



**Chautauqua, Cattaraugus, Allegany & Steuben Counties**

# **Southern Tier Extension Railroad Authority**

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**John Margeson, Chairman**

## **Governance Committee Report On Review of Governance Committee Charter**

**Submitted March 8, 2011**

The Governance Committee Charter is based on the Model Governance Committee Charter provided by the NYS ABO. Accordingly, the general structure and content of the Governance Committee Charter may be assumed to be compliant with New York State expectations for authority Governance committee charters. However, certain Governance of the Audit Committee Charter occasionally need to be revised to accommodate changing circumstances, new regulatory requirements, bylaw revisions, and organizational presentation. Additionally, the Governance Committee Charter currently provided that the Committee will review the Charter annually and make recommendations for revision to the Board.

The Governance Committee proposes that the STERA Board make the following changes to its Charter. These revisions bring the Charter in line with the STERA bylaws, NYS ABO regulations, and NYS law, and provide improved flow and structure of the document.

1. Revise formatting to a more uniform hierarchical structure without bullet lists. This will improve the ease of reading and the ability to cite sections and sub-sections without reference to bullet list items.
2. Update/change internal cross references to applicable sections of the STERA Bylaws, as the Bylaws had been amended since the original approval of the Governance Committee Charter, and the section references to the Bylaws had changed.
3. Include open meetings language.
4. Include language relating to required public notice and web site posting of meeting agendas and minutes.
5. Delete language permitting members to be present by telephone or videoconference. (However, videoconference apparently is still permitted, provided there is an opportunity for the public to participate in the videoconference; practically, STERA does not use the videoconference route to meetings, and has repeatedly explicitly stated its strong preference for in-person meetings of the full Board instead of teleconference or Executive Committee meetings. STERA has an attorney's opinion that members of committees or the Board may participate by "other means such as teleconference, however, such member would not count for quorum or voting purposes.")

6. Provide for the election of an acting chairman for a given meeting should the Chairman be absent.
7. Per Article VII, Section 4 of STERA's Bylaws, the revised Governance Committee Charter will now indicate that the Committee shall have the power to act by a majority of the whole number of voting members of the Committee (i.e., currently these means a requirement that two of the three members minimum must support a resolution for it to carry). The previous language provided that the Governance Committee could act on the affirmative vote of a majority of the members at a meeting or by unanimous consent.
8. Per Article VII, Section 4 of STERA's Bylaws, the revised Governance Committee Charter will now indicate that at all Governance Committee meetings of the Corporation, a majority of the voting members of the Governance Committee shall constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn to some other time or until the quorum is obtained. Previously, the Governance Committee Charter did not require a quorum for the Committee to do business, though this is required by STERA's bylaws.
9. Include language providing that the STERA Board may invite other individuals, such as members of management or technical governance experts to attend Governance Committee meetings and provide pertinent information, as necessary. Previously this authority was provided explicitly only to the Governance Committee itself.