



Chautauqua, Cattaraugus, Allegany and Steuben Counties

# Southern Tier Extension Railroad Authority

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“This institution is an equal opportunity organization.”

Frank “Jay” Gould, Chairman  
Richard Zink, Chief Executive Officer

## Minutes of Board of Director Meeting

**March 15, 2021**

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on March 15, 2021 via Zoom. The following persons were in attendance:

### Board Members In Attendance

Richard Cousins  
Jay Gould  
Jeff Gray  
James Griffin  
Brooke Harris  
Steve Havey  
Robert Keis  
Keri Kerper  
John Malter  
Earl McElfresh  
Jerry Scott

### Representing

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

### Board Members Not In Attendance

Rich Dixon  
Vacant

### Representing

Chautauqua County  
Seneca Nation of Indians

### Others Attending

Thomas Barnes  
Edward Bysiek  
Jesse Coats  
Ray Martel  
Kylie McLaughlin  
Richard Zink

### Representing

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

## **1. Call to Order and Introduction of Those Present**

Recognizing a quorum, Chairman Jay Gould called the meeting to order at 9:36 AM. Introductions were made of those present. Mr. Gould welcomed new member Keri Kerper.

## **2. Reading and Approval of the Minutes of the January 15, 2021 Meeting**

The Board adopted a resolution approving the minutes of the January 15, 2021 Board Meeting (Malter, McElfresh, passing unanimously).

## **3. Change in Order of Business**

The Board adopted a resolution approving a change in the order of business to allow for the presentation of the audit (McElfresh, Scott, passing unanimously).

## **4. Presentation of Audit**

Mr. Edward Bysiek of Bysiek CPA, PLLC presented the audit, including the management letter, for the year ending December 31, 2020, to the Audit Committee earlier that day.

Mr. Bysiek then presented the audit, including the management letter, for the year ending December 31, 2020, 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, 2020, or any compliance findings for the year ending December 31, 2020. After discussion, the Board adopted a resolution accepting the audit for the year ending December 31, 2020 and the accompanying management letter (McElfresh, Griffin, passing unanimously).

## **5. Communications**

A communication was received from the Clerk of the Chautauqua County Legislature indicating that its members were reappointed.

A communication was received from the Clerk of the Cattaraugus County Legislature indicating the reappointment of Richard Cousins and the appointment of Keri Kerper.

STERA received an email from Raymond Tylicki of Falconer NY on December 23, 2020 indicating that he was saddened to learn that the owners of the WNY&P did not cooperate with the passenger rail study done by Stone Consulting. He went on to say that as our region has fallen behind other regions, he requested that STERA either give WN&P either some incentives or penalties to cooperate so this we call enjoy commuter rail and green passenger trains. He indicated that the people own the railroad but can't enjoy it.

There were no other communications.

## **6. Treasurer's Report**

Mr. Zink presented the Treasurer's Report for February 28, 2021. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending February 28, 2021, STERA had a net income loss of \$258,152.52 on revenues of \$5,145.90. As of February 28, 2021, STERA had net assets of \$5,003,368.52 on assets of \$5,006,368.52, with a cash balance of \$64,938.63. Accounts payable as of February 28, 2021 were \$3,000.00, and accounts receivable as of February 28, 2021 were \$80,000.00. He discussed elements of the accounts receivable and grants receivable. The

Board adopted a resolution approving the Treasurer’s Report for February 28, 2021 (McElfresh, Cousins, passing unanimously).

The Board adopted a resolution approving the payment of the following two checks:

\$3,000 to Ed Bysiek for audit services  
\$20,000 to Southern Tier West for administrative services, representing the first payment due with \$5,000 to be due in October

(Harris, McElfresh, passing unanimously).

## **7. Reports of Committees**

### **A. Audit Committee**

The Audit Committee met earlier on March 15, 2021 and reviewed policies, reports, and the audit, and made recommendations to Board to approve them. It noted that it needs to meet twice each year. The Board adopted a resolution approving the audit committee report (McElfresh, Griffin, passing unanimously).

### **B. Executive Committee**

The Executive Committee met earlier on March 15, 2021. The Board adopted a resolution approving the executive committee report (McElfresh, Havey, passing unanimously).

### **C. Governance Committee**

The Governance Committee met earlier on March 15, 2021, and reviewed reports and policies and made recommendations to Board to approve them. The Board adopted a resolution approving the governance committee report (Scott, McElfresh, passing unanimously).

### **D. Approval of Reports and Policies**

At the recommendation of the various committees, the Board adopted a resolution approving all of the following reports listed below (Scott, Havey, passing unanimously).

Annual Report  
Audit Committee Charter Review Report  
Audit Committee Self-Evaluation Report  
Audit FYE Dec 31, 2020, including Audit Management Letter FYE Dec 31, 2020  
Authority Performance Self-Evaluation Report  
Board Member Attendance Report  
Board Performance Self-Evaluation Report  
Board Performance Self-Evaluation Report 2018 vs 2019 vs 2020  
Budget for 2021  
Compliance Report  
Effectiveness of Internal Controls Report  
Executive Committee Self-Evaluation Report

Financial Disclosure and Ethics Report  
Four-Year Financial Plan for 2021 to 2024  
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

In the absence of review and recommendations by the various committees, the Board adopted a resolution approving all of the authority policies listed below (Scott, Havey, 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

### **Old or Unfinished Business**

#### **8. Western New York Rail Corridor Passenger Initiative**

No update

## **9. 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 his report are:

- **Operations, Service Levels, and Freight:**
  - The northern tier of the **national rail system** is running smoothly, but WNYP's connecting railroads are reducing train service and connection frequency at interchanges. B&P haulage to Salamanca has been an issue in recent months.
  - Business currently expected to remain strong.
- **STERA Construction Projects:**
  - Although these STERA projects were discussed during Mr. Coat's report, they are reported on separately under item #9 in these minutes.
- **Punch list:** Mr. Coats described WNYP's punch list for projects.
- There was discussion regarding **industrial activity and rail activity in Allegany County**. Rail ready sites were discussed, as was Empire Cheese, Friendship Cheese, and Siemans in Wellsville.

