

**MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION  
REGULAR BI-MONTHLY MEETING  
MAY 21, 2009**

**CALL TO ORDER**

The meeting of the Ohio Rail Development Commission was called to order by Acting Chairman Thomas McOwen at 10:07 a.m. on Thursday, May 21, 2009.

**MEMBERS PRESENT**

Members present included: Acting Chairman McOwen, Commissioners Solomon Jackson, Representatives Terry Boose and Robert Hagan, Herk Wolfe, Rob Greenlese, Barbara Bennett, Bill Lozier, Jolene Molitoris, William Murdock and Jason Williams for Senator Jason Wilson and Kim Wheeler for Senator Steve Buehrer. NOTE: Commissioner Larry Sowers arrived just after Roll Call and Approval of the Minutes from the March meeting.

There were nine voting members present (with Commissioner Larry Sowers); therefore a quorum had been obtained.

**APPROVAL OF THE MINUTES OF THE MARCH MEETING**

Chairman McOwen asked for a motion to approve the minutes of the March 12, 2009 meeting. Commissioner Molitoris moved to approve the minutes and Commissioner Bennett seconded the motion. Roll call was taken. The minutes were approved as presented with eight votes in the affirmative.

**EXECUTIVE DIRECTOR'S REPORT**

Matthew Dietrich presented his Executive Director's Report to the commissioners. His report can be found on page three of the commission packet. Director Dietrich spoke about ORDC's budget; specifically HB 2 (Transportation Budget) which was signed by Governor Strickland. The highlights of that bill are as follows:

- Provides for an additional member of the Ohio Rail Development Commission representing manufacturers.
- Additional clarification on the approval process for capital and operating costs as related to passenger rail development.
- Additional guidance on routes for consideration in future passenger rail studies.
- Appropriation levels for both ORDC's Safety funds at \$15 million annually and Loan funds at \$2,111,500 annually were also approved as submitted.

Director Dietrich reported the Main Operating Budget is currently being considered by the Senate. This portion of the budget contains General Revenue Funds which impacts ORDC's grant programs and operating funds. He reported the current appropriated level is \$3,271,771 for FY '10 and \$3,291,162 for FY '11.

Federal Stimulus – ORDC has two roles related to Federal Stimulus funding. Director Dietrich reported the first role is to administer rail-related projects selected by Ohio and funded with FHWA funds allocated to the state. The second role involves passenger rail with funding becoming available sometime this summer on a nationally competitive basis.

Ohio Bi-Partisan Job Stimulus Plan – Director Dietrich reported the state has approved eight projects totaling approximately \$44 million of the \$50 million appropriated for FY '09.

Columbiana County Port Authority  
City of Franklin  
Alum Creek  
LCIC (Midwest Terminals)  
Cleveland Port  
79th Street Associates (Shoreway)  
Bluegrass Farms  
Wheeling and Lake Erie Railway

Amtrak 3-C Service – Amtrak has completed its preliminary field review and as a result ORDC is advancing a Cleveland-Berea-Columbus routing for further consideration. Director Dietrich reported the modeling contract with Woodside Consulting is underway and the consultant is working to construct the rail network. Director Dietrich indicated ORDC is working diligently to get information out to the communities and stakeholders involved in the 3-C Service. As part of this effort staff is working with ODOT to establish a 3-C Start-up website. He commended staff for their efforts in this regard. Lastly, ORDC has selected RL Banks to be the on-call rail experts for the 3-C start-up. ORDC is working with ODOT to identify non-GRF resources for this work.

Director Dietrich spoke about the State Rail Plan proposals that were advertised by ODOT as part of the programmatic consultant selection. He indicated Leonard Evans, Transportation Systems Administrator with ODOT, has been appointed to assist ORDC in this process.

Commissioner Molitoris commented that the importance of partnership to the passenger rail initiatives cannot be underestimated. She complimented Director Dietrich and the ORDC staff for their commitment and dedication. Chairman McOwen underscored those remarks and said it is incredible to see everyone coming together. Representative Hagan offered his congratulations to the Commission, the Director, and members for the concerted effort. He commented that the concern in his district is for the Cleveland-Pittsburgh connection, though those who understand the need for Cleveland-Cincinnati know they need to wait.

Commissioner Sowers asked whether the Commission has enough staff for this effort. Director Dietrich said it is challenging but we are lucky to have a partner with non-GRF resources. He said we probably do not have the staff we need but we are bringing in experts and working to identify resources that can be of assistance.

