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SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, September 14, 2022
Durrwachter Alumni Conference Center (Lytle Board Room)
10 Susquehanna Avenue, Lock Haven, PA
2:30 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
Brent Jones, Clinton County
David Schultz, Lycoming County
John Showers, Union County
John Spsychalski, Centre County (via teleconference)
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County (via teleconference)
Eric Winslow, Union County

JRA OPERATOR

Jeb Stotter, President & CEO (via teleconference)
Diana Williams, Treasurer/Controller (via teleconference)

GUESTS

John Ashbridge, Carload Express
Rick Maloyed, Snyder County
Dave Park, Snyder County
Mark Rosner, Carload Express (via teleconference)
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)

LEGAL COUNSEL

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

JRA CONSULTING PROFESSIONALS

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

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 2:30 p.m.

Introduction of staff and guests present.

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 August 10, 2022, JRA Meeting Minutes

Mr. Hormell made a motion for the Board to approve the August 10, 2022, JRA Meeting Minutes; Mr. Dombroski seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of August 2022, as well as the JRA’s Loan Summary, 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. Gummo made a motion for the Board to accept the Treasurer's Report for the month of August 2022, and file for audit; Mr. Schultz seconded the motion; motion carried.

Staff Report and Events Calendar

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

Mr. Stover provided a handout of the 2023 funded projects that included the following:

- Milesburg Road and Railroad Bridges
- RTAP21 – Nine Bridges
- RTAP22 – NBER Bellefonte Yard Track Improvements and Hilex Switch Replacement (if funded)
- 2022 Budget Highlights

Mr. Postupack showed the following photo slides:

- JVRR West Park Final Walk-Through taken August 31, 2022
- JVRR Bridge 0.46 Bridge Re-decking, Lewistown
- Progress at Button Oil & Propane (Point Township – NSHR) – Mr. Stotter stated that there is currently a car online there.

Operator Status Report

A copy of the Operator's Report was provided to Board members via email.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was provided in the meeting packet. Mr. Shura provided the following updates:

- Most of the work in the last month has focused on the 2015 RTAP projects
- NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project) is complete, and the contractor has mobilized equipment off-site. Tentatively scheduling the walk through the week of September 19th.
- G.O. Hawbaker continues to make progress on the LVRR Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project. All concrete placement is complete, and they are preparing for demolition and precast installation. The project should be done the end of September/early October.
- 2022 bridge inspection continue. NBER, LVRR, and JVRR inspections are complete and the field work on the NSHR was completed. SVRR and SIT will be completed in late September.

- Working with K. Postupack and Niagara to evaluate frequency of water line breaks and identify potential solutions.

PennDOT Multimodal Transportation Fund (MTF) Reimbursement Agreement Approval and Resolution for Milesburg Bridges

Mr. Stover stated that the replacement of the railroad and roadway bridges on the NBER Main Milesburg received a combination of two Multimodal Transportation Fund (MTF) grants. One is from the Commonwealth Financing Authority (CFA) and the other from PennDOT.

The breakdown is as follows:

Source	Amount
PennDOT MTF	\$894,000
CFA MTF	\$250,000
Milesburg Borough	\$100,000
Centre County \$5 Fee Fund	\$45,000
Nittany & Bald Eagle Railroad	\$100,000
SEDA JRA	\$110,000
TOTAL	\$1,499,000

Mr. Stover stated that with two state grants, staff is working with two state offices: CFA in Harrisburg and PennDOT District 2-0 in Clearfield. The CFA grant agreement is already executed, but the JRA needs to execute a PennDOT Reimbursement Agreement and accompanying resolution. In addition, PennDOT requires a Memorandum of Understanding (MOU) between the JRA and Milesburg Borough to cover each partner's maintenance responsibilities, and to memorialize the Borough's local share. Mr. Stover stated that the JRA does have a commitment letter from Milesburg Borough. Attorney Schrack is preparing the MOU.

