



Southern Tier Extension Railroad Authority

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"This institution is an equal opportunity organization"
John Margeson, Chairman

MINUTES – December 3, 2007

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on December 3, 2007 in the BOCES conference room in the Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York. The following persons were in attendance:

Board Members In Attendance

Seth Corwin
William Daly
Joseph Eade
Terry Everetts
James Griffin
Karl Kruger
Thomas Livak
Fran Lus
John Margeson
Robert Walrod

Representing

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

Board Members Not In Attendance

Timothy O’Grady
Lucille White
Vacant
Vacant

Allegany County
Southern Tier West RPDB
Seneca Nation of Indians
Steuben County

Others Attending

Thomas Barnes
Brian Paschen
Donald Rychnowski
Richard Zink

Representing

Southern Tier West
Southern Tier West
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 and Ratification / Approval of Prior Business

Mr. Margeson noted that there had not been a quorum at either the September 17, 2007 or the November 19, 2007 meetings, so official business could not be transacted at those meetings.

The Board adopted a resolution approving the minutes of the June 18, 2007 Board Meeting (Griffin, Eade, passing unanimously).

The Board adopted a resolution approving the minutes of the September 17, 2007 Board Meeting (Eade, Corwin, passing unanimously).

The Board adopted a resolution approving the minutes of the November 19, 2007 Board Meeting (Griffin, Everetts, passing unanimously).

The Board then turned to other business that came before the Board at its September 17, 2007 meeting. The Board acted on that business by individual resolution, as follows:

- Approval of the Treasurer's Report for the period ending August 31, 2007 (Daly, Walrod, passing unanimously).
- Approval of securing Director's Insurance from Hayes Companies of Washington, D.C. in the amount of \$8,640 (Griffin, Corwin, passing unanimously).
- Approval of the Audit Committee Charter (Griffin, Kruger, passing unanimously).
- Approval of the Governance Committee Charter (Eade, Corwin, passing unanimously).
- Approval of using engineering services provided by WNYP in-house engineering staff at no cost to STERA plus continuation of utilization of CHA for engineering services related to the 2006 contract, provided that the additional CHA services amounted to no more than \$30,000, and provided that STERA and WNYP execute a letter agreement in which in return for STERA so engaging CHA, WNYP agrees to reimburse STERA for all project expenses over and above the project grant contract funds, including engineering costs in excess of \$110,000, and indicating that engineering services for future or upcoming contracts would be procured competitively and / or procured from WNYP on a case-by-case basis (Eade, Corwin, passing unanimously, Griffin abstaining).

The above language was later amended to read as follows:

“Approval of using engineering services provided by WNYP in-house engineering staff at no cost to STERA plus continuation of utilization of CHA for engineering services related to the 2006 contract, provided that the additional CHA services amounted to no more than \$30,000, and provided that STERA and WNYP execute a letter agreement in which in return for STERA so engaging CHA, WNYP agrees to reimburse STERA for all project expenses over and above the project grant contract funds, including engineering costs in excess of \$110,000, and provided that before the STERA – WNYP letter agreement is executed, WNYP provide to STERA all accounting information and financial documentation pertaining to the contract to date, and indicating that engineering services for future or upcoming contracts would be procured competitively and / or procured from WNYP on a case-by-case basis” (Daly, Corwin, passing unanimously, Griffin abstaining).

The Board then turned to other business that came before the Board at its November 19, 2007 meeting. The Board acted on that business by individual resolution, as follows:

- Approval of the Treasurer's Report for the period ending October 31, 2007 (Kruger, Lus, passing unanimously).

Mr. Margeson indicated that he would contact Carl Belke of WNYP regarding the need for WNYP to provide accounting information and financial documentation to STERA immediately. Mr. Griffin noted that this would be essential in preparing more accurate financial statements, and in overseeing the CHA engineering services agreement. He indicated that this information should be provided to STERA prior to executing the STERA-WNYP agreement.

- Approval of proposed STERA budget for 2008 and authorizing its submission to New York State (Eade, Everetts, passing unanimously).
- Approval of the engagement of Lloyd and Company for the audit for the year ending December 31, 2006, and issuing an RFP for audit services for the 2007 audit (Lus, Daly, passing unanimously, Walrod abstaining).
- Approval of execution of Extra Work Authorization from Clough Harbour in the maximum amount of \$30,000, provided that STERA and WNYP execute a letter agreement in which in return for STERA so engaging CHA, WNYP agrees to reimburse STERA for all project expenses over and above the project grant contract funds, including engineering costs in excess of \$110,000, and provided that before the STERA – WNYP letter agreement is executed, WNYP provide to STERA all accounting information and financial documentation pertaining to the contract to date (Eade Corwin, passing unanimously).

Bills and Communications

There was no correspondence, other than that noted later in the meeting.

Treasurer's Report

Mr. Zink, STERA Treasurer, indicated that as the meeting occurred on Monday December 3, 2007, a Treasurer's Report was not prepared for November 30, 2007.

Reports of Committees

Audit Committee

This Committee has not met since the last meeting. Mr. Margeson asked the Committee to meet during January 2008.

Governance Committee

This Committee has not met since the last meeting. Mr. Margeson asked the Committee to meet during January 2008.

Unfinished Business

Operating Status and Current and Proposed Rehabilitation Projects

Operating Status – Southern Tier Extension and Buffalo Line

A WNYP representative was not present to provide an update on rail operations.

