



SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, SEPTEMBER 14, 2011
SEDA-COG, LEWISBURG, PA
12:30 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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AUTHORITY MEMBERS PRESENT

Frank Dombroski, Montour County
Scott Harvey, Lycoming County
Mike Hawbaker, Centre County (via speaker phone)
Tom Herman, Montour County
Rick Jenkins, Columbia County
Don Kramer, Clinton County
Michael Krentzman, Mifflin County
Dave Park, Columbia County
Dennis Reitz, Northumberland County
Frank Sawicki, Northumberland County
Dennis Shaffer, Union County
John Showers, Union County
John Spsychalski, Centre County
Jerry Walls, Lycoming County

GUESTS PRESENT

Allen Bubb, NRHS
Keith Buckley, Risk Solutions (via speaker phone)
Steve Campbell, Roaring Creek & Catawissa Historical Study Group
Josh First, Appalachian Land Conservation
Andy Garancosky, Retired
Mark Murawski, Lycoming County Planning Commission
Don Purcell, Norfolk Southern – Retired
Andrew Richards, Bellefonte Historical Railroad Society
Gary Shields, Railroad Operating Companies
Robert Smith, Retired
Jeb Stotter, Railroad Operating Companies
Troy Truax, Delta Development Group
Diana Williams, Railroad Operating Companies

STAFF PRESENT

Tom Schrack, Esq., McQuaide Blasko Law Offices
Kay Aikey
George Fury
Steve Kusheloff
Jeff Stover
John Conrad, P.E., Railroad Bridge Engineer



Affiliated with
SEDA Council of Governments

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. Campbell stated that the Roaring Creek and Catawissa Valley Historical Study Group has a planned passenger excursion on October 15 and 160 advanced tickets have been sold. There are riders coming as far away as Michigan and Texas.

Approval of the August 10, 2011 Meeting Minutes

Dr. Spsychalski made a motion to approve the August 10, 2011 meeting minutes; Mr. Kramer seconded the motion; motion carried.

Approval of the August 26, 2011 Special Meeting Minutes

Mr. Shaffer made a motion to approve the August 26, 2011 special meeting minutes; Dr. Spsychalski seconded the motion; motion carried.

Treasurer's Report

Mr. Reitz presented the Treasurer's Report for the month of August 2011.

Mr. Stover stated that some W-9's were distributed to some of the officers relative to an M&T certificate of deposit. The intent was to move the CD funds to Jersey Shore State Bank, but M&T cannot release the entire amount as it is collateralizing the Authority's two loans. M&T requires the JRA officers sign the W-9's and include their social security numbers and other information. Mr. Stover stated the Operator pays the Lycoming Valley Railroad loan independently and it is tantamount to a lease of the engine house.

Mr. Stover summarized the loan review done by Mr. Kishbach of SEDA-COG's finance department at the August JRA meeting. Mr. Kishbach had prepared a spreadsheet which showed that it would make more sense for the Authority to pay off the Jersey Shore State Bank loan for the Reach Road property as it is the most recent loan.

Mr. Shields stated that the Operator agrees to continue paying rent on the engine house at the Lycoming Valley Railroad if the JRA retires the M&T loan for the LVRR engine house.

Mr. Herman made a motion for the Board to approve paying off the two loans with M&T Bank and authorize the transfer of those remaining assets to the Jersey Shore State Bank.

Mr. Shaffer asked that the motion be modified to indicate that the Operator has agreed to continue to pay rent on the engine house at the Lycoming Valley Railroad.

The motion was modified to include ***with the understanding that the Operator has stated, for the record, that it will continue payment to the Authority for the engine house rental.***

Mr. Herman accepted the modification to the motion; Mr. Park seconded the motion; motion carried, with Mr. Hawbaker abstaining due to his relationship with Jersey Shore State Bank.

Dr. Spychalski made a motion to approve the Treasurer's Report for the month of August 2011; Mr. Harvey seconded the motion; motion carried.

Legal Issues

Attorney Schrack said a revised plat has been received from Mr. MacNamara which shows the Authority's understanding of the actual boundary lines. A land lease upon which the MacNamara's rail siding is situated will be prepared.

