



Chautauqua, Cattaraugus, Allegany and 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”

William Daly, Chairman

Richard Zink, Chief Executive Officer

## MINUTES OF BOARD OF DIRECTORS MEETING

### December 16, 2013

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority last met at 9:30 AM on December 16, 2013 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

Seth Corwin  
William Daly  
Terry Everetts  
Adam Gorczyca  
Jay Gould  
James Griffin  
Timothy O’Grady  
Jerry Scott

#### Representing

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

#### Board Members Not In Attendance

Michael Brisky  
Joseph Eade  
John Foels  
Randolph Weaver  
Vacant  
Vacant

#### Representing

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

#### Others Attending

Thomas Barnes  
Carl Belke  
Richard Zink  
Chris Chapman

#### Representing

STERA Secretary  
WNYP RR  
STERA CEO  
Buffalo News/Jamestown Post Journal

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

Chairman William Daly called the meeting to order at 9:30 AM. Introductions were made of those present.

## **2. Reading and Approval of the Minutes of the October 21, 2013 Meeting**

The Board adopted a resolution approving the minutes of the October 21, 2013 Board Meeting (Corwin, Everetts, passing unanimously).

## **3. Communications**

STERA received a communication appointing Randolph Weaver to the Board, replacing Dan Farrand, with a term expiring August 31, 2016.

STERA received a letter from Joseph Eade resigning from STERA due to health considerations, effective immediately. Mr. Daly indicated that he would transmit a letter to Mr. Eade thanking him for his service. Mr. Zink noted that he will speak to Cattaraugus County with respect to an appointment for its vacancy, and he also noted that he has been in communication with Allegany County with respect to an appointment for its vacancy.

There were no other communications.

## **4. Treasurer's Report**

### **A. Treasurer's Report**

Mr. Zink discussed the Treasurer's Report, including financial statements for October 31, 2013 and November 30, 2013. For the year to date ending November 30, 2013, STERA had a net income of \$44,043.22 on revenues of \$741,799.96. As of November 30, 2013, STERA had net assets of \$3,622,689.80 on assets of \$3,748,195.41, with a cash balance of \$52,232.75 and an accounts receivable balance of \$199,061.14.

Mr. Zink discussed the accounts receivable item "NYS-FEMA" on the November 31, 2013 balance sheet, which was \$159,061.14 of the \$199,061.14 accounts receivable balance. Of this \$159,061.14 receivable on the FEMA project, approximately \$36,000 related to amounts due from FEMA, and approximately \$123,000 related to amounts due from NY SEMO. NY SEMO has indicated that per the directive of the NYS Division of the Budget, it will not pay this \$123,000 amount, which reflects the 12.5% State share on the FEMA project, because STERA is a public authority. STERA has contacted Senator Young and has asked her to discuss this matter with the NYS Division of the Budget.

The \$40,000 annual payment from WNYP to STERA is shown as a receivable on the November 30, 2013 balance sheet.

Accounts payable as of November 30, 2013 were \$125,505.61. The accounts payable balance reflects the WNYP construction financing for the FEMA project and the NYS DOT Five Bridge repair project. Mr. Zink indicated that he would be transmitting a \$30,000 check to WNYP today on the FEMA project. There will be approximately \$94,000 remaining on the construction financing loan from WNYP.

Additional discussion on the FEMA and NYS DOT projects may be found under item #8 herein.

The Board adopted a resolution approving the Treasurer's Report for November 30, 2013 (Griffin, Gould, passing unanimously).

## Reports of Committees

### **5. Audit Committee**

The Audit Committee did not meet due to the lack of a quorum.

### **6. Governance Committee**

The Governance Committee did not meet due to a lack of business.

## Unfinished Business

### **7. Operating Status Report by Carl Belke, WNYP RR**

Carl Belke, President and Chief Operating Officer of the WNYP RR provided a Management Report to the STERA Board. The Management Report covered the areas of Safety and Security, Major Projects, Operations and Customer Service, Marketing and Freight Business, Mechanical Issues, Engineering and Maintenance of Way, and Bridges and Culverts.

With respect to **safety issues**, he noted several injuries to WNYP personnel (none of which were major), eight derailments thus far this calendar year, and increasing trespassing and scrap thefts (which continue to be an issue and which WNYP is addressing through criminal prosecution). There was a fatality of a third party trespasser on November 19, 2013 in Wellsville; the trespasser fell through a bridge.

