

**New York State Thruway Authority  
Board Meeting  
November 7, 2016**

Madam Chairman: Welcome to the November 2016 meeting of the Thruway Authority and Canal Corporation Board of Directors. Here with us in Albany we have Vice Chair Donna Luh, Richard Simberg, Don Rice and Bob Megna, welcome to all of you. Dr. Veras and Mr. Stephen Saland have been excused. And before we get started with this meeting, we had a tragedy on the Thruway that I know we are all aware of and it is really with a heavy heart that we acknowledge the passing of Ron Deming from the Syracuse Division Construction Equipment Operator. We had an opportunity to talk about what happened at the scene and like a lot of Thruway employees, Ron put himself in harms way to help the public and I don't think when people say that, that they really stop and internalize what that means and what people at the Thruway Authority do every day and I would like to take a moment of silence to acknowledge him, but before I do that, I don't know if any of you want to say anything before I do that or are you okay with a moment of silence? Alright let's take a moment of silence please for Ron Deming. Thank you all very much and thank you to those who helped. I can't imagine how awful the situation must have been for people here at the Thruway and for Ron's family and our hearts go out to him.

And I want to welcome the staff that's here and convene first the Finance Committee meeting. The first thing we have to do is approve the minutes. May I have a motion to consider the minutes of our last Finance Committee meeting?

Female: I'll make a motion.

Madam Chairman: Second?

Male: Second.

Madam Chairman: All in favor?

(Chorus of ayes). Alright the motion is approved and we will move right on to Matt Howard who will give us a review of the financial reports. Do I need a motion for this for him to review the financial reports? Okay so Matt you're up. Thank you.

Matt Howard: This review is through September so through September total traffic was up by 3.1% above the prior year. Growth and commercial traffic has increased by 3.7% while passenger traffic growth has been around 3%. So this corresponds to total revenue receipts of \$534 million representing both the 3.03% or \$15.7 million above the prior year with commercial tolls growing by 5.11% and passenger total revenue growing by 1.75%. In total the thruway collected \$562 million through September. These collections are comprised of \$534 million in toll revenues, \$10 million in Easy pass fees, \$11.1 in concession revenues and \$7.3 million in sundry, special hauling permit and interest on investment revenues.

Through September, Thruway operating expenses totaled \$260 million which is \$16.6 million or 6.8% above last year. The driver of that increase is the removal of the direct state operating subsidy that the Thruway had previously received and as a result of the enacted state budget, was removed from our budget, so the operating expenses of the Thruway increased accordingly as a

result of that. So if you were to factor that into our September results, we're actually but for what was included in the enacted state budget, slightly down on a year-to-year basis. For canals, operating expenses totaled \$43.9 million through September, that's \$830,000 or 1.85% below the prior year. Also to report on a year to date basis, the cost of the State Police Troop T patrolling our Thruway was roughly \$28 million and again, as a result of the enacted state budget these are costs that we're now incorporating into our budget. So on an overall basis, through the end of September, revenues are about 2 ½% above what we had planned and on the expense side 0.7% below our 2016 budget forecast. And with that I'd be more than happy to answer any questions.

Madam Chairman: Thank Matt. Anybody have any questions? Okay. Hearing none I do need a motion to accept the financial reports.

Male: So moved.

Male: Second.

Madam Chairman: All in favor?

[Chorus of ayes]. The motion is approved and the next item is our Contract Program Tom Pericak.

Tom: Thank you Chair, Chair and Board Members. For this item I'm requesting the Finance Committee's approval and recommendations to the Board for the 2017 Thruway Contracts Program. The Contracts Program is recommended by the Capital Program Executive Committee and is consistent with the funding established in the 2017 budget. Contracts Program authorizations are the same as 2016 with one addition. This addition will provide authorization to award any such best value and design build contracts to the firm with the best combined technical and cost score using cost thresholds consistent with those in design bid built contracts. So in other words, since we are doing a design build starting in 2017 a design build, any cost approval will have the same level of approval whether it be Chief Engineer, Executive Director or the Board consistent with the same threshold we have in our traditional design bid build contracts. Projects were selected for inclusion in a 5 year, 2017 to 2021 program as a collaborative effort between engineering and maintenance using our Asset Management Systems and engineering judgment. The 2017 Contracts Program includes 54 contracts to be let in 2017 with a construction budget of \$495 million. This by far is the largest capital program that the Thruway has undertaken. The specific projects are included as exhibit C of this item. Bridge projects account for 54% of the program with 18 bridge replacements, 11 bridge rehabilitations and 1 bridge removal. This represents a 50% increase in the number of bridge projects over 2016 mainly due to the addition of bride replacements through a design build project Syracuse Division. Highway projects account for 43% of the '17 program with 5 lane miles to be totally reconstructed, 15 lane miles to be rehabilitated and 486 lane miles to be resurfaced. This represents a 4% increase in the number of lane miles to be addressed in 2016. Architectural projects make up the remaining 3% 2017 program. We also have one project included for improvements to poor drainage areas which have been identified over the years. The program also continues the installation of wrong way signage and recessed triple drop \_\_\_\_\_ swiping as well as improvements to 2 existing weigh and motion sites and the completion of a third site at interchange 17. That site the beginning of it DOT has done some construction on it and when we do our bridge replacement at entry 17 next year, we're going to complete that site down there.

The 2017 program is part of the 5-year capital program which is included in the 2017 budget book. Condition projections for the 5-year program indicate the average bridge condition rating is projected to remain consistent in the good category and the average pavement condition using the Authority's Pavement Distress Index is projected to continue its upward trend and compare to good. The recommended committee approved this item and advanced it to the Full Board for approval.

Madam Chairman: Alright, thank you and anybody have any questions about the Contract Program?

Male: Yes. It's difficult to go through that handout that we had received earlier this week.

Madam Chairman: It was very thorough.

Male: Yes its very thorough. We need reassurance on the fact that could you go into a little the depth and reassure us the process that was used to incorporate firms on this very big part of our budget not so much the capital program itself but the design and people constructed as consultants and all the other contractors. How it was done.

Tom: Sure. Well the '17 Contracts Program in addition to including all the contracts we let in '17 includes projects in our 5-year program. As you know it can take several years for a project to be advanced to design and construction. Again, it's a collaborative effort. We use our Payment Asset Management System which is fully operational, very automated. It gives us good information on each section of highway out there and the condition of that highway, the trend of conditions as well as past service lives of different treatments. The bridge model as I mentioned it at the September meetings is under development and although we have a lot of good information, we're using that manually at this point, we haven't fully automated that model yet. But again, its based on bridge conditions, a collaboration between our bridge maintenance and headquarters, our maintenance in the Divisions to develop those projects in the program.

Male: That is the gem of new things going on and do you have any idea of maybe next year's budget that we will be fully using it to incorporate the results of the Capital Program?

Tom: Right now, what we're doing and we expect to have it completed by the end of this year is a module looking at bridge deck service lives. So our consultants taking a looking at 400 sample bridges, coming up with the bridge deck service like component. Assuming that's successful at the end of the year, then we'll move onto other elements, bridge joint substructure, etc. And so by next year we do hope to have a functional model that we can use which will be more automated to help us predict future service lives of bridges and give us another tool to help us in bridge selection projects.

Male: So next year you'll be able to tell the Thruway as a whole that including these bridges and these pavements what we are doing that year in that budget will either make things a little better, same. You know, as the Thruway itself levels of service or possibly worse you know as far as the magnitude of what we're putting into the Capital Budget.

Tom: Yes, again it will be another tool that's more automated. Right now when we look at our ratings and we project them out manually, we do again predict that our bridge condition ratings will remain in a good category.

Male: Can I ask a question? What do you mean when you say automated?

