
Joanne Mahoney: Good morning and welcome to the March 28th, 2022 meeting of the Thruway Authority Board of Directors. On the WebEx we have board members Bob Megna, Heather Briccetti, Dr. Veras, Steve Saland, and Don Rice. I think I have seen everybody. Today we're going to start with the Finance Committee and Bob you are the Chair of that committee, also serving are Don Rice and Dr. Veras and I am ex officio. So, Bob would you please start the Finance Committee Meeting.

Bob Megna: Thank you. Our first item is approval of the minutes of Finance Committee meeting #66. May I have a motion to advance and discuss this item? Do I have a second? All in favor? Aye.

All: Aye.

Bob Megna: Any opposed? So any discussion before we say we're approved? We're approved. The second item on the agenda that Matt Howard will present for us is reviewing approval of the Financial Reports for December of 2021.

Matt Howard: Thank you. As you mentioned, this item seeks the Finance Committee's approval to advance to the Full Board our Finance Report for December of 2021. For 2021 total traffic was up compared to 2020 largely due to the varying impacts of COVID in 2020 vs. 2021. This resulted in an increase of roughly 22% above the prior years' traffic. Of this we saw commercial traffic increase of 16%, while passenger traffic increased by 23 ½% compared to 2020. If you were to look at how we performed in 2021 vs. the pre-COVID levels of 2019 what you will find is over the course of the year we made improvements as the year progressed. This resulted in overall decline in toll transactions by the end of 2021 of about 6% over all of the pre-COVID levels in 2019. This was comprised of increases in commercial traffic of about 19% compared to the pre-COVID levels. Of all passenger traffic toll transactions they declined by about 10% on a comparable basis. On a total revenue basis, the Thruway collected \$826 million in 2021 which was 23.9% or \$159 million involved the prior year. Now that figure is about \$13 million better than what we had anticipated when we revised our budget in the mid year 2021. Overall, this specifically includes \$760 million in toll revenues. \$44 million in E-ZPass and toll by mail fees, \$5.7 million in concession revenues and \$16.3 million in various sundry revenues and special hauling permits. For 2021, the Thruway operating expenses including all accrued OPEB and other expenses totaled \$444 million, which was \$41.8 million or 10% below the 2020 levels however I would note that that figure is skewed a bit in that the increase is really due to unfunded accrued liabilities for health insurance and other benefits. When we look specifically at funding expenses for 2021, the total 2021 Operating Budget totaled \$346 million which is up by about 8.6% or \$27 million from the prior year but as a positive note, this level is actually about 5% below what we had budgeted and we can in about \$18 million below what we had budgeted for operating expenses. And even at that level, it's still below from operating expenses where we were prior to COVID by about 3%. On an overall basis, some of the decisions is due to the following; almost \$7.5 million savings due to the economy of execution of lease agreements for the use of a fiber optic system but these agreements weren't executed until the first part of 2022 which resulted in marketing expenses that we didn't budget for in 2021 but not being incurred until 2022. In addition, there was about \$4 million in savings due a lower bridge

operating contract and inspection costs, about \$4 million in savings in the Tolls by Mail Administration due to lower provider rates that were established despite the contract that were approved in 2020. There was about \$1.7 million savings resulting from great reimbursements from legal claims that were settled in 2021, \$1.2 million in savings from personal services due to more temporary overtime on our expense costs and about a million dollars in more than anticipated in health insurance costs that were not included in the budget.

In 2021 the Thruway reimbursed the State of New York for \$59 million associated with the true key costs of the patrolling our roadway. This was about 10% below the level we incurred in 2019. To put it in context with the State Police we were in line with our budget. We're about \$500,000 or about 1% within 1% of our estimate for the State Police and again, we're about 5% below our budget on operating expenses. So as a whole our overall revenues were about 0.4% above where we had planned in an overall revenue basis on a yearly budget and on the expense side we were again about I think 10% actually 5% below where we had anticipated in our revised budget. That's a broad summary of how we ended the year 2021 and if you want me to answer any questions that folks may have.

Bob Megna: Matt is 2022 going to be like the first year where we can get back to looking at some sort of true baseline anti COVID?

Matt Howard: Yeah, I think so. I mean that's the real question at what point is your base you're measuring yourself against to get to the point where you're not looking back to where we were prior to the pandemic. I hope that that's the case that we don't have another year where we're measuring ourselves to 2 years ago. But the world is always changing so I guess as time moves on, I hope that we get to that point.

Bob Megna; Thank you. Other questions for Matt? If not, may I have a motion to advance this item? Can I get a second.

Dr. Veras: Second.

Bob Megna; Thank you. If there is no further discussion, all in favor?

All: Aye.

Bob Megna: Any opposed? Hearing none the motion is approved. #3 again Matt will review for us the approval of the Authority's Annual Investment Report.

Matt Howard: Thank you. This item requests the committee's approval of our annual investment report. This is a requirement of the Public Authority's Law that we need to submit a report documenting our investment activities as well as include a review of our investment policy. Again, so this report includes our investment policy as well as those records to our independent auditors report on investment compliance as well as reports on our investment income. I would note that the investment policy that is attached to this item reflects no changes from existing policy that was most recently approved about a year ago. And as noted in the

independent auditor's report, our investment program is in compliance in all material respects with the various requirements we're obligated to operate under and they didn't identify any deficiencies in relation to the internal controls as it relates to our investment activities. In 2021 we made \$7.9 billion investment transactions a majority of which were about \$4.6 billion. They were investments made through bond funds and about \$8.2 billion in state bond fund transactions that we administer on behalf of the State of New York. The annual interest rate for these investments is roughly a million dollars reflecting a yield of 0.06% with an average maturity of about 60 days. Summary of what's included in this item and I would be willing to answer any further questions from Board members.

