

Joanne Mahoney: Good morning, everyone, Welcome to the December 6, 2021, meeting of the Thruway Authority Board of Directors. On the WebEx with me, we have board members Robert Megna, Heather Briccetti, Dr. Veras, Don Rice, and Steve Saland. Today, we are going to start with the Finance Committee, and Bob, you chair that committee. Also serving on the committee are Don Rice, Dr. Veras, and myself ex officio. So, Bob, the floor is yours.

Bob Megna: Thanks. Let's do what we always do. Number one, approval of the minutes of the Finance Committee Meeting, number 64. May I have a motion to advance and discuss this item?

Male: Motion.

Dr. Veras: Second.

Bob Megna: Any other further discussion with respect to the minutes? If not, can I get a motion to approve?

Male: Motion.

Dr. Veras: Second.

Bob Megna: All in favor aye?

All: Aye.

Bob Megna: Any opposed? The motion is approved. Number two, review and approval of the financial reports for August and September 2021, and before we take any action, Matt Howard will do a presentation.

Matt Howard: Thank you, and good morning. Through September, toll traffic on the Thruway was up by about 24 percent from the prior year with passenger traffic increasing by 25 percent and commercial traffic increasing by about 18 percent. I would note that in comparison to pre-COVID 2019 levels that these figures still reflect a reduction of about eight percent from what we saw through September of 2019. Overall, this corresponds to total revenue receipts of 564 million, representing an increase of 23 percent or 108 million above the prior year. That includes commercial tolls increasing by about 19 percent and passenger toll revenues increasing by 27 percent through September. In total, the Thruway collected 612 million of total revenues through September that comprised of the 564 million in toll revenues, 5.1 million in concession revenues, and 42 million in E-ZPass fees, toll-by-mail fees final income, sundry revenues, and interest on investments. Through September, Thruway operating expenses totaled 298 million, which is 1.8 million or 0.62 percent below last year, and when compared to our budget through the end of September, our operating revenues were right on track. We are about 0.3 percent below our budget target, and on the operating expense side, we were 4.4 percent below the 2021 budget target through September. That is an overall summary of the monthly report through September, and I would be willing to answer any questions.

Bob Megna: Questions for Matt? Hey Matt, 4.4 percent below on the expense side, is that what I heard you say?

Matt Howard: That is what you heard. That is correct. You know, I think that, I think that, you know, a portion of that really is the result of the broader, sort of supply-chain issues that we have had relative to receiving equipment and things like that that we have in the pipeline that have been slow in coming that help to bring that number down. Between that and relative weather that we have been experienced, I think that those things contributed to the lower levels.

Dr. Veras: I have a question. Does that mean that we expect an increase in expenses in the near future, once the supply-chain issues are sorted out?

Matt Howard: Well, I think we would anticipate that we would see some of those expenses reverted back. I think that like everything, as we end the last month of the year, the impact of any weather is probably a real factor in terms of do we see that four percent number shrink and bring us closer to kind of where we had anticipated on the budgetary perspective.

Dr. Veras: Okay. Thanks.

Bob Megna: Any other questions for Matt? If not, may I have a motion to advance this item?

Male: So moved.

Bob Megna: And a second?

Male: Second.

Bob Megna: Any further discussion? If not, all in favor?

All: Aye.

Bob Megna: Any opposed? The motion is approved. Item three on our agenda is investment transactions for the third quarter of 2021, and again, Matt will advise us.

Matt Howard: Thank you again. This item seeks your approval on the reporting for our investment activities for the third quarter of 2021. These transactions include the purchases of authorized securities, agreements, and certificates of deposit as approved by the Authority investment policy. Exhibit A presents the details of the investments that were purchased within the third quarter of 2021, and exhibit B reflects the investments held at the end of September 2021. For the third quarter, we had 3.2 billion investments, comprised of 2.5 billion state personal income tax revenue bond program funds that really were the result of a bond issuance that we completed on behalf of the state in late July, 706 million in Thruway Authority funds, and 18 million in trust fund bond program investments. The average yield for Thruway Authority funds was 0.4 percent, with an average weighted maturity of 67 days.

Bob Megna: Hey, Matt, does the state let us keep the interest when we borrow for them?

Matt Howard: We do not keep the interest on that.

Bob Megna: I didn't think so. Go ahead, I am sorry.

Matt Howard: Yeah, I would say that our interest rates are still low and is very in line with the prevailing credit rates that we have been experiencing. With that, I would be willing to answer any more questions.

Bob Megna: Any other questions for Matt? If not, may I have a motion to advance this item?

Male: So moved.

Bob Megna: And a second?

Male: Second.

Bob Megna: If there is no further discussion, all in favor?

All: Aye.

Bob Megna: Any opposed? The motion is approved. Number four, approval of the 2021 revised budget and the 2022 proposed budget for the New York State Thruway Authority, and again, Matt will present.

Matt Howard: Okay, thank you. We are going to try and set up a presentation just to do a quick review of the proposed 2022 budget. There we go, we are all set. This presentation really is as much about our traffic and revenue picture and how it continues to improve, as it is anything else, so, with that, let me just jump into some key points for the 2022 budget. So this slide reflects the traffic trends that we have experienced during the COVID era. The graph illustrates the year-to-year change and the monthly traffic levels that we experienced from January of 2020 through October of 2021. In this graph, the percentage change in total traffic is represented by the bar graphs. The blue bars show the percentage change in total traffic for each month compared to 2019, and the red bars that begin on the right begin in January of 2021 show the percentage change in 2021 when compared to the prior year of 2020. You will also see on this graph that there are a couple of dotted lines. These look at the passenger and commercial traffic components individually in comparison to the pre-COVID levels, so the green dotted line reflects passenger traffic, and the purple dotted line reflects commercial traffic. A couple of the key points in this graph, just to point out, so, it shows, the blue bars take a significant dip in March and April of 2020 from COVID percent. We saw that there was a drop of roughly 55 percent in April of 2020, but that begins to recede from that point forward pretty consistently over time to the point where by October of this year, we were about four-to-five percent on a monthly basis below the pre-COVID levels on a traffic basis. And then the second thing, I had mentioned to the monthly report that we were off by 24 percent on a year-to-year basis. Those red bars show a

