

Meeting Minutes

West Central Ohio
Port Authority
November 18th, 2021

Members Present

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

Others Present

Louis Agresta, WESTCO
Devesh Kamal, CSH

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. Prior to getting started, Louis noted that this meeting was the first utilization of the virtual meeting policy that was approved by the WESTCO board in September. Louis stated that nothing really changes from when Dr. Henry was calling in to prior meeting. He noted the only difference was that a roll call vote had to be taken for everything that is voted on. The board also unanimously agreed that it was indeed Dr. Henry on the phone.

I. Minutes

A motion was made by Director Faulkner to approve the minutes from the September 23, 2021 meeting. The motion was seconded by Director Carr. A roll call vote was taken. The motion carried without opposition.

II. Financial Report

Louis stated that he had two months worth of financials to present since there wasn't an October board meeting. He stated that for the month of September there were \$102,565.41 in receipts and \$353,743.36 in disbursements. Louis stated that the disbursements were higher because they paid the second invoice for the 2021 track rehab and the CIC Silfex port fee payment. Louis stated that for the month of October 2021 there were \$83,088.91 in receipts and \$11,901.89 in disbursements. Louis said that WESTCO did not receive a 2021 rehab invoice in October because of delays to installing the switch ties on the project. Louis stated that for the year WESTCO has received \$1,333,395.02 in receipts and paid out \$1,527,559.04 in disbursements.

A motion was made by Director Henry to approve the financials for September and October 2021. The motion was seconded by Director Bahan. A roll call vote was taken. The motion carried without opposition.

III. Administrative Report

A. Sutphen Lease- Drainage Outlet at New Build Site

Louis stated that there were two leases that needed to be heard today. He stated that the first was from Sutphen, but didn't have anything to do with the Economic Development incentives that WESTCO partnered with them on. He stated that the lease was for their new build site in Urbana. He stated that the lease would be for Sutphen to outlet their storm drainage into the WESTCO ditch along our rail line. He stated that the lease would be for \$525/year +CPI. Louis stated that the plans were under review by the railroad. He added that any approvals given today would be contingent upon railroad engineering approval.

Director Henry made a motion to approve the Sutphen storm outlet lease with Sutphen, contingent upon railroad engineering approval. The motion was seconded by Director Bailey. A roll call vote was taken. The motion carried without opposition.

B. Baseline NXC LLC Fiber Lease- Mechanicsburg

Louis stated that this lease was another fiber optic line that crosses our right of way, but is within the road right of way. He stated that they recently approved one of these earlier in the year. He stated that on leases like this, their approval is necessary, but revenue will not be received from the lease. He stated that the proposed line will cross the SR 4 Crossing in the Village of Mechanicsburg. He added that the plans for the crossing are still under review by the railroad and any approvals given by the WESTCO board would be contingent upon railroad engineering approval. Chairman Baumgardner wanted to confirm that WESTCO doesn't have any liability with a lease like this. Louis stated that this discussion was had during the last fiber line lease. He stated that he and Tammi would go through that file and make sure that the same liability precautions that were taken at that time would be taken on this lease as well.

Director Carr made a motion to approve the Baseline NXC LLC fiber line utility longitudinal occupation crossing at SR 4 in the Village of Mechanicsburg entirely within the road right of way, contingent upon railroad engineering approval. The motion was seconded by Director Flax. A roll call vote was taken. The motion carried without opposition.

C. Project Hilltop CIC Budget Amendment

Louis stated that Project Hilltop continues to progress towards a closing. He stated that in advance of that WESTCO needed to do a budget amendment to accommodate the payment to the Greater Springfield CIC for their 75% share of the port fee. Louis reminded the board of the agreement with the CIC for economic development projects. He stated that moving forward the CIC/WESTCO split will be 50/50 for non CIC owned parcels in Clark County and 75/25 for CIC owned parcels. He stated that Project Hilltop was being constructed on CIC owned land so this project would be a 75% CIC split. Louis stated that he would like to get the budget amendment take care of so that he can pay the CIC invoice when it is ready and it isn't held up by a budget

amendment. Louis stated that the total Port Fee for the project is \$252,844. The 75% CIC fee is \$189,633. WESTCO will net \$63,211.

Director Bahan made a motion to amend the budget by \$189,633 to pay the CIC the 75% portion of the Port Fee for Project Hilltop. The motion was seconded by Director Faulkner. A roll call vote was taken. The motion carried without opposition.

