



**SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, NOVEMBER 13, 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

Frank Dombroski, Montour County
Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Tom Herman, Montour County
Brent Jones, Clinton County
Michael Krentzman, 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

JRA OPERATOR

Jason Kift
Gary Shields
Jeb Stotter
Diana Williams

GUESTS

Reuben Brouse, NRHS
Allen Bubb, NRHS
Steve Campbell, Roaring Creek & Catawissa Valley Historical Study Group
Rick Dandes, Daily Item
Mark Murawski, Lycoming County Planning Commission
Don Purcell, Penn Valley Railroad, LLC
Andrew Richards, Bellefonte Historical Railroad Society
Richard Robey
Dennis Shaffer, Reading & Northern Railroad
Bob Stoudt, Montour Area Recreation Commission
Jerry Ward, Montour County Commissioner

LEGAL COUNSEL

Tom Schrack, Esq., McQuaide Blasko Law Offices

JRA CONSULTING PROFESSIONALS

John Conrad, P.E., Bridge Engineer
Dan Mazur, Operating Agreement Consultant

**SEDA-COG JOINT
RAIL AUTHORITY**

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Affiliated with
SEDA Council of Governments

JRA STAFF

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

SEDA-COG STAFF

Steve Kusheloff, Public Information

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

In observance of Veteran's Day, the SEDA-COG JRA recognizes and thanks those whom have served their country, presently and in the past, and the many sacrifices veterans have made to ensure our country's freedom.

Approval of the October 9, 2013 Meeting Minutes

Mr. Herman made a motion to approve the October 9, 2013 meeting minutes; Mr. Showers seconded the motion.

Dr. Spychalski noticed two minor corrections to the meeting minutes.

- Page 10 of the board packet, page 6 of the meeting minutes: The second motion should read "Mr. Sawicki seconded the motion."
- Page 13 of the board packet, page 9 of the meeting minutes: the words "and Regional" should be added to read "American Shortline and Regional Railroad Association."

Mr. Herman and Mr. Showers accepted the corrections made; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of October 2013 as well as the JRA's loan summary.

Dr. Spychalski made a motion to approve the Treasurer's Report for the month of October 2013 and file for audit; Mr. Dombroski seconded the motion; motion carried.

Legal Issues

Attorney Schrack updated the Board on the following legal issues:

- **Munro Eminent Domain:** There was a second Board of View hearing where the Pine Creek Township road manager testified relative to Munro's access to his field. The Board of View determined that before a decision can be rendered each party would need to submit a brief. The decision will then be made by the Board of View approximately 3-4 weeks after the briefs are submitted. There may be a decision by the Board of View by the December JRA meeting and discussion will be held at that time in executive session. Chairman Walls stated the project has moved forward. The only matter at issue is the JRA's compensation to Mr. Munro. This is only the second time in the history of the JRA that the Authority found it necessary to use eminent domain to accomplish a project in the public interests. Mr. Stover added that even though the JRA is the acquiring entity, the cost will be borne by South Avis Realty and not the JRA.
- **The Feist Action to Quiet Title:** An offer of \$2,500 has been presented to settle the action with the Authority in exchange for a quitclaim deed from the Authority. It is Attorney Schrack's recommendation to approve this settlement in order to avoid any further costs being incurred by the Authority. The Chairman would execute a stipulation of settlement and a quitclaim deed that would be delivered to the Feists in exchange for \$2,500. The Feists would then file a precipe for discontinuance which would discontinue the litigation. This case involves two small parcels along West Third Street in the City of Williamsport. One parcel consists of .7 acres and the other of .1 acre. Attorney Schrack stated that it appears that the land was once owned by Penn Central, but there was a question as to whether it was actually conveyed by Conrail to the JRA; there was no confirmation either way in the title search the JRA obtained. Staff indicated that the JRA has no need for this property.

Mr. Herman made a motion for the Board to authorize the Chairman to execute the Stipulation of Settlement and the quitclaim deed to resolve this Feist litigation; Mr. Harvey seconded the motion; motion carried.

