



**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 – October 19, 2009**

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority gathered at 9:30 AM on October 19, 2009 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 for a meeting. The following persons were in attendance:

#### **Board Members In Attendance**

James Cooper  
Seth Corwin  
William Daly  
Terry Everetts  
Jay Gould

#### **Representing**

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

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

Michael Brisky  
Joseph Eade  
James Griffin  
Karl Kruger  
John Margeson  
Timothy O'Grady  
Thomas Ryan  
Mark Wilcox  
Vacant

#### **Representing**

Cattaraugus County  
Cattaraugus County  
Steuben County  
Allegany County  
Allegany County  
Allegany County  
Steuben County  
Chautauqua County  
Seneca Nation of Indians

#### **Others Attending**

Thomas Barnes  
Carl Belke  
Brian Paschen  
Richard Zink

#### **Representing**

Southern Tier West  
WNYP RR  
Southern Tier West  
Southern Tier West

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

In the absence of a quorum and the absence of both Chairman John Margeson and Vice Chairman Joseph Eade, Treasurer Richard Zink indicated that an informal meeting would be held, and started the informal meeting at 9:45 AM. He indicated that all business that needed to be transacted would be dealt with through informal agreement by the Board members present, with ratification at the next STERA Board meeting.

### **Reading and Approval of the Minutes of the August 17, 2009**

Minutes of the August 18, 2008 meeting had been emailed to STERA members, but the Board did not take action at the October 19 meeting because of a lack of quorum. The STERA Board will take action on the minutes of the August meeting at the next STERA Board meeting. The STERA Board members present did not indicate any desired changes in the draft minutes previously transmitted.

### **Bills and Communications**

There were no bills or other correspondence, other than that noted later in the meeting, excepting a letter from NYS DEC requesting permission to allow DEC agents onto the rail property at Second Street in Jamestown to do an investigation regarding potential contamination at that site. The letter indicated that if permission was not granted, the NYS Attorney General's Office would provide an order providing for the requested permission. This letter was transmitted to STERA Board members, and Chairman Margeson authorized providing the requested permission.

### **Treasurer's Report**

Mr. Zink, STERA Treasurer, distributed a Treasurer's Report for October 1, 2009. Mr. Corwin pointed out a correction in the draft Treasurer's Report, which was accepted. As corrected, for the nine months ending September 30, 2009, STERA had a net income of \$50,974.65 on revenues of \$226,192.00. As STERA had no liabilities as of October 1, 2009, STERA had a net worth on October 1, 2009 of \$8,425,633 on assets of \$8,425,633, with a cash balance of \$62,557.

Mr. Zink noted that STERA had paid \$10,000 to the consultant Urban Engineers for the development of the TIGER application. A draft copy of the application had been submitted to the STERA Board for review, and the Board did not suggest any changes to the application. The application was submitted for funding review in September 2009.

Mr. Zink also noted that he had received a quote for Directors and Officers insurance from STERA's insurance broker, who had sought competitive bids on behalf of STERA. The low bid was from the Hays Company of Washington, D.C., for \$5,600.00, which represents a \$2,500.00 decrease from last year's contract, which also was from the Hays Company. Although the Board recognized that it could not take formal action on approving this contract for insurance, the Board members present agreed unanimously, on motion made by Daly, seconded by Corwin, to authorize executing this contract, with ratification at the next STERA Board meeting.

In the absence of a quorum, the STERA Board will take action on the Treasurer's Report as amended for the period ending October 1, 2009 at the next STERA Board meeting.

## **Reports of Committees**

### **Audit Committee**

The Audit Committee did not meet.

### **Governance Committee**

The Governance Committee did not meet.

## **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 and Security, 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 discussed that WNYP RR participated in the development of the \$23M Tiger grant application with STERA, but also participated with NYS DOT in a \$750,000 TIGER grant application for bridge repairs. He indicated that he felt that STERA's TIGER grant application faced a better chance of funding in the second round than in the first round.

WNYP RR is in negotiations with Norfolk Southern for lease of the loop track at the Hornell interchange, proposing to double WNYP's available interchange capacity.

LAL also has installed a Rail Term Computer Dispatching System, with LAL and B&H now online and WNYP to be online in late 2009.

The Olean engine house steel has been erected and siding, roofing, insulation, man and track doors have been installed to date. Work continues to finish the building (pit construction, electric, gas, and HVAC). When completed, engine work will move to Olean from Falconer, with MOW trucks and machining remaining in Falconer.

WNYP experienced significant damage from weather during the summer, necessitating washout repairs, with the Machias line and Hinsdale being hardest hit. WNYP also installed 4,500 maintenance crossties to date this year (2,000 yet to be installed), installed a switch in Turtlepoint, is rebuilding 5 grade crossings, and put the Salamanca section back in service (1,600 ties and a switch panel). A number of bridges and culverts were repaired, and WNYP is moving to do steel repairs to a bridge in Corry and replacement of a PUC case at Austin Road at Keating Summit (discussing funding for this latter repair with Penn DOT). WNYP also has applied to Penn DOT for funding for installation of 4,500 ties on the Farmers Valley Branch 2010 (\$570,000) and a 1,000 foot siding in Franklin PA (\$250,000), both in 2010. WNYP has removed signals from the Buffalo line and is undertaking a signal project at Cass Street in Hornell. WNYP has applied to NYS DOT to close May Road in Steamburg. WNYP also is

working to demolish storefronts in the Main Street bridge in Jamestown and remediate spalling in several of the Jamestown bridges.

## **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**

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

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

Mr. Zink noted that the Truck-Rail Multi-Modal Freight Facility (Transload Facility) Study is downloadable from the Southern Tier West web site. He indicated that Southern Tier West has met with the City of Olean, which is in favor of the project moving forward. The next step is the funding.

In this regard, earlier in the meeting, Mr. Zink had reported that a draft copy of the TIGER grant funding application was submitted to the STERA Board for review, and the Board did not suggest any changes to the application. Accordingly, STERA had submitted the TIGER grant application for funding review in September 2009. Also, earlier in the meeting, Mr. Belke had indicated that he felt that STERA's TIGER grant application faced a better chance of funding in the second round than in the first round.

## **Other Unfinished Business**

There was no other Unfinished Business.

## **New Business**

### **2010 Budget**

Although a quorum was not present to officially adopt the proposed budget for calendar year 2010 prepared by Mr. Zink, the Board indicated that Mr. Zink should submit the draft budget to NYS ABO prior to the October 2009 submission deadline, and the budget would be ratified at the next STERA Board meeting, and any revision to the proposed budget could be approved and then submitted to NYS ABO as well. The informal resolution to this effect, proposed by Mr. Daly and seconded by Mr. Corwin, was agreed to by the members present with no dissenting votes.

Mr. Zink noted that in the past, STERA had paid Southern Tier West a straight percentage on grants for Southern Tier West's administrative services provided to STERA. Mr. Zink proposed that instead of this arrangement, STERA would now pay Southern Tier West \$10,000 per year, payable either in two or four installments annually. This will be discussed further at the next STERA Board meeting.

**Public Comment**

There was no public comment.

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

There was some sentiment for holding the next STERA Board meeting at 3:00 PM on December 10 in the office of WNYP on Constitution Avenue in Olean. Mr. Belke indicated that he might be able to provide a tour of the new train house at that time as well. Mr. Zink will confirm that tentative date with Chairman Margeson and confirm to the membership.

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.

**Adjournment**

The informal Board gathering ended at 11:00 AM.

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: \_\_\_\_\_