



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 OF MEETING – September 20, 2010

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on May 17, 2010 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

Michael Brisky
James Cooper
Terry Everetts
Jay Gould
James Griffin
John Margeson
Timothy O'Grady
Thomas Ryan

Representing

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

Board Members Not In Attendance

Seth Corwin
William Daly
Joseph Eade
William Euliano
Karl Kruger
Vacant

Representing

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

Others Attending

Thomas Barnes
Carl Belke
Lex Brumigin, P.E.
William Burt
Robert Iszard
Brian Paschen
Richard Zink

Representing

Southern Tier West RPDB
WNYP RR
Chautauqua County DPF
General Public
New York State Empire State Development
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 9:40 AM. Introductions were made of those present.

Reading and Approval of the Minutes of the May 17, 2010 Meeting

The Board adopted a resolution approving the minutes of the May 17, 2010 Annual Meeting of the Board (Brisky, Cooper, passing unanimously).

Bills and Communications

There were no bills or communications received, excepting communications relating to the Sprague Street Bridge donation request and the Randolph Remediation Project, which are discussed elsewhere in the minutes.

Treasurer's Report

September 1, 2010 Treasurer's Report

Mr. Zink distributed a Treasurer's Report for September 1, 2010. For the year to date ending September 1, 2010, STERA had a net income of \$37,714 on revenues of \$40,000. As of September 1, 2010, STERA had net assets of \$6,206.945 on assets of \$6,206.945, with a cash balance of \$88,424. The Board adopted a resolution approving the Treasurer's Report for September 1, 2010 (Griffin, Brisky, passing unanimously).

Mr. Zink noted two disbursements for expenses that he anticipates will be made prior to the end of the year: a \$5,000 payment to Southern Tier West for administrative services, and a Directors and Officers Insurance payment in the approximate amount of \$5,600 that will be made when a competitive procurement report is presented by STERA's insurance broker.

2011 Budget

Mr. Zink distributed a draft 2011 Budget for STERA. After discussion, the Board adopted a resolution approving the 2011 Budget and authorizing submission to NYS ABO (Griffin, Ryan, passing unanimously).

Four Year Financial Plan

Mr. Zink distributed a draft Four Year Financial Plan for the years 2011 – 2014 for STERA. After discussion, the Board adopted a resolution approving the Four Year Financial Plan for the years 2011 – 2014 and authorizing submission to NYS ABO (Griffin, Gould, passing unanimously).

Reports of Committees

Audit Committee

The Audit Committee has not met since the last STERA Board meeting.

Governance Committee

The Governance Committee has not met since the last STERA Board meeting.

Mr. Barnes noted several items that will be discussed by the Governance Committee in upcoming meetings, including:

- Proposed language for a uniform abatement and PILOT policy. Member IDA's have been asked for their own policy language for input into the STERA policy.
- Proposed language for a records retention policy.
- Proposed amendment of the bylaws to change "Bills and Communications" in the formal agenda order to "Communications" and to incorporate bills into the Treasurer's Report.
- Proposed new member orientation process and web site file

The Governance Committee will make a report out to the full Board on these items.

Unfinished Business

Request for Provision of Permanent Easement for the Replacement of the Sprague Street Bridge (City of Jamestown)

Lex Brumigan, P.E., Chautauqua County Department of Public Facilities and Project Manager for the project, provided a summary of the project and the request. He noted that the bridge has been flagged for safety, and that City Public Works plow and sand trucks may be impacted this winter without action on STERA's part.

STERA was asked to execute a donation statement for parcels 9 and 10, for a temporary easement, and for a permanent easement. Carl Belke noted that WNYP has signed off on this, and NS has signed off verbally on the original request, providing WNYP with latitude on the issue.

After discussion, the Board adopted a resolution authorizing execution of the donation statement for parcels 9 and 10, the temporary easement document, and permanent easement document, and welcoming any comments from NS on the issue (Brisky, Cooper, passing unanimously).

Operating Status and Proposed Rehabilitation Projects (report by Carl Belke, WNYP RR)

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.

As part of the report, he noted:

- Expected receipt of a FRA RRIF loan for tie and surfacing work, bridge steel and masonry repairs, and rail replacement.

- NYS DOT rehab grants are not expected for the foreseeable future.
- Meadville yard upgrade expected to be completed in October
- Requests for tie replacement on Farmersville Valley Branch and Oil City Branch currently being reviewed by PennDOT.
- Upswings in NS business have been constrained by NS's personnel shortages, negatively impacting WNYP operations.
- Marcellus shale operations in Pennsylvania have been a source of traffic for NS and WNYP. This may lead to a need for staging sites along the WNYP lines.
- NS has been unwilling to approve a lease of the Hornell interchange loop track, for which there was funding available for track installation. However, because of upswings in NS Southern Tier Line business, NS may install this track and let WNYP use it.