Dr. Spychalski made a motion to authorize staff and solicitor to prepare a land lease agreement for the use by Michael MacNamara/Steven MacNamara and their business enterprise to use the railroad siding owned by MacNamara on Authority property located in Wingate for a nominal rent of \$1.00 at a continuing basis so long as they do not violate any provisions of the lease; Mr. Reitz seconded the motion

Chairman Walls asked how a siding owned by Mr. MacNamara came to be on Authority's land. Mr. Fury replied that it is a holdover from the Ringgold Coal lease with Conrail and it was something worked out before the Authority had ownership. Mr. MacNamara purchased the property and track from Ringgold.

Attorney Schrack stated that when Mr. MacNamara's surveyor prepared the current plan he did not have access to a piece of legislation from the mid 1800's which actually granted the railroad this particular property. A title search was done and the abstractor at McQuaide Blasko located the law.

Chairman Walls stated he is curious as to what caused this to rise to the level of a legislative enactment.

Mr. Sawicki asked what the law is.

Attorney Schrack stated it was a 1857 law that authorized the Tyrone and Lock Haven Railroad to operate the tracks. The county had accepted that as the actual source of the title.

Mr. Sawicki stated he asked the question because there are a lot of rails to trails and abandoned railroads and wanted to make sure that ownership can be proved if railroads are to be put back in.

Chairman Walls asked that Attorney Schrack get the abstractor to go back to the legislative history of the act and see if there were other purposes involved in that enactment and does it have value for the Rail Authority for asserting interest.

Attorney Schrack stated he will print off a copy the act and bring it to the next JRA meeting.

Chairman Walls stated that he would like Attorney Schrack's professional interpretation of whether it would represent anything that would grant the Authority an interest.

Motion carried.

Attorney Schrack stated that a Right-to-Know request was received by the Authority in August. The request was handled by Mr. Stover and he responded in accordance with the Right-to-Know law. A formal designation needs to be made by the Authority to designate Mr. Stover as the Right-to-Know Officer and Open Records Officer. The Authority should post on their website the form, contact information for the Right-to-Know Officer and for the Office of Open Records, which was an office created under the Right-to-Know Law in 2008 in Harrisburg to hear appeals on Right-to-Know requests.

Mr. Sawicki made a motion that the full Board appoint Mr. Stover as the Open Records Officer of the Authority to handle all Right-to-Know requests received by the Authority and to have the Authority post on their web site the appropriate information required by the Right-to-Know Law, i.e., a form for Right-to-Know requests, contact information for the Right-to-Know Officer and contact information for the Open Records Office in Harrisburg; Mr. Herman seconded the motion.

Chairman Walls stated when Mr. Stover contacted him about this request the Chair directed Mr. Stover to serve as the Authority's Right-to-Know Officer as it was discovered there was no one designated. As a result, he could respond to the request in a timely way. There is law that requires a timely response once any Right-to-Know request is received.

Mr. Krentzman asked what the basis is for the inquiry. Chairman Walls stated the law does not require the disclosure by anyone filing a Right-to-Know request as to their reason. Chairman Walls asked Mr. First (the individual making the Right-to-Know request) if he had any comments.

Mr. First complimented Mr. Stover by stating that Mr. Stover responded very professional, quickly and thoroughly to the request and was above and beyond the letter of the law and commended staff for this.

Mr. Sawicki commented that if he were asking for this he would want to value the entire assets of the Authority for the purpose of a purchase or sale.

Attorney Schrack echoed the Chair's comments that there does not need have to be any reason.

Motion carried.

Events Calendar/Staff Report

Mr. Stover presented the events calendar for September-October 2011 and Projects Status Report.

Operator's Status Report and Business Forecast

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

Ms. Williams stated operating fee revenue for July 2011 compared to July 2010 saw a 5.1% increase for a total of approximately \$67,000. Year-to-date July 2011 versus July 2010 saw a 2.5% increase for a total of approximately \$185,000. Car counts have decreased due to the loss of the sand bridge traffic over the NBER.