Tom: Basically a system that has algorithms built into it. For example for our pavement, each section of pavement we have distinct sections of pavements but we have a history that goes back 60 years on different types of treatments that have been done. When we go back, we look at projecting what type of life we got based on the next treatment. Since 2011 we've been going out and doing yearly pavement condition rating. So now we have 5 years of data in there to help us project into the future. So again, for each section of pavement, we have service life in there. We know what types of treatments have been done and so by using those algorithms and based on service life trends, for example, as we do the one course overlays the mill and fills as they call them, the service lives continue to get shorter and shorter and we can predict into the future with pretty good accuracy how long of a service life will predict with different treatments.

Male: So then the automation refers to the software in which you have a database and therefore gives predictability.

Tom: Yes.

Male: Tom, can I, I think, correct me if I'm wrong, is also the issue, yes the automation comes after to try to kind of routinize what eyeballs have looked at.

Tom: We mechanically put it in but then...

Male: But it's fair to say that part of the advantage of the system that we use is that eyeballs have looked at every inch of the road to make those judgments in the first instance.

Tom: Correct.

Madam Chairman: Interesting. Anybody have any other questions?

Male: This can't be emphasized more. The Thruway now is averaging about 60 years old and having gone past that age myself, it gets a little tougher every year. But the thing is, eventually we're going to replace the Thruway. In place we're going to replace it and so that's why this Asset Management is so critical to looking ahead with our needs in the next 5 years, next 10 years and beyond so that we can do it as efficiently and as cost effectively as you can. I don't think anybody has a system that's better than ours or that they're developing or has developed a system even up to ours and it will be a trend setter for the nation and I compliment engineering for doing so well over these past year and I just look forward to continue.

Tom: And as you mentioned we'll be able to put different types of scenarios in there. If you want to do 10 bridge replacements this year, 30 bridge replacements and what effect does that have on our overall condition\_\_\_\_\_. So it's a very good tool that's been developed in-house and has been verified and audited by outside consultant firms. So we're very happy with the system.

Madam Chairman: That's really impressive that you developed that in-house.

Male: So, if this is cutting edge can we sell it?

Madam Chairman: Yeah good.

Male: I'm serious.

Tom: I don't know. If it's something that other folks can use.

Madam Chairman: License it. Well there you go Gordon. No one has ever asked whether I can sell my software I've created so I don't know the answer. Any more questions on the contracts? And can I have a motion to approve the Contract Report?

Donna: Moved.

Madam Chairman: Donna, thank you. Second?

Male: Second.

Madam Chairman: All in favor?

[Chorus of ayes]. The motion is approved. And I inadvertently skipped over #3. Matt has the 2016 Revised Financial Plan and the 2017 proposed budget for the Thruway and I think I subconsciously went past it when I saw the word power point. Do you maybe have a power point for us?

Matt: Yes we do.

Madam Chairman: Okay.

Matt: As you said, this resolution seeks the Committee's approval of the revised 2016 budget and the proposed 2017 budget. This budget provides the support necessary to continue the great progress that's occurring on the New York Bridge Project as well as making continued progress on the long-term prospects of the Authority. Consistent with the Enacted State Budget, the 2017 budget incorporates the additional \$700 million in state capital assistance for Thruway Capital Projects and the transfer of the Canal Corporation to the New York Power Authority. As such, the 2017 budget does not include funds for Canals and it's my understanding this will be addressed by the New York Power Authority. Taken as a whole, the provisions associated with the Canal Transfer are cost neutral in their impact to the Thruway. However as you'll see executing the transfer provisions does have an impact on the Thruway budget and I'll do my best to try to explain it all.

Overall, there's many positives to report however being cautious, I continue to believe that continued vigilance on the Thruway's financial picture remains imperative. Our traffic forecast continues to show growth and is exceeding our prior expectations. In fact our traffic numbers have risen to levels not seen since prior to 2008. As a result, our 2017 traffic forecast predicts that as many vehicles will be using our system next year than any time in our history. This and the fact that the Thruway continues to be one of the safest highway systems in the nation is a testament to the work that our employees put in every day. For the 2016 Revised Budget the 2016 Revised Budget is \$2 billion. It is adjusted slightly downward by \$25 million or 1.2% from

the budget that the Board approved last November. And this includes for capital a downward revision of \$88.4 million in Capital Budget for the Thruway System and a reduction of 4.8 for the Canal System. These revisions are due largely to bid savings, revised letting estimates and timing differences. For operations, the 2016 budget takes into account the following: provisions related to the Canal Transfer. Again, these all balance out and include the elimination of \$25.4 million in state subsidy that's been provided to the Thruway since 2013, Thruway operating expenses increase accordingly by that \$25 ½ million as a result. \$45 million is included in the revised budget for Thruway reimbursement to the State Police or Troop T costs of patrolling the system beginning on April 1, 2016. Reimbursement from the New York Power Authority to the Thruway consistent with the Canal Transfer legislation for costs associated with operating the canal from the period of April 1, 2016 through the end of this year are also incorporated into the revised budget. And then finally, it includes a net increase of roughly a million dollars related to an increase that's associated with the fact that fewer costs are able to be allocated to the Capital Plan. That increase is offset by the fact that we have lower snow and ice costs, fuel costs and worker compensation costs than previously budgeted for.

The 2017 budget summary – the proposed 2017 budget totaled \$1.8 billion reflecting a reduction of 207.7 million from the revised 2016 levels. This includes the following: \$330 million for Thruway operating expenses. This represents an increase of \$5.4 million or 1.68% above revised 2016 levels. \$62.9 million is provided for 2017 for State Police Troop T reimbursement. \$358.4 million is provided for debt service expenses which is an increase of \$27.2 million or 8.2% in 2017 and the Authority's Capital Program is expected to decrease from \$1.3 billion in 2016 to \$1.1 billion in 2017 representing a reduction of \$207.6 million or 16%. The Capital Program includes \$721 million in spending on the New York Bridge and again in 2016 we budgeted for \$1 billion to be spent and as the project reaches completion of many of the major aspects we've anticipated that the annual spending level would decline so as a result this budget actually includes a reduction of about \$294 million in spending on the New York Bridge in 2017. For the rest of the system \$373 million is provided for Capital Projects which is a net increase of \$86 million from 2016. A couple of significant points associated with the 2017 budget; first and foremost, the 2017 budget recommends no toll increase for 2017. That marks the 7<sup>th</sup> year since the last increase took effect. The underlying traffic and total revenue forecasts on a traffic perspective our forecast totals 267 million vehicles which is growth of 3.3 million or 1.3% above 2016 and this corresponds to a total revenue forecast of \$707.3 million reflecting an increase of \$11.1 million or 1.6% above the 2016 level.

The transfer of the Canal Corporation – the 2017 budget does not include operating expenses or Capital Expenses related to the Canal Corporation however the 2017 budget does reflect the statutory changes that were included in the Enacted State Budget. And as this slide shows from an expense side the net impact of these actions is largely a wash and on an overall basis the transfer is largely cash neutral for the Thruway.

Just to run through quickly what the different components are again that does incorporate the transfer of the operating capital expenses of the Canal Corporation to the New York Power Authority on January 1, 2017. Again, it includes reimbursement for the State Police for costs in 2017 reimbursing the State Police for Troop T costs roughly \$63 million. It fully incorporates the fact that we are no longer receiving a state operating subsidy that we had received for the previous few years since 2013. And also, the budget does provide for the inclusion of \$6 million in administrative costs of the Thruway that had been previously allocated to the Canal Corporation budget. This \$6 million is a cost that is not new to the Thruway. We've incurred it

as a responsibility of operating and maintaining the canal system. Just historically, we've allocated it to the Canal Corporation budget. So given the fact that in 2017 the Canal Corporation is moving to the Power Authority these overhead costs are fully incorporated into the Thruway Authority budget.