---

significant growth when compared against the levels that we saw in the height of COVID, looking at 2021, versus 2020, it is definitely a favorable look. And then the last point I would make is that on the line segments, you can see that consistently, passenger traffic, the green dotted line, declined by a much greater level than commercial traffic did and stayed relatively below that level through the period, but we also see on the positive that by about September or October of last year, our commercial traffic, in the purple dotted line, actually began to exceed what we were experiencing prior to COVID, and that has continued to this day. We have seen that trend continue. Following up with that, we have a companion slide that looks at similar information but is expressing it in terms of toll revenues, so as you see, the same split is apparent in relation to the impacts that we felt from a passenger toll revenue perspective, versus a commercial toll revenue perspective. The passenger toll revenue dipped by a more significant amount than what we saw relative to commercial traffic. Equally important is that by, you know, traffic begins to come back, between that and the fact that on January 1<sup>st</sup>, we implemented some toll changes that helped bring our toll revenues to the point where from nearly the spring of this year, we were at levels that exceeded on an overall basis what we were receiving in toll revenues prior to COVID. So you see that from about April and May through today, the numbers are positive relative to the comparison prior to COVID. The important thing on this is after you have seen those improvements, it has impacted our forecast in a very much positive way. So, as this slide shows what the improvement of traffic and toll revenues on a monthly basis means to our overall multi-toll forecast. What this slide shows is that if you look at the bar charts on the left, the blue segments and the yellow segments reflect our forecast. Blue is where we thought we would be a year ago, and when we presented the budget a year ago, and you will see that beginning in 21, 22, and 24, there is a small yellow segment on top of it. That reflects an improvement in our updated revenue forecasts of about 26 million dollars in the current year and about 33 million dollars in 2022, as a result of the positive trends that we have experienced over the course of the year. Now the last point of this graph that I would point out is that there is a red segment on the top of each of these bars, and what this shows is that while we have made some great improvement on our revenue forecast, the red segments reflects the ground that we have yet to cover from where we thought we would be prior to COVID. So, there is still about 30 million dollars in remaining revenue that we need to catch up to, to get to levels that we had predicted prior to COVID. In order to get to that level, I think that our goal and belief is that as time goes on, hopefully, we will see those red segments continue to shrink and hopefully disappear.

Bob Megna: Hey, Matt, I have been thinking a little about this. If you want back to the prior chart, but you don't need to visually, and this, the thing I have been thinking about is this is all good news. I think it really does show recovery and getting back to levels and all of that is great and better than expectations. Has there been any change in like the traffic pattern or the distribution of the kind of cash that we are collecting, or has that basically gone back to the way it was?

Matt Howard: Well, you know, I think the biggest change is the fact that the growth in commercial traffic has definitely expanded the piece of the pie that we are receiving from trucks on the system in a real significant way, and it is kind of one of those unknown future events that we have to continue to track, as to whether or not we see that behavior continue, meaning obviously, across the national economy, people are online shopping and things like that, which

---

increased the trucks on the road. As things continue to open up, really one of the unknown questions is will they continue to have that higher levels that we have seen over the last year, will that continue to be at the roughly 20 percent above pre-COVID levels that we have experienced. I think that is probably the biggest shift in behavior that we are seeing the results of. So moving on, we talked about adjustments to our...

Dr. Veras: Could you go back...could you remind me what was the reason for this increase in the revenues we expected for 2021? Compared to the others, there is a major gap between 2020 to 2021, there is a big jump, and the others tend to be smaller. Could you remind me what was the reason for that?

Matt Howard: Well, I think the biggest thing is the, in terms of the remaining, kind of the remaining gap that we see...

Dr. Veras: Jump in the budgets that we have that from 20 to 21 basically increased from 360 million to 790 or something like that.

Matt Howard: Well, I think as you guys recall, basically a year ago, we had final approval to our rate adjustments on the bridge, as well as things associated with cashless tolling, and those were factored into those numbers prior to COVID. We, if you recall, we voted on the first actions and began implementation on the toll plan in December of 2019. So, that is what the pre-COVID levels kind of assumed they included that within the projections.

Dr. Veras: Okay, makes sense. Thanks a lot.

Matt Howard: So with all of these changes, it then gets to a level of what is our revenue projection for 2022, and the proposed 2022 budget has a total revenue forecast of 880.6 million that was 68 million or 8.4 percent above 2021 levels. Again, it includes toll revenue forecasts of about 805.6 million. That is over 9 percent of our total revenue forecast, a violation of fees of about 60 million, and other sundry revenues that include concessions, interest, income, and permits are forecasted to be about 15 million. So again, as we talked about while this projection is about 33 million above where we thought it was going to be a year ago, there is still about 30 million that we would like to see made up to get to the pre-COVID levels. That leaves us to the overall budget as a whole. The proposed 2022 budget totals 1.1 billion, reflecting an increase of 60.4 million or 5.6 percent above the 2021 revised budget. This includes a 375-million-dollar operating expense budget, 64 million for State Police Troop T reimbursement. This represents an overall increase of about 11 million or 2.6 percent above the revised 2021 levels for operating expenses, and I would note that of this, you know, the 60 percent is comprised of salaries and benefits for the workforce. The 2022 budget also includes 307 million for debt service expenses, which is slightly down from the 2021 levels. And the Authority capital program is expected to increase from the revised level of 317 million in 2021 to 397 million in 2022, which is an increase of 80 million or 25 percent. And finally, I would note that these capital numbers for 2022 reflect the first year of a multiyear capital program, which we will talk about a little bit later, that would provide 1.9 billion for the Thruway capital projects between 2022 and 2026. Moving on, the parts I mentioned with the 60 percent of our operating budget is associated with

---

salaries and benefits associated with our workforce, the 2022 budget maintains a level of budget positions that basically are a little bit under 2,000 positions, 1,946 budget positions, which is generally consistent with the level for 2021. However, it should be noted that when we talk about our operating budget from 2010 through 2021, on average, the operating budget grew by about 1.6 per year on average over that duration of the eleven-year period. I think that part of that had to do with the fact that during that timeframe from 2010 to basically 2021, we saw our head count, budget head count, go down by about 755 budget positions, that's 28 percent below where we were in 2010, which again, is a factor associated with the continuous cost cutting that the Authority has undertaken during that timeframe.

Heather Briccetti: Matt, I have a quick question, which is do we think that the vacant positions, are they, is that intentional or has there been difficulty in filling those positions?

Matt Howard: Umm, you know, it is probably more intentional than the sort of lack of onboarding staff in terms of some of the broader macro. I know of issues that we are having, you know, the cost and timing is a hold to finding available workers. I am not going to say there is no impact associated with that, but that is not the real driver of the trend that we are showing here. If anything, it is probably the result of the conversion that we have undergone as a system over time relative to increasing use of E-ZPass early in the 2000s, building reductions, cashless tolling took affect about a year ago.

Heather Briccetti: Thank you.

Matt Howard: And then lastly, this slide is a representation of the capital program, and it basically compares and shows the proposed spending levels for 22 to 26 really relative to what we have accomplished in prior years, and I think the important thing in here is that within that 1.9-billion-dollar program that was being proposed for the five years, that it really reflects an increased level of investment in the highway bridge and facility projects when compared to some of the prior years. It is just something to put in context for the multiyear program. So, I think the important thing on all of this is these are projections that we are making prior to the startup of the year. As always, there are risks when we do this, like on the revenue side. Our reliance is on full revenue being 90 percent of our revenue based proposes a risk in that it requires us to make sure that we have an accurate forecast, and I believe that we do, as it is a very conservative forecast, but like anything, to the extent that there is a recurrence and a real significant way on COVID and its impact on the revenue forecast and also on the operating expense side, things like the cost of fuel and other inputs associated with snow and ice. And then there are other unforeseen expenses that impact the expense estimates. I think on an overall basis, we have tried to build in everything that know we are facing, as well as doing the best that we can to continue to support the mission of the Authority as a whole. So again, thank you for letting me go through all of this, and if there are any questions, I would be happy to answer them.

Heather Briccetti: This doesn't contemplate or include any federal funds that might be received through the infrastructure program, correct?