Chairman Walls asked what the FRA requirement is for inspection of trackage and related facilities whenever there is a storm event. Mr. Shields said the track is inspected, as a practice, before and after an event.

Chairman Walls stated that the Authority needs to see a business forecast and asked that in future months the Operator's Report include information on business prospects, trends and general business outlook. This can be done on a quarterly basis.

OLD BUSINESS

Bellefonte Historical Railroad Society (BHRS) Requests

Mr. Stover referred to his handout memo which outlined the recent requests from the Bellefonte Historical Railroad Society.

Mr. Richards stated that the BHRS agrees with the staff recommendations in the memo. He stated that BHRS is content with the Authority retaining the SMS Sutton track, but would like to get something in writing that grants the BHRS authority to use the SMS track to store the RDCs.

Acquisition of Portion of Bellefonte Branch Near Lemont - The BHRS seeks to acquire an additional 3,600+ track feet of the NBER Bellefonte.

Dr. Spychalski made a motion for the full Board to approve the staff recommendation that the Authority retain the branch adjacent to the Centre Concrete and Lezzer properties, but convey that portion as requested by BHRS with the understanding that the BHRS cannot transfer the track except back to the JRA, and further that the JRA reserves the right for the NBER to use the track for operations such as may be required for a tail track, and the track cannot be abandoned or removed except with JRA approval; Mr. Hawbaker seconded the motion.

Chairman Walls asked Mr. Richards if these conditions are acceptable to the BHRS to which Mr. Richards responded yes.

Mr. Shaffer asked if there is some reason why the JRA preferred conveyance as opposed to leasing it.

Chairman Walls stated the BHRS has had significant complaints from nearby residents and they are trying to work out a better atmosphere there. In this case it makes sense to do a conveyance rather than a lease.

Mr. Shaffer asked if the BHRS would have to convey the track back to the Authority if someone wanted to buy it.

Attorney Schrack stated the technical legal term would be that it would be called a Possibility of Reverter if there would be any act that would be taken outside of the stipulations. The Authority would then automatically have the vested right in the property and it would come back to the Authority.

Chairman Walls asked if the Board member who made the motion and the one who seconded the motion would be receptive to an additional authorization that the solicitor prepare and incorporate language as previously explained regarding conveyance of the track back to the Authority.

Dr. Spychalski and Mr. Hawbaker both agreed to the addition to the motion.

Mr. Sawicki asked that if board members would be able to review and vote on the document once it is prepared by the solicitor.

Chairman Walls asked Mr. Stover to put this item back on the next month's agenda for ratification.

Motion carried.

Acquisition of SMS Branch in Bellefonte – BHRS seeks to acquire the former SMS Sutton track which extends some 1500 feet from the Bellefonte Train Station to the former SMS plant. Staff recommends the JRA retain this track. The BHRS's two Rail Diesel Cars (RDC) sit on an intact portion of this track near the switch at the train station. Staff recommends that the JRA upgrade 200± track feet of the SMS track so the RDCs can be moved further away from the train station.

Mr. Herman made a motion for the full Board to approve the staff recommendation to retain this track and to upgrade 200 feet of the SMS track so the RDCs can be moved; Mr. Reitz seconded the motion; motion carried.

Acquire "Oil House" in Bellefonte Yard Wye – BHRS seeks to acquire the old Oil House which is the green building in the middle of the Sunnyside (Bellefonte) Yard Wye. BHRS has leased the structure from the JRA for \$1 per year. The lease needs to be renewed and updated.

This item was deferred to the Property Management Committee for consideration.

Insurance Report and Issuance of RFP

Mr. Buckley of Risk Solutions joined the JRA Board meeting via speaker phone. The following handouts were distributed to board members and visitors: Insurance Analysis Report dated September 12, 2011 and the Railroad Liability Insurance Specification. The Insurance Analysis Report is an analysis of where the JRA stands on the various insurances and the Railroad Liability Insurance Specification is an RFP to solicit for liability insurance for the coming year.