- **Andritz, Inc.** – At a previous meeting it was discussed that there would be a conveyance of a small parcel by the JRA to Andritz, Inc. in the Borough of Muncy, Muncy Creek Township. The attorney for Andritz has prepared a quitclaim deed for that conveyance. Upon the execution of the deed, \$15,000 will be paid to the JRA.

Mr. Showers made a motion for the Board to authorize the Chairman to execute the quitclaim deed for the conveyance of property in the Borough of Muncy, Muncy Creek Township, to Andritz, Inc.; Mr. Reitz seconded the motion; motion carried.

- **Moxie Patriot** – Mr. Fury stated that earlier this year the Board approved an easement for Moxie Patriot to run power lines over the Lycoming Valley Railroad at Koppers. When Moxie did their survey, they found an error was made in the valuation maps. There is a strip of land under Norfolk Southern's control. Norfolk Southern has approved the deed correction to the JRA for the subject property. Moxie has submitted

an amendment to the easement agreement with a new description of the property. Attorney Schrack added that Moxie needs a correct legal description of the property under the easement in order for its project to proceed. This title deficiency goes back well before the JRA had ownership of the property. All that needs to be done is to document it appropriately with all the involved parties. NS will give a corrective deed to clarify the error and the JRA will execute an amendment to the easement agreement which will correct the legal description.

Mr. Winslow made a motion for the Board to authorize the execution of the amendment to the Moxie Patriot easement agreement conditioned upon Norfolk Southern's delivery of the corrective deed to the JRA; Dr. Spsychalski seconded the motion; motion carried.

- **Mifflin County Burnham Property** – Mr. Stover reported that the Mifflin County Commissioners unanimously approved the JRA's offer of \$66,000 for the 19.5 acre North Yards in Burnham. Last year, the Board had previously authorized a payment of up to \$65,000 so ratification needs to be approved for the additional \$1,000.

Mr. Harvey made a motion for the Board to ratify the authorization of \$66,000 to purchase the 19.5 acre North Yards in Burnham, Mifflin County; Mr. Graham seconded the motion; motion carried with Mr. Krentzman abstaining.

Hepburn Street MOU (LVRR)

Mr. Fury stated the PUC is requiring that the JRA, the City of Williamsport and Lycoming County enter into an MOU regarding the Hepburn Street project. Attorney Schrack has prepared a document that will be reviewed by Lycoming County and then will be given to the City of Williamsport. This is the next step that needs to be taken so the PUC can create the crossing. Once the agreement is written and the Section 130 monies are released, the project can move forward. This will be brought to the December JRA meeting for possible action.

Operating Agreement Consultant Report

Mr. Mazur presented his third quarter analyses report regarding the Operator's Third Quarter performance.

3 Quarter 2013 Transportation Expense Ratio

- Target: About 43%
- Results for 3 Quarter 2013
 - Higher than Target
 - Lower than 3 Quarter 2012
 - Lower than 3 Quarter 2013 Budget
- Results for YTD 2013
 - Higher than Target
 - Lower than 2012
 - Lower than 2013 Budget

- Transportation Ratio was a little higher than historical levels in 3 Quarter 2013 and YTD 2013, but remains within a reasonable range for a shortline railroad.

3 Quarter 2013 Maintenance of Way Ratio

- Target: About 21%
- Results for 3 Quarter 2013
 - Significantly above Target, 3 Quarter 2012, and 2013 Budget
- Results for YTD 2013
 - Above Target
 - Significantly above 2012
 - Higher than Budget
- Significant expenditures in the 3 Quarter have more than made up for lower than Budget expenditures in the 1st and 2nd Quarters.

Mr. Mazur stated that he has additional and detailed information, but the recommendation is that it would be discussed in executive session as the operator has indicated that it is sensitive and confidential information.

Chairman Walls called for an executive session at 1:11 p.m.

Chairman Walls reconvened the regular meeting at 1:33 p.m.

Events Calendar/Staff Report

Mr. Stover presented the events calendar for November/December and Staff Report.

