott Harvey. All appointees agreed to serve on this committee.

The Governance Committee will be chaired by John Showers with the following other members: Rob Postal, Dave Park, and Dr. John Spychalski. All appointees agreed to serve on this committee.

The Passenger Excursions Committee will be chaired by Dr. John Spychalski with the following other members; John Gummo, Frank Dombroski, Tom Herman, and Eric Winslow. Those members present agreed to serve on this committee.

The Nominating Committee was chaired by Eric Winslow with the following other members: Rob Postal, Frank Dombroski, and Rick Jenkins.

Chairman Walls stated that the Operating Agreement Committee will be putting effort into work related to getting ready for the RFP to be issued for contract services. The Capital Budget Committee will need to work on the list of capital needs that has been put together. The Governance Committee will need to look at and update the JRA's bylaws to incorporate principles that guide the joinder process for prospective new member counties and to incorporate the objectives from the JRA Strategic Plan.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of December 2012 as well as the JRA's loan summary.

Mr. Jenkins made a motion to approve the Treasurer's Report for the month of December 2012; Mr. Herman seconded the motion; motion carried.

NEW BUSINESS

Focus Central PA Presentation

Three representatives from Focus Central Pennsylvania were present to brief the Board relative to their organization's work and whether there is value in the JRA partnering with them. Attending were Ms. Meg Smith, Executive Director, Focus Central PA; Focus Board Member Don Alexander, Union County Economic Development Corporation (UCEDC); and former Focus Board Member Don Stringfellow (retired PPL).

Focus Central PA is a non-profit 501c3 regional economic development marketing alliance committed to promoting new corporate investment in Central Pennsylvania resulting in the growth and creation of family sustaining jobs. Focus Central PA supports a constituency of partners fully committed to regional cooperation. The current constituency partners of Focus are the counties of Snyder, Mifflin, Northumberland, Montour, and Union. Focus Central PA is often one of the first places new, expanding and relocating businesses contact when considering a location for their business in Central PA.

Mr. Alexander demonstrated how the ZoomProspector works and stated that the ZoomProspector database provides immediate access to critical business intelligence that decision makers need to make an investment decision. One of the things that can be filtered with ZoomProspector is rail access sites. It will not only show the site in both map and satellite view, but it will show the transportation infrastructure and where the site is geographically.

Focus is asking that the Joint Rail Authority sign on as sponsor. Ms. Smith reviewed the sponsorship levels provided in the information packet distributed to Board members. JRA Board members Eric Winslow and Rob Postal sit on Focus Central PA's Board of Trustees. It was noted that North Shore Railroad recently became a sponsor of Focus Central PA.

Mr. Stover stated that since the Rail Authority has two of its members who sit on the Board of Trustees for Focus Central PA, staff recommends that the Authority partner with Focus Central PA at the \$3,000 level.

Mr. Showers made a motion for the full Board to approve staff recommendation to partner with Focus Central PA at the \$3,000 sponsor level; Mr. Sawicki seconded the motion; motion carried with Messrs. Winslow and Postal abstaining.

ADMINISTRATIVE ITEMS

Legal Issues

Attorney Schrack stated that in mid-December the JRA was served with a complaint in action to quiet title by PVR Marcellus Gas Gathering naming American Premier Underwriters, Penn Central Transportation, Conrail, the Joint Rail Authority and others as defendants. The action concerns a 12,000 square foot parcel along the LVRR just east of Jersey Shore. An action to quiet title seeks an order from the court to vest ownership of the property in the plaintiff. The JRA had to file an answer within the 20-day deadline to respond in which the JRA asserted ownership to the property under the 1996 deed from Conrail. Action will need to be taken by the Board for ratification of the filing of the answer. A title search or survey has not been done yet. Attorney Schrack stated that the Board should go into Executive Session to discuss possible litigation strategy.

Chairman Walls called for an Executive Session at 1:24 p.m.

Chairman Walls reconvened the regular meeting at 2:37 p.m.

Attorney Schrack stated that the Joint Rail Authority Board went into Executive Session to discuss various litigation issues.

