



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"

Terry Everetts, Chairman
 Richard Zink, Chief Executive Officer

Minutes of Annual Board of Director Meeting

June 15, 2020

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held its Annual Meeting at 9:30 AM on June 15, 2020 via Zoom, with additional meeting attendance available in the Conference Room in the office of the Southern Tier West Regional Planning and Development Board, 4039 Route 219, Suite 200, Salamanca, New York. The following persons were in attendance:

Board Members In Attendance

Richard Cousins
 Rich Dixon
 Terry Everetts
 Jay Gould
 James Griffin
 Brooke Harris
 Steve Havey
 Robert Keis
 Earl McElfresh
 Jerry Scott

Representing

Cattaraugus County
 Chautauqua County
 Cattaraugus County
 Chautauqua County
 Steuben County
 Allegany County
 Allegany County
 Southern Tier West RPDB
 Cattaraugus County
 Allegany County

Board Members Not In Attendance

Jeff Gray
 John Malter
 Vacant
 Vacant

Representing

Chautauqua County
 Steuben County
 Steuben County
 Seneca Nation of Indians

Others Attending

Thomas Barnes
 Jeff Bauman
 Edward Bysiek
 Jesse Coats
 Kylie McLaughlin
 Richard Zink

Representing

STERA Secretary
 WNYP RR
 Bysiek CPA, PLLC
 WNYP RR
 WNYP RR
 STERA CEO

1. Call to Order and Introduction of Those Present

Recognizing a quorum, Chairman Terry Everetts called the meeting to order at 9:33 AM. Introductions were made of those present.

2. Motion to Change the Order of Business

The Board adopted a resolution to change the order of business for this meeting, to accommodate time constraints by presenters (Cousins, McElfresh, passing unanimously). The WNYP Operating Status Report will go first, followed by the auditor presentation.

3. WNYP RR Operating Status Report

Kylie McLaughlin, General Manager of the WNYP RR, and Jesse Coats, Manager of Engineering and Projects for the WNYP RR, provided a Management Report to the STERA Board. The Management Report covered the areas of Safety and Security, Grant Activities, Real Property, Operations and Customer Service, Marketing and Freight Business, Mechanical Issues, and Engineering and Maintenance of Way.

Highlights of their report are:

- **Operations, Service Levels, and Freight:**
 - New timetable and new GCOR rule book.
 - Have begun switching inter-plant at Siemens.
- **Safety:**
 - Zero injuries, derailments, and incidents in the first quarter. However, there were two bridge strikes in the first quarter, both at the Front Street overpass in Olean. The Safety Committee meets quarterly to address and implement concerns and recommendations from employees. Several FRA field inspections have been conducted, with zero violations noted.
- **STERA Construction Projects:**
 - Although these STERA projects were discussed by Mr. Coats during the WNYP report, they are reported on separately under item #12 in these minutes.
- **WNYP Construction Projects:**
 - **Grade crossing surface upgrades:** WNYP is planning 13 crossing surface upgrades in 2020. The Route 62 crossing in Kennedy, NY has been completed.
 - WNYP has authorized American Rail Engineers/AirShark to perform a drone inspection on truss bridges at falconer, Salamanca, and Olean. WNYP also authorized underwater pier and abutment inspections at selected bridges this summer.
- **Litigation status report:** This involves the collision of a FedEx truck with a WNYP train in a prior year. Discovery and depositions have been completed. From STERA's perspective, there has been no change in STERA's position: STERA has been sued (one of several defendants), but the 1998 MOU requires Norfolk Southern to indemnify STERA. STERA's attorney Harris Beach has been in contact with Norfolk Southern's and WNYP's attorneys. There has been movement on the issue; WNYP will confer with STERA as to the impact on STERA.

Mr. Dixon noted that Jamestown has a consultant that wishes to discuss the local Riverwalk initiative with WNYP. Ms. McLaughlin indicated that she would be happy to discuss the project with the consultant.

