

Meeting Minutes

West Central Ohio
Port Authority
May 20, 2021

Members Present

David Carr (Via Zoom), Gene Baumgardner, Richard Flax, Marcia Bailey, Dr. Richard Henry (via phone), Wes Bahan, David Faulkner

Others Present

Louis Agresta, WESTCO

Tammi Angle, CAHD

The meeting was called to order by Chairman Baumgardner at 9:00 am and the roll was called. Having a quorum, the Board proceeded with the agenda.

I. Minutes

A motion was made by Director Faulkner to approve the minutes from the March 18, 2021 meeting. The motion was seconded by Director Bahan. The motion carried without opposition.

II. Financial Report

Louis stated that because there wasn't a meeting in April, he had both March and April financials to present. He stated that during the month of March WESTCO received \$232,858.61 in receipts and paid \$6,466.17 in disbursements. Louis stated that a large portion of the March receipts were from the first grant reimbursement from ORDC for the bridge 124.67 project. Louis stated that for the month of April WESTCO received \$173,661.57 in receipts and paid \$34,641.28 in disbursements. Louis stated that for the year, WESTCO has received \$571,779.41 in receipts and had \$140,339.48 in disbursements. Louis stated that over the next couple of months, WESTCO will be paying for the 2020 track rehab project that was wrapping up, so those numbers will begin to even out a bit.

A motion was made by Director Bailey to approve the financials for both March and April 2021. The motion was seconded by Director Flax. The motion carried without opposition.

III. Administrative Report

A. 2021 Track Rehab Contract Award (Urbana Line)

Louis stated that bids for the 2021 track rehab on the Urbana Line were received earlier in the week. He stated that WESTCO received 12 total bids for the job, which is one of the highest numbers he can remember in his time with WESTCO. He stated that Wintrow Construction was again the low bidder, but it was really close. Louis stated that the initial scope called for a 6 inch ties rather than a 7 inch tie. The reason for it was the 6 inch ties were about \$17 per tie cheaper.

Louis stated that once Wintrow was identified as the low bidder he began talking about the tie size on the job. Duke Wintrow stated that he had 7 inch ties in stock and there was a long wait time on getting 6 inch ties for this job. Louis stated that he requested a price to upgrade the entire job to the 7 inch ties. Wintrow quoted the increase to 7 inch ties at \$47,850. Louis stated to the board that this seems like an incredible price. When you multiple the amount of ties in the job by the \$17 dollars that Jared Rishel was seeing as the cost difference in the market place, that number is \$147,900. Louis stated that the 7 inch tie is a much sturdier tie and will last longer. He stated that getting the upgrade for only \$47,850 was a great deal. In addition to getting a better tie for a great price, the job will also be able to start faster since the ties are already in stock.

Louis stated that it was his recommendation to accept both the base bid and the alternate bid from Wintrow Construction, as well as their price for the tie upgrade for change order #1. Louis stated that the price for the base bid + supplemental bid was \$769,820 and the change order #1 price was \$47,850. That would bring the total contract to \$817,670.00.

Director Henry made a motion to accept the base bid, alternate bid, and change order #1 and award a contract to Wintrow Construction for the 2021 Track Rehab (Urbana Line) project for an amount not to exceed \$817,670. The motion was seconded by Director Bahan. The motion carried without opposition.

B. PFL Storage Extension

Louis stated that it has been a year since WESTCO entered into a contract with PFL out of Florida to store cars north of WEST Liberty. The stated that the current contract was worth \$2 per car per day for 181 cars. Louis stated that PFL would like to extend the contract, as the cars being stored do not have any immediate need to be put back in circulation. Louis stated the 181 carloads may come down and was still being worked out.

Director Henry made a motion to extend the contract with PFL for one year with the same terms and conditions. The motion was seconded by Director Faulkner. The motion carried without opposition.

C. 2020 Track Rehab Update

Louis stated that all of the ties for the job have been installed. He stated that the ballast/surfacing part of the job still needs to be completed. He stated that the contractor had an issue with their tamper and there was a delay on receiving the necessary parts for it. He stated that the hope would be that it would be done by mid-June or early July. He stated that there was some urgency on getting it done because there was currently a slow order on the track because of the need for surfacing and that slow order is negatively impacting the IORY's operations.

Louis stated that on a separate note, he had spoken with Jared and Josh at the railroad and inquired about getting a hyrail set up for WESTCO Board Members to see WESTCO properties. He stated that it has been a couple of years since that was offered and now that COVID is becoming less and less of a concern it may be time to schedule it again. Louis stated that the hyrails are beneficial, especially if you have never been on the property. It is helpful to see the places you have heard about in meetings in person. Louis said that the hyrail will be an all day event. The board agreed that mid to late August is the best time to get it scheduled. Louis said that he would work on that and report back.

D. WESTCO Overview

Louis stated that at the last meeting, Chairman Baumgardner stated that it might be helpful to give a basic overview of WESTCO. The overview could be informational for those newer board members and act as a refresher for those members that have served longer. Louis stated that the May agenda was light so now was as good of a time as any.