D. Overhead Traffic Payment Reconciliation

Louis stated that the ongoing issue of not receiving overhead payments from the railroad has been resolved. He stated that the IORY was having issues accurately reporting overhead traffic on WESTCO lines since April. Because of that, WESTCO had been receiving \$33,730.48 which was the average overhead payment for the first quarter. Louis reported that the actual payments should have been as follows

April: \$31,177.71

May: \$30,294.06

June: \$31,150.94

July: \$35, 720.93

August: \$29,588.93

September: \$25,108.19

October: \$28,785.61

Louis pointed that most of those months WESTCO received more money that they should have since the Q1 average was often higher than the actual number. Louis stated that to reconcile, WESTCO received \$9,443.49 of the October payment. Moving forward WESTCO will receive the actual overhead amount. Chairman Baumgardner stated that he was pleased to see the issue was resolved, but stated that he was very concerned about the ongoing situation with Menards and how we haven't been paid yet or weren't really involved in that project at all. Louis stated that he has been on the railroad about getting the lack of payment for Menards carloads resolved. He stated that he had a conference call with Menards representatives, along with Bill Henderson and Nemi Rodgers with GWRR Marketing about the issue. He stated that the issue is Menards doesn't want to pay the fee directly. They want the fee to be paid by the various mills where they get the timber. Louis stated that he doesn't want WESTCO having to send 3 and 4 car maintenance fees to 8 different mills across the country. Louis stated that what was ultimately proposed was that the railroad would pass those fees along to the mills and the railroad would in turn pay WESTCO for the carloads. Louis stated that conversation happened about a month ago but hasn't fully been resolved. The board voiced frustration with the process and stated that they would like to see it resolved sooner rather than later.

E. 2022 Draft budget and Cash Flow Report

Louis stated that the 2022 draft budget was included in the agenda packet materials. He stated that the budget looks similar to previous budgets. He stated that at this time WESTCO is only planning on doing one capital project. He stated that at this time the railroad indicated that they would like to see the 2022 tie program by on the DTI South from Washington Court House to South Solon. He stated that it could change to the Urbana Line between the Maitland Diamond and where this year's tie program started. He stated that an exact scope hasn't been defined. Jared Rishel wants to get out on the track and walk them to get more accurate tie counts before making a final decision. Director Carr stated that if WESTCO does do a tie program on the DTI South some crossing work will be needed. In particular the SR 41 crossing in Jeffersonville could use some work. It doesn't need to be completely rehabbed, but minor maintenance would make the crossing surface better and make it last longer. Director Baumgardner said the same thing for Carrs-Mill Jamestown Rd crossing. Louis said that if the DTI South is the tie program, he would add those to the tie program scope. Devesh commented on the cash flow report. He stated that WESTCO is in a strong cash flow position. He stated that WESTCO continues to budget revenues conservatively and budgets expenses a more freely. Louis also added that there aren't any economic development partnership projects budgeted for 2022, but they seem to inevitably happen. Louis stated that the draft budget was introductory and will be voted on for approval at the December meeting.

F. Board Hyrail

Louis stated that there will be a board hyrail on Thursday December 2nd. He stated that the hope is that they will be able to see all of the WESTCO properties. Louis stated that the meeting location and full agenda haven't been set yet. He stated that he would send them out to the board once those details are finalized. He stated that proper PPE (hard toed shoes, hard hat, vest) will need to be worn.

G. 100,000Admin Transfer to Maintenance

Chairman Baumgardner stated that the board has done this several times and asked the board if anyone had any questions. There weren't any. Director Carr made a motion to transfer \$100,000 from the admin account to the maintenance account. The motion was seconded by Director Bahan. A roll call vote was taken. There motion passed with no opposition.

H. Project Updates

Louis stated that the 2021 Track Rehab wasn't done yet. He stated that the only remaining item on it was the installation of the switch ties. He stated that the current plan was for those to be done right before Thanksgiving. He stated that the SR 508 crossing was slated to take place the first week of December.

Louis added that the Urbana Industrial Bridges project was completed in early November. He stated that the project cost was \$38,246. He stated that the invoice didn't include the flagging for

the project or a minor change order that was less than \$1,000.00. He anticipates getting both of those and having them paid at the December meeting.

Louis stated that the Sutphen economic development project was completed finished. He added that Project Hilltop was expected to close by the end of the year.

IV. Overhead Traffic and

Louis reported that for the year WESTCO has received \$347,542.71. He stated that was a strong number for overhead and was good to see.

Louis stated that he did have one property item to discuss in Executive Session. Director Carr 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.

A roll call vote was taken to enter Executive Session. The motion passed without opposition.

Director Flax made a motion to exit Executive Session. The motion was seconded by Director Carr. A roll call vote was taken to leave Executive Session. The motion passed without opposition.

The board discussed the need to form an asset committee. The aim of the committee would be to get a better handle on what assets WESTCO owns and how they can be best utilized. Louis stated that the hyrail will help a lot. In particular, it will be beneficial to see Glen Echo yard and the sidings near the yard off of the main line. He stated it will also be helpful to see the Warder Yard and understand the potential of that site. Directors Bailey, Carr, and Flax stated they would participate on the committee.

Director Faulkner made a motion to form the Asset Committee. The motion was seconded by Director Carr. A roll call vote was taken. The motion carried without opposition.

IV. Adjournment

Director Carr made a motion to adjourn the meeting. The motion was seconded by Director Faulkner. A roll call vote was taken. The motion carried without opposition. The meeting was adjourned.

Louis Agresta
Secretary – Treasurer