



**NEW YORK STATE THRUWAY AUTHORITY
NEW YORK STATE CANAL CORPORATION**



MINUTES

FINANCE COMMITTEE MEETING NO. 2

September 22, 2010

Minutes of a meeting of the New York State Thruway Authority/Canal Corporation Finance Committee, held in the Board Room at Administrative Headquarters, 200 Southern Boulevard, Albany, New York. The meeting began at 10:15 a.m.

The following members of the Finance Committee were present, constituting a quorum:

Present:

Chairman John L. Buono, ex officio Finance Committee Member
E. Virgil Conway, Finance Committee Member
J. Donald Rice, Jr., Finance Committee Member
Richard N. Simberg, Finance Committee Member

In addition, there were present the following staff personnel:

Michael Fleischer, Executive Director
Wendy Allen, Deputy Chief of Staff
John Bryan, Chief Financial Officer
William Estes, General Counsel
Jonathan Gunther, Assistant Counsel
J. Marc Hannibal, Director, Audit and Management Services

Harry Lennon, Senior Investigator

Tracie Sandell, Assistant Director, Audit and Management Services

Michael Sikule, Director, Office of Investments and Asset Management

Elizabeth Yanus, Assistant Secretary

Also in Attendance:

John Armstrong, Television Engineer, New York Network

Murray Bodin, private citizen

Steven J. Kantor, Managing Director, First Southwest Company

Stanley Kramer, Partner, Hawkins Delafield & Wood, LLP

Melissa Pangburn, Senior Budget Analyst, NYS Division of Budget

Angela M. Rodell, Senior Vice President, First Southwest Company

Tom Wood, Assistant Chief Examiner, NYS Division of Budget

PUBLIC SESSION

Mr. Conway, Committee Chair, called the meeting of the Finance Committee to order.

Ms. Yanus recorded the minutes as contained herein.

Item 1

Approval of Minutes of Finance Committee Meeting No. 1

After full discussion, at the recommendation of Mr. Conway, without any objections, the Finance Committee approved the minutes of Finance Committee Meeting No. 1, held July 21, 2010.

Item 2

Review and Approve the Authority's Emergency Suspension of Toll Collection Policy

Mr. Fleischer proposed the adoption of a formal policy that would provide delegation to officers to respond to a natural or man-made emergency where it is necessary to temporarily suspend

collection of tolls on all or a portion of the Thruway System to mitigate hazardous conditions. The recommended policy provides definitive guidance and delegation of authority to Authority management in allowing designated officers to respond to operational emergencies where temporary suspension of toll collection on the Thruway System may be warranted and justified.

In response to Mr. Conway's inquiry, Mr. Fleischer summarized past practices, noting that the Authority did not have a written policy outlining guidelines for the temporary suspension of tolls in an emergency situation. This item seeks to formalize the process. A winter storm was cited as a situation in which the policy might be applicable in order to provide emergency responders access to the System.

After full discussion, on the motion of Mr. Simberg, seconded by Mr. Conway, without any objections, the Finance Committee approved the Authority's Emergency Suspension of Toll Collection Policy and authorized its submission to the Authority Board for consideration.

Item 3

Review and Authorize the Execution of Such Agreements, One or More Escrow Deposit Agreements and Any Additional Documents Deemed Necessary or Desirable in Connection with the Dormitory Authority of the State of New York's Consolidated Service Contract Refunding Bonds Series 2010

In advance of Mr. Bryan's presentation of the item and any associated discussion, Mr. Rice recused himself from participation in this matter, citing a potential conflict of interest. He stated he would abstain from discussing and voting on this item and subsequently left the room.

Mr. Bryan reported that State Finance Law permits issuers of State-supported appropriation backed debt to refund or otherwise repay any appropriation backed bonds and notes that were originally issued by another entity. The purpose is to allow an authority to refund obligations for multiple credits at once and take advantage of related economies of scale and achieve an overall lower issuance of cost. The Dormitory Authority of the State of New York ("DASNY") notified the Authority that the Division of the Budget has requested DASNY to refund outstanding Consolidated Local Street and Highway Improvement Program Bonds (also known as CHIPS

Bonds). CHIPs Bonds were issued by the Authority on behalf of the State prior to the creation of the PIT credit to provide funding for local highway, bridge and multimodal projects.

The CHIPs bonds targeted for the DASNY refunding transaction were originally issued by the Authority in 2000 and 2001. The amount of bonds expected to be refunded is approximately \$20 million, and will be part of a \$190 transaction involving over 12 credits (most of which belong to DASNY). Assuming market conditions remain that make a CHIPs refunding viable, the Authority will have to provide certain necessary documents and instruments and take other actions through its trustee and/or paying agent bond counsel to affect the redemption of these bonds. The Committee is asked to approve such items and actions.

The expenses associated with the refunding transaction were discussed.

After full discussion, on the motion of Chairman Buono, seconded by Mr. Simberg, without any objections, the Finance Committee authorized that Authority Board consideration be requested for approval to execute one or more escrow deposit agreements and any additional documents deemed necessary or desirable to facilitate the sale of Series 2010 Refunding Bonds issued by DASNY to refund outstanding Authority CHIPs Bonds.

Adjournment

There being no further business to come before the Finance Committee, on the motion of Mr. Simberg, seconded by Mr. Conway, the meeting was adjourned at 10:24 a.m.