



**PRESERVING
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SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, March 10, 2021

Virtual Meeting via Teleconference – 1:00 p.m.

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
Rick Jenkins, Columbia County
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Dave Park, Columbia County
David Schultz, Lycoming County
John Showers, Union County
John Spsychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

Zac Mahaffey, Director of Maintenance of Way
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Erik Bergenthal, Esq., Houston Harbaugh (for Carload Express)
Mark Rosner, Carload Express
Ed Sigl, First National Bank of Pennsylvania
Sam Simon, Esq., Houston Harbaugh (for Carload Express)
Courtney Solomon, CPA, Herring, Roll & Solomon

LEGAL COUNSEL

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

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SEDA-COG Joint Rail Authority serving the counties of

CENTRE • CLINTON • COLUMBIA • LYCOMING • MIFFLIN • MONTOUR • NORTHUMBERLAND • UNION

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JRA CONSULTING PROFESSIONALS

Paul Jannotti, Jannotti Rail Consulting

Dan Mazur, Operating Agreement Consultant

Jason Shura, P.E., Stiffler McGraw

JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

Olivia Zavrel, Intern

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 1:04 p.m. Mr. Stover provided roll of those in attendance.

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.

Public Forum

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

ADMINISTRATIVE ITEMS

Approval of the February 10, 2021 JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the February 10, 2021 JRA Meeting Minutes; Mr. Winslow seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of February 2021, as well as the JRA's loan summary, the JRA Money Market Account Financial Statement, the PIB Loan Financial Statement, and the JRA's detailed accounting associated with the operating fees paid by the Operator.

Mr. Winslow made a motion for the Board to accept the Treasurer's Report for the month of February 2021 and file for audit; Ms. Hoover seconded the motion; motion carried.

Presentation of Final 2019 Audit

Mr. Stover stated that the JRA's final 2019 audit was emailed to Board members. He noted that the final audit includes the mandated Management Discussion & Analysis. Bound copies of the audit will be mailed to Board members.

Dr. Spychalski made a motion for the full Board to approve the 2019 JRA Audit; Mr. Harvey seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Operator's Status Report

The Operator's Status Report was provided to Board members prior to the meeting.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was included in the meeting packet. Mr. Shura stated that Stiffler McGraw continues to advance the 2015 RTAP projects. Bids for the NBER Bridge 33.84 rehabilitation project were opened on March 9, 2021. Three bids were received.

RTAP15 Bridges – Review Bids and Award Contract for NBER 33.84

Mr. Stover stated that the following bids were received on March 9, 2021:

Lycoming Supply	\$1,728,000.00
Jay Fulkroad and Sons, Inc.	\$1,792,519.50
Gregori Construction	\$2,449,900.00

Mr. Stover stated that the bids were high; staff and bridge engineer estimated the project cost to be \$1.2 million. He stated this is a major project. Mr. Stover stated the reason for the higher-than-expected number is because of the work schedule and traffic to accommodate the Nittany Main traffic, it had to be done in six weekends.

Mr. Shura stated the project was initially budgeted for single closure, but that would have been for construction year 2017. Due to traffic on that bridge, the project is now being broken into several weekend outages – one weekend for each span. The original estimate would have been for construction in 2017 and it is now 2021 and the issues with the current COVID situation and the difficulty with finding materials.

Mr. Postupack shared the following slides:

- NBER Bridge 33.84: The existing ballast will be removed from Bridge 33.84 and concrete deck rehabilitated at each pier with precast concrete deck segments. The bridge will be raised to eliminate the steel brackets and walkway that currently support ballast by jacking and providing new steel grillage pedestals.

Mr. Shura suggested that this item be tabled until he can reach out to the contractors to bid and discuss the project with the Bureau of Rail Freight and then rebid the project.

Mr. Park made a motion for the full board to approve rejection of these bids and table this to another meeting so Mr. Shura can do some further diligence and reduce the cost of the project; Ms. Wakeman seconded the motion; motion carried.

Mr. Harvey asked if there is a liability with the other bridge projects in the JRA's portfolio where the age of the estimate could lead to cost of the original estimate; Mr. Shura stated for the other two bridges (LVRR and NSHR) construction estimates were prepared and it should not be an issue.

