



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 ANNUAL MEETING – May 19, 2008

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held its Annual Meeting at 9:30 AM on April 21, 2008 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:

Board Members In Attendance

Seth Corwin
William Daly
Joseph Eade
Terry Everetts
Jay Gould
James Griffin
Karl Kruger
Thomas Livak
John Margeson
Thomas Ryan
Robert Walrod

Representing

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

Board Members Not In Attendance

Timothy O'Grady
Lucille White
Vacant

Allegany County
Southern Tier West RPDB
Seneca Nation of Indians

Others Attending

Thomas Barnes
Carl Belke
William Burt
Robert Iszard
Rick Miller
Sharon Turano
Richard Zink

Representing

Southern Tier West
WNYP
WNYP
NYS Empire State Development
Olean Times Herald
Jamestown Post Journal
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. He extended a welcome to newly appointed member Thomas Ryan, from Steuben County.

Approval of Minutes

The Board adopted a resolution approving the minutes of the April 21, 2008 Board Meeting, revised to show that Mr. Iszard was present (Kruger, Eade, passing unanimously).

Bills and Communications

STERA received the appointment letter from Chautauqua County for Jay Gould, filling the term of Fran Lus, which expires August 27, 2010. There was no other correspondence, other than that noted later in the meeting.

Treasurer's Report

Mr. Zink, STERA Treasurer, distributed a Treasurer's Report for April 30, 2008. For the four months ending April 30, 2008, STERA had a net income of \$30,323.08 on revenues of \$272,031.56. As of April 30, 2008, STERA has a net worth of \$7,451,284 on assets of \$7,476,607.

The STERA Board accepted the Treasurer's Report (Everetts, Corwin, passing unanimously).

Reports of Committees

Audit Committee

Mr. Griffin noted that this Committee had met immediately prior to the STERA Board meeting.

Mr. Zink noted that the audit was presented to the Audit Committee in draft form. The Committee will communicate and meet with the auditor regarding the form of the audit, to clarify the content of the audit, to determine compliance with the Public Authorities Accountability Act, and to develop recommendations for the Board.

The Audit Committee had issues that it wanted to clarify, including (a) the origins of the relationship between STERA and Southern Tier West per which STERA makes payment of 2% on construction contracts to Southern Tier West as payment for administration of those contracts, (b) the circumstances under which current liabilities exceeded current assets at the end of 2007, (c) the status of providing both an annual report and an audit to Southern Tier West and the Counties, and (d) the need for more timely monthly information flow from WNYP to allow for timely preparation of monthly financial statements.

Mr. Zink disseminated to the Board an opinion letter from Harris Beach in which Harris Beach outlined the annual reporting requirements of STERA. STERA's reporting requirements include reports to Southern Tier West, the counties, and to the NYS ABO. There are no reporting requirements with respect to State and federal tax departments.

Mr. Griffin noted that per a second opinion letter provided by Harris Beach, its meetings are open to the public and adequate notice must be given to the media in advance of all scheduled meetings.

Governance Committee

Mr. Eade noted that this Committee had held a meeting immediately prior to the STERA Board meeting. He disseminated and discussed the second opinion letter provided by Harris Beach, which discussed Public Authorities Act Compliance and the provisions of STERA’s bylaws. The Board noted several changes that needed to be made in operations, consistent with this opinion letter, including (a) using the Executive Committee to do the Board’s business only when such practice is explicitly authorized by the Board and only for the business matters so explicitly authorized, (b) the need for Executive Committee meetings to be public meetings with adequate legal notice provided, and (c) the need for Executive Committee meetings to be held either in person or by videoconference, and not by teleconference or email poll vote. Harris Beach had provided proposed revised bylaws that incorporated these and other changes that made the bylaws consistent with the PAAA. The Board reviewed these proposed revisions to the bylaws and approved the proposed revised bylaws incorporating the bylaw revisions suggested by the Harris Beach opinion letter, which related to citations of the PAAA, officer title (“Second Vice Chairperson,” instead of “Assistant Vice Chairperson” as suggested by Harris Beach, amendment to original motion by Corwin, seconded by Eade, passing unanimously), extension of credit, in person and videoconference quorum and voting procedures, applicability of the Open Meetings Law to both Board and committee meetings, and limitation on function and authority of Executive Committee, (Eade, Corwin, passing unanimously).

