



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

## **Southern Tier Extension Railroad Authority**

Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779  
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**"This institution is an equal opportunity organization"**  
**John Margeson, Chairman**

### **MINUTES – November 19, 2007**

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on November 19, 2007 in the conference room of the offices 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**

Joseph Eade  
Terry Everetts  
James Griffin  
Karl Kruger  
John Margeson

#### **Representing**

Cattaraugus County  
Cattaraugus County  
Steuben County  
Allegany County  
Allegany County

#### **Board Members Not In Attendance**

Seth Corwin  
William Daly  
Thomas Livak  
Fran Lus  
Timothy O'Grady  
Robert Walrod  
Lucille White  
Vacant  
Vacant

Steuben County  
Chautauqua County  
Cattaraugus County  
Chautauqua County  
Allegany County  
Chautauqua County  
Southern Tier West RPDB  
Seneca Nation of Indians  
Steuben County

#### **Others Attending**

Robert Badger  
Thomas Barnes  
Carl Belke  
William Burt  
Robert Iszard  
Sharon Turano  
Richard Zink

#### **Representing**

Clough Harbour & Associates LLOP  
Southern Tier West  
WNYP  
WNYP  
NYS ESD  
Buffalo News  
Southern Tier West

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

Chairman John Margeson called the meeting to order at 9:40 AM. Mr. Margeson welcomed all who were present. Following this, introductions were made of those present.. Mr. Margeson noted that a quorum was not present, so that business could not be transacted.

### **Quorum By Poll from November 19, 2007 Meeting**

Mr. Barnes noted that per the Bylaws, the Board at its November 19, 2007 had approved a quorum by poll of members for all business transacted at that meeting. This quorum by poll had not occurred, as it was decided to bring all matters to the full Board at the November 19, 2007 meeting.

### **December 2007 Meeting / Attendance Policy / Regularly Scheduled Meetings**

As there was no quorum for ratifying these prior votes or for doing business, Mr. Margeson indicated that STERA would schedule a meeting during the week of December 3, 2007, and directed Mr. Barnes to determine the best date for the scheduling of the meeting by contacting all members individually and surveying them as to their availability. After discussion, the members present indicated that they might wish to discuss an attendance policy. There was a sense that it might be desirable to move to holding quarterly meetings, perhaps on the third Mondays of January, April, July and October, augmented by other meetings to be scheduled as needed.

### **Approval of September 17, 2007 Meeting Minutes**

In the absence of a quorum, Mr. Margeson waived the reading of the minutes from the September 17, 2007 meeting until the December 2007 meeting.

### **Bills and Communications**

There was no correspondence, other than that noted later in the meeting.

### **Treasurer's Report**

Mr. Zink, STERA Treasurer, provided a Treasurer's Report for the period ending October 31, 2007. The income statement for the period January 1, 2007 through October 31, 2007 indicated a net income of \$13,164.25 on revenues of \$1,677,227.64. As of October 31, 2007, STERA had total assets of \$7,356,419 (including a cash balance of \$13,181) and liabilities of \$14,192, resulting in a net worth of \$7,342,228. A quorum was not present to adopt a resolution approving the Treasurer's Report.

Mr. Zink made a presentation regarding the proposed STERA budget for 2008. A quorum was not present to adopt a resolution approving the budget and authorizing its submission to New York State.

### **Reports of Committees**

#### **Audit Committee**

Mr. Kruger and Mr. Griffin noted that this Committee met, and met with a representative of the proposed auditing firm, Lloyd and Company, prior to the Board meeting. The Committee recommends the engagement of Lloyd and Company for the audit for the year ending December 31, 2006, based on the competitive selection of Lloyd and Company by the affiliate unit of local government Southern Tier West Regional Planning and Development Board for its audit. The Committee also recommends that STERA issue an RFP for audit services for the 2007 audit. Mr. Margeson asked the Committee to convene in January 2008.

## **Governance Committee**

This Committee has not met. Mr. Margeson asked the Committee to convene in January 2008.

## **Unfinished Business**

### **Operating Status and Current and Proposed Rehabilitation Projects**

#### **Operating Status – Southern Tier Extension and Buffalo Line**

Mr. Burt provided an update regarding operations of the Southern Tier Extension and Buffalo Lines.

Burt noted that Carl Belke has been made Chief Operating Officer, responsible for mechanicals, engineering, and operations. Burt has become responsible for finance, marketing, and grantsmanship. The two lines (east-west and north-south) have been integrated as a single railroad. The Olean yard is now the railroad's hub, where sorting and classification are done.

Burt noted that the north-south line has brought new business to the railroad, including sand for glassmaking businesses. He discussed coal traffic from Emporium to Jamestown. He discussed train movement from Driftwood PA to Olean NY to Hornell NY, using the recently constructed Hornell NY interchange with NS. The eastern end of the line now will see NS coal trains, more local service, and alternating date trains. The western end takes increased train flow from Meadville, replacing the train flow from Buffalo, increasing the service frequency between Olean and Meadville. One constraint has been acquiring an adequate number of locomotives. WNYP temporarily has leased several locomotives to address this issue.

#### **Interim PILOT Payments on Buffalo Line**

The Board noted that the agreement with Norfolk Southern on the Buffalo Line provided that Norfolk Southern would pay a first year transitional payment to the affected taxing jurisdictions in the amount of \$165,000, with \$20,000 due in the spring of 2007, \$95,000 due in July 2007 and the balance (\$55,000) due in January 2008. Mr. Zink indicated that STERA had invoiced this amount to Norfolk Southern, and would develop the historically-based pro rata formula for distributing the funds to the taxing jurisdictions.

