



Chautauqua, Cattaraugus, Allegany and Steuben Counties

Southern Tier Extension Railroad Authority

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"This institution is an equal opportunity organization"

Frank "Jay" Gould, Chairman
Richard Zink, Chief Executive Officer

GOVERNANCE COMMITTEE SELF-EVALUATION REPORT TO THE BOARD on GOVERNANCE COMMITTEE FUNCTIONS FOR CALENDAR YEAR 2020

Submitted March 15, 2021

1. Meetings

- **Notes:**

- During 2020, the Governance Committee was scheduled to meet one time, on March 30, 2020. This meeting was canceled because of the pandemic. Because of the pandemic, and because the Authority was still experimenting with holding meetings via Zoom, the Committee was not scheduled to meeting in June 2020. The full Board handled the Committee's responsibilities at the June 15, 2020 meeting. The Committee was not scheduled to meet later in the year due to a lack of business for the Committee. The Committee thus did not meet in 2020.
- The Committee Charter requires the Committee to meet a minimum of twice a year, plus any additional meetings as needed.
- All meetings were properly noticed and open to the public as required, and all agendas and minutes were made available to the public on the Authority web site as required.

- **Deficiencies:**

- The Committee failed to meet the minimum number of times during 2020..

- **Recommendations:**

- The Committee should meet a minimum of two times during future years.

2. Reporting to Board

- **Notes:**

- The Committee normally reports out its actions and recommendations to the Board at Board meetings, as required. However, the Committee did not meet in 2020.

- **Deficiencies:**

- None.

- **Recommendations:**

- None.

3. Compliance

- **Notes:**

- During 2020, the Committee complied with the Committee Charter and the Authority’s bylaws, excepting the failure to meet the required two times during the year.
- During 2020, the Committee complied with NYS ABO, PAAA, and PARA requirements.
- **Deficiencies:**
 - The Committee failed to meet the minimum number of times during 2020..
- **Recommendations:**
 - The Committee should meet a minimum of two times during future years.

4. Committee Responsibilities With Respect to Authority Operations

- **Notes:** During 2020, the Committee was to review and make recommendations to the Board regarding Authority operations, on March 30, 2020, as follows:
 - Structure, governance, and operating activities.

In this regard, the Committee is responsible per its charter for reviewing and making recommendations to the Board regarding Authority operations, structure, including governance, and operating activities, as follows:

- The Board Self Evaluation Report
- Governance Practices with respect to Transparency, Independence, Accountability, Fiduciary Responsibilities, and Management Oversight
- Competencies and Personal Attributes Required of Board Members
- New Member Orientation Process
- Compliance with Board Member Training Requirements
- Compliance with Staff Training Requirements
- Number and Structure of STERA Committees
- Compensation and Benefits for the Managing Director and Other Senior Authority Officials
- Performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in the Authority’s governance process,
- Other STERA Policies or Documents Related to the Governance of the Authority
- General governance and operation of the Authority, with respect to a consideration of any need for any other policies or documents relating to the governance and operation of the Authority, including rules and procedures for conducting the business of the Authority’s Board.

Unfortunately, these reviews and discussion that were to be held at the scheduled March 30, 2020 Committee meeting (with recommendations made to the Board at its March 30, 2020 meeting), did not occur as the scheduled Committee and Board meetings were canceled due to the pandemic, and the reviews and discussion had to be held by the full Board at its June 15, 2020 meeting.

- **Notes:** None.
- **Deficiencies:**
 - The Committee failed to undertake its responsibilities with respect to reviewing Authority operations, owing to the cancelation of the March 30, 2020 Committee meeting due to the pandemic.
- **Recommendations:**
 - In the future, the Committee should meet in March and June to undertake its responsibilities with respect to reviewing Authority operations.