Per the approval of the FRA, which was received on July 31, 2013, WNYP **eliminated the signals** on 6.5 miles of the Buffalo Line from CP-North Olean to CP-South Olean has been approved by the FRA, and the signal system was eliminated on November 4, 2013. WNYP anticipates costs savings of approximately \$150,000 per year.

WNYP has undertaken **lighting upgrades to the Constitution Avenue Rail Yard**, using a NYSERDA incentive grant.

WNYP is now averaging two to three **crew starts** per day in Olean five days per week and one to two crew starts per day in Meadville five days per week. WNYP **dispatching** has been transferred to RailTerm in Rutland, Vermont.

He noted the status of the **City of Olean Walkable Olean Project**, the **City of Olean Trail Project** Olean has received a grant to make this possible), and the **City of Olean Brownfield Opportunity Area (BOA) project**.

He noted that there has been a **noise complaint from a resident in the City of Olean**, which has been investigated by WNYP, the City alderman, Indek, and several contractors. Mr. Belke indicated that he feels that the complaint is unwarranted, based upon the evidence and upon the lack of proximity to the refrigeration cars that were cited by the resident in her complaint.

With respect to the **provision by WNYP of Monthly Status Reports**, at the October 21, 2013 Board meeting, there had been discussion regarding provision of a monthly synopsis by WNYP to STERA Board members regarding ongoing activity on the system (e.g., construction, maintenance, major customers, etc.) so that STERA Board members could respond to questions asked by the general public, and thus be better ambassadors for the rail initiative. At that time, Mr. Belke had indicated that he would prepare

such a monthly synopsis and transmit it to Mr. Barnes for broadcasting to the STERA Board. He also had encouraged STERA Board members to contact himself or Mr. Brewer directly with any questions, and provided business cards for that purpose. At the December meeting, Mr. Scott asked a question regarding the parking of certain equipment on the line, and Mr. Belke indicated that this was not something that he necessarily would know about without asking internally or that he would feature in a monthly synopsis – there are too many operational details to be able to provide a comprehensive monthly synopsis that would enable STERA Board members to answer all of the questions that they receive from the public. Another Board member felt that it was too onerous to require WNYP to prepare such a monthly synopsis, and after discussion, the Board decided that if Board members had questions, they could call Mr. Zink, Mr. Barnes, or Mr. Belke, instead of WNYP preparing a monthly status report.

## **8. Status Reports on Current and Proposed Rehabilitation Projects**

### **FEMA Project – SEMO Funding Issue**

Mr. Zink noted that NYS EMO has refused to pay its 12.5% share of the FEMA project, citing STERA's ineligibility for the 12.5% SEMO share owing to STERA's status as a public authority. Mr. Zink has been speaking to Senator Cathy Young's Albany office on this issue. Senator Young's staff person Theresa Rossi has indicated that the decision not to fund the SEMO portion (12.5%) of the FEMA project was a directive out of the Division of the Budget, not SEMO. She will be following up with their reasoning and get back to STERA shortly.

### **NYS 2005 Bond Act Bridge Rehab / Track Realignment Project (Falconer)**

This was a STERA project funded by NYS DOT and WNYP. This project has been completed. WNYP and STERA hosted an inspection train excursion to the site on November 22, 2013. The Board thanked Mr. Belke for providing the train excursion.

WNYP will undertake annual inspections over the next five years to determine if any additional environmental work needs to be done.

There also may be approximately \$500,000 of funds remaining on the project. After discussion, and at the request of WNYP, the Board authorized requesting that NYS DOT (and WNY REDC, if necessary) approve the re-purposing of these remaining funds to the tie installation program of the original project (i.e., between Carrollton and Salamanca) (Corwin, Scott, passing unanimously).

### **NYS 2005 Bond Act Bridge Rehab Project**

This is a STERA project funded by NYS DOT and WNYP. The project involves the rehabilitation of four railroad bridges in Allegany County and one railroad bridge in Cattaraugus County. WNYP is STERA's engineering and construction contractor for the project. WNYP has commenced the project. With STERA's and NYS DOT's approval, WNYP has competitively procured and engaged an engineering subcontractor. WNYP will complete final engineering design in the winter, and will submit the final engineering design to NYS DOT for approval. WNYP has ordered materials for the project. Construction work is anticipated to commence in June 2014 and be completed sometime in 2014. STERA and WNYP will coordinate construction activities with the affected municipalities.

