



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 – December 10, 2009

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 3:00 PM on December 10, 2009 in the Conference Room in the office of the Western New York and Pennsylvania Railroad, 3146 Constitution Avenue, Allegany, New York. The following persons were in attendance:

Board Members In Attendance

Michael Brisky
James Cooper
Seth Corwin
William Daly
Joseph Eade
Terry Everetts
Jay Gould
John Margeson
Timothy O'Grady
Thomas Ryan

Representing

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

Board Members Not In Attendance

James Griffin
Karl Kruger
Mark Wilcox
Vacant

Representing

Steuben County
Allegany County
Chautauqua County
Seneca Nation of Indians

Others Attending

Thomas Barnes
Carl Belke
Eugene Blabey
William Burt
Ray Martel
Brian Paschen
Donald Rychnowski
Richard Zink

Representing

Southern Tier West RPDB
WNYP RR
WNYP RR
General Public
WNYP RR
Southern Tier West RPDB
Southern Tier West RPDB
Southern Tier West RPDB

Call to Order and Introduction of Those Present

Chairman John Margeson called the meeting to order at 3:00 PM. He thanked WNYP for hosting the meeting. Introductions were made of those present. Mr. Margeson noted that in October, there wasn't a quorum for the meeting, so the members present held an informal meeting, with all business that had needed to be transacted dealt with through informal agreement by the Board members present, with ratification at the next (December 2009) STERA Board meeting.

Reading and Approval of the Minutes of the August 17, 2009 Meeting

The Board adopted a resolution approving the minutes of the August 17, 2009 meeting of the Board (Corwin, Ryan, passing unanimously).

Reading and Approval of the Minutes of the October 19, 2009 Meeting

The Board adopted a resolution approving the minutes of the October 19, 2009 meeting of the Board (Gould, Corwin, passing unanimously).

Bills and Communications

There were three communications received, as follows:

There was a letter from David Szymanski of NYS DEC dated November 4, 2009, indicating that NYS DEC would be exercising its statutory right to enter STERA's property at the former Van Der Horst Plant #1 Site on Vine Street in Olean for the purpose of sampling existing groundwater monitoring wells for chemical analysis.

There was a letter from Francis P/ Cirillo of NYS DOT dated October 22, 2009 transmitting a Notice of Appropriation for a parcel in Randolph to which STERA is in title. The letter indicates that STERA has three years to file a claim in the NYS Court of Claims for this appropriation. Mr. Belke noted that Norfolk Southern is evaluating this appropriation.

Eastern Abstract had contacted STERA by telephone regarding historical ownership issues of the bridge at West Second Street and Sprague in Jamestown, relating to permission to move forward with road repairs. STERA and Southern Tier West staff had attempted to research historical ownership, to no avail. Mr. Belke indicated that Eastern Abstract also had contacted WNYP for the same purpose, and he had indicated that if anyone would be able to shed light on these historical ownership issues, it would be Norfolk Southern, but that he did not expect that this would be a high priority for Norfolk Southern to research.

There were no bills or other correspondence, other than that noted later in the meeting.

Treasurer's Report

October 1, 2009 Treasurer's Report

The Board adopted a resolution approving the Treasurer's Report as amended for the period ending October 1, 2009 (Everetts, Eade, passing unanimously).

Directors and Officers Insurance

The Board adopted a resolution ratifying the execution of the contract with the Hays Company of Washington, D.C., for Directors and Officers insurance in the amount of \$5,600, which the Board had informally directed to be executed at the October 19, 2009 informal meeting (Brisky, Corwin, passing unanimously). STERA's insurance broker had obtained competitive bids on behalf of STERA.

2010 Budget

The Board adopted a resolution ratifying the approval and authorization of submission to NYS ABO of the 2010 Budget, which had been directed by the Board at the October 19, 2009 informal meeting (Eade, Corwin, passing unanimously).

Payment to Southern Tier West for Administrative Services

After discussion, the Board adopted a resolution approving payment to Southern Tier West RPDB in the amount of \$10,000 per year on a regular and ongoing basis, for administrative and staffing services provided to STERA in support of STERA corporate operations, provided that when STERA receives funding (e.g., construction grants, etc.), STERA will pay 2% of the funding amount to Southern Tier West for services related to the administration of the funds, and in any year in which the 2% payment is made to Southern Tier West, if this amount is greater than the \$10,000 ongoing payment, then STERA will not pay Southern Tier West the separate \$10,000 regular ongoing payment for administrative services in that year in which the 2% payment is paid to Southern Tier West (Eade, Brisky, passing unanimously).

December 1, 2009 Treasurer's Report

Mr. Zink, STERA Treasurer, distributed a Treasurer's Report for December 1, 2009. For the ten months ending November 30, 2009, STERA had a net income of \$45,374.65 on revenues of \$226,192.00. As of December 1, 2009, STERA had a net worth of \$8,418,164 on assets of \$8,419,785, with a cash balance of \$56,709. The Board adopted a resolution approving the Treasurer's Report as amended for the period ending December 1, 2009 (Cooper, Eade, passing unanimously).

The STERA Board also authorized the payment of two bills (Everett, O'Grady, passing unanimously).