Matt Howard: That's right. You know, when we were putting together the capital program, the infrastructure available was still working its way through congress, and as a result and given the uncertainty, we wanted to make sure that we planned based on the revenues we were certain to receive, and I think that there is a question of whether or not any federal funds will be incorporated into something that I am sure we will be talking about going forward. I am sorry, I guess with that, if there are any additional questions, I was thinking that someone might be on mute, but maybe I was the one.

Bob Megna: No, no, any other questions for Matt? If not, may I have a motion to advance this item?

Male: So moved.

Bob Megna: Second?

Joanne Mahoney: Second. Sorry, I was on mute. Sorry.

Bob Megna: No, that's okay. Any further discussion? If not, all in favor?

All: Aye.

Bob Megna: Any opposed? The motion is approved. That moves us to number five on the agenda, approving the 2022 Thruway contracts program, and to give Matt a little bit of a rest, Rich Lee will present this.

Rich Lee: Thank you and good morning. Today, I am requesting approval of the 2022 Thruway capital or contracts program. Staff, in conjunction with the Authority's 2022 budget has prepared the contract program. The estimated cash flow for 2022 is projected to be slightly over 338,280,000 dollars. Exhibit A of the item breaks down how we plan to spend these funds; how much will go to highway projects, bridge projects, the Governor Mario Cuomo Bridge, intelligent transportation systems, other facilities, and other studies. A list of the projects scheduled to be let in 2022 is also attached in Exhibit B of the item. Exhibit B also lays out projected projects for the years 2023, 2024, 2025, and 2026. In order to effectively administer the 2022 contract program and expedite the awarding of contracts, it is recommended that the executive director, the chief engineer, and the chief financial officer be authorized to take the respective actions as outlined in the resolution. These authorizations are identical to those approved as part of the 2021 contracts program. If you have any questions or would like any more information about any of these items or exhibits, I would be pleased to answer them.

Bob Megna: Are we ready to advance this item?

Joanne Mahoney: So moved.

Bob Megna: Can I get a second? I see a thumbs up. I am going with that. All in favor?

All: Aye.

Bob Megna: Any opposed? The motion is approved. Number six on our item is any other business. Anyone with other business that needs to be related to the Finance Committee? If not, we can adjourn. May I have a motion to adjourn today's meeting?

Joanne Mahoney: So moved.

Bob Megna: And a second?

Male: Second.

Bob Megna: All in favor of the Finance Committee meeting being adjourned?

All: Aye.

Bob Megna: And we are adjourned.

Joanne Mahoney: Thank you very much, Bob. Up next is the Audit Committee, and Don Rice is chair of that committee. Also serving on the committee are Bob Megna, and I am ex officio, so, Don, will you please start the Audit meeting for us?

Don Rice: Sure. Let's start with the minutes. Can I have a motion to accept the minutes, please?

Bob Megna: Motion.

Joanne Mahoney: I will second Bob's motion.

Don Rice: Alright. I am looking for the first item, but I might need a little help here.

Joanne Mahoney: Presentation from BST on the audit plan, and I see Brendon on our screen.

Don Rice: Thank you very much.

Brendan Kennedy: Good morning, everyone. I am going to share my screen and take you through the audit plan presentation. And I am going to try and move this along quickly, but of course, if you have any questions, don't hesitate to stop me and ask. So, let me see if I can share my screen here. And everyone also should have a copy of the presentation in their materials. So, we are here to present our plan for the period ending December 31, 2021, that is the New York State Thruway Authority's fiscal year end, and that will be the period that we are auditing. As I flip through here, I am on the table of contents. This just simply outlines the matters that we will be discussing today. We are going to go through the scope of services, the team, the approach. We are going to talk about some accounting pronouncements that we are going to be working on in the background, make a few required communications and just simply reaffirm

---

our independence as part of the audit process. So, we have been engaged to audit the Thruway Authority's financial statements for the period ending December 31, 2021. We are going to conduct that audit in accordance with generally accepted auditing standards and government auditing standards, so two sets of standards we follow when conducting the audit. We will issue a report on interim controls and compliance. We are also going to issue a report on your compliance with investment requirements. That is a requirement under the New York State Public Authority law. And finally, we will perform a federal grant audit to the extent that you have spent over 750,000 dollars in federal funds. We are required to perform a grant audit. That commonly is referred to as the single audit, and that is also performed in accordance with government auditing standards. We will make communications to those charged with governing, that's you, folks, the Audit Committee, regarding the results of these communications, regarding the results of these audits. And finally, to the extent we come across any non-internal control matters where we have observations on methods to improve processes and internal controls and other matters, we will potentially issue a management letter comment for management's consideration, as well as your consideration. The good news is we have a rather consistent team. I will return. This is my second year as the Audit Engagement Partner. Don Carobine is the one who performs an independent review of all of our deliverables. Johnathan Gibbs has been involved with the audit for a number of years, and we wouldn't be able to do the audit without our teaming partner, our NBET member Al Katibak, doing business as Team Avaloria. They provide significant assistance to us in the conduct of the audit, and we are looking forward to working with them again, as part of this year's audit. Just a reaffirmation here of what management is responsible for. These are management's financial statements. They are responsible for the fair presentation of the information provided to us. They are responsible for designing and establishing and adhering to internal control over financial reporting. They are responsible for providing us with access to all information that we may request as part of the audit. And then finally, they are responsible for distributing any of the reports that we issue to not only you folks, but the, to external parties, such as bond writers and the public. Again, we are going to conduct our audit in accordance with government auditing standards and those standards acceptable to the United States, two sets of standards. We are going to perform a number of audit procedures to obtain audit evidence about the amounts in the financial statements, a lot of substantive tests, substantive analytics, and with any audit, there is a significant amount of professional judgment that goes into play. This isn't a prescribed format, so there are a number of decisions that we make when conducting the audit. And then, we are also going to evaluate any of the accounting policies and practices that had been utilized by the Authority to compile their financial information. Our objective is to obtain reasonable assurance that the financial statements are free of material misstatement. Because of the nature of audit evidence and the nature of audits, there is no way to assure that all errors will be detected. Again, we are looking for those material matters, and it is not designed to detect errors or fraud that is immaterial to the financial statements as a whole. So, if someone is stealing soda cans out of the vending machine, I am probably not going to be able to catch that, but again, we are going to look for those material items that impact the materials within the financial statements. This is just a pictorial of BST's audit approach. It is a four-phase approach. Right now, I would say we are in the pre-audit phase. We do have conversations with management during the year. We talk about upcoming transactions, bond refundings that have happened during the year, any significant matters that we might want to consider. So, we are kind of right now sitting in that