Mr. Buckley stated the Insurance Analysis Report is a summary of Risk Solutions' analysis of the current program in place for the JRA. He stated that overall it is in good shape relative to insurances and especially the policies with PIRMA. The Executive Summary/Key Recommendations were reviewed and discussed. Suggested changes to some of the recommendations include:

Slide #4 – Change current annual rental income level to \$500,000.

Slide #7 – Secure quotations for deductibles of \$10,000, \$25,000, \$50,000 and \$100,000.

Slide #9 – JRA solicitor to develop language for the passenger excursion liability policy.

Mr. Buckley to send suggested wording to Attorney Schrack.

Slide #10 – Attorney Schrack to review this recommendation with the insurance consultant.

Slide #11 – Chairman Walls asked that Mr. Buckley provide the Authority and Operator with examples of what is considered to be good risk management plans. The Operator was asked to cooperate in this to develop a good overall risk management plan. The Executive Director needs to work with the JRA solicitor and property management staff to look proactively at the whole of risk management.

Chairman Walls asked that the safety rules of the passenger excursions committee be added as an exhibit to the RFP.

Mr. Sawicki left the meeting at 1:40 p.m. to attend another meeting.

Mr. Harvey made a motion to authorize Mr. Keith Buckley to issue an RFP for insurance quotes; Mr. Jenkins seconded the motion.

Mr. Shaffer stated there were a few issues that the Authority's counsel was going to look at and wondered if this should be clarified before issuance of an RFP.

Chairman Walls empowered the Executive Director and Solicitor to make sure the wording is accurate in what Mr. Buckley issues as the request for proposals. The Board will then have a chance to review it and accept it when it comes back.

Mr. Buckley stated that he should have insurance quotes within 45 days especially from the current broker. With the adequate underwriting information and claims history, the broker should be able to turn that around in a matter of 15-20 days. The separate coverage for bridges and trestles will be a longer process.

Chairman Walls stated that the JRA's current coverage expires in November 2011.

Mr. Stover stated the process needs to be concluded for action by the Board at the November 9th board meeting so there is no lapse in coverage.

Motion carried.

JRA Strategic Planning

Mr. Troy Truax from Delta Development Group reviewed the timeline for the JRA's Strategic Plan Development Process which was provided in the meeting packet.

Mr. Shaffer stated that back in January the Board discussed and agreed to a board-only session. The Solicitor said it could be done, but this has never happened. He further stated that the JRA Board SWOT session should be the first thing that is done.

Chairman Walls stated that while there are items shown on the timeline that the consultant is working on, this is to bring the consultant to a point where the earliest portions of the Board's involvement would be more effective because the consultant has done his review and analysis of the background pieces of information.

Chairman Walls asked the consultant to work with the staff and communicate with all the Board members as to the setting of the date and time for the Board members SWOT session. It is important to have the cooperation of all Board members for this.

TIGER II Status – Task B Bid Awards

An updated TIGER II budget was distributed to Board members. The spreadsheet incorporates the bid results that have been received.

Mr. Stover stated that bids were received on September 13 for Task B – NBER TIGER II project which include Bellefonte Yard Tracks, NBER Main (Miller Siding and Tyrone Bulk Transfer Rail Facility). The total budget was \$2,730,000 and low bid was from Balfour Beatty in the amount of \$2,991,511.30. Staff and Mr. Jannotti met to look for ways to modify the scope and quantities of work to get closer to the budget. Four new tracks were proposed, but it was felt that if the shortest of the four yard tracks could be cut out this would reduce the bid award to Balfour Beatty to \$2,763,892.00. Mr. Stover stated this is \$33,892 over budget. Two of the upcoming projects, G.O. Hawbaker and Point Township, are likely to come in under budget, thus covering the shortfall.

Mr. Stover deferred to Attorney Schrack and asked if the Board could do the award at the full amount and then authorize a change order to lower the contract price. Attorney Schrack agreed.

