



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"
John Margeson, Chairman

MINUTES – October 14, 2008

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:35 AM on October 14, 2008 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

Seth Corwin
Joseph Eade
Terry Everetts
Jay Gould
James Griffin
Timothy O'Grady
Thomas Ryan

Representing

Steuben County
Cattaraugus County
Cattaraugus County
Chautauqua County
Steuben County
Allegany County
Steuben County

Board Members Not In Attendance

William Daly
Karl Kruger
John Margeson
Lucille White
Vacant
Vacant
Vacant

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

Others Attending

Thomas Barnes
William Burt
Robert Iszard
Brian Paschen
Donald Rychnowski
Sharon Turano
Richard Zink

Representing

Southern Tier West
General Public
New York State Empire State Development
Southern Tier West
Southern Tier West
Jamestown Post Journal
Southern Tier West

Call to Order and Introduction of Those Present

In the absence of Chairman John Margeson, Vice Chairman Joseph Eade called the meeting to order at 9:45 AM. Mr. Eade welcomed all who were present. He asked that all present identify themselves for the record.

Mr. Eade noted that there still are three vacancies on the Board, with appointments needed from Cattaraugus County, Chautauqua County, and the Seneca Nation of Indians.

Reading and Approval of the Minutes of the August 18, 2008 Meeting

The Board adopted a resolution waiving the reading of minutes of the August 18, 2008 Meeting of the Board until the next meeting (Griffin, Corwin, passing unanimously).

Bills and Communications

Mr. Zink also noted that STERA had received bills from Buffamante Whipple Buttafaro in the amount of \$1,000 for the audit presented at the last meeting.

Mr. Zink also noted that STERA had received a quote on Directors and Officers insurance from the Hayes Company of Washington DC, in the amount of \$6,444, for \$1,000,000 of liability with a \$10,000 retention (alternate quote: \$2,000,000 liability, \$11,579). The current liability insurance expires October 31, 2008. The STERA Board approved procuring this insurance with coverage at the \$1 million liability level (Everetts, Ryan, passing unanimously).

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

Treasurer's Report

Mr. Zink, STERA Treasurer, distributed a Treasurer's Report for September 30, 2008. For the nine months ending September 30, 2008, STERA had a net income of \$12,550.08 on revenues of \$287,031.56. As of September 30, 2008, STERA has a net worth of \$7,916,613 on assets of \$7,917,613.

The STERA Board accepted the Treasurer's Report (Gould, Corwin, passing unanimously).

Mr. Zink presented a draft budget for STERA for the next fiscal (calendar) year beginning January 1, 2009. The Board noted that the Audit Committee had reviewed and recommended that the STERA Board approve the budget as proposed. The STERA Board adopted the budget as presented, based on the recommendation of the Audit Committee (Griffin, Gould, passing unanimously).

Reports of Committees

Audit Committee

Committee Chairman James Griffin noted that the Committee had met immediately prior to the STERA Board meeting. The meeting was properly noticed and open to the public. He indicated that the Committee had approved minutes of the February 12, 2008; April 21, 2008; and May 19, 2008 meetings.

He noted that the Committee had discussed the draft budget for the next fiscal (calendar) year beginning January 1, 2009, and recommended to the Board that it approve the budget as submitted.

He noted that the Committee had discussed management of construction funds, and had agreed with Mr. Zink regarding procedures for management of construction funds.

Governance Committee

Committee Chairman Joseph Eade noted that the Committee had met immediately prior to the STERA Board meeting. The meeting was properly noticed and open to the public. He indicated that the Committee had approved minutes of the February 12, 2008; April 21, 2008; and May 19, 2008 meetings.

The Committee had reviewed and discussed a PAAA compliance report prepared by Mr. Barnes, which was shared with and discussed by the STERA Board.

The Committee noted that NYS ABO requires that authorities adopt a records retention policy. Mr. Eade noted that the Committee had adopted a resolution recommending that the STERA Board adopt the NYS ABO policies relating to retention of certain records and reports, as provided in Policy Guidance 07-04. The Board approved the adoption of the NYS ABO policies relating to the schedule for retention of certain records and reports, as provided in Policy Guidance 07-04 (Daly, Corwin, passing unanimously).

The Committee noted that NYS ABO requires an annual review and adoption of the investment policy. A copy of STERA's Investment Policy was distributed to the Board. Mr. Eade directed the Committee to review the policy and make recommendations at the October 2008 meeting.

The Committee noted that NYS ABO requires an annual review and adoption of the standards of conduct policy, and an annual internal control assessment process. Mr. Eade noted that the Committee, as part of its work program, will be undertaking these reviews through the balance of the year.

Unfinished Business

WNYP Report (report by Carl Belke, WNYP RR)

Operating Status

In the absence of Carl Belke, Mr. Barnes noted that Mr. Belke had indicated to him that the WNYP is coming up to speed under the new management team. He summarized operations on both lines, discussed equipment acquisitions, and recent hiring.