### **Proposed Tie Replacement and Grade Crossing Repair Project (Buffalo Line)**

STERA has received a contract from NYS DOT for funding for the project. The project would involve the replacement of 8,000 cross ties and the rehabilitation of four highway-railroad grade crossings on the section of the Buffalo Railroad Line between Olean and the Pennsylvania State Line. The

total proposed project will cost \$1,345,630.56, comprised of \$1,076,504.45 of grant funding from the New York State Department of Transportation Passenger and Freight Rail Assistance Program (PFRAP, at 80%), and \$269,126.11 of cash match funding (20%) provided by WNYP. Final engineering design will developed in the winter of 2014 and construction will begin in the spring of 2014 and be completed either in 2014 or during the 2015 construction season. STERA and its engineering/construction agent WNYP will coordinate construction activities with the affected municipalities.

STERA will work with WNYP to develop a letter agreement, to be approved by NYS DOT, for the construction contracting services.

#### **Proposed Multi-Modal Freight Transfer Facility and Manufacturing Center Project (Olean)**

Mr. Barnes indicated that there has been no change in this potential initiative. STERA has been unsuccessful to date in obtaining first phase construction funds, but continues to seek funding.

STERA has received communication from a potential developer's agent indicating some interest in developing the project, but the developer has not made any progress toward moving the project forward.

#### **Site Development Project Status**

Mr. Barnes indicated that there has been no change in this potential initiative. Southern Tier West has not advanced this project at the current time. Mr. Brewer had indicated that he had a presentation that he would transmit to STERA that may be useful in this regard.

### **9. Seneca Nation of Indians Representation on STERA Board**

There has been no movement on the appointment of a representative to the STERA Board by the Seneca Nation of Indians. Mr. Daly indicated that he has reached out to the Seneca Nation to see whether the Seneca Nation might be interested in appointing a member, and has not heard back yet.

### **10. Compliance with NYS Public Authorities Accountability Act (PAAA) and Public Authorities Reform Act (PARA) and Other Statutory and Regulatory Requirements**

#### **Training Sessions – now online**

Three current members (Mr. Brisky, Mr. Weaver, and Mr. O'Grady) have not yet completed NYS ABO's PAAA compliance training sessions. NYS ABO requires Board members to receive training within one year of becoming a STERA Board member. NYS ABO now makes the required training available online. Board members are encouraged to register for this training, as the limited space available fills up quickly. Mr. Barnes indicated that he had emailed information on the online training sessions to the appropriate members.

#### **Discussion of Any Desired Policy Modifications**

Mr. Daly encouraged Board members to bring any desired policy modifications forward at any time of the year.

### **11. Other Old Business**

There was no other old or unfinished business discussed at the meeting.

## **New Business**

### **12. RONY Membership Discussion**

At the request of Mr. Daly, the Board discussed potential membership in the Railroads of New York (RONY) trade association (<http://railroadsofny.com/>). RONY has indicated to STERA that it could join RONY as an Associate Member, with annual dues of \$1,000. Associate Members are authorized to attend the Annual meeting and Board of Director meetings, receive general reports and information developed by RONY and submit written suggestions to RONY, but are not be eligible to vote at Board of Director meetings. However, in accordance with RONY Bylaws Contributing and Associate Members together designate three Associate Members to represent their interests as voting members on the RONY Board of Directors. After discussion, the Board adopted a resolution approving joining RONY as an Associate Member, with the annual dues to be paid from WNYP's annual \$40,000 administrative fee (Corwin, Griffin, passing unanimously).

### **13. Other New Business**

There was no other new business discussed at the meeting.

### **14. Public Comment**

There was no public comment.

### **15. Next Meeting Date and Agenda for Next Meeting**

The Board present agreed to set the following dates for the regularly scheduled meeting of the STERA Board in 2014: March 10, June 16, October 20, and December 15. Special meetings may also be called as needed. Unless otherwise amended, all meetings of the STERA Board will be at 9:30 AM 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.

There will be Governance and Audit Committee meetings on each of the Board meeting dates to be held at 9:00 AM immediately preceding the schedule Board meeting on those dates. Additional special meetings of the two committees may be called as needed during 2014. There may be a special meeting of the Governance Committee called prior to the March 10, 2014 Governance Committee meeting. The meetings of the committees will be held at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

There may be a special meeting of the Executive Committee called prior to the March 10, 2014 Governance Committee meeting. No other regular Executive Committee meetings are scheduled for 2014; the Board will call special meetings of the Executive Committee as needed.

### **16. Adjournment**

The meeting adjourned at 10:50 AM (Scott, Gould, passing unanimously).

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

Name: Thomas M. Barnes

Office: Secretary

Date: December 16, 2013