

**MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BIMONTHLY MEETING
NOVEMBER 9, 2006**

CALL TO ORDER AND ROLL CALL

The meeting of the Ohio Rail Development Commission was called to order by Chairman James Betts at 10:07 a.m.

Members present included: Barbara Bennett, James Hartung, Eric Neff, Larry Sowers, Herk Wolfe, Solomon Jackson, Dan Roberts, Howard Wood, Senator Larry Mumper, Representative Allan Sayre, and Chairman James Betts. There were nine voting members present and one non-voting member present.

Members absent included: Tom McOwen, Senator Hagan and Representative Stephen Buehrer.

APPROVAL OF THE MINUTES OF THE JULY MEETING

Chairman Betts asked for a motion to approve the minutes of the September 14, 2006 Commission meeting. Commissioner Sowers moved to approve the minutes and Commissioner Bennett seconded the motion. The minutes were approved as presented.

EXECUTIVE DIRECTOR'S REPORT / FINANCE REPORT – Matthew Dietrich

Matthew Dietrich presented the Executive Director's / Finance Report found on page 3 of the packet to the Commission. Mr. Dietrich reported that Ohio Central Railroad has submitted a request for funds to rehabilitate the Mount Vernon Line and indicated that this request is included in the Commission packet as Resolution 06-15. Mr. Dietrich stated that he has worked with the local communities and the legislature as well as with the Ohio Department of Development to help the tie replacement program which will be needed on the Mt. Vernon line.

Mr. Dietrich acknowledged Commissioners Hartung and Wolfe for attending a meeting in Toledo for the Ohio Hub project and its economic impact on the community. He thanked Commissioner Hartung in particular for his part in helping to facilitate the meeting.

Mr. Dietrich reported on the budget for the remainder of the fiscal year and indicated there is \$683,490 in GRF funds available for projects. He also reported that the \$200,000 for the Warrenton River Terminal project up for consideration at the meeting was proposed to be funded from the Transload Project funds that the Commission still has available.

UPDATE ON LEGISLATIVE ISSUES – Chris Vineis

Christine Vineis, President of Capital Partnerships, was present to provide a legislative update to the Commission. Ms. Vineis spoke on the status of the changes in leadership in Congress and its potential impact on the Ohio Hub project.

Ms. Vineis spoke about an energy bill that was recently introduced and how the Rail Commission could potentially participate by acting as a conduit for the funds. Ms. Vineis reported that she and then Executive Director Jim Seney had visited Senator Voinovich's office earlier this year to discuss the Rail Commission's involvement with this bill. To date, however, the funds have not yet been appropriated for this bill.

Ms. Vineis spoke about a potential new policy called a “Dedicated Freight Rail Trust Fund.” This new policy, which would be introduced in the next reauthorization bill in 2009, would be a dedicated fund solely for the purpose of the movement of freight goods. The fund would include monies from customs fees, cargo lift fees and 1 cent from the gas tax.

Note: Chairman Betts asked to deviate from the agenda in order to accommodate the schedule for the Medina County representative.

APPROVED PROJECT BRIEFING

Medina County Loan – Matthew Dietrich

Mr. Dietrich presented the Approved Project Briefing for the Medina County loan found on page 41 of the packet. County Commissioner Patricia Geissman was present from Medina County to answer any questions.

Mr. Dietrich reported that the County has requested a loan in the amount of \$81,375 to fill a temporary gap in funding to complete three highway grade crossing safety projects in Medina County; Wolff Road, Carleton Road and Kennard Road. Mr. Dietrich explained that this loan will be at no interest and will be repaid through grant funding from Angels on Track Foundation.

Commissioner Geissman thanked the commission for its consideration of this project and indicated this project’s importance to Medina County.

PROJECTS

Resolution 06-13; Warrenton River Terminal – Lou Jannazo

Lou Jannazo presented Resolution 06-13 to the Commissioners. An overview of the project can be found on page 15 of the packet.

Mr. Jannazo reported that Warrenton River Terminal, Ltd requested \$200,000 from ORDC’s Bulk Transload Program to construct a new turnout and 3000 feet of new track at its rail/barge/truck transloading facility in Warrenton (Jefferson County). The company is also requesting an additional \$200,000 loan from ORDC for the project.

Mr. Jannazo introduced Rick Thayer, General Manager of Warrenton Terminal, who was present to answer questions on behalf of the company. Mr. Thayer thanked the Commission for consideration of this project and indicated that this expansion will bring additional opportunities for rail use. He reported that the company is working on developing new business to transload Ohio coal which has the potential of 400,000 tons being transloaded. Mr. Thayer reported that an additional benefit of this project is the elimination of a bottleneck on the Wheeling & Lake Erie’s River Line.

Commissioner Jackson inquired about the “2nd Tier Subsidiary” relationship of the Warrenton River Terminal to its parent company, FirstEnergy Corporation. Mr. Thayer clarified that Warrenton River Terminal is a wholly owned, 2nd tier subsidiary of FirstEnergy Corporation but is maintained and operated as a separate business entity. A short discussion followed.