NEW BUSINESS

Jannotti Report – 2020 Inspections and 2021 Maintenance of Way Plan

Mr. Jannotti, the JRA's track consultant, presented the 2020 Track Inspection Report and his approved 2021 Maintenance of Way Plan. A copy of Mr. Jannotti's report was emailed to Board members prior to the Board meeting; bound copies of the report will be mailed to Board members.

PROPERTY MANAGEMENT COMMITTEE

The Good Samaritan Mission Easement (NSHR – Danville)

Mr. Postupack stated that the Good Samaritan Mission has approached staff seeking an easement for a portion of JRA property along DL&W Avenue in Danville. The Good Samaritan Mission is a faith-based organization that works with disadvantaged residents in Montour County to provide clothing, food, and financial assistance.

The non-profit organization recently purchased the building at the corner of Ferry Street and DL&W Avenue and would like to make improvements to the side of the building which will include an ADA accessible ramp and entrance. There will be no parking within their easement boundary.

Mr. Postupack shared a slide showing the revised easement boundary which shows 3' 6" from edge of building on the west side and 13' 6" from edge of building on the eastern edge of the building.

Mr. Postupack stated that the next step will be to enter into an agreement with the Danville Borough for them to continue to maintain the road by the building as well to enforce parking. There will be no parking within their easement boundary. The Good Samaritan Mission has asked for the application fee to be waived.

Ms. Wakeman made a motion for the full Board to approve this easement and authorize execution by the Chair and Secretary; Mr. Gummo seconded the motion; motion carried.

LVRB Building – Window and Door Update

Mr. Postupack stated that M&R Contractors based out of Lock Haven removed and replaced three doors in the warehouse/dock area. The doors are steel doors with panic bar hardware. The door into the maintenance of way locker room is a steel half-lite door. Mr. Postupack stated that the building is now completely secure with the installation of the new doors. M&R will be installing 19 windows in the building once they come in.

Mr. Postupack shared slides showing the door replacement.

LEGAL

Legal Issues

Attorney Schrack stated that the Executive Committee held an executive session call on Friday, March 5, 2021 to discuss litigation and will be having more discussion on those items in executive session with the Board.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the Operator's year-end financial and the 2021 budget via PowerPoint.

2020 Transportation Expense Ratio

- Target: About 43%
- Results for 4Q 2020
 - Lower than Target
 - Lower than 2019
 - Higher than 2020 Budget
- Results for all of 2020
 - Equal to target
 - Higher than 2019
 - Significantly higher than 2020 Budget

2020 Maintenance of Way Ratio

- Target: About 21%
- Results for 4Q 2020
 - Significantly lower than Target
 - Higher than 2019
 - Lower than 2020 Budget
- Results for all of 2020
 - Higher than Target
 - Lower than 2019
 - Significantly lower than 2020 Budget

2021 Budget Transportation Expense Ratio

- Target: About 43%
- 2021 Budget
 - Slightly lower than Target
 - Slightly lower than 2020

2021 Budget Maintenance of Way Expense Ratio

- Target: About 21%
- 2021 Budget
 - Much higher than Target
 - Higher than 2020

SEDA-COG Joint Rail Authority Meeting

March 10, 2021

Page: 7

Mr. Mazur stated that he has additional and detailed information, but recommended discussing that information in executive session.

Chairman Showers recessed the regular meeting at 2:00 p.m. to convene into executive session at 2:10 p.m.

Chairman Showers reconvened the regular meeting at 3:30 p.m.

Attorney Schrack stated that the JRA Board held an executive session with representatives of the Operator and the Authority's consultant to continue its discussion of the consultant's report involving confidential and proprietary information of the operator. After representatives of the Operator left the executive session, the Authority Board and its solicitor held discussion concerning a potential real property acquisition and discussion regarding the ongoing RFP litigation. There is no action recommended at this time.

Chairman Showers stated that the next meeting will be held on April 14th and will be held at the Union County Government Center. At this time there is a limit of 25 in-person attendees so this may be a hybrid meeting. Mr. Stover stated that in order to allow for board members to attend if they choose to do so, other attendees, including representatives of the Operator and Carload Express may choose to somehow limit representations at the meeting.

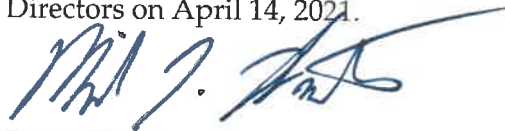
With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 3:33 p.m.

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 April 14, 2021.



Secretary/Assistant Secretary