The Board adopted a resolution approving Mr. Coat's report (Cousins, Kerper, passing unanimously).

Status reports on individual STERA projects, which were discussed during Mr. Coat's report, are provided below under item #9.

## **10. 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.

### **B. Active Projects:**

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

All work on the project has been completed. However, STERA has submitted a request to NYS DOT for a no-cost time extension through the end of 2019 to enable STERA to use unspent

project funds to rebuild the Clark Street grade crossing in Olean. STERA currently is awaiting NYS DOT documents approving the project deadline extension and the inclusion of this additional grade crossing rehabilitation in the project.

**STERA 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 will 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.

WNYP will install the rail, with contractors to weld it in place in 2019. WNYP is securing bids for welding contractors. This element of the project is planned to be completed in 2019.

The bridge component of the project began in 2018. Contractors are doing the bridge work. LC Whitford has completed two of the three Jamestown bridges (Buffalo Street and Main Street) and will complete the third (Foote Avenue) in 2019. All concrete work on the Wildwood Avenue (Salamanca) bridge was completed in November. The contractor will finish sealcoating when weather permits in the spring. This bridge encountered significant cost overruns due to concrete deterioration that was worse than anticipated.

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. Subsequently, WNYP and the City have been negotiating engineering requirements for the Queen Street fill and the pedestrian walk-through culvert. In early 2019, they came to agreement, engineering was developed, and STERA submitted a scope change request to NYS DOT, which is being evaluated as of the date of the meeting. As part of the process for approving a scope change, an administrative law judge hearing will have to be held. If approved early enough in the construction season, the Queen Street and Front Street bridge components potentially could be completed in 2019.

NYS DOT (John Camerota) still has not approved work on the completed bridges.

**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. NYS DOT has approved the specification of the security system and approved purchase from a specific vendor. The pole line installation is now complete. NYS

DOT has given the authority to proceed with installation of cameras and recording system, currently in process.

Because of significant bid cost overruns, the engine house components have been removed, and WNYP may ask STERA to approach NYS DOT for a change order for the unused project funds. STERA is awaiting WNYP proposals for such a change order. Previously the STERA Board had authorized either a change order request or a scope change, as required by NYS DOT, in this regard.

STERA is awaiting NYS DOT contract revisions. The project will be completed in 2021.

**STERA 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 and EBO issues.

The project was commenced in 2019 and should be completed in 2021.

WNYP is awaiting Bergman to prepare bid packets.

STERA must register in the NYS EBO system in order to comply with MWBE requirements.

**C. Proposed Projects**

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

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.

**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.

**11. 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.

**12. 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**

All STERA Board members and staff are in compliance with NYS ABO training requirements.

**Discussion of Any Desired Policy Modifications**

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

The Board indicated that Board members should undergo sexual harassment training. It was decided to survey Board members, and Board members who have not received the training should obtain it.

**13. Other Old or Unfinished Business**

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

**New Business**

**14. Authorization of Submission of Application to NYS DOT for PFRAP Funding**

Mr. Coats indicated that WNYP will not be asking STERA to make application to NYS DOT for grant funding for a rehabilitation project in the current funding round. Mr. Martel indicated that NYS DOT will fund only two railroads in a corporate structure, and LAL's priority is LAL and B&H. Additionally, WNYP already has too many projects underway. He indicated that John Camerota at NYS DOT has been slow in working on our projects, and STERA and WNYP need to push him.

**15. Appointment of Committee Members and Chairpersons**

Recognizing that resignations and new members require a rationalization of committee membership and leadership, Mr. Gould appointed the following members and chairpersons to STERA's committees, subject to Board approval:

**Executive Committee**

Jay Gould, Chairman  
James Griffin  
Steven Havey  
Robert Keis  
Keri Kerper  
John Malter  
Seneca Nation of Indians member

**Audit Committee**

James Griffin, Chairman  
Jay Gould  
Robert Keis  
John Malter  
Earl McElfresh

**Governance Committee**

Steven Havey, Chairman  
John Carbone  
Jeff Gray  
Keri Kerper  
Jerry Scott

**Nominating Committee**

Rich Dixon, Chairman  
Earl McElfresh  
Jerry Scott  
John Malter

The Board ratified these appointments (Cousins, Havey, passing unanimously). The Nominating Committee will come forward with a slate of Board and Corporate officers for election at the June Annual Meeting.

**16. Annual Ethics Form Filing**

Mr. Zink directed Board members to complete the filings and submit them to the Cattaraugus County Attorney's office. He indicated that he would transmit blank forms to those members who had not yet received them.

**17. Other New Business**

There was no new business discussed at the meeting.

**18. Public Comment**

There was no public comment.

