

**MINUTES FROM THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
March 20, 2019**

CALL TO ORDER

Due to the absence of Chairman Policinski, Vice Chair Jackson called the meeting of the Ohio Rail Development Commission to order at 11:01 am on Wednesday, March 20, 2019.

MEMBERS PRESENT

Vice Chairman Solomon Jackson, Commissioners Dean Hempfling, Mark Johnson, Bill Lozier, Tom Maphet, Jack Marchbanks, Rachel Near, Tony Reams, Thomas Zitter and Representative Sheehy were in attendance. Chairman Mark Policinski, Commissioner Eric Richter and Representative James Hoops were unable to attend. There were 9 voting members present, therefore a quorum was obtained.

APPROVAL OF THE MINUTES OF THE JANUARY MEETING

Vice Chairman Solomon Jackson asked for a motion to approve the minutes of the January 16, 2019 meeting. Commissioner Lozier moved to approve the minutes and Commissioner Johnson seconded the motion. The minutes were approved with 8 votes in the affirmative and Commissioner Maphet abstaining.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Dietrich presented his report to the Commissioners.

2020-21 Budget: Governor DeWine proposed an 18-cent increase in the state gas tax. The House of Representatives modified this to 10.7-cents for gasoline and 20-cents for diesel. The Senate may make additional changes. A handout of the Governor's Executive Budget for the ORDC was provided. As of now, ORDC's funding for the grade crossing safety, operations and loan program remain unchanged. ORDC requested a \$2 million dollar increase in GRF funding and received a \$1 million increase in GRF and a continued \$1 million in federal highway freight funding from ODOT. He thanked the Governor's Office, the Office of Budget and Management and ODOT for recommending budget levels that allow ORDC to fulfill its mission. The Transportation Budget should be approved by March 31, 2019 and the Main Budget by June 30, 2019.

Snowplow – Train Crashes: There were three separate crashes with snow plows and trains with one belonging to ODOT and the other two belonging to local governments. Upon review of the accident reports, there was not a common cause. After a meeting with now ODOT Assistant Director of Operations, Sonja Simpson, all ODOT Districts conducted a "tailgate talk" regarding safety and awareness around railroad crossings.

Joint Grade Crossings Study with ODOT: ORDC is partnering with ODOT on a study to examine blocked crossings. A consulting firm, CPCS, has been selected to develop statewide measures for adaptive capacity for crossings. This firm will eventually work with the ORDC and railroads to identify corridors and then conduct studies based on those measures.

Federal Grants Update: The FRA approved changes to the project boundaries which will allow Norfolk Southern to proceed with the engineering needed for bank stabilization for the INFRA project along the Ohio River. This work is critical to determine the extent of Army Corps of Engineering permitting required for the project.

State Rail Plan: The state rail plan has been submitted to the Federal Railroad Association. ORDC is waiting on confirmation and proposed changes.

AASHTO Washington Meeting: Director Dietrich provided a handout from AASHTO and brought up the Grade Crossing funding split found on page 5. Currently, there is a 90% Federal and 10% Local Matching; but, this practice is being reviewed to make it 100% Federal Funding like other federal safety programs. Also, there is a \$7,500 incentive payment to offset the costs to communities for railway-highway crossing closures. However, that amount is proposed to be increased to \$100,000 to support additional crossing closures.

There were no questions.

FINANCE REPORT

Megan McClory, Secretary-Treasurer, presented the Finance Report to the Commissioners, which can be found on page 7 of the packet. Ms. McClory noted we have 8 loans in repayment, all in good standing.

The May Commission meeting will be held in the Public Safety Atrium next door.

Staffing Changes: Julie Finnegan accepted a position with DAS, Lean Ohio office. She led ORDC through the Safety and Economic Development kaizens.

There were no questions.

Vice Chairman Jackson needs to recuse himself from several items today. Therefore, the first item for discussion is Resolution 19-04 Central Railroad of Indiana Mainline Rehabilitation Project.

RESOLUTION 19-04 – Central Railroad of Indiana Mainline Rehabilitation

ORDC staff member Tim Brown presented to the Commissioners the briefing on page 24 of the commission packet. Mr. Brown provided the background information found in the packet and introduced Mr. Chris Frank from the railroad to further discuss the project. Mr. Frank explained the scope of the project is to rehabilitate around 16 miles of track to restore speed to 25 mph. Also, the Indiana Department of Transportation provided funds in 2018 to rehab the line in their state.

Vice Chairman Jackson asked how long the speed has been reduced and Mr. Frank advised a few years. Matt advised this track parallels CSX and it's a very busy and congested area. This investment should last 15 to 20 years, depending on traffic. Commissioner Zitter asked if this includes ballast and ties; Mr. Frank advised ties, ballast, grade crossings, rehabilitation and gaging.

Commissioner Maphet made a motion to approve Resolution 19-04 and Commissioner Marchbanks seconded it. Roll Call was taken, and the resolution was approved as presented with 9 votes in the affirmative.