Amendment of Contract and Procurement Policy

After discussion, the Board adopted an amendment to the Contract and Procurement Policy allowing the Chief Executive Officer to authorize payments by the Treasurer, with checks counter-signed by the Chairman, for purchase of goods and services in amounts up to \$500 without the approval of the Board (Cooper, Daly, passing unanimously). Staff will provide the amended Contract and Procurement Policy for the Board's review at the next meeting.

Audit

There was discussion regarding changing the auditor, and how audit service procurement should proceed to be in compliance with STERA Contract and Procurement Policy, with PAAA, and with possible new PAAA requirements regarding procurement. After discussion,

the STERA Board approved procuring audit services based upon quotes from at least three firms, with firms receiving the request for quote being provided by STERA Board members (Cooper, Daly, passing unanimously). Staff was directed to check with NYS ABO regarding potential new PAAA requirements in this regard.

Reports of Committees

Audit Committee

The Audit Committee did not meet.

Governance Committee

The Governance Committee did not meet.

The Board directed that staff should research the recent PAAA revision. Mr. Daly and Mr. Brisky indicated that they would help obtain the new PAAA language.

Unfinished Business

WNYP Report

Carl Belke, President & Chief Operating Officer of the WNYP RR, provided a detailed Management Report to the STERA Board. The Management Report covered the areas of Safety, Financial Status of WNYP RR, Operations and Customer Service, Marketing and Freight Business, Mechanical Issues, Engineering and Maintenance of Way, Bridges and Culverts, Signals and Communication, and Other Projects.

He noted that the locomotive shop is now in service at the Olean yard. WNYP will be closing a grade crossing at May Road in Steamburg, and will be replacing the Sherlock Hollow bridge in Hinsdale with a grade crossing. He also noted that the Jamestown storefronts on the west side of the Main Street bridge have been demolished, but that demolition on the east side has not yet begun.

Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status

Awards for the TIGER program are scheduled to be announced in January 2010.

The STERA Board authorized submitting a letter to Assemblyman Parment and Senator Young requesting design funds through a member's item (Cooper, Everetts, passing unanimously).

The Truck-Rail Multi-Modal Freight Facility (Transload Facility) Study is downloadable from the Southern Tier West web site. Southern Tier West has met with the City of Olean, which is in favor of the project moving forward, and intends to meet with the new Mayor of Olean on the project.

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

Several current members had not yet completed NYS ABO's PAAA compliance training sessions. Mr. Zink will contact Cattaraugus County IDA to determine whether the IDA will sponsor a training session that STERA Board members can attend.

Randolph Foundry Project

Mr. Barnes reported that he had been contacted by NYS DEC project manager Eugene Melnyk, who had indicated that the project was nearing completion and that NYS DEC planned to issue a certificate of completion on the project and recommend no additional action be taken, provided that three things occur:

1. STERA must file an environmental easement for the railroad right of way parcel.
2. Cattaraugus County must file an environmental easement for the foundry parcel.
3. The Village of Randolph must change the zoning of the foundry parcel from residential to commercial.

The STERA easement's language would involve restricting the future use of the land to commercial uses in the future, i.e., no residential uses, no water wells, no gardens in the railroad right of way, etc.

NYS DEC will transmit a model environmental easement to STERA, and STERA will work with WNYP to develop an acceptable easement, possibly in concert with Cattaraugus County. The STERA Board would have to pass a resolution authorizing the easement, with WNYP's prior concurrence to the language of the easement.

(Prior to filing the easements - i.e., before STERA approves the easement - a NYS DEC attorney will have to approve the language of the easements. However, this should be workable, as STERA and WNYP - and the County, for the foundry parcel - would be working from model language provided by NYS DEC.)

NYS DEC also indicated that there is some contaminated foundry sand that is spread along the railroad right of way, but NYS DEC feels that this sand does not pose a public health risk if this easement is filed and no residential use (i.e., no water wells, etc.) occurs, which it will not as the railroad right of way is dedicated to and limited to railroad operations.

(In the future, if the railroad operations were to cease and if someone wanted to develop the railroad right of way as residential, then the parcel could be re-zoned and this residential development could occur with additional testing / remediation and NYS DEC concurrence. This is not a likely scenario, but it is a scenario that NYS DEC discussed.)

The Board directed that a draft environmental easement be prepared in conjunction with WNYP, and possibly with Cattaraugus County, based on the NYS DEC model language, for review and approval and authorization of filing, subject to NYS DEC approval, by the STERA Board (Eade, Ryan, passing unanimously).

Request for Acquisition of Landlocked Olean Parcels

Mr. Belke indicated that Norfolk Southern has been informed of this request, but that it is a low priority for Norfolk Southern.

Siding in Hornell

Mr. Belke indicated that WNYP is discussing a lease of the “loop” track with Norfolk Southern, but that it is a low priority for Norfolk Southern.

Other Unfinished Business

There was no other Unfinished Business.

New Business

Corporate Officers

Mr. Rychnowski noted that he is retiring at the end of December, and would be leaving his post as CEO / Executive Director of STERA. The Board discussed the Board and Corporate officer positions, and noted that an Annual Meeting had not been held in 2009.