---

pre-audit activities. We do plan to come out and perform some formal planning procedures in the coming weeks. The third segment is what I refer to as the guts of the audit. That is when we are doing all the significant substantive tests, and then finally, the reporting phase, which is traditionally in that late February to early March timeframe, and we have to complete the audit within 90 days of the close of the fiscal year end to meet the Authority reporting requirements. We have a 90-day requirement to turn the financial statements around. Just some of the timing, just again, we are in the pre-planning phase right now. We will be doing some planning work. We are working with Dave Malone and the team out there to establish how we are going to get some of that work done. We will be, we are schedule for the February-March timeframe for the fieldwork, and again, it sounds like we are targeting mid-late-March timeframe to issue all of our reports, again, with the task of being on time for your deadlines. It seems again this year, I mean this pesky pandemic does not seem to be going away. There is a good probability we will be doing some of this fieldwork remotely. Although, we are just down the street from the Thruway Authority; in fact, the Thruway is about five minutes from my house, headquarter wise. Still, because of the pandemic, it sounds like we are going to be using our tools, like we used last year. Audit dashboard is a tool that BST uses. It is a comprehensive list. This is just a diagram of what it looks like on the user end side. It includes all of our requests, and it allows management to track all of the different things and the status of the audit. We have regular ongoing meetings with our audit liaisons at the Thruway Authority, and that really helps keep us on track, and this tool serves as a good tool again to accomplish a remote-based audit. It is possible, of course, that we will need to be onsite to look at certain things, and we will follow all of the Thruway Authority protocols for being onsite and obviously adhere to whatever the CDC and Thruway Authority policies are regarding the ongoing pandemic. Some of the areas of audit focus, relatively consistent with the prior year, although, I am going to highlight a few things that I am going to particularly focus on. You know, obviously, with the cash and investment management, we do have a compliance audit baked in there. We are going to confirm balances. We are going to make sure the cash and investment accounts are reconciled. We are going to look for any unusual reconciling items that may be of a concern to the extent that they exist. When it gets to revenues and receivables, one of the areas that we are going to focus on in addition to these points here is the cashless tolling. That is a significant area, I think, this year, and it is kind of almost had a full year of operations, and in particular, we want to look, to make sure to the extent that there are any reserves that are necessary for uncollectable balances, we want to make sure that that has been considered in the Thruway Authority's financial statements. Capital assets are the most significant area on your financial statements. We are going to go through the capital asset additions, look at your depreciation expense, consider the possibility of any impairment, and review capitalized interest, which actually, I believe, is no longer a policy. We have adopted GASB 88, so that should come out of there, but capital assets being a significant area. Moving on, accounts payable and accrued expenses. There are some significant accounting estimates baked into this section that we are going to consider. You are going to see a good climb in your net pension liability, so if you recall, last year, when we were auditing 1231-2020, the state comptroller measured the pension system as of 3/31/2020. That was just about when the sky had fallen, and as we went through, that that stock market had plummeted, and that resulted in a significant unfunded net pension liability. As you flash forward a year from now, remeasured it 3/31/2021, the stock market had rebounded, so you are going to see a significant change in that liability. We are going to go through your other estimates, such as OPEB and review any other

---

possible estimates that may impact the financial statements. Bonds are another significant area. We confirm balances. We review interest expense, recalculate premiums, gains, and make sure to the extent that there are any compliance-related matters with bonds. We will examine those to make sure that there have been no issues there. When it comes to operating expenses, I do like to pick samples of disbursements. I like to make sure that the money going out the door has been through all of the processes and controls that should exist at the Thruway Authority. In addition to test the details over expenses, we are going to perform an analytical review, just as a check, to make sure that there have been no weird or unusual fluctuations in balances that we would need to consider as part of the audit. Single audit; we are going to follow the uniform guidance. We need to examine programs, type A programs of high risk, so as soon as we get a draft schedule of expenditures and federal awards, we will be able to pick our programs. In the past, we have had significant Department of Transportation programs. We have had FEMA programs, so to the extent that we are required to have a single audit, we will adhere to the federal requirements for conducting that audit. We will look at internal controls over compliance and evaluate compliance, major compliance, with those programs. And obviously, that audit will also be completed within that March timeframe, and we will make sure that is filed on time with the federal authorities to the extent required. There are several layers to the review here, so we have lots of checks and balances in-house to make sure that our audit is of quality and meets all of the professional standards. All of the work is subject to review. I will perform a review of various work papers and review of the deliverables, and then finally, there is an independent review of all of the work that has been done by us, and that is going to be Don Carobine, who I mentioned. He does a final check of the audit to make sure we have complied with all professional standards and executed all the steps necessary in the conduct of our audit. We do consider fraud in the conduct of our audit, and again, we are looking for material errors in the financial statements that may be caused due to oversight or due to fraud. There are a number of tests that we execute. Obviously, we like to make inquiries of different members of management. Sometimes, we will make inquiries of other non-management individuals, just to get a sense of what the sentiment is at each level of the organization. We do incorporate an element of unpredictability. I haven't decided exactly what that is, but often, when we incorporate unpredictability, it may even be considering an area that is non-significant to the Authority, just because sometimes, small problems are what generally leads to large problems, so the extent we can come across something that may not be material today, we will consider that in our audit. We will look at any unusual or expected transactions. We do look at journal entries. Journal entries have the ability to directly impact the amounts ordered in the financial statements, so we will select journal entries for consideration, and then consider any other information obtained during the course of the audit as it may relate to fraud in the financial statements. Some accounting standards out there right now, I don't believe there is anything that is going to materially impact the financial statements for this period, but what I will tell you is the one thing we are working on, the background, so as we are doing the audit, we are working on GASB 87, which is leases. That is going to impact how we account for things for the period ending 12/31/22. I know Dan Malone and his crew are already on top of this, and we have had several conversations about potential lease transactions and how they are going to be accounted going forward. Just briefly, it is probably going to require us to book a liability and a corresponding rate to use asset for any material leases, and we will also consider that from the standpoint of anything that we are leasing to others. Conduit debt obligations, I know we have those out there, where a frequent borrower

---

on behalf of the state, so we will just have to make sure to the extent that there are any disclosures or other matters that those are contemplated in the financial statements. We are keeping an eye on the other accounting standards out there. To see if they are going to impact the Authority, but right now, I would say that GASB 87 is the item of significance that we are monitoring. Just to reiterate, communications, we believe in effective two-way communications between the Board and ourselves to the extent that there is anything that you folks would like to talk about. We are happy to do so. We definitely want to know what is on the mind of the Board, and if there are any areas of concern that you want us to look at or want addressed or to ensure is addressed, we are happy to consider that in the conduct of our audit. Similarly to the extent that there is anything we need to communicate to you folks, we will make sure it is communicated on a timely basis. We will make sure you are aware of significant matters, and if there is anything else we feel merits your attention, we will of course bring it to you in an expeditious manner. Just to reaffirm our independence, we have robust processes here at BST to ensure we are independent, and I am here today to affirm that we are in the conduct of our audit. Again, we go through a pretty strict process here. We also consider to the extent there are any non-audit services and how that may impact things. Right now, I don't believe we have any, so as it relates to our audit of the Authority, and again, I am here to confirm that we are independent. Those were my prepared remarks. I am of course happy to discuss any questions, comments, concerns you have, and just like we talked to management during the year, if any of you folks have questions or comments during the year, we are always happy to speak with you.

Don Rice: Any questions?

Joanne Mahoney: Thank you, Brendan.

Don Rice: Can I have a motion to, can I have a motion to accept?

Joanne Mahoney: Yes, I am making a motion in favor.

Don Rice: And I think Robert has made a second. Can we have a vote? All in favor?

All: Aye.

Don Rice: Alright. It passes. The 2022 audit plan for the Bureau of Fiscal and Toll Audit.