Mr. Shaffer made a motion for the full Board to award the TIGER II Task B bid to Balfour Beatty in the amount of \$2,991,511; Dr. Spsychalski seconded the motion; motion carried with Mr. Hawbaker abstaining due to the fact the G.O. Hawbaker may have quoted materials to the contractors who submitted a bid.

Mr. Reitz made a motion for the full Board to authorize a change order to lower the contract price to \$2,763,892; Mr. Herman seconded the motion; motion carried with Mr. Hawbaker abstaining.

TIGER II DBE Plan

Mr. Stover stated that on September 7th he was informed by the FRA office in Washington, D.C. that the JRA, as a TIGER II grantee, needs to submit a Disadvantaged Business Enterprises (DBE) plan. Mr. Stover stated he contacted Mr. Mizerak of Delta Development Group and asked if Delta could do this work. A handout entitled Scope of Services from Delta Development Group was provided to Board members which is Delta's proposal for the DBE plan. Delta proposed to do the plan for \$3,500 plus \$300.00 for reasonable and ordinary expenses.

Mr. Harvey made a motion for the full Board to engage Delta Development Group to prepare the JRA's DBE plan at a cost of \$3,500 plus \$300 in expenses not to exceed \$3,800; Mr. Kramer seconded the motion.

Mr. Shaffer stated that the motion should include that the Solicitor review the plan in draft form.

Motion carried.

NEW BUSINESS

Railroad Flood Damage from Tropical Storm Lee

Mr. Stover stated that Tropical Storm Lee did considerable damage to the JRA's rail system. Mr. Fury used a PowerPoint presentation to show the railroad flood damage.

Mr. Conrad discussed the LVRR Loyalsock Creek Bridge which is the site of the greatest damage. Three piers and the north abutment were severely damaged. The bridge's replacement needs to be expedited. Mr. Conrad and his team are moving ahead quickly to address this.

Chairman Walls stated he received a telephone call from the manager of Loyalsock Township who stated that there is a piece of the bridge lying on top of the one sewer line. Quick action may need to be taken to remove that piece of the bridge off of the sewer line so Loyalsock Township can take a corrective action on their sewer line because they are, in effect, discharging untreated sewage into the Loyalsock Creek.

Mr. Shields presented the Operator's perspective and restoration action of the railroads.

Mr. Krentzman made a motion that the full Board authorize the JRA officers and/or staff to execute all forms and documents related to flood damage reporting and claims to the appropriate counties, Pennsylvania Emergency Management Agency, Federal Emergency Management Agency or any other governmental or private entity; Mr. Reitz seconded the motion.

Mr. Shaffer stated the objective should be to do whatever needs to be done and to move quickly. He asked if the JRA is accepting liability for this.

Chairman Walls replied that in his opinion you don't take on responsibility beyond what you would ordinarily have ownership and responsibility for anyway. Because of the disaster declarations that have been passed, there is help now for the JRA if we are prompt in moving ahead. Timing is of the essence and Friday, September 16th is a deadline for certain submittals.

Mr. Shaffer stated his point is that it be done in a way that is consistent with the contract.

Motion carried.

Dr. Spsychalski made a motion that the full Board authorize Mr. Conrad to prepare a bid package to seek bids for the demolition and removal of the LVRR Loyalsock Creek Bridge structure and piers and to authorize emergency removal of a piece of the bridge that is obstructing Loyalsock Township from making repairs to their sewer line if needed; Mr. Park seconded the motion.

Mr. Conrad stated the bridge is more of a risk in the streambed exposing the JRA to liability because it is not providing the hydraulic opening that it would have had it not been damaged. Knowing that the decision has been made to replace the bridge entirely it is best to get everything out of the way.

Mr. Conrad further stated he would put a contract out with all of the requirements to protect and acknowledge the utilities that have to be dealt with whether it be sewer, overhead wires, etc. A bid should be put out to remove everything and then restore a channel that is basically open.

Mr. Murawski stated Lycoming County is assembling disaster survey information from all the municipalities and authorities who have flood damage. The County does not have a FEMA deadline published yet as to when the reports and surveys have to be submitted.