Mr. Stover read the following resolution:

"Be it resolved, by authority of the Board of the SEDA-COG Joint Rail Authority, Union County, and it is hereby resolved by authority of the same, that the Executive Director of said Authority be authorized to execute a Multimodal Transportation Grant Reimbursement Agreement for the Milesburg road and rail bridge project with the Commonwealth of Pennsylvania acting through the Department of Transportation. The JRA Secretary (or Assistant) be authorized and directed to attest the same".

Mr. Harvey made a motion for the Board to approve the resolution authorizing execution by the JRA officers for the PennDOT Reimbursement Agreement; Mr. Showers seconded the motion; motion carried.

MOU with Milesburg Borough – MTF Project for Milesburg Bridges

Mr. Stover stated that Solicitor Schrack is preparing an MOU with the Borough of Milesburg covering maintenance of the new bridge and the borough's local share contribution. Mr. Stover stated this MOU is memorializing the contribution by Milesburg Borough of \$100,000 and if there are any increase costs on the road portion, the JRA would negotiate with the Borough of Milesburg relative to such increase. Mr. Stover stated the MOU is not ready for approval by the Board at this time.

Attorney Schrack stated that the MOU is consistent with what has been done with MOUs in the past and lays out the respective contributions. It is ready to be sent to the Milesburg Borough and the Borough's solicitor for review and will be ready for action at the October Board Meeting.

No action was taken on this item at this time; it will be discussed at the October Board Meeting for action by the Board.

Ms. Wakeman asked if the PennDOT portion for one part of the project and then the CFA a different portion of the project. Mr. Stover state that the total cost of the project was just broken up between the two agencies.

JRA RTAP Application for NBER Bellefonte Yard & Hilex Switch

Mr. Stover stated that on September 2nd, the JRA submitted a Rail Transportation Assistance Program (RTAP) application to PennDOT Bureau of Rail Freight. The project is major track reconstruction in the NBER Bellefonte Yard and a Hilex switch replacement on the NBER Main. The total cost is \$1,162,370.

This proposed track work has been identified by the Director of Maintenance of Way, Zac Mahaffey as the highest priority on the JRA system.

Mr. Stover stated that the local share is \$348,711 and the NBER has agreed to splitting the local share 50/50 which results in a local share for each partner to be just shy of \$175,000. The engineering costs are not included in the RTAP grant application budget, per PennDOT recommendation. The Jannotti engineering and inspection is estimated to be \$25,000 which the NBER has also agreed to split 50/50.

Mr. Postupack showed an aerial photo of the Capital Track and Turnout Improvements on the NBER for the RFAP 2021 project, which showed the Hilex Poly and the Bellefonte Rail Yard. Another photo was shown of the Bellefonte Yard South End and Bellefonte Yard North End and the Hilex Turnout Upgrade.

Dr. Spychalski made a motion for the Board to ratify the JRA's application to PennDOT for an RTAP project on the NBER in the amount of \$1,162,370 and to cost share 50% of the required local share with the NBER; Mr. Harvey seconded the motion; motion carried.

NEW BUSINESS

Consideration of 2022-2023 Staff Services Budget

Mr. Stover stated that a year ago the Board entered into a three-year agreement with SEDA-COG to provide staff services. The process calls for an annual budget review. A copy of the 2022-2023 Staff Services Budget was provided to Board members via email and copies were available at the meeting.

Mr. Stover stated that an email was sent out prior to the meeting by Mr. Bo Hornberger, Fiscal Director for SEDA-COG, explaining how some of the numbers on the budget proposal came about. Mr. Stover stated that a couple of highlights include that the travel percentage has fallen from \$17,813 in 2021-2022 to \$3,378 for 2022-2023. There had been discussion earlier this year with Ms. Kim Wheeler and Mr. Hornberger, seeking to have the travel budget reduced to something more realistic because all the SEDA-COG Authority was paying for is gas. There has been some other changes and these changes have resulted in the proposed budget being only 1.29% higher than last year and some of this is because the Executive Director of the JRA is only here at SEDA-COG until the end of 2022 with an overlap of the incoming Executive Director at likely a lower salary.