Matt Howard: Thank you. This item requests the Audit Committee's acceptance of the internal fiscal and toll audit plan for 2022. Each year, the Finance and Accounting Department conducts a large variety of risk-based audits and reviews. The plan lays out the intended activities for 2022. The plan identifies five key areas that will be focused on. They include the auditing of revenues and reimbursements, including reconciling the reporting of cashless tolling and revenues of the audit of the financial reporting and regulatory compliance, including our monthly financial reports and the end-of-the-year reports, the auditing of our contract compliance and payment activities for professional activity, the review of asset controls, including equipment and materials, and auditing of salary and benefit calculations. This bureau is staffed by auditors, company clerks, and other staff who on average will spend about 9,000 staff hours on over 400

audits annually and will see components of the plan. I will note that in the past, we have seen audits completed in roughly the 400-to-500 range of the total audits in the year performed. One example, there was a review of over 96 million contracts made by the Authority that resulted in the Thruway saving roughly 150,000 dollars. So, this is an annual activity that the Bureau of Fiscal and Toll Audit performs. This represents what they intend to pursue in the coming year. And with that, I would be willing to answer any questions that you may have.

Don Rice: Do we have any questions? If not, can I have a resolution to accept the report?

Male: Motion.

Don Rice: Second? All in favor?

All: Aye.

Don Rice: Thank you, it passes, and we can move to the internal audit plan/projects.

Harry: Good morning, Chair, Board members, Director Driscoll. I am here today to formally submit the Department of Audit Management Services 2022 audit plan. Our plan consists of five audits in 2022. The first plan will be surplus of fixed assets. The second audit will be contract insurance. The third audit will be fiber security. Our fourth audit will be vehicle use policy, and our fifth audit will be drug and alcohol testing. The Department of Audit Management and Services will continue to manage the Authority's internal controls program going forward in 2022. I am here with Deputy Director Boehm, Chief Auditor Rick Bower, and we would be happy to ask any, answer any questions you may have concerning our 2022 audit plan, and I recommend that the Audit Committee approve and accept this item. Thank you.

Don Rice: Do we have any questions? Can I get a motion to accept?

Male: Motion.

Joanne Mahoney: Second.

Don Rice: All in favor?

All: Aye.

Don Rice: The item passes.

Joanne Mahoney: Thank you, Larry.

Don Rice: Thank you very much.

Larry: Thank you.

Don Rice: Do we have any other business for the Audit Committee? No other business for the Audit Committee? Can we have a motion to close the Audit Committee?

Male: Motion.

Joanne Mahoney: Second.

Don Rice: All in favor?

All: Aye.

Don Rice: Thank you very much.

Joanne Mahoney: Thank you very much, Don. That concludes our committee meetings, and I would like to call to order the Board meeting for the New York State Thruway Authority. This meeting has been dually noticed by the opening meetings law. May I please have a motion to enter the Board meeting today?

Male: Motion.

Joanne Mahoney: A second? All in favor?

All: Aye.

Joanne Mahoney: We are now in the full meeting of the Board, and the first order of business is the public comment period for speakers to address items that are on today's agenda. Due to COVID-19 and recently enacted law, we are able to have our Board meeting by WebEx. Individuals who wish to address items on today's agenda would have had to submit their written comments via email prior to this Board meeting to the Board administrator. Tanya, has anyone sent in any written comments regarding today's agenda?

Tanya: No, they haven't.

Joanne Mahoney: Okay, thank you. That will conclude this portion of the public comment period. The next order of business is the consent agenda. You will see it in your materials, and I know we have all had an opportunity to speak with staff. May I have a motion to approve the consent agenda, items one to five?

Male: So moved.

Male: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Any opposed? Okay, thank you. The next item of business for us is the action agenda, and the first item is authorizing the executive director to extend non-engineering personal services contract with Eyesight, Inc. to provide software development and maintenance support services for the Governor Mario M. Cuomo Bridge website, and Josh Clem will present for us. Welcome, Josh.

Josh Klemm: Thank you, good morning.

Joanne Mahoney: Good morning.

Josh Clem: I-Site, a subcontractor of Tappan Zee Constructors, LLC (TZC), under HNTB, was chosen by the Governor Mario M. Cuomo Bridge project team to design and develop the bridge website. The website was developed to what is the latest web content platform, Drupal. The Authority staff currently do not possess direct development skill set in Drupal to be able to maintain and develop the website independently. As such, Authority staff require assistance from I-Site website designer and developer in order to master the development and support of the website. Eyesite was under a one-year contract with the maximum amount payable of \$49,500.00, which expired on September 30, 2021, of which only \$5,587.50 has been expended so far. Development staff is requesting approval for an extension of this contract through December 31, 2022, to allow the use of the remaining available amount payable and also to allow the time to investigate a longer-term, multiyear support contract if we need it. I thank you for your consideration on this matter and welcome any questions you might have.

Dr. Veras: Could you read the amount? I couldn't hear what...

Josh Clem: I apologize. Would it be possible to restate the question? We had no audio for a moment.

Joanne Mahoney: The amount. Jose has asked for the amount.

Josh Clem: The original contract amount was for \$49,500.00 and \$5,587.50 has been extended thus far.

Dr. Veras: That's all.

Joanne Mahoney: Any other questions? Hearing none, can I please have a motion to approve this item?

Male: So moved.

Joanne Mahoney: Second.

Male: Second.

Joanne Mahoney: Jose. All in favor?

All: Aye.

Joanne Mahoney: I see no opposition. The motion is approved. We will move onto agenda item number 7, authorizing the executive director to execute an agreement with EarthCam, Inc. for image hosting and camera maintenance services for the operation of one high-resolution camera to monitor the aesthetic lighting displays on the Governor Mario M. Cuomo Bridge. Jim Konstalid will present for us.

Jim Konstalid: Thank you, Chair, Board members, good morning.

Joanne Mahoney: Good morning.

Jim Konstalid: The Thruway Authority currently owns eleven EarthCam high-resolution, time-lapse construction cameras that have been used to monitor and record construction progress of the Governor Mario M. Cuomo Bridge. Originally, these cameras were purchased by HNTB during the bridge construction. HNTB sold to EarthCam to integrate into an existing EarthCam network that was established by the bridge's design builder, Tappan Zee Constructors. These eleven cameras are now Authority assets to be repurposed. The Thruway Authority has elected to retain one of these cameras for permanent use to monitor the aesthetic lighting displays on the bridge that provide high-resolution images of this lighting for the public. An existing network services agreement between the Thruway Authority and EarthCam is already in place. The requested agreement is only for monthly charges associate with operation, maintenance, and image hosting for the single camera. If a different vendor was selected, the purchase or lease of new equipment would be required in addition to the cost of that operation, maintenance, and image hosting. An exemption for pre-advertising in the New York State Contract Reporter has been obtained from the Office of the State Comptroller. The Director of Purchasing has conducted a responsibility review of EarthCam, Incorporated, and there is reasonable assurance that the contractor is responsible. The term of this agreement is five years with a maximum payable amount not to exceed \$63,975.00. The Department of Maintenance and Operations has sufficient funds available in the 2021 budget and will continue, and funds will continue to be allocated in subsequent budget years. I would be happy to answer any questions you may have on this item.

Joanne Mahoney: Any questions for Jim on the camera? Alright, hearing none, may I please have a motion to approve?