Still, we continue to work with the staffs of the Power Authority and Canals to ensure that the transfer proceeds as envisioned, and as a result, it is anticipated in order to aid in the transition the Thruway will provide a limited number of services on a short-term basis after January 1, 2017 to make sure that the transfer is a success.

Slide 5, total revenues. The 2017 budget forecast Thruway Authority revenues of \$745.8 million an increase of \$13.3 million above the 2016 levels. This includes toll forecast of \$707 million, concession revenues of \$14.5 million and interest and sundry revenues of \$24 million. And as I had mentioned earlier, due to our traffic figures, our budget includes an updated total revenue forecast that's an improvement from what the Board approved last November. A year ago we had a forecast growth that was roughly flat on a year-to-year basis and the budget before you today calls for a growth of about 1% above the 2016 levels. I would also add that for 2016 being the optimist, if we're able to continue at the growth rate that we've seen through the year to date, we have a good chance of actually exceeding that forecast as well if things go well.

Slide 6, operating budget history. So this budget marks the continuation of the roughly flat operating spending that the Authority has achieved over the last 6 to 7 years. you'll see on this slide that in the early 2000's the Thruway Authority operating budget showed annual growth averaged about 5% a year from 2000 to 2010 and as you'll see here from 2011 forward we've held that under 1% growth. In fact the proposed budget for 2017, as this slide shows, is actually below the level that was included in the 2010 budget. So we continue to try to manage our organization efficiently.

Slide 7 is a slide on our staffing levels. This has been a real driver of our annual spending growth over the last 2 years and since 2010 the Thruway has reduced its fulltime workforce by 311 permanent filled positions which is by about 14%. The 2017 budget marks the continuation of that effort to try to maintain staffing levels at that level. In fact the 2017 budget includes savings that result from the reduction of 14 budgeted positions and would ultimately have us maintain our permanent filled level roughly at the place were are right now which is slightly under 2000 permanent full-time employees. And with that I would just clarify that we're going to achieve this not by eliminating positions that are currently filled but by continuing to manage attrition and imposing hiring controls on new hires.

Slight 8 the 2017 Capital Program. And again, the proposed budget provides for roughly \$1.1 billion in capital spending in 2017 which is \$207 million below 2016 levels and just as a reminder it reflects a reduction of \$294 million in planning New York Bridge expenses and an \$86 million increase for Thruway System Capital. In its entirety, the 2017 through 2021 Capital Program would provide \$2.77 billion for Thruway Authority Capital Projects which over the course of the multiyear program would be roughly \$1.1 billion for the New York Bridge Project and \$1.7 billion for system wide projects on the Thruway. And within all of these figures, it does incorporate the roughly \$2 billion in state assistance that was provided to the Thruway in both 2015 and 2016. There is always some risk in budgeting in advance of start of the fiscal year. You know on the revenue side, total revenues account for 90% of the Thruway's revenue pictures so be it changes in the economy or bad weather or you know fuel prices, all those things

could contribute to impact our future revenue forecast, just as well as on the operating expense side, changes in the cost of inputs like asphalt, steel, the things that we use to manage the roadway as well as again fuel and winter snow and ice costs all contribute to our ability to maintain the plan that we're putting forth today. So, given all that, continued vigilance in managing our budget is imperative and with that I thank you for allowing me to walk through the budget that's being submitted and would be willing to answer any questions that you have.

Male: Can we go back to that head count slide for a minute? That's just very significant when you think about it. We run the roads, they don't seem to be getting any worse, perhaps better and the fact that we're doing it with that much less head count is noteworthy.

Richard: Just to put a somber side on that slide, you have to remember that we rely to a much greater extent on contract personnel than most state agencies such as DOT and I don't know if we are operating with that many less bodies. Some of them had a hiring bodies, people we hire vs. people on staff. There probably is not a good way to find out what the highest number is quantitatively at least that I know of and when we do the contracts and maybe by next year we can have some idea of the number of people working for us not just permanently but those who are hired on by us are doing. And it would be interesting to see because I can see an engineer not reporting for work here but reporting to work to a consultant who we paid a consultant to hire.

Male: I don't think there's any question Richard that that's true but I think its also fair but I'll have Matt correct me that on the Admin side and other kind of headquarter areas the head count reductions are real and not. So I think when you look at that Don it is a real reduction, Richard's question is a fair one which is how much consulting work is out there.

Madam Chairman: I think it's important though to put that into categories as you said because if we have a robust capital program where we're working with outside vendors then that number will look higher and you certainly don't want to encourage anybody to make that lower because we're being driven by an over simplified look at what the head count is.

Richard: Sometimes where that balance is, is critical to the future of an agency.

Madam Chairman: I agree so we need good information rather than one number, we need numbers in categories of where people are and I think that's a really good point. Any other questions for Matt? I have one. Do we know like what our sweet spot is for numbers of cars on the Thruway? I mean if we get to be too many then I imagine it affects the maintenance numbers like you said our traffic is up. Is that unlimited good news or do you know what that number should be?

Matt: Well I think my answer might be different than the engineer who are responsible for maintaining the roadway.

Madam Chairman: Right and the people that are traveling in the public that are stuck.

Matt: I mean the point that struck me on that frankly was in looking back at some of our history, it dawned on me that its as much a function of the fact that around 2008 when the economy sort of wasn't heading in a good direction, that we saw it on the roadway and traffic really did basically flatten out and level out and I think there may be a couple of years where it actually declined. But its been a few years since then and the last 2 years I think you've seen a real

rebound in what we've seen on the roadway. Now what that means for our costs you know associated with maintaining it is something that I'd have to defer to our engineering and maintenance staff on that front.

Madam Chairman: It would be interesting to know maybe for a later date but like what is the capacity of the road? Like where do we want to be? What's our goal? So any other questions though on the presentation. That was a very comprehensive presentation of the budget.

Male: Just one comment. Matt made and I know the people around the table made that Canal Transfer look simple. I know its not, its incredibly complicated and I think folks, staff folks deserve a lot of credit for figuring that out. I know I left because of it.

Madam Chairman: And I did have the chance to talk to Mr. Finch and we did talk about acknowledging that at our December meeting where we'll all be gathering again in a few weeks but absolutely, there's not enough thanks for that complicated, I mean what seems simple, just take the Canals and put them over there, I can't even imagine the, I can't imagine the legalities and Brian and your team helping. Thank you very much. And can I have a motion to accept the 2016 Revised Financial Plan and the '17 Proposed Budget for the Thruway?

Female: Motion.

Madam Chairman: Okay. Second please. Don. All in favor?

(Chorus of ayes). The motion is approved and we're on number 5 now so I'll get back on track, which is again Matt Howard to talk about authorizing the selection of underwriting firms which I know has been on our agenda and you've also done a lot of work on this.

Matt: Yes. So this item seeks the Board's approval to designate pools of investment banking firms from which Senior Managing co-managing or co-managing underwriters may be selected for future Authority Bond sales on an as needed basis. These designations were based on an RFP process whereby an evaluation committee comprised of Authority Staff from various departments evaluated the proposals in accordance with criteria set forth in the RFP and numerical evaluation standards were used by evaluation committee to assist in the overall approach to ensure that there was continuity and even-handedness in that approach. The selection committee found that the best interest of the Authority would be served by entering into agreements with 14 firms having the highest weighted scores for those applying as senior managers and entering into agreements for co-managing underwriting firms for 8 firms from those remaining with the highest weighted scores and 6 from those that had the highest weighted scores from certified minority women business firms, as well as service disabled veterans firms. The acting Executive Director concurred with this determination and again this is a service that the Authority used on an as needed basis to engage in its financing activities. And with that I would recommend its approval.

Madam Chairman: Thank you. Anybody have any questions or comments? Yes, Mr. Finch.