The next item for consideration is the Jamen Corporation/Tri Mor Corporation Transload Loan, Resolution 19-03. Due to the nature of this item and the two project briefings, Vice Chairman Jackson recused himself. He recommended that the commissioners in attendance designate Commissioner Zitter as the Presiding Officer in his absence. Commissioner Reams made the motion and Commissioner Johnson seconded. The motion was approved as presented with 8 votes in the affirmative and Vice Chairman Jackson absent.

Vice Chairman Jackson recused himself from the meeting at 11:24 am.

RESOLUTION 19-03 – Jamen Corporation/Tri-Mor Corporation

ORDC staff member Tom Burns presented to the Commissioners the briefing on page 19 of the commission packet. Mr. Burns introduced Marty Schlessel, President of Tri Mor, to provide the scope of the project. Tri Mor owns and operates three transloading facilities and now a fourth. The mainline switch needs to be reconstructed and rehabilitated with today's technology. The materials to be brought in are lye ash cement, lightweight aggregate and road salt. The funds will go towards the switch and unloader.

Commissioner Lozier asked if this is an aggregate facility. It used to be; but not now. Commissioner Lozier asked Ms. McClory if our loan funding is healthy enough to fund this project. She responded that ORDC will be able to fund this project without problems. Matt advised that this project is for FY 2019 and FY 2020 will begin on July 1, 2019. Commissioner Lozier inquired about financing and Ms. McClory explained that discussions are held with the borrower with standard terms; but, that is flexible. There have been no in-depth conversations yet. Mr. Burns advised this project was previously approved in 2011 but due to changing market conditions was not advanced. Presiding Officer Zitter asked about right of way on the map provided and it was clarified to his satisfaction.

There were no additional questions.

Commissioner Johnson made a motion to approve Resolution 19-03 and Commissioner Lozier seconded it. Roll Call was taken, and the resolution was approved as presented with 8 votes in the affirmative and Vice Chairman Jackson recused.

PROJECT BRIEFING – Altivia Petrochemicals Capacity Improvement

ORDC staff member Tom Burns presented to the Commissioners the briefing on page 29 of the commission packet. Mr. Burns introduced Mr. Tim Albert from Altivia. A power point presentation was provided which explained the type of products: phenol, acetone and alpha-methylstyrene with the main product being acetone. There are 137 full-time employees working 24/7 production with 8 and 12-hour shifts. They purchase supplies locally. The property is 600 acres with most of it green space except for the 135 acre footprint. It has a mile-long pipeline with

access to the Ohio River and the product can be delivered anywhere in the US and overseas. Altivia is investing in about 400 railcars and their own transportation company. Altivia is installing 1600' of rail line now; but a railyard is needed inside the facility to store up to 110 cars.

Chairman Zitter asked about other plants in the area and Mr. Albert explained they have two phenol plants and next door is a SunCoke Energy Plant.

Commissioner Marchbanks asked about environmental issues and Mr. Albert explained there are no remedial issues.

PROJECT BRIEFING – Taylor Coil Processing

ORDC staff member Tom Burns presented to the Commissioners the briefing on page 32 of the commission packet. Mr. Burns introduced Peter Adamski from Taylor Coil. He provided a power point presentation. There are 67 full-time employees with more than \$3.7 million dollars in annual payroll. They process steel coils from 5k to 60k pounds. Thirty-five million pounds out of 350 million pounds shipped annually are transported by rail. 10% of the facility's gross revenue is directly related to rail service, which is used to reduce transportation costs. This project will rehabilitate an existing spur. They are asking for a 50% matching grant to replace 450' of track and install heavier rail to prevent derailment and safety incidents.

Commissioner Lozier asked if the closing of the Lordstown GM plant has impacted Taylor Coil business. Mr. Jansky replied it has to a minor extent.

There were no further questions.

Vice Chairman Jackson returned at 11:50 am and presided over the rest of the meeting.

COMMITTEE REPORTS

At Vice Chairman Jackson's request, Ms. McClory reported that the Administrative Committee heard a presentation from Cathy Stout who manages the ORDC's grade crossing safety programs. The presentation provided how the projects are selected and how they move through construction and payment.

Also, there was discussion about why crashes occur at crossings with active warning signals and what ORDC is doing to address it.

Future topics for discussion would be the Commission's by-laws since they have not been reviewed for at least 12 years. Ms. McClory was asked to provide a copy of the by-laws to all the Commission members.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

PUBLIC COMMENT

Larry Robertson asked if ORDC's website has the Rail Plan that was submitted to the FRA. Staff member Tim Brown explained that it is; but, there may be changes due to comments from FRA.

Art Arnold with the Ohio Rail Association explained that the Ohio Rail Plan is a great document and he has used it in presentations to the General Assembly. He encouraged everyone to contact the Speaker of the House, Senate President or Governor and stress that ORDC's mission helps create and sustain jobs. The Governor's proposal provides additional funds but does not get ORDC back to historic levels. The State Rail Plan identified over \$2 billion in rail needs. Commissioner Lozier reported that he met with the Speaker who was impressed with the number of projects completed with our funding levels compared to other states.

ADJOURN

Vice Chairman Jackson adjourned the meeting at 12:00 pm.