Chairman McOwen welcomed Representative Boose and recognized Josh Williams, who was attending on behalf of Senator Wilson. Representative Boose said his district is a big rail area with both the Willard and Bellevue Yards there. He commented that his passenger rail questions are about station stops and sustainability. Chairman McOwen also pointed out that he is getting used to seeing the DOT director at meetings. Commissioner Molitoris thanked him for the recognition and said that transportation in its fullness is this administration's priority. She also commented on the sustainability question and said that passenger rail has a great return on investment, and that support of \$10.5 million or less per year would spur billions of dollars of private investment.

Director Dietrich added that there are a lot of questions and that ORDC is working on setting up

a website and a listserv, and will consider items like a FAQ section and one-pagers on passenger rail to help provide more information. He provided an update as to the ongoing efforts with Amtrak and to identify station locations. He described the iterative process which involves meetings with communities and discussions about intermediate stops (how many and where). At this point communities are not being turned down.

Commissioner Sowers asked about security on the service. Representative Hagan echoed this question, and Commissioner Greenlese said from his experience security is a big issue. Amtrak has a police force but it is small and concentrated in major urban areas. Amtrak has previously advised using local resources including the freight railroads' police forces, and he said he expects it will fall to local jurisdictions.

Chairman McOwen cautioned about station stops, saying that we have to be careful about having too many in order to keep the travel time between endpoints reasonable. Until there is an opportunity to get speeds up, we need to be careful.

Commissioner Murdock echoed the comments about partnership and in his view this is about not just moving goods and people, but moving the economy.

### **FINANCE REPORT**

Megan McClory, ORDC's Secretary-Treasurer, presented the Finance Report to the Commissioners. Her report can be found on page 35 of the commission packet. Ms. McClory spoke about the April personal income tax revenues that came in at 30% less than originally projected, therefore Governor Strickland issued an executive order on spending restrictions for the remainder of the budget year.

Ms. McClory reported ORDC is preparing to move into ODOT's building the weekend of June 22<sup>nd</sup>. This move will result in significant savings to the operating budget.

Ms. McClory reported on recent changes to the collective bargaining agreement that includes 80 hours of "cost savings time off" over each of the next two fiscal years. She indicated a similar provision is expected for exempt employees but details are not yet available.

An intermittent position is in the works for ORDC. The person chosen to fill that position will work up to 1000 hours and will assist with ongoing safety and federal stimulus projects.

Ms. McClory reported ORDC received approximately \$35,000 on the balance of its loan to Greater Ohio Ethanol. The company filed for Chapter 11 bankruptcy in October of 2008. ORDC's original loan amount was for \$1 million; of which approximately \$107,000 has already been repaid.

NOTE: Due to a previous commitment Commissioner Molitoris had to leave the meeting. Ms. Jane Miller took Commissioner Molitoris' place. A letter authorizing Ms. Miller to vote on behalf of Commissioner Molitoris is in the file.

Commissioner Lozier asked if any specific issues had been raised during testimony. Director Dietrich responded that he senses a nearly universal understanding of the importance of the Commission's work. He commented that there were so many economic development projects in

the works at the start of fiscal year 2009, we were not sure if we could fund rehab projects, however the demand is now nearly all for rehab projects.

## **PROJECTS**

### **Resolution 09-13 – Federal Stimulus Award Administration**

Megan McClory presented Resolution 09-13 to the commissioners. The briefing can be found on page 41 of the commission packet. Ms. McClory reported ORDC staff is requesting approval to administer up to 21 American Recovery and Reinvestment Act (ARRA) project awards involving Ohio communities and railroads. Under ARRA, 50% of the state's transportation stimulus funds must be obligated and assigned to specific projects by June 29, 2009. The remaining amount must be obligated by March 1, 2012.

NOTE: Commissioners Bennett and Jackson recused themselves from the discussion and vote on Resolution 09-13.

Commissioner Sowers moved to approve the resolution and Commissioner Greenlese seconded the motion. Roll call was taken with seven votes in the affirmative; two recused.