Male: Motion.

Male: Second.

Joanne Mahoney: Bob, second. All in favor?

All: Aye.

Joanne Mahoney: Is there any opposition? The motion is approved, and Jim, you are up again for agenda item number eight, authorizing the executive director to exercise a five-year renewal option with the New York State Department of Agriculture and Markets for the operation of a Taste New York Market at the Mohawk Valley Welcome Center, which I can tell you is very popular.

Jim Konstalid: Thank you. On June 6, 2016, the Thruway Authority Board authorized the Executive Director into an agreement with the New York State Department of Agriculture and Markets for the operation of a Taste New York Market at the Mohawk Valley Welcome Center, located in Montgomery County at the Lock E13 rest area. The agreement outlines responsibilities of both the Thruway Authority and the Department of Ag and Markets, including authorizing the Department of Ag and Markets to secure the Taste of New York Market manager for the Mohawk Valley Welcome Center location. That agreement expired on June 6, 2021. Board approval is being sought to exercise the option to enter into an additional five-year term with the Department of Ag and Markets for continued operation of the Taste New York Market at that location. The Mohawk Valley Welcome Center showcases the historic Erie Canal and surrounding Mohawk Valley. Both the Thruway Authority and the Department of Ag and Markets agree and understand the significant opportunities to promote our common goals to Welcome Center visitors. The Taste New York Program is operated and licensed through the Department of Ag and Markets, which makes them uniquely qualified to operate the market at this location. New York State Ag and Markets utilizes the ARC of Montgomery County to offer job training and employment opportunities to those with limited intellectual and developmental disabilities in that area. I am recommending the Board authorize the Executive Director enter into this five-year agreement with the Department of Ag and Markets. I would be happy to answer any questions you might have.

Joanne Mahoney: Are there any questions? Thanks, Jim. I will say that the presentations that you put together anticipate all of our questions, and you do a nice job of addressing everything ahead of time for us. Hearing no questions, may I please have a motion to approve?

Male: So moved.

Male: Second.

Joanne Mahoney: Thank you. All in favor?

All: Aye.

Joanne Mahoney: And I don't see any opposition. The motion is approved, and Jim, agenda item number nine is yours, authorizing the Work Zone Speed Camera Enforcement Demonstration Program.

Jim Konstalid: Thank you. Earlier this year on Labor Day Governor Hochul signed a bill into law authorizing a 5-year pilot program using traffic cameras for the purpose of work zone speed

---

enforcement. On Wednesday October 6<sup>th</sup>, the Thruway Authority held a public meeting to solicit comments and continued to accept written comments until November 3<sup>rd</sup>. A majority of the comments received were favorable and supportive of the initiative. The pilot program will be limited to no more than 10 highway construction or maintenance work areas with consideration given to road geometry, speed and crash history. Images will be for the exclusive use of the Thruway Authority for the purpose of education and liability of work zone speed violations and shall be destroyed upon final resolution or one year following the date of liability issuance whichever is later. During the first 30-day period the photo violation system is in operation, a written warning will be issued in lieu of notice of liability. Vehicle owners found liable will be subject to monetary penalties not to exceed \$50 for the first violation, \$75 for the second violation if the first and second are committed in an 18-month period, and \$100 for the third and all subsequent violations if all are committed within 18 months. Additional penalties not to exceed \$25 per violation if failure to respond to this notice within required response time. The Authority will conduct a study and submit reports on the use of photo devices on or before May 21<sup>st</sup> of 2024 and May 1<sup>st</sup> of 2026 to the Governor, Senate Majority Leader and Assembly Speaker. Reports will also be made available on the Thruway Authority's website. I would be happy to take any questions you may have.

Joanne Mahoney: Any questions for Jim? Heather are you asking us a question, you're on mute? Okay. I have a question, is this in conjunction with what the New York State Troopers are doing? Is this in addition to that?

Jim Konstalid: I would say this is on concert with that.

Joanne Mahoney: I wasn't clear on whether these penalties were coming from the Thruway Authority or from the Troopers, the fines?

Jim Konstalid: The penalties are my understanding is 60% of the penalties would be back to the Thruway to use for other work zone safety initiatives and the other 20% of that I think goes to the area where the penalty was issued locality wise so there is a breakup there but the majority of that payment is slated to come back to us.

Joanne Mahoney: And it's prosecuted in the regular way that speed tickets are prosecuted?

Jim Konstalid: That's more or less my understanding, I'm just going to check it with Eric just to.

Eric: Administratively only there's no law so it will be done through administratively or we will utilize the local jurisdiction for any adjudication that a customer may have.

Joanne Mahoney: Okay so this won't be in the local courts or putting points on people's licenses it's...

Eric: It will not be putting points on your registration or your license but it will go through the courts for adjudication if the customer chooses so.

Joanne Mahoney: Okay anybody else have...

Matt Driscoll: Could I just clarify something too because I think there's been conversations around the revenues just to make clear, the revenue isn't our goal. The real goal here is to protect the men and women who are working in these work zones not only here at the Thruway Authority, of course, but DOT and elsewhere so its not revenue based, we're more concerned with the health and wellbeing of our employees.

Joanne Mahoney: Absolutely and thanks for that Matt and I'll say by the level of the fines that's pretty clear. It's getting people's attention and letting them know that they were caught speeding in a work zone. I was just wondering how coordinated this was with the State Troopers or if they're still doing their thing and this is us doing something administrative on top of that.

Matt Driscoll: Yes, that's accurate. We're well coordinated with the New York State Police as well as the Department of Transportation. They are undertaking a similar program as well. In fact we're doing an RFP with them to procure services for this program.

Joanne Mahoney: So when you make the necessary reports to the Governor and the Senate and the Assembly will you make sure that all of the members of the Board see that as well?

Matt Driscoll: Oh absolutely, yeah we'll keep you briefed along the way.

Joanne Mahoney: Great.

Steve Saland: One question. Apparently there are two programs being run, one I being run by the Authority and one is being run by the State Police. It's my understanding that and this may be more an appropriate question for the State Police than the Authority but it was my understanding that the applicable speed limit in a work zone did not apply when the work zone was not in fact having work performed. In other words if you're going through a work zone at 2:00 in the morning there's nothing going on.

Jim Konstalid: If I'm understanding your question correctly, we will not be utilizing the camera system when the work zone is not in use. If that answers your question.

Steve Saland: That answers the question but what about if there is a parallel set up with State Police does that also apply to whatever it is they...

Jim Konstalid: If we're referring to like the Operation Hard Hat and things the State Police initiative encompasses, that's also in an active work zone when there is work going on.

Steve Saland: Thank you.

Joanne Mahoney: Good question. Any other questions for Jim? This is our last opportunity to hear from Jim at this Board meeting. Hearing none can I please have a motion to approve. And I saw Bob with a second. All in favor?

All: Aye.

Joanne Mahoney: Hearing no opposition, the motion is approved, thank you very much Jim and we will move onto agenda item #10 which will be presented by our Director and it is consideration of a waiver request of service area project domestic steel requirements. Matt.