Mr. Finch: You know I had no idea of what kind of Board you were until I started working with you and I just want to say thanks to Don and the Chairwoman for really helping us get through this and figure out the best way forward. It was a little gnarly because there are a lot of processes that you go through and legal requirements but Don, thank you, Joanie thank you.

Madam Chairman: And I want to thank Don too it was nice to have, I don't know if you know that we were both pulling in that same direction to broaden the field which I think is best for the Thruway but we couldn't have done it without your expertise. I have the ideas without the ability to implement them but you you really know what it was we were trying to do and thank you very much for your help. Matt, thank you. Any other questions or comments? Alright, hearing none, can I have a motion to accept Matt's report? Don so moved. Donna second. All in favor?

(Chorus of ayes). The motion is approved. Eric Christensen is up authorizing the Acting Executive Director to discontinue the Easy Pass discount for Easy Pass accounts provided by other states including Connecticut. Lest anyone think he acts in his self-interest. (Laughing)

(Bill Finch: I have my Easy Pass here. I have my fishing license here.)

Eric Christensen: Thank you Chair. Thank you Chair Mahoney, fellow Board members, I'm here to present items 6 and 7 which are an effort to provide consistent electronic toll collection policies within New York State and the surrounding states. These policies will help deter stop flaws related to our Easy Pass and toll by mail program. Item 6 is a request to authorize the Acting Executive Director to discontinue the Easy Pass discount for Easy Pass accounts provided by other states. This policy change is consistent with many toll agencies in the Northeast. Easy Pass account holders with the Thruway, MTA or the Port Authority will continue to receive the 5% Easy Pass discount. Over 90% of the Easy Pass trips on the Thruway will continue to receive the 5% discount. And with you indulgence, I'd like to introduce #7 that kind of goes along with that. Item 7 is a request of authorizing an amendment to the Thruway Rules and Regulations related to violation fees. The Authority has been administratively imposing a \$25 fee for violators on the Thruway. This fee is a deterrent to would be stop laws and in attempts to recover costs related to processing violations. Beginning in January we will begin imposing a \$50 violation fee consistent with our partner New York tolling agencies. In addition, the MTA has received approval from their Board to implement steps to advise their toll violation enforcement regulations which include increasing their violation fee to \$100 for their major facilities. Toll avoiders on the New York toll roads are not just a Thruway problem but a statewide problem. We are making violation policies consistent in New York to combat scofflaws. Staff is seeking Board authorization to start the rule making process to amend the Thruway Rules and Regulations to reflect a \$100 fee at our all-electronic tolling facilities. I'm happy to answer any questions regarding item 6 or 7.

Madam Chairman: Thank you and the fact of the matter is that the money has to come from somewhere and it's not fair to the law-abiding people that are using the roads to pick up the slack for the people that are skipping out on their tolls. So I know this isn't probably one of your favorite things to do but we have to do what's fair to everybody. So anybody have any questions for Eric?

Don Rice: No, I concur with the Chair this is important.

Don Rice: One of the things I'll underscore is we were at \$25 and the other New York State entities on the Easy Pass were at \$50. So what we're really doing is moving ours up to theirs.

Madam Chairman: That's a good point. Any other questions or comments? And we'll just take the votes separately to keep the record straight but on number 6 which is discontinuing the Easy Pass discount for other states, I will make the motion to approve. Can I have a second?

Donna: Second.

Madam Chairman: Donna. All in favor?

(Chorus of ayes) the motion is approved. And on the second one I'll make a motion to approve the amendment in relation to fees for toll violators. Can I have a second?

Don: Second.

Madam Chairman: Don. All in favor?

(Chorus of ayes) the motion is approved. Is there any other business for the Finance Committee? Hearing none, I will entertain a motion to adjourn. Donna? Second? Richard, thank you. All in favor?

(Chorus of ayes). Okay that motion is approved. We have very polite Board members in not wanting to step on each other's seconding I've noticed. We will move on to the Audit Committee. The first thing we have to do is the approval of the minutes for that committee and I will make a motion to approve the minutes. A second? Any discussion about the minutes from the Audit Committee? Hearing none, all in favor?

(Chorus of ayes) no opposition. The motion is approved and we're back to Matt Howard on the reports on applying agreed upon procedures on rents payable by HMS Host, Delaware North and McDonalds.

Matt: So this item is a concessionary audit report that was done by our independent auditors. These audits are performed annually at our vendors at the 27 travel plazas that we operate. And as a result of our agreement with those vendors, we have our auditors go on an annual basis and ensure that the revenues that are being reported to the Thruway that serve as the basis for the rental payment that they make to the Thruway Authorities is accurately collected and accounted for. And those audits were performed on each of the 3 vendors that you cited and there was no finding submitted on either one of them, on any of them and they basically indicate that we are appropriately collecting and accounting for the revenues that we receive as a result of these agreements with the vendors.

Madam Chairman: Okay good news. I'll make a motion to approve. Can I have a second? Donna, thank you. Any discussion on the reports? Hearing none can I have a vote? All in favor?

(Chorus of ayes). Any opposed? The motion is approved. Harry Lennon is up, 2017 Audits, Initiatives and Projects Plan please.

Harry Lennon: Yes, Madam Chairman and members of the Board this is the Department of Audit Management Services 2017 Audits Initiatives and Projects Plan for your review and acceptance. I'm here with our Chief Investigator Mary Boehm to answer any questions that you may have

concerning this plan. The plan is broken up into 5 different areas; Audits, Investigations which include waste, fraud and abuse, Internal Controls, Management Services and Security Officer Functions which includes the Tappan Zee Bridge. I'd be happy to answer any questions if any if any of you would have concerning our plan. Thank you.

Madam Chairman: Thank Harry. Any questions? Alright hearing none can I have a motion to approve?

Bob: Moved.

Madam Chairman: Bob, second, Richard thank you. All in favor?

(Chorus of ayes). The motion is approved. Is there any other business for the Audit Committee? Hearing none can I have a motion to adjourn the Audit Committee please? Bob, second, Donna. All in favor?

(Chorus of ayes). The Audit Committee Meeting is adjourned. We will move into the Full Board Meeting and I will call to order the Board Meeting of the New York State Thruway Authority and the Canal Corporation. The scheduled meeting has been duly noticed as required by the Open Meetings Law. Can I have a motion to enter the Board meeting?

Male: Moved.

Madam Chairman: Second please?

Male: Second.

Madam Chairman: All in favor?

[Chorus of ayes]. We are now in the full meeting of the Board.

And our first order of business which I see out of my peripheral vision is the public comment period. First speakers to address items on today's agenda. And I see welcome.

Murray Bodin: Good morning. It's a pleasure to be here.

Madam Chairman: Good morning, it's a pleasure to have you. So you want to talk, I think in both sessions that are here and now you're going to make comments on what's on today's agenda?

Murray Bodin: Right.

Madam Chairman: Thank you.

Murray Boidn: Both your Chief Engineer and your Director of Maintenance, welcoming them here. Some of you do not know I've been involved with the Thruway since the first meeting of the Tappan Zee Bridge. I've worked with the Chief Engineers and the various executive directors and if you go downstairs there's a plaque on the wall that I gave to you in 2002 complimenting the work that's being done. I welcome the new Chief Engineer and Director of

Maintenance because of the evolving nature of the Thruway, how you're moving forward and it's a changing world we live in but I first want you to know that there have been a number of things that I've done over the year that have been really, really bad and I apologize for them. At the time I did them I thought they were right. But what I've learned since then is that what I did then was absolutely wrong. And so when I find somebody that I've done something wrong I apologize and what I've learned in the last few weeks or last hour or whatever changes the way I behave today and I do what I do based on the knowledge that I've gained over the years and positions I've had 5 years ago or a year ago are no longer correct. So I want to do what's correct to do now. So I've been working with the various people here for years and years and years, they've been excellent. And it's been evolving. The Tappan Zee Bridge is the best engineering job I have ever seen and you should be complimented on that. And I look forward to working with the new people here as I have with the others and Stephen pleasure working with you. (Laughing).

