



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 – April 30, 2007

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on April 30, 2007 in the conference room of the offices 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

William Daly
Joseph Eade
James Griffin
Karl Kruger
Fran Lus
John Margeson
Timothy O'Grady
Robert Walrod

Representing

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

Others Attending

Thomas Barnes
William Burt
John Herbert
Robert Iszard
Donald Rychnowski
Richard Zink

Representing

Southern Tier West
WNYP
Southern Tier West
NYS ESDC
Southern Tier West
Southern Tier West

Call to Order and Introduction of Those Present

Chairman John Margeson called the meeting to order at 9:40 AM. Mr. Margeson welcomed all who were present. Following this, introductions were made of those present..

Approval of Minutes

The Board adopted a series of motions approving the minutes of past meetings, as follows:

- The Board approved the minutes of the March 20, 2006 Board Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the May 11, 2006 Board Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the May 30, 2006 Proposal Opening (Eade, Daly, passing unanimously).
- The Board approved the minutes of the June 16, 2006 Executive Committee Telephone Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the July 6, 2006 Executive Committee Telephone Meeting (Eade, Daly, passing unanimously).

- The Board approved the minutes of the July 21, 2006 Executive Committee Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the July 24, 2006 Executive Committee Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the August 18, 2006 Executive Committee Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the September 12, 2006 Executive Committee Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the January 25, 2007 Executive Committee Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the January 29, 2007 Board Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the February 9, 2007 Board Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the February 23, 2007 Executive Committee Meeting (Eade, Daly, passing unanimously).
- The Board approved the minutes of the February 27, 2007 Board Meeting (Eade, Daly, passing unanimously).

Bills and Communications

There was no correspondence.

Treasurer's Report

Mr. Zink provided a Treasurer's Report, including an income statement for the period January 1, 2007 through April 30, 2007 and a balance sheet for the four month period ending April 30, 2007. There was net income of \$11,773.78 on revenues of \$1,069,056.74. Total assets were at \$6,759,910, with liabilities of \$9,069 and net worth of \$6,750,841. The Board adopted a resolution approving the Treasurer's Report (Lus, Eade, passing unanimously).

Unfinished Business

NYS Public Authorities Accountability Act (PAAA) Compliance

The Board discussed a potential revision of the bylaws relating to telephone votes, and indicated that it might revisit the matter at a future meeting.

The Board adopted a series of motions relating to policies required for PAAA compliance, as follows:

- The Board approved the Compensation, Reimbursement and Attendance Policy (Griffin, Kruger, passing unanimously).
- The Board re-adopted and re-approved STERA's Code of Ethics, entitled "Standards of Conduct Policy" (Griffin, Kruger, passing unanimously).
- The Board approved the Whistleblower Policy (Griffin, Kruger, passing unanimously).
- The Board approved the Travel Policy (Griffin, Kruger, passing unanimously).
- The Board approved the Disposition of Property Guidelines (Griffin, Kruger, passing unanimously).

- The Board re-adopted and re-approved STERA's Procurement Policy, entitled "Contract and Procurement Policy" (Griffin, Kruger, passing unanimously).
- The Board approved the Defense and Indemnification Policy (Griffin, Kruger, passing unanimously).
- The Board approved the Investment Policy (Griffin, Kruger, passing unanimously).

Mr. Margeson encouraged members to review the policies and come forward with discussion regarding any need for revisions.

Mr. Margeson indicated that he would review consider appointments for the Audit and Governance Committees and announce appointments at the June 18, 2007 STERA Board meeting.

The Board approved the use of the proposed Conflict of Interest and Financial Disclosure Compliance Form and the proposed Certificate of Independent Director Form (Eade, Kruger, passing unanimously).

The Board approved the appointment of Donald Rychnowski as Executive Director (Chief Executive Officer) and Richard Zink as Treasurer (Chief Financial Officer), officers of the corporation (Lus, Daly, passing unanimously).

The Board approved the Election of James Griffin as Assistant Vice Chairman, officer of the Board (Kruger, Eade, passing unanimously).

The Board approved the designation of the Chief Executive Officer as Contracting Officer (Kruger, Daly, passing unanimously).

Status of Rail Operations and Ongoing Rehabilitation Projects

William Burt provided a report on rail operations. He noted that WNYP's operations weathered the winter better because the tie and surface work had been accomplished in the fall before the heavy weather set in.