Hartson Swamp / Falconer Bridge Issue

WNYP had removed the proposed rebuilding of the Falconer bridge (located between Stone Road and Quaint Road) from its RRIF loan request because the environmental reviews for the project had not been completed. The environmental reviews were a function of an accurate definition of the boundaries of the swamp, which WNYP has not yet been able to ascertain, despite research and a request from NYS DEC. Mr. Cooper indicated that he will investigate with the Town assessor. Mr. Gould suggested approaching the Soil and Water office.

Poland Center Flooding Issue

Mr. Brisky and Mr. Belke discussed reports of beaver-created flooding in Poland Center NY. Mr. Belke indicated that the issue is an ongoing problem as WNYP is dealing with swamp lands and beavers and all of the regulations pertaining thereto. Unfortunately, it is difficult for WNYP's maintenance force's efforts to keep up with the beavers' activities. WNYP had cleared up this problem last fall and it is now as bad or worse than before. NYS DEC has approved WNYP's plan for addressing the issue. There was a recent meeting at which the parties agreed that the landowner would trap beavers and WNYP will excavate to remove the problem.

Mr. Cooper indicated that NYS DEC must be made aware that this is a continuing problem on the entirety of both lines. Mr. Belke agreed, noting that beavers can rebuild a dam within 24 hours, and that the expense to WNYP to repeatedly deal with these issues at a given location is large.

Request for Acquisition of Landlocked City of Olean Parcels

Mr. Belke indicated that the resolution of this issue is still pending review by Norfolk Southern. WNYP may offer the landowners a lease of the land as a more expeditious way of acquiring the right to beneficial use of the parcels.

Olean Request for Land for East Olean Wastewater Main Right of Way

Mr. Belke noted that this right of way was on an old track that may not have even been included in the 2001 transaction with STERA. It is unclear who is in title to the land. WNYP will meet with the City today and may refer the City to NS if NS is in title.

Machias Wastewater Project

The Town has requested that WNYP provide an easement for a wastewater collection run from Machias to the treatment plant in Franklinville along the Buffalo Line right of way. WNYP has agreed to this in principle; the price for doing so is a function of what NS will accept, as NS has the right to easement fees for long linear runs like this. The final deal will require NS approval. A prior price quote from WNYP needs revision, as it substantially overstates the need for flagging services. Mr. Belke offered to meet with the engineers and community on this matter.

Request of Dresser Rand for Rail Siding (Village of Wellsville)

There is no change in status on this proposal. The project is still do-able, but there is no funding for the installation. NYS DOT has indicated that budgetary funds from the most likely programs probably are not available at this time to fund this project.

Mr. Belke indicated that the estimated cost for reinstallation is about \$200,000, which would cover the re-installation of a switch and the reinstallation of 500 to 600 feet of track. However, he noted that if this switch were installed, there still may be issues moving freight because of clearance restrictions, the nearest one being on a bridge in east Wellsville. Fixing the clearance issue on the Wellsville bridge would cost approximately \$100,000 to repair or alternately \$1,000,000 to \$1,500,000 to replace the bridge.

Mr. Belke noted that a useful study would be a **NYS DOT assessment of clearances and the costs of remediating them**. There are, for example, through truss bridges to the west of the line that have only 14 feet of width clearance and weight restrictions. These bridges are old and probably couldn't be effectively repaired to remove these restrictions. Replacing them might be a \$6 million project for each bridge.

Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status

STERA and Southern Tier West are seeking funding for line rehabilitation and phase one construction of the transload facility. The Truck-Rail Multi-Modal Freight Facility (Transload Facility) Feasibility Study and Preliminary Engineering Study are downloadable from the Southern Tier West web site (www.southerntierwest.org).

Cattaraugus County (Randolph) Remediation Project Status

Mr. Zink indicated that STERA attorney has signed off on language for the environmental easement, but in the interim, Cattaraugus County has asked NYS DEC for an extension of the project until July 31, 2011. He noted that STERA's authorization to execute the easement needed to be re-authorized, with the Executive Director being authorized to execute the document. The STERA Board adopted a resolution authorizing the Executive Director to execute the easement (Cooper, Griffin, passing unanimously).

Previously there had been a request for an easement or more informal **access on railroad property in Randolph for the purpose of biological study of trees on the right of way**. Mr. Belke indicated that he had spoken to the inquirer, and the study was ongoing.