So thank you all, I will speak at the end about the sign business and the Thruway \_\_\_\_\_ (someone coughing into mic) we'll get to that later.

Madam Chairman: We will look forward to seeing you again in a few minutes. Thank you very much. And we're going to start with staff reports and first up on winter preparation is Mark Hixson please, it's sunny and 55 out.

Mark Hixson: Yes it is. Thank you Chair and Board members. I'm not going to keep you in suspense. I'm going to jump to my conclusion right away and then I'm going to come back and fill in the details for you. I'm very pleased to report that our preparations have gone extremely well and from New York to Buffalo we're confident in our readiness for the winter season. I'm going to highlight our preparations and readiness in a few key areas while also featuring some of our new equipment and a few recent initiatives.

First, I just wanted to highlight a few quick Thruway winter facts that are shown here. It really illustrates that our system is far more than just the 570-centerline miles of the system. There's a lot more to it and a lot more than we need to tend to during the winter months. So aside from preparing our physical assets, we've been very active in planning and coordination efforts. And those include, as you see here, assembling over 80 of our key staff from across the state to review and assess our winter preparedness and operations and share best practices from across the system. Further, we participated in pre-winter meetings and training conducted by the New York State Office of Emergency Management, working closely in those efforts with our partners from the New York State Department of Transportation and the New York State Police and others. We've been meeting internally at the division level to review safety, operational plans and readiness and also participating in meetings with our regional partners throughout the state. We've met with our authorized towing garages throughout the state to discuss level of service expectations, assess resources and review safety and other standard operating procedures. We've also met with our counter parts from adjoining states who are planning to meet in the next couple of weeks to discuss winter emergency operations and communications. We'll be meeting with senior staff here at headquarters to brief on our snow and ice program and review our winter protocols. In the last few weeks, Acting Executive Director Bill Finch, Joe Stahl our Director of Emergency Management and I have traveled to the Syracuse and Buffalo divisions to meet with our maintenance personnel to review winter priorities and assess readiness. We have similar meetings scheduled in our Albany and New York divisions as well.

Our Emergency Manager, Joe Stahl has also been working very closely with staff from the New York State Office of Emergency Management as well as our numerous other partners. And finally, we continue to partner with National Weather Service for timely weather briefs and warnings. All key Authority staff are on e-mails distributed by the weather service when there are weather notifications and alerts.

Next, I'll speak out our fleet readiness highlighting our annual Preventive Maintenance Program. How we track and report our fleet readiness and then highlight some of our new equipment.

This picture shows the two primary workhorses of the Thruway fleet, our large plow truck and our front-end loader. Thanks to the hard work and dedication of our equipment maintenance team and many others, I can report that our annual maintenance program has been completed on all of our large plow trucks and is very nearly complete on remaining items such as loaders, blowers and smaller equipment. This photo represents the level of effort that's involved in a typical seasonal maintenance on our large plow trucks. Throughout the summer we monitor the progress on this program on a monthly basis to ensure these efforts are on track for early November completion.

Leading up to and throughout the winter season, we monitor the status of our critical resources very closely. Here is an example of the report that is provided to our executive staff and State Office of Emergency Management on a weekly basis throughout the winter season. Internally we monitor status at least twice a week and more frequently, when a significant forecast is received, or we're engaged in storm fighting activities.

I want to highlight a few newer pieces of snow fighting equipment. We're acquiring state-of-the-art truck mounted snow blowers that have significant greater capacity than our previous units. We received one and the second is anticipated by the end of the year. One will be stationed in our New York Division and one in our Buffalo Division. We also have 3 high capacity loader mounted blowers, 2 of the size shown here on the right; one each in our Syracuse and Buffalo Divisions, and a slightly smaller unit is in our Albany Division. In addition, we have 7 tractor-mounted blowers as well as 15 skid steer mounted blowers located throughout the state. These provide us with greater flexibility for snow removal when we have areas of limited access or restricted areas. All of these assets along with our trucks and loaders are available and can be and will be strategically deployed across the system as weather forecasts and events dictate.

Finally, our budget also provides for an annual replacement program for our trucks, spreaders, plows and loaders so we can continuously upgrade our fleet.

All of our plow trucks are equipped with GPS to assist in storm management. This allows us to confirm what resources are engaged in a specific area and when resources are moved out of the area, we are able to track where they are. The graphic here displays truck locations as green bins on the map.

Each of our large plow trucks is equipped with automatic spreader controls that are calibrated to assure the appropriate material applications. To the right in this photo, you see the automated spreader controls at the top, plow controls, and at the bottom the arrow board controls. We also have a display of pavement and air temperature that you can see on the dashboard. As you can see, there's a lot going on inside the cab of our plow trucks.

I want to shift from equipment to materials just briefly and let you know that we're in very good shape in terms of our salt supplies. We have contracts in place throughout the state. We currently have approximately 125,000 tons of salt on hand across the system. This is just slightly below our working capacity of about 130,000 tons of salt. As a frame of reference, we typically on our 10-year average usage of salt on the Thruway is approximately 165,000 tons and for those that are wondering, last winter being a light winter, we used approximately 95,000 tons so significant savings last year.

Last, but certainly not least, personnel, our most critical asset in our preparations and our performance. So our Divisions are currently at or above about a 95% staffing level and they continue hiring and training to bring them to the approved staffing levels. Overall, we're in a better condition and better position than we have been over the last few years and this can be attributed to getting an earlier start on our winter hiring and also on a more consistent pace of hiring than we had throughout the year. Training of snow and ice staff is currently the top priority of our field staff. In addition to training on employee safety and equipment operation, all employees review protocols, priorities and procedures contained in our Winter Maintenance manual and I just wanted to share with you, we have this rather large document that kind of guides and provides a lot more detail. Our winter staffing schedule is issued each year in mid October in the form of a maintenance directive. All upstate locations began their 24-hour weekday staffing just before midnight last night, incidentally. And our 24/7 staffing including holidays begins in early December and lasts through the beginning of March.

I want to quickly highlight some recent initiatives we've completed. We've installed pre-sign detour routes in our Buffalo and Syracuse divisions. These will facilitate traffic diversions for our most impacted lake effect regions. As seen here on the right, closure gates have been completed for the non-toll areas in the Buffalo Division on the I-190 and the freeway from Williamsville to Lackawanna. And as seen here on the right, we widened U-turns on the Erie section in 5 locations to facilitate tractor-trailer U turning in the event of an incident. And in another effort each division has identified emergency off-site parking for tractor-trailers in the event emergency road closures are necessary.

So while statewide preparations continue, we are confident that our team is extremely well prepared and ready to go. This is truly a team effort and I want to thank everyone that's contributed to this effort across the Divisions and here at headquarters. Often we're judged to be only as good as we performed in our last storm, and that really tells us that we need to remain vigilant and prepared. And for that reason, we review our performance after each major event to learn and improve from that. In my 23+ years engaged in Thruway maintenance, I've often heard employees talk about their coworkers, their neighbors, their friends saying during a storm, "If I could only get to the Thruway" and I think the remainder of that saying is "Everything will be okay". I don't want to over dramaticize it. Our team is focused to keep travelers safe and to keep the Thruway open 24 hours a day. Thank you for the Board's continued support and I'd be happy to answer any questions you may have.

Donna Luh: Chair, we take a vote as to whether or not we want snow this season?

Madam Chairman: That's what this report was about. (Laughing). I have a couple of questions but does anybody have? I've had the opportunity to be involved in a couple phone calls and I

think Bill has a satellite phone now, how confident are you about our ability to communicate if our traditional communication systems go down?