Mr. Eade noted that per the second opinion letter provided by Harris Beach, its meetings are open to the public and adequate notice must be given to the media in advance of all scheduled meetings.

The Governance Committee will meet in the future to discuss compliance with individual policy guidances.

Nominating Committee and Election and Appointment of Officers

In the absence of Nominating Committee Chairman William Daly, Seth Corwin reported out on the results of the Committee deliberations.

The Committee recommended that the Board elect the same Board officers as currently sit. Accordingly, Mr. Corwin proposed the following officers for election:

Chairman	John Margeson
Vice Chairman	Joseph Eade
Second Vice Chairman	James Griffin

The Board adopted a resolution closing nominations and electing the above slate of officers (Kruger, Gould, passing unanimously).

The Committee also recommended that the Board appoint the same Corporate officers as currently sit. Accordingly, Mr. Corwin proposed the following officers for appointment:

CEO (Executive Director)	Donald Rychnowski
Treasurer	Richard Zink
Secretary	Robert Walrod

The Board adopted a resolution closing nominations and appointing the above slate of officers (Corwin, Eade, passing unanimously).

There was discussion regarding the distinction between Board and Corporate officers. It was noted that the provision for Board and Corporate officers originally had been recommended by Harris Beach, accordingly was sanctioned as such by the bylaws, and was recently re-reviewed and approved by Harris Beach.

Unfinished Business

Southern Tier Extension Rehabilitation Project

Selection of Rehabilitation Contractor

The Board accepted CHA's recommendation regarding selecting the low bidder, G.W. Peoples Inc. at \$389,544.50 (Griffin, Eade, passing unanimously). STERA now will seek NYS DOT concurrence, and then issue a notice of award, and then move toward executing a contract and issuing a notice to proceed.

Operating Status and Proposed Rehabilitation Projects

Current Rehabilitation Project Status – Southern Tier Extension Line

William Burt, President of WNYP RR, provided a summary of the status of the current rehabilitation project on the Southern Tier Extension line. He indicated that the rehabilitation work in 2008 will include a STERA project to install 10,000 ties in New York and a WNYP project to install 20,000 ties in Pennsylvania. These 30,000 ties will make 2008 the third highest tie installation year since takeover in 2001.

The New York State portion of the project will involve tie replacement and surfacing work from Cuba to Olean and from MP23 to MP 27 (including grade crossings at Kennedy and Poland Center) and from Windsor Street to Livingston Avenue. The Cuba to Olean section will involve 30-40% tie renewal and raise track speed from 10 mph in certain places to 40 mph. The Chautauqua County section of the project will involve about 35% tie replacement, plus the grade crossing repair.

Operating Status – Southern Tier Extension and Buffalo Lines

Mr. Burt also provided a summary of the operating status of the Southern Tier Extension and Buffalo lines. He indicated that WNYP is running a train three times per week from Olean to Hornell, with typically 25 to 40 cars per train. He noted that freight includes glassmaking sand being shipped from PA to the central NY glassmaking companies. He noted that cheese is being shipped from the south into Cuba, and indicated that WNYP may install a second switch in Cuba to serve this customer in Cuba from both directions. He discussed traffic flowing from Canada to Binghamton to Hornell to a Chautauqua County wood products firm.

He discussed fuel oil moving from Warren PA to Elmira Heights NY. He also indicated that WNYP hoped to be designated by the City of Jamestown BPU to continue delivering coal.

He discussed a new Norfolk Southern initiative, designating the Binghamton to Buffalo section of the Southern Tier line as the “Empire Corridor,” and allowing three participating short lines (including WNYP) to obtain straight haulage on the line for a flat fee per car. This should augment the ability of the participating short lines to extend their effective market reach, quoting on inbound and outbound freight to locations outside their normal service territory/

In response to a question, he noted that dispatch functions should move from Falconer to Olean within two to three weeks.