5. Committee Responsibilities With Respect to Authority Policies

- **Notes:** Per its charter, the Committee is responsible to review and make recommendations to the Board regarding the approval or revision of Authority policies, as follows:
 - Audit Committee Charter
 - Bylaws
 - Code of Ethics
 - Compensation, Reimbursement and Attendance Policy
 - Competencies and Personal Attributes Required of Board Members
 - Defense and Indemnification Policy
 - Equal Opportunity and Affirmative Action Policy
 - Governance Committee Charter
 - Internal Control Procedures
 - Investment Policy
 - Lobbying Policy
 - Management Performance Evaluation Standards
 - Measurement Standards for Performance Evaluation
 - Mission Statement
 - New Member Orientation Process
 - New Member Orientation Process Reference Document
 - Procurement Guidelines (Contract and Procurement Policy)
 - Property Disposition Guidelines
 - Public Access to Records Policy
 - Public Access to Records - Subject Matter List
 - Records Management Program
 - Travel Policy
 - Uniform Tax Exemption Policy
 - Whistleblower Policy

Unfortunately, these reviews and discussion that were to be held at the scheduled March 30, 2020 Committee meeting (with recommendations made to the Board at its March 30, 2020 meeting), did not occur as the scheduled Committee and Board meetings were canceled due to the pandemic, and the reviews and discussion had to be held by the full Board at its June 15, 2020 meeting.

- **Deficiencies:**
 - The Committee failed to undertake its responsibilities with respect to reviewing Authority policies, owing to the cancelation of the March 30, 2020 Committee meeting due to the pandemic.
- **Recommendations:**
 - In the future, the Committee should meet in March to undertake its responsibilities with respect to reviewing Authority policies.

6. Committee Responsibilities With Respect to the Authority's Reports

- **Notes:**
 - **Notes:** During 2020, the Committee was to review and make recommendations to the Board regarding Authority operations, on March 30, 2020, as follows:
 - Annual Report for the year ending December 31, 2019
 - Property Listing Report for the year ending December 31, 2019
 - Property Disposition Report for the year ending December 31, 2019
 - Procurement Report for the year ending December 31, 2019
 - Investment Report for the year ending December 31, 2019

- Management Report on Financial Disclosure and Ethics Report (this report was to have been reviewed on June 15, 2020)

Performance Evaluation Processes and Reports

- Summary of Performance Evaluation Processes
 - Organizational Self-Evaluation Report for the year ending December 31, 2019 using Measurement Standards per NYS ABO Policy Guidance 10-02
 - Organizational Compliance Evaluation Report for the year ending December 31, 2019
 - Organizational Assessment of the Effectiveness of Internal Controls for the year ending December 31, 2019
 - Board Self-Evaluation Report for the year ending December 31, 2019 per NYS ABO Policy Guidance 10-05
 - Board Member Attendance Evaluation Report for the year ending December 31, 2019
 - Governance Committee Self-Evaluation Report for the year ending December 31, 2019
 - Governance Committee Charter Review Report
 - Management (Corporate Officers) Evaluation Report for the year ending December 31, 2019
 - Management Report on Financial Disclosure and Ethics Report
- Unfortunately, these reviews and discussion that were to be held at the scheduled March 30, 2020 Committee meeting (with recommendations made to the Board at its March 30, 2020 meeting), did not occur as the scheduled Committee and Board meetings were canceled due to the pandemic, and the reviews and discussion had to be held by the full Board at its June 15, 2020 meeting. The Board approved these reports on June 15, 2020, making a finding that the Authority was in compliance with all Authority policies, and submitted the appropriate reports to the NYS ABO prior to the March 31, 2020 submission deadline.

- **Deficiencies:**

- The Committee failed to undertake its responsibilities with respect to reviewing the Authority reports listed above, owing to the cancelation of the March 30, 2020 Committee meeting due to the pandemic.

- **Recommendations:**

- In the future, the Committee should meet in March to undertake its responsibilities with respect to reviewing Authority policies.

7. Summary Self Evaluation of Governance Committee Functions During Calendar Year 2020

- **Successes**

- The Committee normally complies with its functions as regards Board reporting and regulatory compliance and was ready to do so at the March 30, 2020 meeting. Unfortunately, this meeting was canceled due to the pandemic.

- **Deficiencies**

- The Committee failed at its responsibilities with respect to reviewing operations, policies, and reports, owing to the cancelation of the March 30, 2020 Committee meeting due to the pandemic.

Approved by the Governance Committee
And
Submitted to and Approved by the Board of Directors of the
Chautauqua, Cattaraugus, Allegany, and Steuben
Southern Tier Extension Railroad Authority
On March 15, 2021

Thomas M. Barnes

Secretary

March 15, 2021

Date