Mark Hixson: Bill did you want to chime in? Do you want me?

Bill Finch: Well I know that our plans are to have our Division Directors have a satellite phone as well and we have a network of top executives within the state that are all tied into the Governor's Office of Emergency Management with satellite phones. The Governor's question to us was really well taken I think. He called a few of us and said, "What are you going to do if the cell phones go down"? And we all kind of looked at each other and said, "Now you're really thinking ahead here, thank you. We've got to get satellite". It was his idea to get satellite phones and I know that there's a couple other folks that have them here and we want to make sure the Division Managers have it here. We hope we never had to use them but we will be able to communicate. They're not great but when you have nothing else, obviously, they're lifesavers. So we'll be able to coordinate our response to storms or other incidents if in fact the cell phone network went out.

Madam Chairman: And what do you think our timing is for at least one in each of the Divisions?

Bill Finch: I'm not exactly sure but it should be pretty quick.

Mark Hickson: I also wanted to add that our Thursday radio system allows us to be somewhat self-contained and maintain contact across the system in the event we're cut off say from the outside and I think that combined with the satellite phones will enable us to...

Madam Chairman: What is that through radio?

Mark Hixson: Our normal...

Madam Chairman: Like through 9-1-1?

Mark Hixson: No. Throughout dispatch.

Madam Chairman: You're 9-1-1 that's downstairs, TSAC right but through there, you're all communicating on something that if cell phones go down that still exists?

Mark Hixson: For the most part. Eric might be able to elaborate on that a little bit.

Eric Christensen: Yes. So we have 2 means of communication; we have antennas along the Thruway towers that allow information to communicate from a car through an antenna to our TSAC downstairs in headquarters. In the event that they lost power we do have generators all over our facility in case that is a problem, we can still communicate from car to car. So our ability to the very least go from car to car we have to get communication to our Divisions through the Sat phones and then back to our headquarters is that communication Mark was referring to.

Male: And Eric that system ties directly to the State Police too right?

Eric Christensen: State Police Troop T has the exact same system, tow trucks, our maintenance vehicles and obviously state police as well.

Madam Chairman: Alright thank you very much. And just I know that this is probably something most of the people in the room know, but who's decision ultimately is it for us to close the Thruway?

Mark Hixson: Well that's a joint decision with the Thruway. We elevate that. Initially the recommendation would come from our Division Staff. We would elevate that up to Bill and then have those discussions with the State Office of Emergency Management before those final decisions are made.

Madam Chairman: So, do you feel empowered? Do we have the authority here for you to make that decision or does that have to be made by Emergency Management?

Bill Finch: I don't feel that it would be ever our decision alone. I do believe that everything we do would be in conjunction with the Governor's Office of Emergency Management and Kevin Wisely.

Madam Chairman: And you've been in contact with them and they're aware of the fact that they would need to make that decision? We're not going to surprise them with a bad storm and say its up to you?

Bill Finch: Right. No it would be a strong recommendation one way or the other from us at least on what our staff is telling us on the road and from there it would go to the Governor's Office of Emergency Management.

Madam Chairman: And then is it up to them to communicate that through our system? Do we have a plan in place for who gets notified in what order about how these road closures happen?

Mark Hixson: Internally we would be coordinating even in advance of that final decision being made so then we would turn around and communication that information back out that we have confirmation. We're going to be closing the Thruway at these locations at this time and coordinate closely with our Division or Divisions depending on the extent of the closures.

Madam Chairman: And we already have like a phone tree in place how that communication happens or what radio channel its going out to everybody on?

Mark Hixson: Yeah a lot of that, its pretty well standardized in our communication center downstairs, yes.

Madam Chairman: Okay, good thank you. I get asked these questions and so it will be nice to be able to say, "Yes we do have all of that in place". Does anybody else have any questions?

Male: And I believe its described in more detail in your Winter Maintenance book?

Mark Hixson: Yes.

Male: And I think it also coordinates with signage right so that people are given plenty of warning about what's going to happen and when so the signage on the Thruway can actually be...

Donna Luh: Everyone loves those gates in upstate. It was a great move.

Madam Chairman: I don't think we have them in Syracuse yet though do we?

Male: No.

Madam Chairman: Is there a plan to or is it just out in Buffalo because in Syracuse you have to go through a plaza.

Mark Hixson: Yeah, we primarily focused on the freeway sections where there are no toll plazas to control traffic.

Madam Chairman: Right. I didn't understand that initially not being from Buffalo but when I went through the confirmation process, they were all asking me, "How are you going to keep people off the Thruway"? I was like, "Well they can't get on". But in Syracuse they can't get on but in Buffalo they can get on and not pay. Well that's great that will help me sleep better at night, Mark thank you very much. Does anybody have any comments before we move onto another board presentation? Okay this one is from Kevin Allen.

Kevin Allen: Chair, Board members, executive staff, Major, the item before you is the quarterly report of the Executive Director's actions under Board delegation for third quarter of '16. There's 12 contracts there. I'll just highlight a couple of things; 7 of those are grants and 2 of them are supplemental agreements, 1 supplemental agreement with outside council Holland Denight (sounds like) and another one for Professional Health Services for onsite medical testing.

Richard Simberg: Kevin, I lost my place. Where are we?

Kevin Allen: Report to the Board on the third quarter.

Richard Simberg: It's item 2.

Madam Chairman: Item 2 in the Board Meeting tabs.

Kevin Allen: All set Richard? Well attached you'll see 12 contracts and as I said 7 of them are grants, and 2 of them are supplemental agreements and a couple of other miscellaneous. But I can answer any questions that anybody might have.

Madam Chairman: Anybody have any questions on the report from Kevin? Alright thank you very much. That was easy. And we will move onto the consent agenda which is items 3 through 10 and I will ask for a motion to approve the items on the consent agenda.

Don Rice: Motion.

Madam Chairman: Great Don, Bob second. All in favor?

(Chorus of ayes). Any opposed? Alright all 8 items are approved. And we will move to the action agenda and first up is, its from Bill Finch to consider and act upon the appointment of Brian J. Donnelly as Director of Maintenance and Operations. Mr. Donnelly is here at the meeting. You're up.

Bill Finch: Thank you. It was my pleasure to recently meet Brian and find out quite a bit about him and his family and his commitment to public service. He's part of that noteworthy Madam Chairwoman Public Service Contingent from Onondaga County. It seems to be crucial for creating great public servants and I was really honored to meet Brian in the last month or so and find out about his skills of not only budgeting and managing other people and providing leadership but also to handling that four-letter word, SNOW. He is from the area of the state, as you all know, which has the highest snowfall at least in the last year or so. You're always in competition but I would recommend to you and to the Board that we accept his appointment as the Director of Maintenance and Operation.

Madam Chairman: Thank you very much and I would like to add that I've had the honor and pleasure of working with Brian Donnelly for the last 9 years and he is the Onondaga County Department of Transportation Commissioner and he's part of a team there that has, I can say Brian, in 9 years we've never had a problem, knock on wood right. But we win that golden snowball award year after year after year and its Brian's job to move it and he moves the snow. And the staffing challenges, the budgetary challenges, the ongoing personnel things and the bureaucracy I mean he just is a very steady hand that has managed all of that extremely well and I feel very confident in making the motion to approve your new role here. I'll be sorry to lose you but glad you're not far away. So I've made the motion.

Male: Second.

Madam Chairman: Second by Bob Megna. All in favor?

(Chorus of ayes). Hearing no opposition the motion is approved. Welcome and thank you very much.

Brian Donnelly: Thank you very much.

Madam Chairman: Do you want to say anything or do you want me to move on?

Brian Donnelly: I'm grateful for the opportunity. It's a great organization and I'm sad to be leaving Onondaga County in my roles and responsibility there but I'm very much looking forward to working with the Board. I am clearly not a voting member but I would second the motion for no snow this winter. It's a great organization, a lot of talented people here and I'm very much looking forward to the challenge. Thank you.