He noted that rail installation is pending, and should begin in June or July. Crop and weld work also will commence shortly, converting stick to welded rail between Jamestown and the Pennsylvania line. WNYP also will do crop and weld work in Pennsylvania this summer. He also noted that WNYP will rebuild the Meadville yard this summer.

He noted that the multimodal project pending was held up in the Comptroller's Office. Mr. Iszard indicated that he would look into this.

Proposed NYS Bond Act Project

Mr. Burt noted that WNYP has submitted proposals for \$4.5 million of tie and surface work from the eastern Allegany County boundary to Jamestown. He noted that similar work would be done in Steuben County separately. The Board agreed to send a letter supporting the Bond Act projects to the State legislators.

Potential Steuben County Multimodal Project

Mr. Burt noted that there is a proposal for a \$600,000 rehab project in Steuben County, but that project has not advanced to approval yet.

Other Potential STERA Rehabilitation Projects

Mr. Burt noted that there is at least an additional \$15 million of rehabilitation work to be done on the line, in addition to the work discussed above. This would be the function, in part, of the next federal transportation bill, for which hearings begin in June. Mr. Rychnowski discussed conversations that would be held with our regional federal representatives on this issue. Mr. Burt offered to make a presentation on the need for additional rail rehabilitation funding at the June 18, 2007 Board meeting. STERA will invite the state and federal representatives to this meeting to hear this presentation.

Mr. Burt noted that WNYP had paid for a track geometry car to traverse the line from Meadville to Hornell in 2006 and 2007, providing inspection services relating to rail profile and tie information. This inspection provided information on needed rail rehabilitation (type, location, cost, etc.).

Mr. Griffin noted that Congressman Kuhl was encouraging a FRA inspection train to run on the railroad line. Mr. Burt indicated that the track geometry cars that had been run probably provided more specific information on the condition of the line than would the FRA inspection car, but noted that the FRA inspection car is a regular process, and agreed that Congressmen Kuhl and Higgins should be kept abreast of the results of the track geometry car inspection, so that they are aware of needed track repairs.

Mr. Burt also discussed an eventual signal and switching system project, and a Falconer siding project. He also noted projected increases in the number of locomotives that WNYP operates, given expected increases in carload volumes on the east-west and north-south lines.

Mr. Burt noted that WNYP has not been contacted by the Village of Cuba regarding the Village's desire to undertake a Prospect Street Pedestrian Bridge rehabilitation project. It was noted that this project might be eligible for funding under the Transportation Enhancement Program or as a recreational trail project. Mr. Burt noted the issue of clearance with respect to any such rehabilitation.

Executive Session

The Board entered executive session to discuss a contractual matter (Daly, Kruger, passing unanimously).

The Board adopted a resolution to re-enter the public meeting (Griffin, O'Grady, passing unanimously).

Surface Transportation Board Filing

The Board adopted a resolution authorizing the Chairman to execute Surface Transportation Board filings to implement the previous resolution of the Board affecting the Buffalo line transaction (Lus, Griffin, passing unanimously).

Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status

Mr. Barnes noted that Southern Tier West is in the process of selecting a site from those submitted by the counties and the Seneca Nation of Indians. With the north-south line transaction, Southern Tier West now is considering the Norfolk Southern Olean Yards as an additional possible location under consideration. Southern Tier West anticipates a site location recommendation back from the consultant in 30 to 45 days. The consultant also is working on market analysis, including container traffic to and from the Port of NY. Mr. Barnes noted that the consultant had come to Salamanca in the winter to discuss the project with the STERA Executive Committee, Mr. Burt, and Steve Slavick of NYS DOT. Southern Tier West is also working on a strategy to involve and obtain the support of the Port Authority of NY and NJ.

Cattaraugus County (Randolph) Remediation Project Status

STERA previously had adopted a resolution to undertake the NYS DEC ERP Project as co-applicant with Cattaraugus County, provided that Cattaraugus County provides the required local share match for that project and executes an agreement to that effect, to authorize a specific resolution to be included in the application, and to authorize executing and submitting an application to NYS DEC for ERP funds and executing all applicable grant award and project contractual documents. This has all been accomplished. There has been no update from the County.

New Business

There was no New Business.

Next Meeting

Mr. Margeson noted that the Authority full Board would meet on June 18 at 9:30 AM to do business.

Adjournment

The Board adopted a resolution to adjourn at 11:30 PM (Griffin, Daly, 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: _____