### **Resolution 09-14 – City of Jackson Grant & Loan Modification**

Lou Jannazo presented Resolution 09-14 to the commission. He reported Mayor Randy Heath of the City of Jackson was present to answer any questions. The City is requesting modification to its previously approved resolution, Resolution 08-08. This change will allow the entire \$324,000 grant to be applied toward the costs of repair of Richland Tunnel. More detailed engineering and a competitive bid process resulted in actual costs coming in higher than expected. Upon approval the \$300,000 loan will be applied to the following:

- 1) The costs (both those already incurred and any future costs) of engineering the Richland Tunnel, putting together the tunnel bid documents, conducting bid meetings for the tunnel for the tunnel work; performing construction inspections; and related engineering costs.
- 2) Other engineering costs for tunnel and bridge work that may be necessary the rest of 2009 and in 2010.
- 3) The costs (both those already incurred and any future costs) of a track inspector/consultant for determining track project scopes of work, putting together bid packages, conducting pre-bid meetings, performing inspections, and other work related to the ORDC grant project.
- 4) The costs of a track inspector/consultant for determining track project scopes of work, putting together bid packages, conducting pre-bid meetings, performing inspections, and other work that may be necessary the rest of 2009 and in 2010.
- 5) Unforeseen costs for additional Richmond Tunnel repair not to exceed \$50,000.

Mr. Jannazo reported the City of Jackson Line has been selected for a \$2 million ARRA grant. Approval of the modifications to this project will facilitate the ARRA grant.

Commissioner Greenlese requested the City be good stewards of this grant and loan and not bring this project back before the commission for consideration as staff is already spread too thin and stated it is now time for this project to be completed. Mayor Heath agreed and thanked the commission for its continued support of this important project.

Commissioner Bennett moved to approve the resolution and Commissioner Murdock seconded the motion. Roll call was taken with nine votes in the affirmative.

**Resolution 09-15 – Columbus & Ohio River Railroad Additional Funding**

Mr. Jannazo presented Resolution 09-15 to the commissioners. This project can be found on page 66 of the commission packet. Mr. Jannazo reported the Columbus & Ohio River Railroad is requesting an additional \$68,000 in ORDC funding to increase their original scope of work. This increase in funding will further assist in deferred maintenance along the line. This increase, if approved, will give the railroad a grant of \$418,000 toward the installation of additional ties, ballast, tamping, surfacing and lining.

Mr. Jannazo introduced Dave Collins, General Manager of Ohio Central Railroad Systems, who was present to answer any questions. Discussion followed with Commissioner Greenlese moving to approve Resolution 09-15 and Commissioner Sowers seconding the motion. Roll call was taken with nine votes in the affirmative.

**PANHANDLE LONG-TERM LEASE COMMITTEE REPORT**

Committee Chairman Tom McOwen reported staff has recently received a draft lease from the railroad but nothing has been done to this point. He indicated it is his intent to get the committee together within the next couple of months after ORDC relocates to ODOT and things settle down.

**STANDING COMMITTEE REPORTS**

**Human Resources – Chairman Jackson**

Committee Chairman Solomon Jackson reported two concerns recently raised within his committee: limitations on staff resources given the amount of work required to be done and the need for a full-time track inspector. He inquired if ODOT resources are available in this area to perform some of these duties. The Committee was asked to develop a plan for a track inspector, including how to pay for it. Commissioner Lozier asked whether ODOT could assist with inspections. Director Dietrich commented that the standards differ for AREMA (rail) vs. highway construction, though the agencies have collaborated on bridges. Commissioner Lozier encouraged staff to look for opportunities to collaborate further, i.e. inspections that confirm quantities of materials.

**Economic Development and Strategic Planning Committee – Chairwoman Bennett**

Committee Chairwoman Barbara Bennett spoke about the state rail plan and her committee's decision to meet the federal minimum requirements of the plan with the opportunity to expand upon that plan as necessary.

**Budget & Finance Committee – Chairman Tom McOwen**

No report.

**Legislative Committee – Chairwoman Molitoris**

No report.

**OLD BUSINESS**

None.

**NEW BUSINESS**

Director Dietrich commended Tom Burns, ORDC's intern, on his recent graduation from Law School.

Commissioner Bennett inquired about a projects list on our website as she was contacted by a consultant who was looking for a comprehensive list. She said the consultant was inquiring about which projects were being funded.

**PUBLIC COMMENT**

Art Arnold commended all who were involved in achieving the award of federal stimulus money for railroad projects and commented that Ohio has worked hard to include rail projects in the stimulus while other states have not made that effort.

Mr. Arnold offered his assistance with the state rail plan.

**ADJOURNMENT**

Chairman McOwen called the meeting of the Ohio Rail Development Commission adjourned at 11:50 a.m.