Interim PILOT Payments on Buffalo Line

Mr. Barnes noted that STERA had invoiced this amount to Norfolk Southern, and would develop the historically-based pro rata formula for distributing the funds to the taxing jurisdictions.

Current Rehabilitation Projects

A WNYP representative was not present to provide an update on rehabilitation work.

Multimodal Program Projects

Mr. Barnes reported that STERA has received the Multimodal project agreement from NYS DOT in the amount of \$235,000. The Board adopted a resolution pertaining to executing the agreement and implementing the project (Griffin, Corwin, passing unanimously). Mr. Griffin asked whether this construction work would be done by WNYP, added to the 2006 contract, or bid separately. Mr. Barnes indicated that he would research this.

Proposed Future Projects

A WNYP representative was not present to provide an update.

Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status

Mr. Barnes noted that Southern Tier West's project steering committee is awaiting re-submission of a draft report on feasibility and site selection by the consultant, and its approval by NYS DOT, before moving forward to address the project publicly.

Cattaraugus County (Randolph) Remediation Project Status

Mr., Barnes noted that he had spoken to Pete Gorton of Panamerican Environmental, consultant for Cattaraugus County, who had indicated that the County is negotiating with NYS DEC for a final work plan, but expects that the demolition portion of the project will be completed by summer's end. Following that, the County will investigate the site, including the building foot print, for contamination. The project may stretch into 2008.

NYS Public Authorities Accountability Act (PAAA) Compliance

STERA Policies

Mr. Margeson reminded members that STERA encourages comments on and suggested revisions to the organizational policies, so as to improve organization effectiveness and PAAA compliance.

Attendance Policy

Mr. Barnes distributed language excerpts from the STERA Bylaws and STERA “Compensation, Reimbursement and Attendance Policy,” which together provide that if a Board member has three consecutive absences from Board or Committee meetings, the Chairman then asks the member if he or she is interested in remaining on the Board. The Chairman reports such absences to the appointing entity, which may replace the member who violate the policy. The Chairman may excuse absences at his or her discretion (Eade, Kruger, passing unanimously).

Meeting Date Policy

The STERA Board adopted a resolution to meet quarterly in 2008 and thereafter, with other meetings as needed (Eade, Kruger, passing unanimously). The quarterly meetings will be at 9:30 AM on the third Thursday of the month beginning with February, provided that in 2008, owing to President’s Day being a legal holiday on the third Thursday of the month, the Board will meet on the second Tuesday. Thus, the 2008 quarterly meetings of the STERA Board will be held on February 12, May 19, August 18, and November 17.

Annual Conflict of Interest and Financial Disclosure Compliance Forms

Mr. Barnes distributed the Annual Conflict of Interest and Financial Disclosure Statement Form, and indicated that these needed to be completed and transmitted to Cattaraugus County in early December 2007. A number of members completed the form and provided it to Mr. Barnes for transmission.

Board Training

Mr. Margeson reminded members that each member must complete NYS ABO’s PAAA compliance training sessions.

Public Authorities Reporting Information System (PARIS)

Mr. Barnes noted that the State has now instituted PARIS, a web-based system for submitting financial and other reports.

Other Old Business

There was no other Old Business.

New Business

NYS DOT - Southern Tier West Contract: Regional Transportation Plan Project

Mr. Barnes noted that NYS DOT has given Southern Tier West a two year contract to prepare a regional transportation system plan for the three counties, including rail, highway, aviation, and

public transit. Southern Tier West has begun to contact County DPW's and Planning Departments to being a process of obtaining data and input into this comprehensive planning process. Southern Tier West will include STERA and WNYP in its process as planning partners. He introduced Brian Paschen, who is Southern Tier West's project manager for this project. Don Rychnowski indicated that the plan developed under this contract would become an official part of the State's overall transportation plan.

Jamestown Urban Design Plan

Mr. Daly indicated that implementation of the Urban Design Plan would do great things for downtown Jamestown, but he also indicated that he was concerned that it was developed in a vacuum without the participation of STERA or WNYP. There are issues of potentially non-conforming adjacent uses (with active railroad right of way), security, trespass, safety, and future railroad and business development. He discussed the terminal redevelopment and disassembly / scrap yard issues, and Mr. Barnes also mentioned the Washington Street Bridge, and coal conveyor issues. Mr. Rychnowski indicated that the City may need some approvals from STERA and / or WNYP in a timely fashion, and suggested that STERA contact the City in this regard. STERA directed that a representative of the City be invited to make a presentation at the next (February 2008) Board meeting. Mr. Daly indicated that he would bring GIS parcel maps of the relevant area. Mr. Barnes suggested that Board members may want to visit the City web site and examine the plan and the useful maps therein.

Other New Business

Fran Lus indicated that he did not run for re-election, and that as he would most likely be replaced on the STERA Board in 2008, the December 2007 meeting would likely be his last. Mr. Margeson thanked him for his service and commitment to the railroad initiative, and indicated that he would always be welcome at future meetings. The Board gave Mr. Lus a round of applause for his service.

There was no other New Business.

Public Comment

There was no public comment.

Next Meeting Date and Agenda for Next Meeting

Mr. Margeson noted that the Audit Committee and Governance Committee each may meet before the next Board meeting to discuss appropriate matters.

Mr. Margeson noted that the Authority full Board would meet on February 12, 2007 at 9:30 AM to do business.

Adjournment

The Board adopted a resolution to adjourn at 11:50 AM (Eade, Griffin, 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: _____