He stated that he received a phone call from PennDOT District 3-0 on his way to the meeting asking the following:

1. *What is the timeframe for removing the old bridge out of the creek?* Mr. Conrad stated he plans to start the documents after the JRA meeting and within one week to have the demolition documents ready to advertise. Mr. Conrad stated he needs to contact all utilities as not only are the steel spans being pulled out, but the piers are going to be excavated. The goal is to have bids for recommendation to award at the October JRA meeting.
2. *What funding source is going to pay for the demolition work?* Mr. Murawski wanted to know if this was going to be put on the disaster request. Mr. Stover stated he spoke with Congressman Thompson's office and mentioned that the replacement cost is \$8.5 Million. Mr. Stover stated there is grant money to cover \$4.2 Million and a shortfall of \$4.3 Million.
3. *What change in thinking will there be with the new project?* Mr. Stover stated that previously the railroad bridge was going to be built on the same alignment as the Airport Access Road downstream. Now, with the necessity to remove the flood damaged railroad bridge, the replacement railroad bridge can be rebuilt on the existing railroad alignment. The railroad bridge will proceed much more quickly and will be done before the Airport Access Road actually comes to reality.

Mr. Murawski stated that PennDOT has URS under contract and wanted to know if their service is needed for what the JRA is going to be doing. Mr. Stover stated the JRA can draw upon the federal earmark as there is still state money that can be tapped.

Mr. Conrad stated originally the Airport Access Road and the new railroad bridge were going to be immediately downstream with the existing railroad bridge. The railroad bridge is going to be replaced on the existing bridge alignment so there will be a separation between the two structures. There are things that need to be coordinated so as not to compromise any of the high site issues, hydraulic issues, or utility issues that will be part of the Airport Access Road project.

The motion previously made by Dr. Spsychalski and Mr. Park was withdrawn.

Mr. Shaffer made a motion for the full Board to authorize staff and the bridge engineer to do whatever is necessary to get bids for the demolition and removal of the Loyalsock Creek Bridge and to then have a special Board meeting when the facts are available; Mr. Park seconded the motion

Mr. Fury stated the pre-bid meeting is set for September 23, 2011, the bids would be due September 30, 2011 in the morning and then have a special meeting/teleconference on September 30 in the afternoon.

Chairman Walls asked that staff publish the schedule and send it to all Board members. He also asked that Mr. Kusheloff prepare a news release regarding the demolition and removal of the Loyalsock Creek Bridge.

Motion carried.

Mr. Harvey made a motion for the full Board to authorize Mr. Conrad and staff to prepare revised design and recommendations for the replacement bridge; Mr. Kramer seconded the motion; motion carried. (Mr. Jenkins was not present to vote on this motion.)

Review of Proposed RJ Corman Line in Centre County

Chairman Walls stated that since three board members have to leave the meeting, this item will be deferred to the October 12, 2011 JRA meeting.

Staff Services Agreement

Mr. Stover stated that the revised budget for year three of the 2009-2012 Staff Services Agreement is provided in the meeting packet for October 1, 2011 – September 30, 2012. The proposed cost to the JRA is \$327,920 which is a 4% increase from the current year. The SEDA-COG Board authorized a 4% salary increase effective September 1 and this is reflected in the new budget amount.

Mr. Hawbaker made a motion for the full Board to authorize the proposed staff services budget for October 1, 2011 to September 30, 2012; Mr. Dombroski seconded the motion.

Mr. Stover explained to Mr. Reitz that the agreement starts October 1, 2009 and runs to September 30, 2012, and is a three year agreement, but each year the budget may change. The proposed third year budget is what the Board needs to approve.

Mr. Reitz questioned why a three year agreement was signed if the numbers are changing during the course of the agreement. Chairman Walls stated the Authority wanted to lock in the requirement of SEDA-COG to provide the facilities and services and retain employees to perform the Authority's work. The agreement spells out that an annual budget be done.

Attorney Schrack referred to 7d of the MOU which states "JRA shall have the right to approve the selection of employees" and it was contemplated that this was ongoing.

Chairman Walls stated he is familiar with the way SEDA-COG provides these support services to other organizations and it is consistent and that is a valuable service they provide.