Chairman Betts asked for a motion to approve Resolution 06-13. Commissioner Sowers moved to approve the motion and Commissioner Bennett seconded the motion. Roll call was taken with nine votes in the affirmative.

Indiana Eastern Railroad Loan; Resolution 06-14 – Lou Jannazo

Mr. Jannazo presented an overview of the Indiana Eastern Railroad's request for a loan of \$500,000 to rehabilitate its Ohio rail line from the Indiana/Ohio border to Milepost 28 which is a distance of five miles. Mr. Jannazo also reported that the money will help rehabilitate a run around siding and a wooden trestle at Fernald. The loan was recommended at five years with zero percent interest in year one and two percent interest in years two through five.

Mr. Jannazo introduced George Andress of Indiana Eastern who thanked the commission for its consideration of this project and noted this project will not only improve operational efficiency but will greatly improve safety by not allowing cars filled with hazardous materials to cross a busy road as they have to do now. The track work will make it safer to haul the hazardous materials. The repairs at the trestle will double the number of cars the railroad is able to switch in and out of at one time.

Chairman Betts asked for a motion to approve Resolution 06-14. Commissioner Wolfe moved to approve the Resolution and Commissioner Hartung seconded the motion. Roll call was taken with nine votes in the affirmative.

Ohio Central / Mt. Vernon Tie Replacement; Resolution 06-15 – Lou Jannazo

Mr. Jannazo indicated an overview of this project could be found on page 32 of the packet. He reported that Ohio Central Railroad was requesting a grant of up to \$200,000 to purchase up to 6000 cross ties and up to 126 switch ties necessary to conduct safety tie work along the Newark to Mt. Vernon line. Mr. Jannazo described Ohio Central's contribution to the project which includes 7000 tie plates and labor and equipment necessary for the installation.

Mr. Jannazo and Matt Dietrich met with the Ohio Central earlier in the month to hi-rail the line and identify the repairs necessary for this portion of track; approximately 26 miles from Newark to Mt. Vernon.

Mr. Jannazo announced Bill Strawn, President of the Ohio Central Railroad System, was present and available for any questions regarding this project. Mr. Strawn thanked Lou and Matt for taking the time to conduct a field review with the railroad. He introduced two customers Ohio Central serves along this line who will greatly benefit from the project; Mr. Mark Snape of Weyerhaeuser and Mr. Tom Bostik of Ohio Farmers Co-op. Mr. Snape reported that Weyerhaeuser employs 185 people at their operation. Both gentlemen thanked the commission for its consideration of assistance with this project and reported that the potential loss of this line would be an economic blow for Knox and Licking Counties.

Prior to requesting a motion for approval of Resolution 06-15 Chairman Betts asked Mr. Tim Hanely, Chairman and State Legislative Representative with the Brotherhood of Locomotive Engineers and Trainmen, if he wanted to make a comment regarding this project. Mr. Hanely declined.

Chairman Betts asked for a motion to approve Resolution 06-15. Commissioner Hartung moved to approve the motion and Commission Wolfe seconded the motion. Roll call was taken with nine votes in the affirmative.

APPROVED PROJECT BRIEFING

Engage Public Affairs – Matthew Dietrich

Matt Dietrich presented the Approved Project Briefing for Engage Public Affairs, found on page 39 of the packet. Mr. Dietrich reported this is a “technical” amendment to Marie Keister’s contract to increase her compensation by \$8,360 because of her involvement with the Ohio Hub meetings and the economic impact and feasibility analyses.

OLD BUSINESS

None.

NEW BUSINESS

None.

PUBLIC COMMENT

Carl Gelfer addressed the commission regarding the recent passing of Bill O’Brian, the legislative director of the Brotherhood of Locomotive Engineers. He noted Mr. O’Brian will be sadly missed. Chairman Betts echoed Mr. Gelfer’s comments.

Mr. Bill Allman approached the commission about his concern for global warming. He encouraged the commission members to view three movies on the subject; An Inconvenient Truth, Too Hot to Handle and Great Warming.

Chairman Betts asked for a motion to adjourn to Executive Session. Commissioner Neff moved to approve the motion and Commission Bennett seconded the motion. Roll call was taken with nine votes in the affirmative.

ADJOURN TO EXECUTIVE SESSION

The commissioners adjourned to Executive Session at 11:13 a.m. for the purpose of discussing consideration of a permanent Executive Director. Chairman Betts asked for a motion to adjourn to Executive Session. Commissioner Neff moved to approve the motion and Commissioner Bennett seconded the motion. Roll call was taken with nine votes in the affirmative.

RECONVENE FROM EXECUTIVE SESSION

Executive Session concluded at 11:40 a.m.

ADJOURNMENT

Chairman Betts adjourned the meeting at 11:45 a.m.