Louis stated that in the early 90s, the private rail companies in the area were going to abandon the line. He stated that the grain elevators didn't want to lose the rail assets and lobbied the County Commissioners if there was something that could be done to preserve the rail assets. He stated that after several meetings about the topic, it was determined that forming a Port Authority to own and maintain the railroad was the best way to preserve the assets moving forward. He stated that the Port Authority was initially just the 27 miles between Springfield and Washington Court House and was initially called the Clark-Fayette Port Authority. He stated that when Conrail abandoned the sections to the north a couple of years later, that is when the Port became known as the West Central Ohio Port Authority (WESTCO). He stated that WESTCO has a contract with the Clark County Springfield TCC to provide a Secretary Treasurer. The Secretary Treasurer serves as the point of contact for WESTCO. Louis stated that WESTCO also contracts with Cole Acton Harmon Dunn (legal), Clark Shaffer Hackett (Accounting/CPA), Levine (property management) and the IORY (Rail service).

Louis showed the board a system map of the IORY and where WESTCO's property fits into their system. Louis stated that WESTCO owns three lines that extend from Springfield. Louis stated that they own the South Charleston Line (Springfield to Court House), the Urbana Line (Springfield to Bellefontaine), and the Mechanicsburg Line (Springfield to Mechanicsburg). He stated that they are bound by the IORY on all sides. He stated that because of that, WESTCO and the IORY are essentially married. Even if WESTCO wanted to partner with a Class I railroad, they couldn't. Because of that, the Shortline agreement between WESTCO and the IORY is 99 years. Louis stated that WESTCO owns 70+ miles of track, multiples bridges, crossings, and signal systems. He stated that it is a lot of infrastructure, but WESTCO does a good job of staying in front of the maintenance needs. Director Bailey asked if any of the American Recovery money would come to WESTCO. Louis said he didn't know. He stated that WESTCO

did get ARRA money in 2008/2009. He said that he would keep an eye on it and take advantage of it if WESTCO could.

Louis went on to explain some more of the details of WESTCO. He explained the Maitland section of track, which is the section of track from where the line comes off the NS line by Lower Valley Pike to the Maitland Diamond by Snyder Park in Springfield. He stated that although WESTCO owns the property, they are not responsible for the maintenance of this section per the Shortline agreement. In exchange for not maintaining this section of track, the IORY does not pay overhead fees short they use this section of track. Louis stated that this is extremely advantageous for WESTCO because although the IORY doesn't pay overhead fees here, they rarely use it. The 27 miles between Court House and Springfield is the much preferred and WESTCO does collect overhead revenue for this section. He stated that the Maitland section has a couple of large bridges that could get pricey, but are not their responsibility.

Louis explained how WESTCO is funded. He stated that WESTCO is considered a governmental entity. Even though that is the case, WESTCO doesn't get any tax revenue. He stated that WESTCO has 6 primary funding sources. He stated the first is the Maintenance Fee, which is a per car fee paid by our shippers. The proceeds from this fee maintain our infrastructure. He stated the Use Fee is a per car fee that the IORY pays WESTCO to service WESTCO customers. He stated that this money is also used to maintain infrastructure. Louis stated that the Overhead/Trackage fee is the per car/per mile fee that the IORY pays WESTCO to go between Court House and Springfield. He stated that the fee essentially works as a toll road. He stated that this money goes into the admin account, but most of it is eventually transferred to supplement maintenance projects. He stated that leases are paid by multiple organizations for different uses of WESTCO property. These range from crossing the line to leasing a yard. The leases are with utility, advertising, and governmental entities. These revenues help pay for admin expenses. Louis stated that Storage revenue is for the new PFL contract for cars stored north of West Liberty. He stated those revenues pay for maintenance across the WESTCO system. Louis stated that WESTCO has received several grants over the last couple of years. These grants have helped pay for projects like the Bridge 124.67, Bridge 7.93, Belmont/James Crossing Project, and the initial Court House to Springfield Track Rehab in 2015 that allowed the speed to increase from 10 to 25 mph. Louis stated that since he has been with WESTCO, they received over \$2 million in grant money to help with construction projects. Finally, Louis stated that WESTCO received revenue for their participation in economic development projects. This has been a recent development, but a significant development. These projects not only help the communities which they are located in, but also have generated important revenue for WESTCO.

Louis stated that was a very high level description of WESTCO. He stated that he would be happy to share this type of presentation with any group that would like to hear it. He stated that it is a lot to digest at first, but once you get some of the larger concepts, it makes a lot more sense.

He reiterated that seeing it in person really helps, which is why he was excited to schedule a hyrail for later this summer.

IV. Operations Report

A. Overhead Report

Louis reported that WESTCO received \$35,819.12 in overhead for the month of March. He stated that that was one of the higher numbers he has seen. He stated that for the year, WESTCO has received \$135,716.34.

Director Baumgardner asked if there was anything else to discuss in the general session of the meeting. Louis said he didn't have anything else, but did have one Executive Session item to discuss. Director Henry made a motion to enter Executive Session to consider financial and proprietary information considered confidential under Ohio Revised Code Section 4582.091, including trade secrets, on by or on behalf of an employer in connection with relocation location, expansion, improvement or preservation of the business of the employer. The motion was seconded by Director Faulkner. Louis moved forward with a roll call vote

Bailey: Yea, Bahan: Yea, Carr: Yea, Flax: Yea, Henry: Yea, Faulkner: Yea, Baumgardner: Yea

Director Flax made a motion to exit Executive Session. The motion was seconded by Director Bahan. A roll call vote was given.

Bailey: Yea, Bahan: Yea, Carr: Yea, Flax: Yea, Henry: Yea, Faulkner: Yea, Baumgardner: Yea

Having no other business to discuss, Director Bailey made a motion to adjourn. The motion was seconded by Director Henry. The motion carried without opposition. Chairman Baumgardner reminded everyone that the next meeting would be June 17th, 2021 and adjourned the meeting.

Louis Agresta
Secretary – Treasurer