In response to a question, he and Carl Belke discussed the recent issue of spalling concrete falling from railroad bridges in Jamestown. Mr. Belke had met with the City two weeks previously, and noted that there was scaling on six bridges in the City, with the Buffalo Street bridge the worst. WNYP will address three of these bridges with its own funds.

Other Potential STERA Rehabilitation Projects

Mr. Burt discussed future rehabilitation projects. He discussed an immediate \$5 million tie replacement project that would involve work from Poland Center to Falconer, Carrollton, Belmont to Wellsville, and Wellsville to Andover. He discussed a second tie placement project in Steuben County, projected at \$600,000. He then deferred to Carl Belke, who discussed a third project, the repair of the main line bridge and siding track bridge over the Great Valley Creek east of Salamanca, projected at \$600,000 (\$300,000 per bridge).

At the request of Brian Paschen of Southern Tier West, Mr. Burt will provide an updated powerpoint presentation on projected repairs, that will be useful to new Board members and for Southern Tier West’s strategic regional transportation planning initiative. The Board presentation is tentatively scheduled for the August STERA meeting. Mr. Burt also will provide a written summary of the three projected projects noted above.

NYS Public Authorities Accountability Act (PAAA) Compliance

Committee Meetings

In order to comply with the PAAA, all STERA Committee meetings in the future will be open to the public and will comply with applicable notice requirements.

Annual Conflict of Interest and Financial Disclosure Compliance Forms

Mr. Barnes indicated that at the request of Cattaraugus County, he had notified members who had not yet submitted the County disclosure form.

Discussion of Any Desired Policy Modifications

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.

Training Sessions

Mr. Margeson reminded members that each member must complete NYS ABO's PAAA compliance training sessions. Mr. Barnes indicated that he would email training materials and informational materials to Mr. Gould and Mr. Ryan.

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

Mr. Paschen 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. The plan developed under this contract would become an official part of the State's overall transportation plan.

Southern Tier West has been working with the County DPW's and Planning Departments and the Seneca Nation of Indians to being a process of obtaining data and input into this comprehensive planning process. Southern Tier West also intends to include STERA and WNYP in its process as planning partners.

Mr. Paschen will contact Mr. Burt and Mr. Belke shortly and obtain a summary of needed rehabilitation and improvement initiatives that will promote safety and economic development. Mr. Burt indicated that he could provide a powerpoint presentation to Mr. Paschen relating to track improvements, bridges, crossing signals, grade crossing surface upgrades, and pinch points. Mr. Paschen indicated that he would like to come back before STERA at its August 2008 meeting to review the information provided by WNYP. Mr. Burt indicated that he could provide the powerpoint to STERA at its August meeting.

Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status

Mr. Barnes noted that since last summer, Southern Tier West, its consultant and NYS DOT have been working at revising a draft feasibility study report that the consultant had prepared for NYS DOT. NYS DOT has indicated to Southern Tier West that the report still needs additional revision. Southern Tier West hopes to address these promptly and proceed to site designation, public announcement of the proposed site, preliminary engineering, and development of a strategic development plan.

Cattaraugus County (Randolph) Remediation Project Status

Mr. Livak indicated that the County has completed soil sampling to support the demolition and landfill RFP and contract, and is close to going to demolition of the building. Subsequent to demolition, there will be additional soil sampling, but not on the rail right of way. The consultant does not expect to find anything unexpected on the site, or anything inconsistent with foundry sand.

Other Old Business

The Board discussed inviting the region's elected State and Federal representatives to a STERA Board meeting, possibly the August meeting.

There was no other Old Business.

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 is tentatively scheduled to meet on June 16, 2008 at 10:00 AM at the office of the Chautauqua County IDA, pending final scheduling by Mr. Daly, to discuss the Jamestown Urban Design Plan and do other business. Mr. Barnes will notify Board members of the upcoming date as soon as it is set.

Adjournment

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