The Board adopted a resolution approving Ms. McLaughlin's and Mr. Coat's report (McElfresh, Dixon, passing unanimously, Griffin abstaining).

Status reports on individual STERA projects, which were discussed during the WNYP report, are provided below under item #12.

4. Presentation of Audit

Mr. Edward Bysiek of Bysiek CPA, PLLC presented the audit, including the management letter, for the year ending December 31, 2019, to the STERA Board. The audit indicated an unqualified (clean) opinion and did not find any deficiencies or weaknesses in STERA's internal control procedures for the year ending December 31, 2019, or any compliance findings for the year ending December 31, 2019. After discussion, the Board adopted a resolution accepting the audit for the year ending December 31, 2019 and the accompanying management letter (Keis, Griffin, passing unanimously).

5. Reading and Approval of the Minutes of the October 21, 2019 Meeting

The Board adopted a resolution approving the minutes of the October 21, 2019 Board Meeting (Cousins, Gould, passing unanimously).

6. Election of Officers

As a Nominating Committee was not designated, Mr. Everett accepted from the floor the following slate of nominees for election:

Board officers:

| | |
|----------------|----------------------|
| Terry Everetts | Chairman |
| Jay Gould | Vice Chairman |
| James Griffin | Second Vice Chairman |

There were no other nominations from the floor. The Board approved a resolution electing this slate of officers (Griffin, McElfresh, passing unanimously).

Mr. Everett also accepted from the floor the following slate of nominees for election:

Corporate officers:

| | |
|---------------|--|
| Richard Zink | Chief Executive Officer (Executive Director) |
| Robert Keis | Treasurer (Chief Financial Officer) |
| Thomas Barnes | Secretary |

There were no other nominations from the floor. The Board approved a resolution electing this slate of officers (McElfresh, Scott, passing unanimously).

Mr. Everetts, by virtue of his position as Chairman, becomes the Ethics Officer and Records Access Appeals Officer.

Mr. Zink, by virtue of his position as CEO, is the STERA Contracting Officer, Records Management Officer, and Records Access Officer.

7. Communications

There were no communications, excepting communications from FEMA and NYS DOT relating to projects.

8. Treasurer's Report

Mr. Zink presented the Treasurer's Report for May 31, 2020. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending May 31, 2020, STERA had net income of \$35,950.00 on revenues of \$58,586.65. As of May 31, 2020, STERA had net assets of \$8,593,157.83 on assets of \$8,618,157.83, with a cash balance of \$91,854.84. Accounts payable as of May 31, 2020 were \$25,000.00, and accounts receivable and grants receivable as of May 31, 2020 were \$80,199.82 and \$3,920,815.17, respectively. He discussed elements of the accounts receivable and grants receivable. The Board adopted a resolution approving the Treasurer's Report for May 31, 2020 (McElfresh, Havey, passing unanimously).

The Board adopted a resolution authorizing the \$25,000 annul payment to Southern Tier West for administrative services, with a \$20,000 payment to be made now and the \$5,000 balance to be made later in the year (Cousins, Harris, passing unanimously).

9. Reports of Committees

The Committees did not meet.

Old or Unfinished Business

10. Review of Reports and Policies

As the Committees did not meet, the Board undertook the review of reports and policies. In the absence of review and recommendations by the various committees, the Board adopted a resolution approving all the following reports listed below (Griffin, McElfresh, passing unanimously).

- Annual Report
- Audit Committee Charter Review Report
- Audit Committee Self-Evaluation Report
- Audit FYE Dec 31, 2019, including Audit Management Letter FYE Dec 31, 2019
- Authority Performance Self-Evaluation Report
- Board Member Attendance Report
- Board Performance Self-Evaluation Report
- Board Performance Self-Evaluation Report 2017 vs 2018 vs 2019
- Budget for 2020
- Compliance Report
- Effectiveness of Internal Controls Report
- Executive Committee Self-Evaluation Report
- Financial Disclosure and Ethics Report
- Four-Year Financial Plan for 2020 to 2023
- Governance Committee Charter Review Report

Governance Committee Self-Evaluation Report
Investment Report
Management Evaluation Report
Procurement Report
Property Disposition Report
Property Listing Report
Records Management Program Report

Mr. Barnes noted that in a communication to the Board, he had emphasized certain reports that provide specific sorts of relevant information on STYERA operations.