Operator's Status Report and Business Forecast

Mr. Shields introduced Jason Kift to the board; Mr. Kift is the General Manager for the Lycoming Valley Railroad.

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

Ms. Williams reported that the YTD operating fees revenue has increased 12.5% over 2012 and the YTD carloads has increased 12.8% over 2012.

Work has begun with Bowers & Co. for the operator's audit. They will be at the North Shore office on December 11 and 12 to begin the 90-day process to complete the audit.

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 that was distributed at the meeting.

South Avis Access Road Update

Mr. Stover stated that the Access Road opened on November 8th. The only thing outstanding is settlement on the land that was taken from Munro during the eminent domain proceedings.

Mr. Stover referred to the handout indicating that Governor Corbett signed a capital budget bill which included five projects the JRA submitted through various legislators in the region. These capital budget line items total \$12.81 million. The RTAP, which is the Railroad Transportation Assistance Program, is administered by PennDOT and governs release of those funds.

RTAP for Bellefonte Branch

Mr. Stover stated that the Board had authorized staff to proceed with an application which is due the end of December. This high priority project, which Mr. Jannotti has recommended be done, is the rail replacement project on the Bellefonte Branch. This item will be deferred until the December JRA Board Meeting.

Bridge Engineer's Report

Board members were provided with the Bridge Engineer's Report. Mr. Conrad was in attendance at the meeting and updated Board members on projects he is working on. The following change orders were recommended by Mr. Conrad for Board approval:

Loyalsock Creek Bridge

Mr. Graham made a motion for the full Board to approve the extra costs in the amount of \$228,133.48 for the Loyalsock Creek Railroad Bridge; Mr. Harvey seconded the motion; motion carried.

Mr. Harvey made a motion for the Board to approve \$7,999.26 requested for additional tree clearing on the track; Mr. Reitz seconded the motion; motion carried.

Mr. Herman made a motion for the Board to approve the additional cost for the ground track work with the actual cost number to be supplied by the JRA's engineer; Mr. Winslow seconded the motion; motion carried.

Chairman Walls asked that Mr. Conrad provide a spreadsheet that compares the budgeted costs and cumulative costs to date and share with Board members at the December meeting.

White Deer Bridge

Mr. Showers made a motion for the Board to approve the additional cost of \$11,000 for traffic control, man lift, and labor to mount the signs for the White Deer Bridge; Mr. Winslow seconded the motion; motion carried.

Mr. Showers made a motion for the Board to approve the additional costs to close out the line items for drilling and for the extra crews brought in for the White Deer Bridge project in the amount of \$46,000; Mr. Winslow seconded the motion; motion carried.

Loyalsock Creek Bridge Demolition Project

Dr. Spychalski made a motion for the Board to authorize the payment of the engineer approved additional cost minus \$25,900 which is owed by Lycoming Supply to the JRA for damages paid to Loyalsock Township for the sewer line, contingent upon the release by Lycoming Supply to satisfy all claims; Mr. Reitz seconded the motion; motion carried.

Bridge 202.07 at Danville

Mr. Sawicki made a motion for the Board to approve the additional costs of \$18,445.30 for the paving and pedestrian crossing for the Danville Bridge; Mr. Reitz seconded the motion; motion carried with Dr. Spychalski registering his vote as no.

COMMITTEE REPORTS

Passenger Excursions Committee

Committee Chair Spychalski referred to the Executive Director's calendar of upcoming passenger excursions for the month of November and December as well as the accounting report for excursions. Data has not been received for the Williamsport/Lycoming Chamber of Commerce, but a check has been received in the amount of \$11,920.00 for those excursions.

Dr. Spychalski stated that the committee is going to get a head start on the draft timetable for passenger excursions in 2014 and requests are being sent out to three sponsor groups in order for them to present their requests for service for 2014. One response has already been received from one of the sponsoring groups.

Mr. Richards expressed his thanks for the successful fall foliage excursions for the Bellefonte Historical Railroad Society. He stated that two new rides had been added for the Halloween excursions. Mr. Richards reported that the Christmas rides are approximately 90% sold out.

