



**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**

## **STERA GOVERNANCE COMMITTEE**

### **MINUTES – June 20, 2011**

The Governance Committee of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:00 AM on June 20, 2011 in the Conference Room in the office of the Southern Tier West Regional Planning and Development Board in the Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York. The following persons were in attendance:

#### **Committee Members In Attendance**

Joseph Eade, Chairman  
Seth Corwin  
Timothy O'Grady

#### **Representing**

Cattaraugus County  
Steuben County  
Allegany County

#### **Committee Members Not In Attendance**

William Daly

Chautauqua County

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

Tom Ryan

#### **Representing**

Steuben County

#### **Others Attending**

Thomas Barnes

#### **Representing**

STERA Corporate Secretary

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

Committee Chairman Joseph Eade called the meeting to order at 9:00 AM. He noted the presence of a quorum for the meeting.

#### **2. Reading and Approval of the Minutes of the Previous Meeting**

The Committee approved the minutes of the prior meeting, held March 8, 2011 (Corwin, Eade, passing unanimously).

#### **Unfinished Business**

There was no Unfinished Business.

#### **New Business**

### **3. Committee Structure – number of members on Audit and Governance Committee**

The Committee discussed the desirability of moving toward having an uneven number of members on the Audit and Governance Committees, so as to reduce the theoretical frequencies of tie votes. It noted that as a practical matter, this has never been an issue with either committee. Currently, the number of members on the Governance and Audit Committee is four, to provide representation from each participating county. The Committee noted that there would be pros and cons of moving to five members. The Committee noted that it could recommending to the Board that as the bylaws are silent on the number of members on these committees, the Board either could simply increase the number of members on each committee or it could amend the bylaws to that effect. After discussion, the Governance Committee adopted a resolution recommending to the Board that it not make any changes in the number of members on each committee (Corwin, Eade, passing unanimously).

### **4. Update of Code of Ethics Policy**

The Board had directed the Governance Committee to synthesize the Code of Ethics policy and the Standards of Conduct Policy into a single policy, which would be known as the Code of Ethics. The Committee reviewed a draft of the proposed new Code of Ethics, and after discussion, adopted a resolution recommending to the Board that it approve the Code of Ethics (Corwin, Eade, passing unanimously).

### **5. Internal Control Procedures**

The Committee noted the discussion at the March 30 Executive Committee meeting regarding amending operating policies with respect to the development of internal interim financial statements, and the recommendation of the Executive Committee that it would be appropriate for the authority to adopt an internal control procedure relating to the preparation of internal interim financial statements for review by the authority Board whereby the Audit Committee would review interim financial transactions and draft interim internal interim financial statements and the Audit Committee Chairman would physically sign off on the statements before they are reviewed by the authority Board.

The Governance Committee reviewed and discussed a summary of the authority's internal control procedures, which included this new procedure for the development of internal interim financial statements. The Governance Committee noted that the Audit Committee also would be reviewing this new procedure at its June 20, 2011 meeting.

After discussion, the Governance Committee adopted a resolution recommending to the Board that it approve the Internal Control Procedures document and the procedures contained therein (Corwin, Eade, passing unanimously).

### **6. Report on Ethics Filings**

Mr. Barnes indicated that he had intended to present a management report on STERA Ethics Filings received by the Cattaraugus County Attorney's Office in 2011. Cattaraugus County had indicated to him that all STERA Board members and management staff had submitted Ethics Filings to the Cattaraugus County Attorney's Office in 2011, so STERA is in compliance with the State requirement (i.e., filings submitted by all Board members) and the STERA policy (i.e., contract management staff also are required to submit filings). He indicated that he had asked Cattaraugus County to copy the submitted

forms to him, so that he could prepare a management report for the Governance Committee. However, the forms that Cattaraugus County had transmitted to him were the wrong forms (copies of executed NYS ABO Acknowledgment Forms, instead of executed Cattaraugus County Ethics Filing Forms) and there weren't copies of all executed forms transmitted (e.g., management staff's executed forms were not included). Mr. Barnes handed around the forms that had been transmitted to him by Cattaraugus County, and the members present indicated that they had in fact submitted the executed Cattaraugus County Ethics Filing Forms to Cattaraugus County. There is no explanation as to why Cattaraugus County even had copies of executed Acknowledgment Forms, as these forms are to be retained by STERA and Cattaraugus County has no role with them. Cattaraugus County has indicated that it will transmit the correct forms to STERA, but unfortunately STERA had not received them as of the meeting. If there is a problem with the forms, STERA will ask Board members to submit copies of their executed Ethics Filing Forms, or to execute new forms. Mr. Barnes will prepare the management report for the next Governance Committee meeting. Next, year, STERA will ask Board members to submit the forms to both STERA and the County, to avoid this problem in 2012 and in subsequent years.

**7. Other New Business**

There was no other new business.

**8. Public Comment**

There was no public comment.

**9. Next Meeting Date and Agenda for Next Meeting**

Mr. Eade noted that the Governance Committee would next meet as needed to discuss appropriate matters.

**10. Adjournment**

The Board adopted a resolution to adjourn at 9:30 AM (Corwin, O'Grady, passing unanimously).

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

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

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

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