In the absence of review and recommendations by the various committees, the Board adopted a resolution approving all the authority policies listed below (Gould, Scott, passing unanimously).

Audit Committee Charter
Bylaws
Code of Ethics
Compensation, Reimbursement, and Attendance Policy
Competencies and Personal Attributes Required of Board Members Policy
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 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 and Use of Discretionary Funds Policy
Uniform Tax Exemption Policy Whistleblower Policy

In the absence of Governance Committee review, the STERA Board reviewed STERA's structural, governance and operating policies and activities. Many of the policies and governance practices practiced by STERA derive directly from the cornerstone principles (transparency, independence, accountability, fiduciary responsibilities, and management oversight) prescribed by the State Legislature and NYS ABO.

In this regard, the Board discussed the report on the Board Member Self Evaluation process and discussed whether the Board may wish to make any changes to improve STERA's performance. The Board had decided to add an open-ended question to the Board self evaluation survey to ask members if they had any suggestions for improvement of authority operations. One Board member indicated that

he felt that quarterly meetings are not often enough to feel engaged in the STERA operations; he suggested that perhaps bi-monthly meetings would be more useful in accomplishing the mission of the Board. The Board felt that the current quarterly meeting scheduling is adequate. The results of the Board Member Self Evaluation were favorable, with unfavorable ratings received for none of the questions in the survey, and with the overwhelming majority of responses indicating agreement with the survey questions.

Mr. Everetts noted that authority members should, at any time during the year, bring any such suggestions forward to Mr. Everetts, Mr. Zink, or himself, or to the full Board or the Governance Committee at any meeting.

11. Western New York Rail Corridor Passenger Initiative

No update. It appears to be a lower priority within the City of Jamestown government.

12. Status Reports on Current and Proposed Rehabilitation Projects

A. Completed Projects:

FEMA Project (Southern Tier Extension Line)

All work on the project has been completed and STERA is awaiting project closeout from FEMA.

NYS DOT 2005 Bond Act Bridge Rehab and Track Realignment (Falconer) Project (Southern Tier Extension Line)

All work on the project has been completed and STERA is awaiting project closeout from NYS DOT.

NYS DOT PFRAP Cattaraugus Rail Rehabilitation Project (Southern Tier Extension Line)

All work on the project has been completed and STERA is awaiting project closeout from NYS DOT.

NYS DOT PFRAP Tie Replacement and Grade Crossing Repair Project (Buffalo Line)

All work on the project has been completed and STERA is awaiting project closeout from NYS DOT.

B. Active Projects:

NYS DOT PFRAP Track and Bridge Rehabilitation Project (Southern Tier Extension Line and Buffalo Line)

This project is funded by \$1,600,000 of NYS DOT PFRAP grant funds, matched by \$400,000 of WNYP funds. The project scope involves replacing 8,000 linear feet of welded rail in Carrolton in Cattaraugus County, and repairing three bridges in Jamestown, one bridge in Salamanca, and one bridge in Olean. The three cities were to contribute traffic control. All work except the Olean bridge is to be done on the Southern Tier Extension; the Olean bridge is on the Buffalo line.

The sub-contractor is to install rail in 2020. The project has been delayed by COVID-19.

The bridge component of the project began in 2018. LC Whitford has completed the three Jamestown bridges (Buffalo Street, Foote Avenue, and Main Street). Union Concrete has

completed the Wildwood Avenue (Salamanca). This bridge encountered significant cost overruns due to concrete deterioration that was worse than anticipated. NYS DOT has yet to schedule inspections of the four bridges; there has been some retainage of grant funds until the inspection has been completed.