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.

Meetings are ongoing with the Seneca Nation of Indians, the Salamanca IDA, WNYP, NYS ESD, and NYS DOT regarding redevelopment of the Main Street railroad yard in Salamanca and with the Seneca Nation of Indians regarding possible development of a site or sites in the Steamburg area.

He suggested that the Machias Wastewater Project was an excellent opening for discussing development a site or sites in the Route 16 area south of Machias. Mr. Belke noted that this could be a staging area for Marcellus Shale pipe, sand and water. He indicated that the companies have been looking for sites along the Southern Tier Extension, at Belvidere, Alfred Station, etc.

Seneca Nation of Indians Representation on STERA Board

As of this date, the Nation has not appointed a representative to the STERA Board.

NYS Public Authorities Accountability Act (PAAA) and Public Authorities Reform Act (PARA) Compliance

New NYS ABO Policy Guidances

Additionally, NYS ABO is requiring authorities to have a **new member orientation process**. The STERA Board previously had indicated a willingness to (a) have a sit down with each new Board member as he/she is confirmed to go over issues that NYS ABO requires to be discussed and (b) use the web site to post a permanent reference file for Board member orientation and for reference purposes for all Board members. Mr. Barnes is developing the process and web site file and will bring it in front of the Governance Committee for review and recommendation to the STERA Board.

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 (Brisky, Cooper, and Euliano) have not yet completed NYS ABO's PAAA compliance training sessions. Mr. Zink will work with the Allegany, Cattaraugus, and Chautauqua County IDA's to schedule a training session within the region that STERA Board members can attend. Cattaraugus County IDA had indicated a willingness to sponsor this, but it has not yet been scheduled. Mr. Griffin noted that he is sponsoring a training session in Hornell this Friday, and will forward information. He also noted that NYS ABO is now making certain training available online.

Advocacy for Federal Rehabilitation Funding

STERA previously had discussed participating in advocacy for federal rehabilitation funding, possibly accompanying WNYP's representatives on trips to Albany and/or Washington for this purpose. STERA already is willing to write support letters for rehabilitation funding. Mr. Belke previously had noted that noted WNYP's activities include (a) educational train trips for representatives, (b) participating in the annual federal railroad day in Washington every March (for which he had indicated that it would be good to have customers as well as STERA accompany them), and (c) Gene Blabey's visits with representatives. The STERA Board previously had approved reimbursement of expenses for these advocacy initiatives on a case-by-case basis.

Mr. Belke indicated that WNYP feels that no assistance will be needed to obtain the RRIF loan, and also that the President's proposed \$50 billion transportation infrastructure bill will contain no funds for short lines such as the STERA lines. He would welcome any ideas for funding the slug locomotives and for extended the Small Railroad Tax Extender (SRTE). He indicated that he felt that the SRTE would not be passed now, as it is included in the extension of the Bush Tax Cuts. However, he felt that extension of the SRTE on its own merit would be a possibility after the November elections.

Update of Allegany and Cattaraugus County Hazard Mitigation Plans

FEMA requires an update of each county's Hazard Mitigation Plan every five years, and affected parties such as STERA must participate in the update in order to maintain eligibility for FEMA disaster mitigation funds.

Mr. Margeson noted that the Allegany County update of its Hazard Mitigation Plan has been completed. Mr. Belke noted that STERA and WNYP interests have been included in the update.

Mr. Belke noted that he has been in communication with a representative of Steuben County for including STERA and WNYP issues in the update of its Hazard Mitigation Plan.

STERA also has contacted Cattaraugus County and has been told that Cattaraugus County will begin updating its Hazard Mitigation Plan toward the end of the summer, and will involve STERA at that time. Cattaraugus County is awaiting FEMA planning money for this purpose.

STERA has not yet contacted Chautauqua County or the two Pennsylvania counties in this regard.

Future Status of the Property Tax Abatement Provided by STERA to Norfolk Southern

Mr. Zink distributed a handout regarding abatement in New York State. In the future, STERA will consider extending the abatement period. Any Uniform Tax Abatement adopted by STERA will be an element of this consideration.

Other Old Business

There was no other Old or Unfinished Business.

New Business

There was no New Business.

Public Comment

There was no public comment.

Next Meeting Date and Agenda for Next Meeting

The STERA Board will next meet on November 15 at 9:30 AM at the Conference Room at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

The Audit Committee and Governance Committee each might meet 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 meeting adjourned at 11:20 AM (Everetts, Cooper, 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: _____