The first matter was the PVR Marcellus Gas Gathering action to quiet title. No action is necessary to be taken on this matter at this time.

Discussion was also held regarding the eminent domain proceeding filed by the Authority in the Clinton County Court of Common Pleas with regard to property owned by Alfred and Wanda Munro. Specifically, the Authority had discussed the offer of estimated just compensation to be given to the property owners under the Eminent Domain Code. The action needed is to authorize the Executive Director to make an offer of estimated just compensation to the property owners in an amount determined by the Executive Director in consultation with Solicitor and the JRA's consultants engaged to assist the JRA in this proceeding.

Dr. Spsychalski made a motion for the full Board to authorize the Executive Director to make an offer of estimated just compensation to Alfred and Wanda Munro in the eminent domain proceeding filed with the Clinton County Court of Common Pleas as determined by the Executive Director in consultation with Solicitor and the JRA consultants engaged to assist in the proceeding; Mr. Reitz seconded the motion; motion carried unanimously.

Another matter that was discussed involves a letter dated October 26, 2012 from the Lycoming County Water & Sewer Authority to the Joint Rail Authority. There is a dispute ongoing concerning the obligation to make payment for damage to property sustained by the Township and the Water and Sewer Authority in the Loyalsock Creek Bridge demolition project. The contractor, Lycoming Supply, Inc., has not agreed to make the payment, although the JRA is indemnified under its contract with Lycoming Supply. The Township and the Sewer and Water

Authority are seeking immediate payment in the amount of \$25,979.98 for these damages. The action to be taken regarding this matter is to authorize the Executive Director to send a letter with payment of \$25,979.98 to Loyalsock Township and the Lycoming County Water & Sewer Authority as set forth in the letter and to then submit a separate letter to Lycoming Supply demanding reimbursement of payment of that amount in accordance with its indemnification obligations set forth in the contract with the JRA.

Mr. Reitz made a motion for the full Board to authorize the Executive Director to send a letter with payment of \$25,979.98 to Loyalsock Township and the Lycoming County Water & Sewer Authority as set forth in their letter of October 26, 2012, and also to submit a separate letter to Lycoming Supply demanding reimbursement of payment of the \$25,979.98 in accordance with the contract; Mr. Herman seconded the motion; motion carried.

Attorney Schrack also reported that the litigation in Union County filed by the Union County Industrial Railroad et. al. against Dennis Shaffer has settled. No JRA Board action is needed.

Finally, Attorney Schrack reported that in executive session, there was discussion concerning testimony that was given by Mr. Fury in a trespass action in Tyrone. No action is needed.

Events Calendar/Staff Report

Mr. Stover presented the events calendar for January/February and Projects Status and Staff Report.

Operator's Status Report and Business Forecast

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

Ms. Williams stated that total operating fee revenue for November 2012 versus November 2011 has increased 13%. YTD total operating fee revenue 2012 versus 2011 saw a decrease of 3.9%. Operating fees paid for November 2012 increased 14.7% from November 2011.

Mr. Shields provided Board members with a letter received from Sylco Service and Terminal Company expressing their appreciation for the level of service Jim Mackey and the Juniata Valley Railroad provided to their company.

OLD BUSINESS

TIGER II Status and Action Items

Mr. Stover reviewed the status of the various TIGER II projects that were listed on the agenda grid as well as the updated TIGER II budget included in the meeting packet.

Bridge Engineer's Report

A copy of the Bridge Engineer's Report of various project updates was provided as a handout to Board members. Mr. Conrad addressed the Board and provided an update on the status of the work on the White Deer and Bellefonte bridge projects. Bid opening is expected prior to the March Joint Rail Authority meeting for both bridges. Mr. Conrad stated there is a four month window to complete the White Deer Bridge.

Loyalsock Creek Bridge

An update on the Loyalsock Creek Bridge project was provided in the Bridge Engineer's Report and in Mr. Conrad's comments to the Board. Bid opening is expected prior to the April Joint Rail Authority meeting with award to be given at the April JRA meeting.