As to the remaining bridge (Queen Street in Olean on the Buffalo Line), WNYP previously had reported that the bridge would now involve a deck replacement, which could be done under the project agreement and within the project budget. However, after additional inspection and engineering, WNYP had determined that the bridge would need to be completely replaced, which would not be within the project budget. Subsequently, through discussions with the City of Olean, a new strategy was mutually developed that WNYP would raise the Front St overpass rail bridge by 18" to accommodate truck traffic and the City could lower the roadbed by 8", provided that the City would allow WNYP to fill in under the Queen Street bridge, eliminating the road underpass, but installing culvert pedestrian walk-through. The Queen Street fill, pedestrian culvert, and Front Street raising could all be accomplished within the project budget, if such an amendment would be approved by NYS DOT. The City agreed to this strategy, and NYS DOT seemed amenable as well. Engineering requirements for the Queen Street fill and the pedestrian walk-through culvert have been completed. In early 2019, STERA submitted a scope change request to NYS DOT. NYS DOT approved the scope change request; however, as part of the process for approving a scope change, an administrative law judge hearing will have to be held, which has not yet been scheduled. The hearing, and hence the project, have been delayed by COVID-19. The completion of the Queen Street and Front Street bridge components will occur thereafter.

NYS DOT PFRAP Olean Enginehouse and Yard Improvement Project

In late 2016, STERA submitted a grant application to NYS DOT for the 2016 PFRAP funding cycle. The project would involve improvements to the enginehouse in the Olean yard, installation of a yard video security system, the installation of 6,000 6x8 ties in the Olean yard, and the replacement of 8 switches in the Olean yard. The work would be done on the Southern Tier Extension Line. Yard tie installation was completed in late 2017, and switch installation was completed in the spring of 2018. The security system has been installed.

Because of significant bid cost overruns, the engine house components have been removed from the project. STERA submitted a proposal for a change order for the unused project funds, and has received approval for remainder of the track portion grant money to be spent to replace more switches and switch timbers in the Olean yard, and for the unused engine house money to be used for an exterior concrete apron at the east end of the shop. WNYP currently is ordering track materials and prepping bids for engine housework.

The project is planned to be completed in 2020.

NYS DOT PFRAP Tie and Rail Replacement PFRAP Project (Southern Tier Extension Line)

STERA had applied for \$1,251,677.38 of NYS DOT PFRAP grant funds, to be matched by \$536,433.16 of WNYP funds. The revised project cost is \$1,788,110.54.

The project involves replacement of approximately 13,000 ties and surfacing ten (10) miles of tie replacement and surfacing between Steamburg, SA-14.00 and Waterboro, SA-23.00, and between MP SA-27.0 and MP SA-28.0 (Poland Center) on the Southern Tier Extension Line. Approximately half of this project area will need substantial ballasting. The project also will include three (3) public highway grade crossing surface rebuilds at Coldspring Road (Randolph),

Main Street (Randolph), and Goodwins Landing Road (Waterboro) and eleven (11) private farm grade crossing widenings and rebuilds. The project also will involve replace of switch timbers at one main line turnout (the No. 10 turnout at the Randolph Team Track).

All the work would be bid by WNYP and/or done by WNYP itself. The STERA Board previously had authorized subcontracting with WNYP on the project. STERA has received and executed the NYS DOT contract and has executed the sub-contract with WNYP. WNYP is readying bid packets for subcontractor services and is planning to go out for bid this summer. Material purchase is being delayed by new NYS DOT M/WBE (Minority/Women owned Business) requirements and COVID-19. Mr. Barnes and Mr. Coats will discuss how to advance the project with respect to the M/WBE issues.

The project was commenced in 2019 and should be completed in 2020.