Mr. Stover stated that how the allocation is done by SEDA-COG was presented in the email from Mr. Hornberger.

Ms. Wakeman commented that a change to how the budget proposal is done may be moot at this point. She stated that the items reflected in the budget were discussed at length last year at this time. Ms. Wakeman stated that she has difficulty believing that \$10,000 is spent on phone bills each year, along with what is spent on equipment/furniture and IT. Ms. Wakeman further stated there are fewer employees for the JRA than in her office. She questioned whether the Authority should be paying another organization \$100,000 for "stuff and fluff" and when you take the total amount proposed for 2022-2023 and subtract out personnel and fringe expenses, that leaves \$100,000; this is a lot of money. Ms. Wakeman stated that she found the administrative support description in the document that was sent in Mr. Hornberger's email to be lacking. Ms. Wakeman stated that she cannot support this budget proposal.

Ms. Wakeman has asked to have this redone, stating also that she understands the structure that SEDA-COG decides to use percentages for salary, and she stated she doesn't agree that the JRA Board doesn't determine what the JRA staff salary is every year.

Chairman Graham stated that JRA signs a 3-year agreement, so at this point in the contract cycle the JRA doesn't have a choice. The choice the JRA does have is whether the JRA decides not to be part of SEDA-COG in the future. The JRA would then need to obtain its own accounting services, HR services, and would have to secure the benefit package, secure its own office space, etc. Chairman Graham said he is not saying that the JRA can't do this but would need to secure office space, etc. It can be done, but efforts would need to commence starting now or 6 months from now or whatever the case might be.

Ms. Wakeman replied that she understands that, but this budget proposal comes to the Board for approval, and she will not rubber stamp it. If the budget proposal is coming to the Board for approval, she stated she is not going to approve it, as presented.

Ms. Wakeman stated she doesn't understand why the JRA Board doesn't have the ability to negotiate. The document sent by Mr. Hornberger stated that everything is a percent of salary and maybe they are based on real numbers, but the JRA Board doesn't see all of those. It is just a percentage that someone plugged in the proposal budget. Ms. Wakeman stated she doesn't buy it anymore; as a board member having a fiduciary obligation, she cannot support paying another organization \$100,000 for the JRA to sit in their space.

Mr. Stover stated he defers to Mr. Hornberger's email as to how this is done. Mr. Stover stated he does see some improvements from last year and it is reflected in the bottom line.

Mr. Stover stated there are 2 years remaining on the agreement between it and SEDA-COG, and maybe the JRA can look at a different way to do the costing.

Mr. Hormell asked what the timeframe is for the budget. Mr. Stover stated it is October 1 to September 30.

Mr. Hormell stated it would be a fair thing to have a conditional approval subject to clarification from management at SEDA-COG to explain the items Ms. Wakeman is questioning.

Mr. Winslow wanted to know if there are any other organizations within SEDA-COG that would have their individual budgets put together like the one for the JRA in this format. Mr. Stover responded that there are other contracts with other entities and the cost allocation plan is one that is used throughout; that is what Mr. Hornberger was trying to explain.

Chairman Graham stated that every entity within SEDA-COG would have to be treated the same way.

Ms. Wakeman stated she would like to know how the allocation process is done.

Mr. Showers made a motion for the Board to approve the proposed Staff Services Budget for the year 2022-2023 and invite SEDA-COG staff to attend the October meeting to explain the allocation process for the Staff Services Budget; Mr. Gummo seconded the motion; motion carried with Ms. Wakeman voting no.

REPORTS FROM COMMITTEES

PROPERTY MANAGEMENT COMMITTEE

In the absence of Committee Chairman Jenkins, Mr. Postupack reported on the work of the Property Management Committee which met virtually at 1:30 p.m. on Tuesday, September 13, 2022.

