



Chautauqua, Cattaraugus, Allegany & Steuben Counties
Southern Tier Extension Railroad Authority
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"This institution is an equal opportunity organization"

Terry Everetts, Chairman
Richard Zink, Chief Executive Officer

GOVERNANCE COMMITTEE SELF-EVALUATION REPORT TO THE BOARD
on
GOVERNANCE COMMITTEE FUNCTIONS FOR CALENDAR YEAR 2015

Submitted March 7, 2016

1. Meetings

- **Notes:**
 - During 2015, the Governance Committee was scheduled to meet three times. The Committee met three times in 2014 on those scheduled dates, on March 9, 2015; June 15, 2015; and December 7, 2015.
 - 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.

2. Reporting to Board

- **Notes:**
 - The Committee reported out its actions and recommendations to the Board at the Board's March 9, 2015; June 15, 2015; and December 7, 2015 meetings, as required.
- **Deficiencies:**
 - None.
- **Recommendations:**
 - None.

3. Compliance

- **Notes:**
 - During 2015, the Committee complied with the Committee Charter and the Authority's bylaws.
 - During 2015, the Committee complied with NYS ABO, PAAA, and PARA requirements.
- **Deficiencies:**
 - None.

- **Recommendations:**

- None.

4. Committee Responsibilities With Respect to Authority Operations

- **Notes:** During 2015, the Committee reviewed and made recommendations to the Board regarding Authority operations, as follows:
 - On March 9, 2015, the Committee reviewed various issues relating to structure, governance, and operating activities.
 - On June 15, 2015, the Committee reviewed various issues relating to structure, governance, and operating activities, including:
 - Management Report - Financial Disclosure and Ethics Report June 2015
 - On December 7, 2015, the Committee reviewed various issues relating to structure, governance, and operating activities, including:
 - Code of Ethics Policy
- **Deficiencies:**
 - The Committee is responsible per its charter for reviewing and making recommendations to the Board regarding Authority operations, structure, including governance, and operating activities, as follows:
 - 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 also discusses 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.

These reviews and discussion were held at the scheduled March 9, 2015 Committee meeting.

- **Deficiencies:**
 - None
- **Recommendations:**
 - None.

5. Committee Responsibilities With Respect to Authority Policies

- **Notes:** Per its charter, the Committee is responsible to review and make recommendations to the Board regarding the approval or revision of Authority policies, as follows:

- 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

These reviews and discussion were held at the scheduled March 9, 2015 Committee meeting.

Additionally, in response to a new Recommended Practice issued by NYS ABO relating to conflict of interest policy provisions, the Committee met on December 7, 2015 and discussed revisions to the Authority's Code of Ethics Policy. The Committee made a recommendation to the Board that it approve the revised policy, which the Board did on December 7, 2015.

- **Deficiencies:**
 - None.
- **Recommendations:**
 - None.

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

- **Notes:**
 - Per its charter, in 2015, the Committee was responsible to review and make recommendations to the Board regarding the approval or revision of Authority reports, as follows:
 - Annual Report for the year ending December 31, 2014
 - Property Listing Report for the year ending December 31, 2014
 - Property Disposition Report for the year ending December 31, 2014
 - Procurement Report for the year ending December 31, 2014
 - Investment Report for the year ending December 31, 2014
 - Management Report on Financial Disclosure and Ethics Report

Performance Evaluation Processes and Reports

- Summary of Performance Evaluation Processes

- Organizational Self-Evaluation Report for the year ending December 31, 2014 using Measurement Standards per NYS ABO Policy Guidance 10-02
 - Organizational Compliance Evaluation Report for the year ending December 31, 2014
 - Organizational Assessment of the Effectiveness of Internal Controls for the year ending December 31, 2014
 - Board Self-Evaluation Report for the year ending December 31, 2014 per NYS ABO Policy Guidance 10-05
 - Board Member Attendance Evaluation Report for the year ending December 31, 2014
 - Governance Committee Self-Evaluation Report for the year ending December 31, 2014
 - Governance Committee Charter Review Report
 - Management (Corporate Officers) Evaluation Report for the year ending December 31, 2014
- The Committee reviewed all of the above reports on March 9, 2015, made a finding that the Authority was in compliance with all Authority policies, and recommended that the Board approve the above reports and submit the appropriate reports to the NYS ABO. The Board approved these reports on March 9, 2015, making a finding that the Authority was in compliance with all Authority policies, and submitted the appropriate reports to the NYS ABO prior to the March 31, 2015 submission deadline.
 - On June 15, 2015, the Committee reviewed and made recommendations to the Board regarding the following Authority report:
 - Management Report on Financial Disclosure and Ethics Report
- **Deficiencies:**
 - None.
 - **Recommendations:**
 - None.

7. Summary Self Evaluation of Governance Committee Functions During Calendar Year 2015

- **Successes**
 - The Committee complied with its functions as regards Board reporting and regulatory compliance.
- **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 March 7, 2016**

Thomas M. Barnes

Secretary

March 7, 2016

Date