Bill Finch: I think for the record we should note he wore the green tie to be in some sort of compatibility with our carpet in here.

Madam Chairman: And you know its important I think for people here at the Thruway to know also that he comes from a team that included Kevin Wisely and the fact that Kevin's in Emergency Management now and they have a good working relationship is one of the things that

will help us all sleep well and of course, Gordon Cuffy who was a big part of the senior staff that included that team. We've decimated that team to the benefit of the Thruway Authority. So thank you very much.

We have another appointment to consider. So Mr. Finch you are up again regarding the appointment of Richard Lee as our Chief Engineer.

Bill Finch: Well I would only parrot what you just said in terms of the steady hand. Anybody who knows the DOT knows that Rich Lee has been a steady hand in all the areas of responsibility that he's had over the years. It's really my pleasure to introduce you for maybe not the first time, because you may have met him through your other lives working with DOT is Rich Lee. He is somebody who will really have that sense of immediacy for us when the chips are down and we need things handled and he will be the guy who we turn to I'm sure, in many instances because of his vast knowledge that he has in transportation. It's really I think a coup for us to have somebody with such an amazing background at DOT and a diverse background. I think his first love is probably bridges but he is a design master and also a great leader of people at the DOT. We work with DOT often and the names of Rich Lee, Phil Lange and the Commissioner always come up, another Onondaga County person. But I really highly recommend to you Rich Lee who I'm sure will serve the Thruway. If he serves the Thruway half as good as he served DOT, I think we're going to be doing fantastic. But I'm looking for even more than that Rich. So I want to welcome you here and I recommend to the Board that you accept his appointment as well.

Madam Chairman: Thanks. Can I have a motion for Mr. Lee please?

Male: So moved.

Male: Seconded.

Madam Chairman: And seconded by Bob. And any other discussion? And Bill alluded to the fact that the DOT Commissioner is another one from Central New York, our former Syracuse Mayor Matt Driscoll and you can apologize to him for us because it sounds like we are poaching an excellent Chief Engineer. So all in favor?

(Chorus of ayes). Hearing no opposition, the motion is approved. Welcome.

Bill Finch: Give them both a round of applause.

Madam Chairman: Mr. Lee do you want to share any words before we move on?

Rich Lee: Well it's tough to follow Bill who kind of sang my praises but I appreciate the confidence the Board has shown in me today and I know a lot of the people on the Thruway. I worked with them for many years and certainly will do my best to do whatever I can to further our mission.

Madam Chairman: Thank you and welcome. And we have again Tom Pericak on agenda item #13 backup please.

Tom Pericak: Yes, thank you Chair and Board members for this item I am requesting the Board's authorization to execute agreement D214501. This is a 3-year term agreement for statewide Aerial Photography and Mapping Services with an option of the Authority to extend for one additional 1-year term. GI Corporation from Newfoundland, New Jersey was selected from 5 firms who submitted proposals. The maximum amount payable is \$500,000 and the contract includes 10% MWBE participation goal. Information regarding this agreement will be included in the Chief Engineers quarterly reports to the Board on the contract program. I recommend the Board adopt this resolution for the execution of this agreement.

Madam Chairman: Thank you. Can I have a motion to advance and discuss the item please?  
Donna. Second? Bob thank you. Any discussion. Does anybody have any questions? Richard.

Richard Simberg: How much have we spent on this in the last 5 years?

Tom Pericak: Typically we do a \$500,000 every 3 years.

Richard Simberg: Okay and have we used it extensively?

Tom Pericak: Oh yes, we pretty much spend everything that's in the MAP.

Madam Chairman: Any other, yes Don.

Don Rice: This is more curiosity but has the cost of this gone down as drones have become available as opposed to real airplanes?

Tom Pericak: I can't say that the cost has come down. I do know that we are working with some consultant agencies that are basically piloting drones and our Asset Management Group is leading that effort and we've had some fairly good results. I can't say that we've used drones specifically for aerial photography. We've used it as some other agencies are to try to get through bridge inspection. You know high complex bridges that might be tough access. So we're just kind of dipping our toes in the water there on these drones.

Don Rice : It seems like it ought to be way cheaper than real planes.

Tom Pericak: Well I think the initial cost of drones though, drones can be very expensive too.

Male: So we may have some bridge inspection by drones but we haven't had any yet?

Tom: No, we've had a couple pilots out here on the \_\_\_\_\_ right outside here in our backyard. We had a drone inspection of the headquarters building's roof. And there were some other DOTs across the country who are piloting drones for bridge inspection. So its something that I think you'll very likely see in the future.

Madam Chairman: I think there's rules about having to be in your light of sight still right so we're not able to use them to the full extent that we might be able to when the FAA catches up with the technology. And our best consultants right now are probably about 14 years old.

Male: And very qualified.

Madam Chairman: Alright, I have a motion that's been seconded. All in favor?

(Chorus of ayes) Hearing no opposition the motion is approved and I think I'm hearing Donna do you have to be excused? Okay. Thank you very much. One, 2, 3, 4, okay as long as we're unanimous we're fine. If there's a problem we'll come get you. Thank you. We'll see you in December.

Alright Tom another engineering item 14 please.

Tom Pericak: Yes, thank you Chair and Board members. This item I'm requesting the Board's authorization of additional funds for supplemental agreement #2 to contract D214181. This is in agreement with Bergman Associates, architects, engineers, landscape architects and surveyors to provide dam safety engineering services for the Canal Corporation. In June of 2013 the Thruway Authority entered into a term agreement with maximum amount payable of \$2 million. In August of 2016 supplemental agreement #1 was executed in the amount of \$400,000 revising the MAP to \$2.4 million at the request of New York Power Authority. The Canal Corporation and Power Authority requested that supplemental #2 in the amount of \$1 million be approved revising the MAP to \$3.4 million. To ensure that the Canal Corporation has adequate engineering resources, this funding will be used to progress assignments in 2017 and will assist NYPA in addressing the New York State Office of Comptroller's recommendations concerning inspection and maintenance of the Canal System. I am recommending the Board adopt this resolution to approve the additional funds needed for supplemental agreement #2 revising the MAP to \$3.4 million for this contract.

Madam Chairman: Thank you very much. Can I have a motion to consider this.

Male: So moved.

Madam Chairman: Second?

Male: Second.

Madam Chairman: Bob. Any questions or comments about agenda item #14? Richard.

Richard Simberg: I just want to question that came the last time, the term dam include dikes? In other words, can these people be used on the dikes that are run now?

Tom Pericak: It's a pretty broad agreement. They've been used for a variety of services so I would say yes. When I look at the list of potential assignments the Power Authority is asking for...

Richard Simberg: Just to send you over there is good insurance.

Tom Pericak: I'll have to follow up specifically. Generally our agreements are pretty general in nature and can be used for a variety of items. But again, since they're not going to have in-house resources initially either we're trying to help them through this transition so that they can continue on as seamlessly as possible.

Madam Chairman: I see Mr. Callaghan is back there too from the Canals if you want to ask him.

Mr. Callaghan: Mr. Simberg I don't want to speak for the Engineering Team at the Power Authority but I think we're looking at everything at this point.

Madam Chairman: Alright. Any other comments? We have a motion. All in favor?

(Chorus of ayes). Hearing no opposition the motion is approved. The next item will be presented by Mark Hixson.