Paul Jannotti – M/W Report

Mr. Paul Jannotti presented the results of his fall 2012 track inspections. Copies of this report were provided to Board members. Mr. Jannotti stated that the railroads are in fair to good condition and the TIGER II projects completed have improved the railroads. Mr. Jannotti stated that over 50 turnouts have been constructed.

Mr. Stover stated that he has received the Operator's proposed 2013 M/W Program. A meeting has been scheduled with the Operator to discuss and develop this program.

Operation Lifesaver Donation

Mr. Stover noted the Pennsylvania's Operation Lifesaver (OL) program is seeking a donation from the JRA. OL does great work at getting out the message regarding grade crossing safety. A copy of a letter dated November 15, 2012 from Operation Lifesaver was included in the meeting packet.

Mr. Harvey made a motion for the full Board to donate \$500 to Operation Lifesaver; Mr. Sawicki seconded the motion; motion carried.

COMMITTEE REPORTS

Passenger Excursion Committee

Committee Chair Spychalski reported on the activities of his committee:

Dr. Spychalski stated that the Executive Director's report showed the summary of results of 2012 excursions.

Dr. Spychalski provided Board members with the passenger excursions data for 2011 and 2012 which shows the dates of trips, total tickets sold, number of trips, average passengers per trip, total funds received, and the amount paid to the sponsor and the amount paid to PennValley Railroad, LLC.

Dr. Spychalski referred to the footnotes on the handout:

- Over 2,000 persons rode including those who did not require a ticket.
- 419 "lap tickets" were issued bringing the total ridership to 3,972.
- An additional 100 children rode under the free "lap tickets."

A copy of the Penn Valley Railroad, LLC financial report was distributed to Board members. This report showed comparative data from 2010-2012.

Dr. Spychalski stated that work is underway to prepare a timetable for 2013 passenger excursions and that he has been getting inquiries from interested parties that have not previously sponsored any excursion trips between 2010 and 2012.

Capital Budget/Property Management Committee

Mr. Stover stated that a work session was held with staff and Messrs. Jannotti, Conrad, Shields, Avery and Stotter on December 18th to review possible new JRA capital projects.

Staff is assembling a long list of new projects to be added to what will be a draft 2013 Capital Budget. Mr. Conrad and Mr. Jannotti have recommended some new high priority projects for future consideration.

A draft of a proposed Capital Budget was provided to Board Members. This new version is based on one that had been previously approved by the Board in 2012.

A Capital Budget/Property Management Committee meeting will be scheduled for some time later this month or early February to review this Capital Budget in detail. The goal is to have the Capital Budget/PMC Committee present a revised Capital Budget for Board consideration at the February or March JRA meeting.

Hepburn Street Lease Update/Engineering Proposal

Mr. Fury stated that in order to complete the lease with Lycoming County, the JRA needs to secure a survey of the premises. The work will be part of the Phase 2 engineering design performed by Larson Design Group.

Staff received a proposal from Larson Design Group to complete the site design and boundary survey for a cost not to exceed \$14,000.

Staff anticipates some future participation in these costs by the Lycoming County Commissioners. The County has asked that the contribution for the project be a single request for the entire project rather than on a piecemeal basis.

Mr. Harvey made a motion for the full Board to approve the proposal from Larson Design Group to complete a Hepburn Street parking area site design and boundary survey for a cost not to exceed \$14,000; Mr. Herman seconded the motion; motion carried.

Mr. Kramer announced his plans to retire as a member of the SEDA-COG Joint Rail Authority effective January 9, 2013. Mr. Kramer has been a member of the JRA for over 25 years. Chairman Walls expressed his appreciation to Mr. Kramer for his many years of services. Mr. Shields said that the operator was finishing the refurbishment of a caboose that will serve as an office car. He offered its first use for a special event to recognize Mr. Kramer.

Governance Committee

Committee Chair John Showers stated Board members were provided with a copy of the Code of Conduct and Ethics Policy. An Acknowledgement and Certificate of Compliance needs to be signed by each staff and Board member. Board members signed the form and gave them to Kay Aikey for filing.

Chairman Walls adjourned the meeting at 4:00 p.m.

Respectfully submitted,



Jeffrey K. Stover, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on February 13, 2013.



Secretary/Assistant Secretary