Matt Driscoll: Thank you Madam Chair good afternoon Board members, the Thruway Authority received your request to waive requirements of the Buy American Steel Act as it pertains to structural steel for 10 service areas that are part of the overall redevelopment project. The request for the waiver is based on the availability of steel structure needed for the timely completion of those 10 service areas which include Chittenango, Junius Ponds, Indian Castle, Ardsley, Iroquois, Clarence, Clifton Springs, Plattekill, New Baltimore and Pembroke. Empire has indicated that its design building AECOM has attempted to procure domestic structural steel but is unable to do so because of the significant supply chain shortages in steel due to COVID-19 which has resulted in industry wide production, manufacturing and distribution delays within the United States. According to Empire, failure to accommodate nondomestic steel would directly delay the opening of these 10 service areas for a period of between 12 and 16 months. That would domino, of course, into the subsequent phases. This delay would require the continued closure of the service areas for multiple winter seasons and delay the provision of important upgraded services included at these new service areas. Empire has indicated that structural steel is available from a Mexican supplier and that such would be installed by a local New York Company. Empire has fully committed to complying with Public Authority's Law for all other steel components at these 10 locations included in this waiver request and all steel components including structural for the remaining 17 service areas during initial improvements and all other steel components for the balance of the term of the lease agreement. And my recommendation would be, based on that information, to approve this waiver request.

Joanne Mahoney: Thank you. Any questions for the Director?

Heather: I don't have a question I just need to let you know that I need to abstain from voting on this item due to a potential conflict.

Joanne Mahoney: Okay thanks Heather. Alright hearing no questions may I please have a motion in favor? Bob thanks.

Steve Saland: Second.

Joanne Mahoney: Thanks Steve. Noting Heather's abstention, may I have all in favor?

All: Aye.

Joanne Mahoney: And seeing no opposition, the motion is approved. We will move on and get a report to our Board from Andy Trombley who is going to be reporting on Procurement Contracts. Andy the floor is yours.

Andy Trombley: Good morning Chairman Mahoney, members of the Authority Board and Director Driscoll it's an honor to be with you today. I'm here to present the attached report on Procurement Contracts and other agreements up to \$300,000 executed by the Executive Director during the period of July 1<sup>st</sup>, 2021 through September 30<sup>th</sup>, 2021. As you can see from the attached exhibit 1, there were 6 professional service contracts executed in the third quarter, four were supplemental agreements to existing contracts, 1 new contract with a private vendor and 1 agreement with a New York State agency. Thank you for the opportunity to speak with you today and I'll be happy to answer any questions you may have.

Joanne Mahoney: Short and sweet, any questions for Andy Trombley? I don't think we have to vote on that, it's just a report to us. So hearing no questions, we will move on and I will ask Tanya at this point whether anybody has asked to speak on any matters relative to the Thruway Authority beyond the scope of our agenda today. Tanya have you had anybody ask to speak?

Tanya: No, I have not.

Joanne Mahoney: Okay so that will conclude the Public Comment Period. I will let you all know it's in your materials but just make sure I draw your attention to our meeting schedule for 2022 so you can add it to your calendars. January 31<sup>st</sup>, March 28<sup>th</sup>, June 13<sup>th</sup>, September 12<sup>th</sup>, and December 5<sup>th</sup>. I do need a motion to approve that meeting schedule if I can have one.

Steve Saland: So moved.

Don Rice: Second.

Joanne Mahoney: Thanks Steve, Thanks Don for the second. All in favor?

All: Aye.

Joanne Mahoney: Any opposition? Good we will expect to see everybody back here. Is there any other business anybody wishes to address with our board before we adjourn?

Matt Driscoll: Yes Chair, I do, I have a few items that I'd like to report out on so I would ask for your indulgence for a few items.

Joanne Mahoney: I'm sorry Matt that I didn't ask you that earlier. The floor is yours.

Matt Driscoll: Thank you very much that's fine. So, I want to start by informing you that our Director of Audit and Management Services Harry Lennon will be retiring next week. Harry has spent 14 years here at the Authority and you should know he has played an integral role here on the Executive Team. He started actually back in 2007 I believe and then he was assigned as Acting Director of Audit in May of 2012 and then this Board approved him as Director in 2017. Harry's done a lot here over the years and I think I would say one of his major accomplishments I believe would be helping designing the Governor Mario M. Cuomo Bridge Security system as

we all know that's a mega project and one that will be standing for 100+ years. He has carried out his duties statewide both in audit and confidential investigations with discretion and professionalism and loyalty to the Thruway Authority. So Harry, I just wanted to say thank you for your service. I will miss you well in retirement.

Harry Lennon: Thank you very much. It's been an honor and a pleasure to work here at the Authority. I thank the Executive Director, the Board, Chair my staff who take their responsibilities very seriously. I thank them very much and I thank all the employees here at the Authority they are all hard working individuals. I met many, many employees over the years and I will miss everybody. It's been a great ride so I thank you all for it.

Joanne Mahoney: Matt can I just echo your sentiment and personally thank you Harry. I know it was my very first meeting of the Thruway Authority Board when you came up and introduced yourself and told me about the reporting structure to the Chair and you have just never missed a beat in keeping me informed and just acted as a consummate professional. I always felt confident in my interactions with you. I knew we were in good hands and you will be missed and I just want to thank you myself for your service to the Authority.

Don Rice: I'd like to add to that. I've been Chairman of the Audit Committee for gosh I think it's been 10 years now so thank you very much for the introduction that you gave me in the beginning of the time you spent with me to help me understand how things work and thank you for your service to the Board and the Thruway of the State.

Bob Megna: And let me add to that and mention that the very difficult circumstances that folks have had to navigate especially during transitions at the Thruway and I think an exemplary job has been done and I want to thank you for that especially when I was sitting up there. So thanks.

Harry Lennon: Thank you Bob.

Dr. Vegas: Harry all the best to you in this new phase of your life and thank you again for your service to both Authority and the Board.

Harry Lennon: Thank you very much.

Matt Driscoll: Okay well thank you everyone and Harry again, thank you for your service and enjoy retirement. So moving on, although it's about 50 degrees across the State of New York today we know that that will soon change. So I'm going to ask our Director of Operations here Jim Konstalid to give you a quick update on our snow and ice preparedness.

Jim Konstalid: Thank you Director. Just some quick highlights on our readiness for the 21/22 snow and ice program. Full staffing our snow fighting team consists of 595 operators and 102 supervisors. We included our recently hired employees going through pre-employment screening. We are roughly 25 vacancies system wide and roughly 4% vacancy rate. On Monday, November 8<sup>th</sup>, our snow fighting staff all four divisions transitioned to 24 hour staffing 5 days a week or Monday through Friday. This coming Saturday, December 11<sup>th</sup>, staff in

---

Albany, Syracuse and Buffalo divisions will snow shift into 24 hour 7 day a week staffing including weekend coverage. That same transition will take place in our New York division a week later on Saturday December 15<sup>th</sup> just before the holidays. Our snow fighting fleet consists of 272 large plow trucks, 230 of these are frontline, 42 are what we deem as reserved trucks, 11 of these large plow trucks are equipped with tow plows. Our fleet also includes 63 large frontend loaders, 7 large snow blowers and 113 medium duty plow trucks. Thruway wide we have a maximum of salt storage capacity of 136,630 tons. Currently, we are at 90% capacity on hand. The time of report salt deliveries continue to be timely and regular and local supplies are good. Our vendors do not anticipate any supply chain issues this season. The Executive Director, Chief of Staff and I visited each division, reviewed their plans and snow fighting resources and all locations are fully prepared for the snow and ice season. And I'd be happy to answer any questions on our program you might have.