Mr. Postupack stated that the following items were discussed:

- Jersey Shore Land Sale (LVRR – Jersey Shore)
- JVRR Engine House Lighting (Lewistown)
- Kreamer Feed, Inc. Track Lease Selinsgrove Industrial Track (SIT) – Kreamer
- JRA Fee Schedule Revisions

PASSENGER EXCURSIONS COMMITTEE

Committee Chairman Spychalski reported on an effort by the Williamsport/Lycoming County Chamber to conduct the Christmas passenger excursion.

Committee Chairman Spychalski stated that the Williamsport/Lycoming County Chamber of Commerce reached out to both federal and state legislators seeking legislative contact with Norfolk Southern urging them to consider moving the Penn Valley Railroad, LLC passenger equipment as freight cars attached to the regular freight train rather than a special move. Norfolk Southern declined to accept the Chamber's request and that moved the discussion back to the price that Norfolk Southern quoted for moving that equipment as a special move. There is some ambiguity over the amount of the move. The price for a special move is \$25,440 for each movement in each direction. A reading of the quote from Michael Johnson of Norfolk Southern reveals that there is some degree of ambiguity on what is a round trip versus a one way charge. Therefore, the Executive Director of the Williamsport/Lycoming County of Commerce in an email to Committee Chairman Spychalski dated September 12, 2022, stated that he was going to reach out to Mr. Johnson of Norfolk Southern to verify what his colleague, Rudy Husband, is in effect correct. If it is \$25,440, Jason Fink, the Executive Director of the Williamsport/Lycoming Chamber of Commerce, stated in an email to Committee Chairman Spychalski dated September 12, 2022, that the Williamsport/Lycoming Chamber of Commerce would take responsibility for funding the \$25,440 movement fee in special train service. Mr. Fink also stated in his email that the Chamber "would look to increase the ticket fee from the

\$10 rate and also solicit businesses to sponsor the remaining". He concluded at the end of his email that the resources are available to the Chamber whenever it is needed to pay Norfolk Southern. Committee Chairman Spychalski stated that in effect Mr. Fink is committing the Chamber to provide the funding as long as it is the \$25,440 amount. No word has been received from Mr. Fink about whether he has received a response from Mr. Johnson from Norfolk Southern.

Committee Chairman Spychalski stated if the amount is \$25,440, operation of the Christmas-theme trips from Williamsport would be possible assuming that the Norfolk Southern would provide the special train service on the dates needed and be consistent with its service to follow through. Obviously, the Williamsport/Lycoming Chamber is certainly desirous of having this service. Verification of what the round-trip charge is one part and the other part is the service dates requested. These details have to be worked out with Mr. Fink because he wants the second weekend of December and that was already committed to another sponsor on the assumption that operation of the excursions out of Williamsport would not be possible in 2022. Committee Chairman Spychalski stated he will wait to see what the round trip price would be from Norfolk Southern.

LEGAL

Legal Issues

Attorney Schrack stated he has nothing to discuss regarding the active litigation in public session, but has an update on the Snyder County Joinder process.

Attorney Schrack stated that the joinder for Snyder County is a bit of a tedious process, and the Municipal Authorities Act has made it that way. Currently, all of the JRA counties have approved the joinder and the JRA has their resolutions. The next step in the process is that Snyder County needs to file an application to join with the Commonwealth. The Municipal Authorities Act requires that you advertise the filing of that application first before you actually file the application and, in the advertisement itself, you say that you will be filing the application on this specific date certain. Attorney Schrack stated the intention is to file on September 30 because the papers have to run the advertisement and then a proof of publication is needed and that has to be submitted with the application to the Commonwealth. Attorney Schrack stated he feels that in October this should be finalized and the Snyder County representatives will be formally joining the Board as members.

Chairman Graham recessed the regular meeting at 3:47 p.m. to convene into executive session at 3:51 p.m. Chairman Graham stated that there will be action to take when the public meeting is reconvened.

Chairman Graham reconvened the regular meeting at 4:02 p.m.

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Attorney Schrack stated that the JRA Board held an executive session with legal counsel to discuss ongoing RFP litigation. No action was taken, and no action is recommended to be taken at this time.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 4:03 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, 2022.



Secretary/Assistant Secretary