Rehabilitation Projects

Mr. Zink noted that the \$500,000 rehabilitation project funded using multimodal funds secured through Assemblyman Parment was progressing well, and was projected to be completed in December. He also noted that the rehabilitation project funded using

multimodal funds secured through Senator Young was almost completed. Mr. Barnes also noted that WNYP has done some paving at the grade crossing in Kennedy.

NYS DOS Multimodal Funding Program, Renew & Rebuild NY Bond Program, and NYS DOT Passenger & Freight Rail Assistance Program

Mr. Barnes noted that STERA had submitted an application to NYS DOT in the amount of \$805,408 for rehabilitation of four bridges. If it decides to fund the request, NYS DOT will indicate which program it will fund the project. After discussion, the STERA Board adopted a resolution declaring itself lead agent for SEQR review of the project, making a finding that inasmuch as the project is a repair project, the project would pose no significant adverse environmental impact, and thereby issuing a negative declaration for the project (Griffin, Corwin).

Dawson Grade Crossing

There has been additional communication from Mr. Dawson to Mr. Daly requesting that STERA do something about this grade crossing. The Board discussed this issue again, and again noted that this is not a STERA issue. The appropriate public response would be for either the County, the City, or the IDA to take title to the road, and then seek NYS DOT funding for the grade crossing. The Board directed that Mr. Daly was to be notified of this response.

Elimination of Hazards Relating to Railway-Highway Crossings Program

Mr. Barnes noted that he has been researching the availability of rehabilitation funding under this program. NYS DOT has indicated that these are grade crossing funds that NYSDOT receives from FHWA. NYS DOT apportions these funds to its regional offices to mitigate the highest risk grade crossings in each region. The FHWA requires that the apportionment of these funds be based on risk. NYS DOT does not solicit project applications for this program. Instead, its Regional Rail Coordinators work with the railroads in each region and the Grade Crossing safety section to identify the highest risk crossings and potential mitigation strategies. NYS DOT was unclear whether any crossings in our region would qualify. After discussion, the STERA Board authorized an application for these funds (Griffin, Everetts).

SAFETEA-LU Reauthorization

Mr. Rychnowski indicated that he had requested that \$15 million be included in the reauthorization for rehabilitation of STERA railroad lines. He noted also that under the current situation, he doubted that State funding could be obtained.

NYS Public Authorities Accountability Act (PAAA) Compliance

Discussion of Any Desired Policy Modifications

STERA encourages comments on and suggested revisions to the organizational policies, so as to improve organizational effectiveness and PAAA compliance.

Training Sessions

Each member must complete NYS ABO's PAAA compliance training sessions. Mr. Barnes indicated that he had emailed training materials and informational materials to Mr. Gould and Mr. Ryan. There will be new members named to take Mr. Livak's and Mr. Walrod's places.

Mr. Barnes noted that Mr. Daly was setting up a training session with George Craig of Hodgson Russ. It had been agreed by the STERA Board that Mr. Daly would ask Mr. Craig for the fee that he would require, and Mr. Barnes would coordinate attempting to find other authorities and IDA's in western New York that would need training, so that the cost could be spread over a greater number of trainees. Mr. Daly has not yet reported to Mr. Barnes on his findings.

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

Brian Paschen provided an update on this planning project. Mr. Belke had agreed to participate in the transportation planning project.

NYS Railroad Plan

The Board discussed this State planning process, which has resulted in a draft plan for the State railroad system that does not give much emphasis to the Southern Tier Extension or Buffalo lines. The Board directed that NYS DOT be contacted and encouraged to include more emphasis on these two important lines, their ability to spur economic development, the need to encourage more traffic onto these lines, and the need for expanded funding assistance to rehabilitation and development efforts in this regard.

Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status

Mr. Barnes noted that since the summer of 2007, Southern Tier West, its consultant and NYS DOT have been working at revising a draft feasibility study report that the consultant had prepared for NYS DOT. NYS DOT has indicated to Southern Tier West that the report still needs additional revision. Southern Tier West hopes to address these promptly and proceed to site designation, public announcement of the proposed site, preliminary engineering, and development of a strategic development plan. He noted that Southern Tier West would like to work with the counties on developing the non-selected sites for other rail-related and non-rail-related development.

Cattaraugus County (Randolph) Remediation Project Status

No update.

Other Old Business

There was no other Old Business.

New Business

There was no new business.

Public Comment

There was no public comment.

Next Meeting Date and Agenda for Next Meeting

Mr. Eade noted that the Audit Committee and Governance Committee each may meet before the next Board meeting to discuss appropriate matters. The Audit Committee also may meet at an additional meeting or meeting related to audit issues.

Mr. Eade noted that the Authority full Board had been tentatively scheduled to meet on November 17, 2008 at 9:30 AM at the office of the Southern Tier West Regional Planning and Development Board, its regularly scheduled quarterly business meeting. However, there was consensus that there was not a need for such a meeting so close to the October meeting, and the Board decided to hold the next meeting of the Board on either December 1 or December 15, the date to be chosen based on Carl Belke's availability.

Adjournment

The Board adopted a resolution to adjourn at 11:45 AM (Ryan, Corwin, 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: _____