Bob Megna: Just out of curiosity because I've gotten some questions on this, do we buy our salt under the State OGS contracts?

Jim Konstalid: We do.

Matt Driscoll: Okay thank you Jim. So just a quick update here on a couple internal administrative initiatives that we undertook in this year. Back in May the Office of Real Property Management was established to resolve a backlog of longstanding disposals and transactions. The directive was to create an action plan to advance several dormant requests and streamline the process for improved long-term results. This new unit has been placed under General Council Frank Hoare and will advance requests in a more efficient timeframe while ensuring compliance with all applicable laws, rules, and regulations. In our September Board Meeting you approved the disposal to Greene County in the amount of \$421,000 and authorized an auction for a property in Ontario County that began some years ago. You should know that that auction was held in November and our team is working with a successful bidder to close the sale for \$181,000. Also approved were three transfers of jurisdictions to the New York State DOT, the oldest of which was pending for about 5 years. Beginning this January, we expect to move two more longstanding parcels in Westchester, those originated over a decade ago and an additional auction of two properties in Rockland County. Staff is working to bring several more disposals to completion in 2022 including the auction of a 15-acre site out in Western New York and Erie County that we anticipate will have many bidders. The real focus here is to shed ourselves of dormant long-term property and get it off our books here at the Thruway, get it back to the locals and back on the tax rolls for local governments and state governments as well. So, I think you'll start to see more of these requests for approval going forward.

The next is we created the Office of Procurement Services led by Andy Trombley I'm pleased to say we have made great strides towards an enhanced procurement process this year in 21 securing products and services that meet the needs of the Authority faster and as efficiently as possible. Procurement services is now embedded within the Authority as a strategic partner. The team is refocused on activities that add value, promote diverse contracting activities and, of course, saving us time and money. To that end a few of the accomplishments were renewed reemphasis on our customer service both internally and externally. Team members are

---

challenged to support customers by focusing on their needs and right size procurement actions to meet those needs; shifting focus from transactional to more strategic procurement, focusing on problem solving flexibility and timeliness of service. We've modernized the Office of Systems including implemented electronic submission of construction contracts and consultant agreements, electronic signatures for documents, accepting electronic quotes for goods and services and eliminated wasteful paper notifications to vendors. We rewrote the procedures raising the threshold for small dollar purchases to more modernized standards. We designed and delivered training to educate the end user on the basic principles and processes here at the Thruway Authority. I would also like to point out that on the professional community side, Elonda Mackey who is our Chief Compliance Officer was named as the MWBE Champion Award for 2021 for New York State MWBE forum so we're very, very proud of that and her efforts as well as Andy's as well.

Under some new initiatives that we've undertaking here, we have ventured into a pilot program with NUAIR. NUAIR is a New York based non-profit organization that provides expertise in unmanned aircraft systems, operations, aeronautical research, safety management and consulting services that assist state and local agencies, municipalities and other organizations who are looking to utilize unmanned vehicles in their operations. And that's just what we want to do here at the Thruway Authority. We created a no-cost MOU pilot program assisting us in the development of a UAS program. Bridge inspections are the initial focus of this program. The progress to date, we have been meeting periodically to construct a UAS program for interstate transportation systems. A flight demonstration under an existing Authority bridge in the Syracuse division was conducted by NUAIR back in September and a chance for our executive authority team to go witness that function and meet with the leadership of NUAIR as well. We also met with federal highway's UAS and Bridge Inspection experts on October 25<sup>th</sup> to discuss best practices for transportation systems and limits of application that they may have for bridge inspections. Following numerous discussions, three additional bridge locations in the Albany division have recently been selected for biannual bridge inspection. These inspections are planned to be performed later this month using New Air equipment and pilots who will fly the equipment under the direction of an Authority Bridge Inspection team leader. Results of this trial Bridge Inspection Survey are anticipated to inform the Authority and NUAIR about the capability and needs of equipment and operations for unmanned bridge inspection flights moving forward. We're very excited about this program. We think it brings tremendous potential long-term to the Thruway Authority, particularly with unimpeded 570 miles of right away and means big opportunities for us in the future.

And lastly, as a reminder, and thank you for your support, the Thruway modernization plan which is really building a new foundation for the future this will entail a top to bottom review and modernization of operations, business processes and available technology resources to help us obtain that goal. You approved our engagement with a third party consultant to undertake a review of the toll collection function supporting systems and processes within all areas of the Thruway Authority to better align our organizational structure and our resource allocation with the realities and our customer's expectations of more modernized 21<sup>st</sup> Century. Thruway will use this engagement beginning in January to accomplish the following goals; we will establish a cohesive strategic vision, clearly identifying the strategic and operational objectives of the

---

Authority, identifying proper analytics to assess the major challenges facing the Authority, and discussions to identify areas of concern and opportunity within the Authority as well. We will design an efficient and effective operating model; create clear action plans and recommendations to achieve the Authority's long-term strategic objectives. This will include developing initiatives to achieve modernization and improvement of our existing operating model. This will be accomplished through coordination with key stakeholders throughout the Authority, developing a robust change management communication strategy, and ultimately delivering on a modernized model that improves the efficiency and accountability here at the Thruway Authority. And finally, of course, delivering the implementation of those identified objectives implementing solutions to obtain sustainable results, implementation includes development of key proponent indicators and, of course, measuring our actual results. So we've very excited about this program in particular. There's a lot of hard work ahead not only for the team that you see here but throughout the organization but we believe that long-term this is the correct direction for the Thruway Authority to move in.

So Madam Chair that concludes my updates for today.

Joanne Mahoney: Thank you. Anybody have any questions or feedback for the Director? I would like to say Matt that that was an excellent report, I really appreciate the preemptive advising of the Board on the preparation for snow and ice because I'm sure all of us get questions on that and it's impressive to hear where we are at this point in the season. So Jim that's excellent. I know the local municipalities are going to be very happy to hear that we're focused on returning that land that we don't use as the Authority. I, myself get questioned about parcels here and there frequently. So they'll be happy to hear Frank is on it. You're in good hands with Andy on the procurement process. I'm thrilled about the unmanned air pilot ironically called pilot program because I think that will really enhance safety for employees and the Thruway Authority not to have to be out and about and just moving elevating the entire Authority with this modernization project, it's really an excellent report. I'm really grateful and congratulations to Elonda on that MWBE award. So thank you very much for that. Anybody else? Any other business before this Board?

Matt Driscoll: Just one last order of business, I would like to wish all of you a happy and a healthy holiday season and we look forward to seeing you in 2022.

Joanne Mahoney: Thank you Matt. Our next meeting is January 31<sup>st</sup>, 2022 and I would put that right back to you and your staff and to all of our Board members I hope you all have a wonderful holiday season, stay safe, enjoy socially distanced masked gatherings with loved ones right. May I please have a motion to adjourn? Bob, second Jose. All in favor?

All: Aye.

Joanne Mahoney: We are adjourned, thank you all. Happy New Year see you back here in January.