#### **Current Rehabilitation Projects**

Mr. Burt noted that the 2006 construction contract is nearing completion with respect to welded rail installation. Final inspection was scheduled for November 20, 2007. He discussed installation locations, and tie and surface work.

#### **Engineering Services Contract**

Mr. Barnes reprised the WNYP analysis of the remaining contractual work on the 2006 project, including the funds to be appended from the multimodal programs. He noted that Mr. Belke had indicated that there was need for Clough Harbour (CHA) engineering

services. Mr. Barnes noted that in September 2007, STERA had decided to acquire these services from CHA directly through an amendment of the contract, an Extra Work Authorization. He provided copies of such a proposal from CHA for the Board to review. Mr. Robert Badger from CHA was present to answer questions.

Citing the need to enter into Executive Session to discuss a contract, the STERA Board adopted a motion to enter into Executive Session (Griffin, Eade, passing unanimously).

Thereafter, the STERA Board adopted a motion to enter back into the regular meeting from Executive Session (Eade, Kruger, passing unanimously).

Mr. Margeson noted that there was significant discussion of CHA's work done to date and of the proposal. A quorum was not present to adopt a resolution approving the execution of the Extra Work Authorization.

#### **Multimodal Program Projects**

Burt noted that next on the agenda is the Multimodal project (\$1.5 million NYS DOT grant, assisted by Senator Young), which will involve tie and surface work in the Cuba and Olean areas. Also anticipated is additional Multimodal project (\$235,000 NYS DOT grant, assisted by Assemblyman Parment), which will involve work in the Jamestown area.

Burt noted that there is similar work planned for Pennsylvania portions of the line.

#### **Proposed NYS Bond Act Project**

Burt reported that NYS DOT has denied the requested STERA \$4.5 million and WNYP \$500,000 Bond Act requests. This would have funded additional tie and surface work. These funds were instead allocated to Class 1 railroads for their rehabilitation needs.

#### **Potential Rehabilitation Projects**

Mr. Burt indicated that WNYP has determined that there are two bridges needing rehabilitation, amounting to a \$1.2 million grant request from NYS DOT. He indicated that WNYP would like to do this work over the next year.

#### **Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status**

Mr. Barnes noted that Southern Tier West's project steering committee is awaiting re-submission of a draft report on feasibility and site selection by the consultant, and its approval by NYS DOT, before moving forward to address the project publicly.

#### **Cattaraugus County (Randolph) Remediation Project Status**

Mr., Barnes noted that he had spoken to Pete Gorton of Panamerican Environmental, consultant for Cattaraugus County, who had indicated that the County is negotiating with NYS DEC for a final work plan, but expects that the demolition portion of the project will be completed by summer's end. Following that, the County will investigate the site, including the building foot print, for contamination. The project may stretch into 2008.

## **NYS Public Authorities Accountability Act (PAAA) Compliance**

### **STERA Policies**

Mr. Margeson reminded members that STERA encourages comments on and suggested revisions to the organizational policies, so as to improve organization effectiveness and PAAA compliance.

### **Annual Conflict of Interest and Financial Disclosure Compliance Forms**

Mr. Barnes distributed the Annual Conflict of Interest and Financial Disclosure Statement Form, and indicated that these needed to be completed and transmitted to Cattaraugus County in early December 2007. A number of members completed the form and provided it to Mr. Barnes for transmission.

### **Board Training**

Mr. Margeson reminded members that each member must complete NYS ABO's PAAA compliance training sessions. There was a discussion regarding the possibility that certain longer-serving Board members may be grandfathered from being required to take the PAAA compliance training.

### **Public Authorities Reporting Information System (PARIS)**

Mr. Barnes noted that the State has now instituted PARIS, a web-based system for submitting financial and other reports.

### **Other Old Business**

There was no other Old Business.

### **New Business**

#### **NYS DOT - Southern Tier West Contract: Regional Transportation Plan Project**

Mr. Barnes noted that NYS DOT has given Southern Tier West a two year contract to prepare a regional transportation system plan for the three counties, including rail, highway, aviation, and public transit. Southern Tier West has begun to contact County DPW's and Planning Departments to begin a process of obtaining data and input into this comprehensive planning process. Southern Tier West will include STERA and WNYP in its process as planning partners.

#### **Jamestown Urban Design Plan**

Mr. Margeson indicated that he had sent a letter to the City of Jamestown requesting that STERA and WNYP be formally involved in the planning process for the Urban Design Plan prior to its adoption. Mr. Barnes reported that he had spoken with Steve Centi, director of development for the City, who had indicated that the plan already has been adopted. He offered to have a representative come to a future STERA meeting and make a presentation on the plan.

### **Other New Business**

There was no other New Business.

**Public Comment**

There was no public comment.

**Next Meeting Date and Agenda for Next Meeting**

Mr. Margeson noted that the Authority full Board would meet during the week of December 3, 2007 at 9:30 AM to do business, and directed Mr. Barnes to survey members so as to determine the date at which attendance would be maximized.

**Adjournment**

The Board adopted a resolution to adjourn at 11:50 AM (Kruger, Everetts, passing unanimously).

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

Name: \_\_\_\_\_

Office: \_\_\_\_\_

Date: \_\_\_\_\_