Mr. Barnes noted that he has an email from Robert Ryan of Harris Beach indicating that the same person could be both CEO and Treasurer. After discussion, the STERA Board elected Richard Zink CEO (Executive Director) and Treasurer of STERA as of January 1, 2010, to hold both positions until the May 2010 STERA Annual Meeting (Daly, Eade, passing unanimously).

The STERA Board adopted a resolution appointing Thomas Barnes Corporate Secretary of STERA (Daly, Everetts, passing unanimously).

At the May 19, 2008 Annual Meeting, STERA had elected the following Board officers:

Chairman	John Margeson
Vice Chairman	Joseph Eade
Second Vice Chairman	James Griffin

These Board officers remain in these offices until the next Annual Meeting.

As of January 1, 2010, STERA’s Corporate officers are as follows:

CEO (Executive Director)	Richard Zink
CFO (Treasurer)	Richard Zink
Secretary	Thomas Barnes

As to the distinction between Board and Corporate officers, it was noted that STERA attorney Harris Beach previously had outlined explicitly the PAAA requirements for Board and Corporate officers, and that the structure above had been recommended by Harris Beach and accordingly had been incorporated into STERA's Bylaws.

The Board adopted a resolution authorizing Mr. Zink, Mr. Margeson, Mr. Eade, and Mr. Griffin to execute documents and sign and counter-sign checks, and to execute signature cards for corporate bank accounts for this purpose (Daly, Eade, passing unanimously).

Site Development Project

Mr. Barnes noted that Southern Tier West intends to work with Chautauqua, Cattaraugus, and Allegany Counties and with the Seneca Nation of Indians to promote the development of business development sites along the east-west and north-south railroads.

Other New Business

There was no other New Business.

Public Comment

There was no public comment.

Next Meeting Date and Agenda for Next Meeting

Meeting Date Policy

In December 2007, the STERA Board adopted a resolution to meet quarterly, with other meetings as needed. The quarterly meetings were to be held at 9:30 AM on the third Monday of the month beginning with February. In the past, as President's Day is a legal holiday on the third Monday of the month, the Board had met on the second Tuesday in February. This is true again in 2010. After discussion, the Board agreed to hold the 2010 quarterly meetings of the STERA Board on February 9, May 17, September 20, and November 15.

The STERA Board agreed to next meet per the schedule on February 9, 2010 in the conference room of the Southern Tier West Regional Planning and Development Board in Salamanca, New York. The Audit Committee and Governance Committee each might meet immediately before the next Board meeting if necessary to discuss appropriate matters. Each Committee also may meet at an additional meeting or meeting as needed.

Congratulations and Thanks to Mr. Rychnowski

Mr. Margeson, speaking for the Board, congratulated Mr. Rychnowski on his upcoming retirement, wished him well, and thanked him for his service to STERA and the member counties with respect to rail and transportation issues.

Adjournment

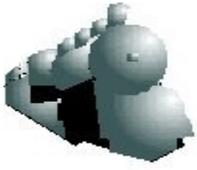
The meeting adjourned at 4:45 PM (Eade, Corwin, passing unanimously).

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

Name: _____

Office: _____

Date: _____



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RESOLUTION

WHEREAS, on December 10, 2009, the Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Counties Southern Tier Extension Railroad Authority elected Richard Zink to be Chief Executive Officer of the Corporation and Treasurer of the Corporation, and

WHEREAS, John Margeson is the Chairperson, Joseph Eade is the Vice Chairperson, and James Griffin is the Second Vice Chairperson of the Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Counties Southern Tier Extension Railroad Authority, and

WHEREAS, the Chief Executive Officer and Officers of the Board, including the Chairperson, Vice Chairperson, and Second Vice Chairperson, are authorized by the Corporate Bylaws to execute documents including agreements, contracts, deeds and other instruments of the Corporation, and

WHEREAS, the Treasurer and Officers of the Board, including the Chairperson, Vice Chairperson, and Second Vice Chairperson, are authorized by the Corporate Bylaws to sign and counter-sign checks, and must execute signature cards for corporate bank accounts for this latter purpose, and

WHEREAS, on December 10, 2009, the Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Counties Southern Tier Extension Railroad Authority approved the adoption of a resolution authorizing Mr. Zink as Chief Executive Officer and Treasurer and Mr. Margeson as Chairperson. Mr. Eade as Vice Chairperson, and Mr. Griffin as Second Vice Chairperson to execute documents and sign and counter-sign checks, and to execute signature cards for corporate bank accounts for this purpose,

THEREFORE BE IT RESOLVED THAT the Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Counties Southern Tier Extension Railroad Authority authorizes Mr. Zink, Mr. Margeson, Mr. Eade, and Mr. Griffin to execute documents, to sign and counter-sign checks, and to execute signature cards for STERA's bank accounts for this purpose.

This is a true and accurate copy
of a resolution adopted by the
Board of Directors of the
Chautauqua, Cattaraugus, Allegany
and Steuben Counties Southern
Tier Extension Railroad Authority
on December 10, 2009.

Thomas M. Barnes
Secretary

Date