



Chautauqua, Cattaraugus, Allegany & Steuben Counties
Southern Tier Extension Railroad Authority

Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779
TEL (716) 945-5301 FAX (716) 945-5550 TDD (716) 945-5301

"This institution is an equal opportunity organization"

William Daly, Chairman
Richard Zink, Chief Executive Officer

GOVERNANCE COMMITTEE SELF-EVALUATION REPORT TO THE BOARD
on
GOVERNANCE COMMITTEE FUNCTIONS FOR CALENDAR YEAR 2013

Submitted March 20, 2014

1. Meetings

• **Notes:**

- During 2013, the Governance Committee was scheduled to meet three times. However, one meeting (October 21, 2013) was cancelled for lack of a quorum. The Committee met two times in 2014, on March 18, 2013 and June 17, 2013.
- The Committee Charter requires the Committee to meet a minimum of twice a year, plus any additional meetings as needed.
- All meetings were properly noticed and open to the public as required, and all agendas and minutes were made available to the public on the Authority web site as required.

• **Deficiencies:**

- None.

• **Recommendations:**

- None. However, the Board may wish to consider increasing the size of the Committee or designating members who have fewer time conflicts so as to reduce the number of meetings cancelled for the lack of a quorum.

2. Reporting to Board

• **Notes:**

- The Committee reported out its actions and recommendations to the Board at the Board's March 18, 2013 and June 17, 2013 meetings, as required.

• **Deficiencies:**

- None.

- **Recommendations:**

- None.

3. Compliance

- **Notes:**

- During 2013, the Committee complied with the Committee Charter and the Authority's bylaws.
- During 2013, the Committee complied with NYS ABO, PAAA, and PARA requirements.

- **Deficiencies:**

- None.

- **Recommendations:**

- None.

4. Committee Responsibilities With Respect to Authority Operations

- **Notes:** During 2013, the Committee reviewed and made recommendations to the Board regarding Authority operations, as follows:

- On March 18, 2013, the Committee reviewed various issues relating to structure, governance, and operating activities, including:
 - The Board Self Evaluation Report
 - Governance Practices with respect to Transparency, Independence, Accountability, Fiduciary Responsibilities, and Management Oversight
 - Competencies and Personal Attributes Required of Board Members
 - New Member Orientation Process
 - Compliance with Board Member Training Requirements
 - Compliance with Staff Training Requirements
 - Number and Structure of STERA Committees
 - Compensation and Benefits for the Managing Director and Other Senior Authority Officials
 - Performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in the Authority's governance process,
 - Other STERA Policies or Documents Related to the Governance of the Authority

The Committee discussed the general governance and operation of the Authority, with respect to a consideration of any need for any other policies or documents relating to the governance and operation of the Authority, including rules and procedures for conducting the business of the Authority's Board. The Committee

made a finding that the Authority's policies and procedures are being effectively implemented and are effective in guiding and controlling the Authority's governance and operations, and recommended to the Board that it make no changes to the Authority's governance and operating policies and procedures other than have been otherwise specifically discussed and recommended by the Committee at this meeting.

- On June 17, 2013, the Committee reviewed and discussed a draft Travel and Use of Discretionary Funds Policy, which combines both a Travel Policy and a Use of Discretionary Funds Policy into a single policy, and recommended its adoption by the Authority Board.

- **Deficiencies:**

- None.

- **Recommendations:**

- None.

5. Committee Responsibilities With Respect to Authority Policies

- **Notes:** During 2013, the Committee reviewed and made recommendations to the Board regarding Authority policies, as follows:
 - On March 18 2013, the Committee discussed and made recommendations to the Board that it either approve as is or update the following current STERA policies:
 - Audit Committee Charter
 - Bylaws
 - Code of Ethics
 - Compensation, Reimbursement and Attendance Policy
 - Competencies and Personal Attributes Required of Board Members
 - Defense and Indemnification Policy
 - Equal Opportunity and Affirmative Action Policy
 - Governance Committee Charter
 - Internal Control Procedures
 - Investment Policy
 - Lobbying Policy
 - Management Performance Evaluation Standards
 - Measurement Standards for Performance Evaluation
 - Mission Statement
 - New Member Orientation Process
 - New Member Orientation Process Reference Document
 - Procurement Guidelines (Contract and Procurement Policy)
 - Property Disposition Guidelines
 - Public Access to Records Policy

- Public Access to Records - Subject Matter List
 - Records Management Program
 - Travel Policy
 - Uniform Tax Exemption Policy
 - Whistleblower Policy
- On June 17, 2013, the Committee reviewed and discussed a draft Travel and Use of Discretionary Funds Policy, which combines both a Travel Policy and a Use of Discretionary Funds Policy into a single policy, and recommended its adoption by the Authority Board.
- **Deficiencies:**
 - None.
 - **Recommendations:**
 - None.

6. Committee Responsibilities With Respect to the Authority's Reports

- During 2013, the Committee reviewed and made recommendations to the Board regarding the Authority's reports, as follows:
 - On March 18, 2013, the Committee reviewed and made recommendations to the Board regarding the following reports:
 - Annual Report for the year ending December 31, 2012
 - Property Listing Report for the year ending December 31, 2012
 - Property Disposition Report for the year ending December 31, 2012
 - Procurement Report for the year ending December 31, 2012
 - Investment Report for the year ending December 31, 2012

Performance Evaluation Processes and Reports

- Summary of Performance Evaluation Processes
- Organizational Self-Evaluation Report for the year ending December 31, 2012 using Measurement Standards per NYS ABO Policy Guidance 10-02
- Organizational Compliance Evaluation Report for the year ending December 31, 2012
- Organizational Assessment of the Effectiveness of Internal Controls for the year ending December 31, 2012
- Board Self-Evaluation Report for the year ending December 31, 2012 per NYS ABO Policy Guidance 10-05
- Board Member Attendance Evaluation Report for the year ending December 31, 2012
- Governance Committee Self-Evaluation Report for the year ending December 31, 2012
- Governance Committee Charter Review Report

- Management (Corporate Officers) Evaluation Report for the year ending December 31, 2012
- On June 17, 2013, the Committee reviewed:
 - Management Report on Financial Disclosure and Ethics Report
- **Deficiencies:**
 - None.
- **Recommendations:**
 - None.

7. Summary Self Evaluation of Governance Committee Functions During Calendar Year 2013

- **Successes**
 - The Committee complied with its functions as regards meetings, organizational and regulatory compliance.
 - The Committee complied with its functions as regards operating responsibilities and functions.
 - The Committee has successfully implemented all of the changes recommended in the prior year self-evaluation process.
- **Deficiencies**
 - None.

**Approved by the Governance Committee
And
Submitted to and Approved by the Board of Directors of the
Chautauqua, Cattaraugus, Allegany, and Steuben
Southern Tier Extension Railroad Authority
On May 5, 2014**

Thomas M. Barnes

Secretary

May 5, 2014

Date