Mr. Reitz stated he is questioning that there is a three year agreement and it states in the agreement that the cost is \$305,556. It was his understanding that it is for each of the three years or the duration of the contract. Mr. Reitz stated the Authority did not decide on the raise, but SEDA-COG did.

Chairman Walls stated the motion should be to approve the budget and the accompanying adjustment to Item 4 of the Memorandum of Understanding to make the number consistent.

Mr. Shaffer stated this is a three year agreement signed October 2009 with compensation of \$305,556 per year and this is the compensation for each of the three years or the term of the agreement. He wanted to know if there is anything in the agreement that says the cost can be adjusted every year.

Mr. Stover replied that it was stated that staff would come back every year with a budget for the JRA Board to review. Item 4 says that it gives the Authority the ability to hire staff to do additional work. The budget approval practice has been done by the JRA ever since we stated multi-year agreements.

Chairman Walls stated it is a rolling agreement.

The motion was amended to read “for the full Board to approve the budget of \$327,820 for the time period October 1, 2011 to September 30, 2012 and to adjust Section 4 of the Memorandum of Understanding to provide that the approved budget is going to supersede the budget cost of \$305,556.” Mr. Hawbaker and Mr. Dombroski accepted the amended motion. Motion carried with Mr. Reitz opposed.

Mr. Hawbaker left the meeting via conference call. Mr. Herman left the meeting. A quorum was still present.

Jersey Shore Land Appraisal

Chairman Walls deferred this item to the October 12, 2011 JRA meeting.

October RFAC and KSRRA Meetings in Williamsport

Mr. Stover stated the Keystone State Railroad Association and the Pennsylvania Rail Freight Advisory Committee will hold their quarterly meeting in Williamsport in October.

The LVRR will provide a locomotive and a coach for a rail tour of the line from Newberry to Muncy.

Mr. Stover stated he is proposing that the Authority host this. There will be a cost of \$350 to use the Penn College meeting and lunch for approximately 30 people at a cost of \$500 not to exceed \$1,000.

Mr. Kramer made a motion for the full Board to approve the JRA donation of meeting room and lunch costs for RFAC for up to \$1,000; Mr. Showers seconded the motion.

Mr. Shaffer stated that as a public authority the JRA should be careful about spending money on something like this and doesn't think the Authority should do this.

Chairman Walls clarified that this is not public money. Mr. Stover said that the hosting was for the PA Rail Freight Advisory Committee (RFAC) and not the Keystone State Railroad Association (KSRRA). The latter is a private group; the JRA would not be funding anything related to the KSRRA's meeting the day before the RFAC. The RFAC is a public group appointed by the Governor.

A roll call vote was taken; Mr. Krentzman, Mr. Park, Mr. Kramer, Mr. Harvey, Mr. Showers and Mr. Walls voted yes; Mr. Reitz and Mr. Shaffer voted no; Dr. Spychalski abstained due to his affiliation with Penn State and Penn College; motion carried.

COMMITTEE REPORTS

PROPERTY MANAGER'S REPORT

Borough of South Williamsport Sanitary Sewer Easement

Mr. Fury stated that the Borough of South Williamsport has requested an easement under the LVRR at the Williamsport Waste Water Treatment plant to construct a 12.4" ductile iron pipe for connection to the plant. All plans have been reviewed and approved. The easement cost is \$9,500.00.

Mr. Kramer made a motion to authorize the Chairman and Secretary to execute documents contingent upon receipt of application and easement fees; Mr. Harvey seconded the motion; motion carried.

PASSENGER AGREEMENT COMMITTEE

Committee Chair Spychalski briefly reviewed the "Safety Rules for Penn Valley Excursions – Exhibit E" on which his committee has been working.

Dr. Spychalski made a motion to approve the Safety Rules for Penn Valley Excursions for inclusion in the already existing passenger excursion agreement; Mr. Kramer seconded the motion; motion carried.

Chairman Walls adjourned the meeting at 4:00 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 October 12, 2011.


Secretary/Assistant Secretary