C. Proposed Projects

Proposed Bridge NY Project (Salamanca Main Street Bridge Replacement and Track Realignment, Southern Tier Extension Line)

No update. In 2017, STERA had discussions with the City of Salamanca and the Seneca Nation of Indians regarding a project that would involve replacement of the Salamanca Main Street rail bridge (replacing the 6 lane rail bridge with a two lane bridge, with higher clearance for Main Street underpass traffic) and the realignment of track just to the west of the bridge (re-routing of the main line in this area to remove the curvature of the line, which is a safety issue and which keeps train speeds down). Such a project (or at least the bridge replacement component) would be eligible for NYS DOT Bridge NY funding. The project grant application would not be submitted until a future year. The Seneca Nation of Indians representatives indicated that there would have to be approval by the Seneca Nation of Indians for both the bridge and track realignment projects to move forward.

Other Salamanca / Seneca Nation of Indians Projects

No update.

Proposed Multi-Modal Freight Transfer Facility and Manufacturing Center Project (Olean)

Mr. Barnes indicated that there has been no change in this potential initiative. STERA has been unsuccessful to date in obtaining first phase construction funds, but continues to seek funding.

Site Development Project

Mr. Barnes indicated that there has been no change in this potential initiative. Southern Tier West has not advanced this project at the current time. Mr. Belke previously had indicated his concern that developable, rail-serviceable land may be vanishing to other uses.

13. Seneca Nation of Indians Representation on STERA Board

There has been no movement on the appointment of a representative to the STERA Board by the Seneca Nation of Indians.

14. Compliance with NYS Public Authorities Accountability Act (PAAA) and Public Authorities Reform Act (PARA) and Other Statutory and Regulatory Requirements

Compliance Status – NYS ABO Training Requirements

Mr. Everetts noted that except for Mr. Gray, all STERA Board members and staff are in compliance with NYS ABO training requirements. Mr. Barnes noted that STERA can expect Steuben County to name a replacement for Mr. Corwin, and the replacement also will need to complete the ABO training.

New ABO Policy Guidance 20-01

Mr. Barnes noted that the ABO has published a new Policy Guidance, #20-01, which deals with ABO's enforcement powers, including warning, censure, suspension, and removal of Board members, officers, and staff for cause. He indicated that this guidance, and all of ABO's guidances, are posted on the STERA web site.

Discussion of Any Desired Policy Modifications

Mr. Everetts encouraged Board members to bring any desired policy modifications forward at any time of the year.

15. Other Old or Unfinished Business

There was no other old or unfinished business discussed at the meeting.

New Business

16. New Business

A. NYS DOT PFRAP NOFA

Mr. Barnes noted that in State fiscal year 2019, there was no Notice of Funding Availability (NOFA) for Passenger and Freight Rail Assistance Program (PFRAP) funds, which are the primary source of STERA's capital project funding. STERA had authorized application in 2019, and if a NOFA for PFRAP funds is issued in 2020, STERA will make application using the 2019 authorization. However, it is not clear that a PFRAP NOFA will be issued in 2020.

B. Other New Business

There was no other new business.

17. Public Comment

There was no public comment. Mr. Barnes noted that in STERA's press release to the media announcing the meeting, it was noted that the public could attend the Zoom meeting, and it indicated the method for contacting STERA to obtain Zoom meeting info for the meeting.

18. Next Meeting Date and Agenda for Next Meeting

The remaining regularly scheduled 2020 meeting of the STERA Board will be on October 19, 2020. Special meetings may also be called as needed. Unless otherwise amended, all meetings of the STERA

Board will be at 9:30 AM in the Conference Room in the office of the Southern Tier West Regional Planning and Development Board, 4039 Route 219, Suite 200, Salamanca, New York.

There will be an Audit Committee meeting immediately preceding each scheduled Board meeting. The Governance Committee and Executive Committee will meet as required. Additional special meetings of the committees may be called as needed during 2020. The meetings of the committees will be held at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

19. Adjournment

The meeting adjourned at 10:22 AM (McElfresh, Dixon, passing unanimously).

I certify that this is an accurate summary of the meeting of the Board of Directors of the Chautauqua, Cattaraugus, Allegany, and Steuben Southern Tier Extension Railroad Authority held on the date indicated above.

Name: Thomas M. Barnes
Office: Secretary
Date: June 15, 2020