Property Management/Capital Budget Committee

JRA Fee Schedule Amendment

Mr. Fury reported that staff has experienced significant delays in the return of some executed agreements. A review of the "Fee Schedule" revealed that there is no time limit for return of executed documents. Attorney Schrack has developed the following language to address the situation:

"In addition, all agreements must be signed and returned by the applicant to the Authority within sixty days of the Authority's execution of the Agreement. If applicant fails to return a signed agreement in such time period, the Authority reserves the right to cancel the applicant's application."

This language will be inserted in to the December 12, 2012 "Fee Schedule" for adoption, with new effective date of November 13, 2013.

Mr. Harvey made a motion for the Board to approve the language to be added to the "Fee Schedule"; Mr. Gummo seconded the motion; motion carried.

North Branch Canal Trail Conveyance

Mr. Stover stated that many years ago, the JRA Board approved the conveyance of the canal tow path from Danville to Catawissa to a trail entity. Since the tow path was located some 80 feet or more away from the NSHR tracks, this circumstance worked fine for a "rail with trail". Over the last two or three years, the 36-acre property has been surveyed. Recently there was a boundary conflict with the Catawissa Boat Club which has been resolved. Montour County, Montour Area Recreation Commission (MARC), and Columbia County have been working together to make the North Branch Canal Trail a reality. There has also been some discussion regarding creation of a regional trail authority, tentatively called the Susquehanna Greenway Trail Authority. Some of the delay in the conveyance has been caused by the trail interests seeking subdivision approval. Further, the counties were unsure whether it was best to simply convey the land to the counties now, or perhaps, the new proposed trail authority. An initial MOU has been prepared by Mr. Stoudt of MARC and modified by the JRA's solicitor along with an accompanying lease agreement. The purpose of these documents, for the interim, is in anticipation of a conveyance to occur sometime next year.

Attorney Schrack stated that it has been anticipated that the conveyance would have occurred but the subdivision and the NPDES permitting processes have taken longer than expected. MARC wants to get moving on the construction, but needs to make sure that the JRA is protected as there will not be any transfer of ownership until the subdivision approval is complete. The standard JRA lease of the property will be prepared until the deeds are delivered after the subdivision approval has been done. In exchange, MARC can begin construction of the trail.

Chairman Walls disclosed that he is a voluntary board member and chair of the Susquehanna Greenway Partnership and doesn't get any financial benefit out of this transaction. This trail project is one of the projects that the Susquehanna Greenway Partnership is strongly encouraging. The way this is structured is that it will facilitate the ultimate potential for involvement of a multi-county greenway trail authority but it doesn't have to wait until that organizational work gets done.

Mr. Herman asked if the Susquehanna Greenway Partnership has any money. Chairman Walls replied that the Susquehanna Greenway Partnership is very good at going after grant funds and foundation monies and will be a working partner with MARC and the counties on this to help find any monies available. The Susquehanna Greenway Partnership is a 501(c)3 non-profit and does not have its own monies to give away.

Attorney Schrack stated there may be a need for the JRA to retain an easement for certain railroad maintenance.

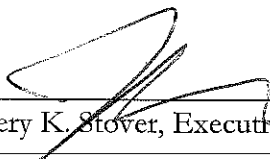
Mr. Herman made a motion for the Board to authorize the Chairman to execute an agreement of transfer of property with MARC, Columbia County, and Montour County and to execute a lease agreement between the JRA and MARC only; Mr. Reitz seconded the motion; motion carried with Chairman Walls and Mr. Dombroski abstaining.

Operating Agreement Committee

Committee Chair Krentzman reported that the committee met at 11:00 a.m. Mr. Krentzman reported that the committee reviewed the extension term that will be part of the RFP package. A suggestion was made to hold a work session to discuss some of the issues. This session will be held on Tuesday, December 17 beginning at 9 a.m. at SEDA-COG.

Chairman Walls adjourned the meeting at 3:05 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 December 11, 2013.



Secretary/Assistant Secretary