Mark Hixson: Thank you. Chair and Board members, this item seeks authorization for the Acting Executive Director to execute an agreement with the Town of Saugerties Malden water district for the installation of a water transmission system and for the provision of water to the Malden Service area. The Thruway's Malden Service area is located in Ulster County. Currently it acquires its water from wells that were established during the reconstruction of the service area in 1993. This well water requires significant treatment and at this time one of the two wells has collapsed and cannot be utilized. The remaining well seemed to drop off in water production and is in need of replacement. The treatment plant is also in need of rehabilitation. In light of these conditions, the Authority conducted a geological survey and has located a potential water source approximately 1 mile north of the service area. It is estimated that drilling and impacting new wells will cost \$500,000 with no guarantee of reaching potable water. In addition the annual cost to maintain this new water supply are estimated at nearly \$100,000. As a second option, the Authority has researched and come to a tentative agreement with the town of Saugerties to connect to their municipal water supply at an estimated capital construction cost of \$750,000. As this is a far more cost effective and risk adverse long-term solutions, I'm recommending the Board approve this item. Thank you.

Madam Chairman: Can I have a motion to advance this please?

Male: So moved.

Madam Chairman: Second?

Don Rice: Second.

Madam Chairman: Don, thank you. Any discussion? Hearing none, all in favor?

(Chorus of ayes) No opposition, the motion is approved. And Matt Howard is back up reauthorizing a resolution that we've already had?

Matt Howard: Yes. It actually corrects a typographical error in an item that was previously approved by the Board relative to the acreage that the Board authorized for the transfer of Canal lanes. Originally the item said that it would allow for 3.19 acres in the town of Hastings, the actual acreage should have been 3.91 acres.

Madam Chairman: So I will make a motion that we approve this as amended. Can I have a second?

Don: Second.

Madam Chairman: Don thank you. All in favor?

(Chorus of ayes) No opposition, the motion is approved. And the last item up is presented by our General Council, Gordon Cuffy.

Gordon Cuffy: Thank you Chair. This item is asking the Board to authorize, extend authorization of the Chair and the Executive Director to use contingency within the project budget of the New York Bridge Project. This Board on December 17, 2012 pursuant to resolution #5935 authorized the Chair and the Executive Director or their designees to approve contingent or extra work on the project within the overall project budget. Since that authority was given approximately 4 years ago, an aggregate of less than \$50 million in contingent or extra work has been authorized for the project. This item seeks to authorize the Chair and the Acting Executive Director or their designees to approve contingent work related to the project in an amount not to exceed an aggregate of 5% of the contract price as of the date of this item. The Authority requests that here is within the total project budget previously approved by this Board in resolution #5935. I'll be happy to answer any questions regarding this item.

Madam Chairman: Alright. Thank you very much Gordon. Can I have a motion to consider this please?

Male: So moved.

Madam Chairman: Okay and Don second. Any discussion? Okay. All in favor, oh, no, no, no sorry.

Don Rice: You spoke about it as a percentage can you just do it in dollars?

Gordon Cuffy: Yeah.

Madam Chairman: They were tricky weren't they Don, I noticed that.

Gordon Cuffy: The project budget it's a \$3 billion actually it's a \$3.9 billion project budget and it is the contract price is actually \$3.14 billion. So it's 5% of the contract price not the contract budget. So it's approximately \$150 million.

Don Rice: 166.

Gordon Cuffy: Yes, minus the \$50 million that will aggregate from previously so. When you aggregate the \$50 million that's already been utilized it comes down to

Madam Chairman: 116?

Gordon Cuffy: \$116 million. And thank you for not asking me to do math.

Madam Chairman: It was our understanding there would be no math. Any other discussion, any other tough math questions for Gordon Cuffy?

Male: No, no tough math questions. I think that this one is necessary as the Bridge Project gets closer and closer to completion, I think folks have done a really good job Don in keeping the

price below the contract price and I think the flexibility to kind of work through problems as they get to the end I think is probably well worth doing.

Gordon Cuffy: Yeah, and that is the purpose of doing this is to have the flexibility to work with things.

Madam Chairman: Okay. Any other discussion? Alright all in favor?

[Chorus of ayes]. No opposition, the motion is approved. And that concludes the formal agenda for the November 2016 Board Meeting. And we will move into the General Public Comment period and as promised.

Murray Bodin: I've been attending the meetings of the National Committee Uniform Traffic Control Devices and people have been recommending amendments to the manual. For about 20 years I've sat in the Markings Committee. I was one of the three people that designed the dotted lines that you see at exit lines. I was there for the discussion of the advertising size. I'm referring to the question that I raised about the signs that the Thruway and the State of New York has put up relative to economic development in New York State. They've approved the small signs that say, "This is sponsored by" so and so. That's an advertising sign. That was approved because. They have the bigger ones that have various advertising signs on, that was approved because. For them to say that New York State in the interest of promoting the economic development of the State of New York they're picking on something because they think they have the ability to do that and they don't. It's pretty much the same that I'm arguing with them about the lines on the roads and the various guide signs with the arrows pointing up. They decided to read the manual in a way that was designed 50 years ago, maybe 70 years ago. Traffic, railroad crossing lights and other one of those facets. Tradition is hard to change. And the people that are in charge of that know its broken and they can't speak up because as usual, if you have a job and you speak up against the system, you might be blackballed. Because over the years somebody helped me on stop signs once and went public about it, when they retired, couldn't get a job for 5 years. So I'm very careful not to put anybody on the spot who has a job and family that has to be protected and I speak up because I've been checked and my record is clean. When I send out an e-mail that has only 1 or 2 names on it. There may be 50 blind copies behind it. I'm on a record of a number of secure computers so that when I'm called to testify, and I fully expect to be called to testify, I can say everything is on the record. The mistakes I've made I own up to. So the State of New York and the signs you're putting up promoting the economic development of the State of New York in my opinion are correct. And I think that you should pursue it correctly and this governor is very much concerned with the total economic development of the State; upstate and downstate and that's very important because going forward, its all about economics. And I think he's right.

Madam Chairman: Thank you. Richard.

Richard Simberg: Can I ask you a question? You're on the Committee that operates with the manual Uniform Controlled Devices?

Male: Yes.

Richard Simberg: Wasn't the issue is what I got out of the papers, wasn't the issue the fact that it was too much information to assimilate without taking your eyes off the road?

Murray Bodin: They put up signs, the guide signs that are above the things?

Richard Simberg: Yeah.

Murray Bodin: They recently, maybe 5 years ago they went to ultra reflective signs so that you could see the sign 5 miles away but you couldn't read it. So to say they know what they're doing isn't correct. We need to read the words on the sign. We know the sign is there. They designed it such that you knew the sign was there you just couldn't read it. So that kind of thinking is outmoded and what they're doing now is just part of the same outmoded thinking and the change. Mark Rosekind was the Principle Investigator for the Texas accident on memorial day where a train hit a trailer on veterans day. And I have the e-mail where Mark wrote to me and said, tradition is very hard to change. I can send you a copy of that e-mail if you want and he's now head of the Highway Transportation Board. He moved from being investigator to the top. Tradition is hard to change. What you're talking about is, "We've always done it this way why should we change"?

Richard Simberg: No, I thought there was always a principle that applied and maybe some stories have been done to negate that principle which is that if you put signs, that's why we always and I know its always done that way to avoid too much distraction. And with the amount of distraction increasing including all the texting going on, its just another incident to keep your attention away from the road.

Murray Bodin: No, I disagree. I watched the signs coming up today knowing that I was going to talk about this today I took particular of those signs and there are a number of them coming into the Albany area. They're done well. They're done very well. And I agree with the way they're done. The font is correct. The type is correct and you can get as much as you want from them. But you don't have to, there are other signs that are really bad and those are the ones I object to. These are good.

Madam Chairman: Thank you for your comments. Anybody else sign up to speak? Alright then that concludes the meeting and we will be back at it December 5<sup>th</sup>. Can I have a motion to adjourn our Board Meeting?

Murray Bodin: So moved.

Madam Chairman: Seconded by Don. All in favor?

(Chorus of ayes). We are adjourned. Thank you.