Bob Megna: Any questions for Matt? If no questions may I have a motion to advance this item.

Joanne Mahoney: So moved.

Dr. Veras: Second.

Bob Megna: We have a motion and a second. Any further discussion, if not all in favor?

All: Aye.

Bob Megna: Any opposed? Hearing none, the motion is approved. Item 4 again it will be Matt Howard and this is the Annual Report of the 2021 Procurement Contracts.

Matt Howard: Thank you this is a second item that is a requirement that the Authority submits to the Authority Budget Office as far as Public Authority's and requires us to annually prepare, approve and submit a report on procurement policy that we reviewed and approved by the Board. The report includes schedules of all personal service and 13 contracts as well as all bond sales and a copy of our procurement policy. To briefly summarize the procurements in 2021, the Authority paid \$81.6 million under personal service in lease agreements as value contracts, \$44.4 million under commodities and service agreements that are low bid contracts and \$38.6 million under engineering and architecture consulting. These total \$164 million which is \$28 million or 14% below what we had spent on procurement contracts in the prior year. This is driven largely by contracts in 2020 that we associated with cashless tolling that were incurred in 2020. And finally we're seeking your approval for the Authority's Procurement Policy that has had no changes and we recommend this policy that the Board approved a year ago. And with that, I'd be willing to answer any questions.

Bob Megna: So since Matt is willing to answer any questions, does anyone have anyone for him? If not may I have a motion to advance this item?

Dr. Veras: So moved.

Joanne Mahoney: Second.

Bob Megna: And a second okay any further discussion? If not all in favor?

All: Aye.

Bob Megna: Any opposed? Hearing no opposition the motion is approved and that allows us to get to the question of is there any other business to be conducted before this committee? If not we can adjourn. May I have a motion to adjourn?

Joanne Mahoney: So moved.

Dr. Veras: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: We are adjourned.

Joanne Mahoney: Thank you very much. Up next is the Audit committee and Don that's you as Chair serving on the committee are Bob Megna and I am an ex-officio so Don will you please start the Audit Committee Meeting.

Don Rice: May I have a motion to advance the Audit Committee forward? Alright do I have any objections? The minutes are they acceptable can I get a motion to...

Joanne Mahoney: I'll second Bob Megna's motion to approve the minutes.

Don Rice: Okay. All in favor?

All: Aye.

Don Rice: The motion is approved and now Chief Financial Officer Matt Howard will introduce Brendan for the next item.

Matt Howard: Well thank you. This item requests the committee's approval of the 2021 Annual Independent Audit and single audit report. Our auditor from BST as you mentioned represented by Brendan Kennedy are here to present their findings. And I'll turn the floor over to Brendan.

Brendan: Great can everyone hear me okay. We're going to work largely off of Exhibit A which is a presentation we've put together for everyone just like Matthew I'm willing to answer any questions as well to the extent you have any. And flipping past the first page here, we have the table of contents.

So we'll do a brief Executive Summary, we'll discuss the basic financial statements, our federal compliance audit which is our audit on federal grants, the examination of investment

compliance, we'll do a few required communications and we'll talk about some accounting standards on the horizon and beyond that we'll leave some time for questions.

So flipping to the next page, Executive Summary. We substantially completed all of our work last week. As you know this is a quick turnaround under the Public Authority's Law of audited financial statements, must be completed and filed with the state 90 days after the fiscal year end. So a lot of work goes into a very short period of time. Our deliverables included the basic financial statements which is our report on the financial statements, as well as a report on the internal control over financial reporting and compliance in other matters. We have a report on each major federal program and then we have our report on investment compliance and finally, there's a separate report on our communications with those charged with governance, you folks, a lot of those communications I'm going to make clear to you folks today.

So, as part of the summary, we have an unmodified opinion on the financial statements. An unmodified opinion is the highest level of assurance that I can give you the Board, the audit committee's financial statements are free of material error. As it relates to a report on internal control and compliance, we did not identify any material weaknesses or significant deficiencies nor did we identify any material noncompliance or other matters that would have an effect on the financial statements. As it relates to our report on each major federal program, there was no material compliance with federal regulations and no internal control deficiencies as it relates to the Authority's compliance with those federal rules. And finally the report on investment compliance, this is a separate deliverable that we need to file with the ABO. Our conclusion was that the Authority materially complied with all the rules and regulations you were supposed to and there is a clean opinion on that work as well.

Just a little overview on the financial statements – the financial statements are generally consistent with the prior year, you can find our independent auditor's reports on pages 1 to 3. On those pages you would have that we expressed that unmodified opinion that I've already discussed. Pages 3 to 14 you can find the management of discussion and analysis. And I like to refer to that chiefly as the cliff notes to the financial statements. It gives a brief summary of the financial results and transactions in a clear concise manner. The actual numbers to the financial statements can be found on pages 15 to 18 and then we have quite a few footnotes that we disclosed on 19 to 50 and then there's a few required supplementary information pages largely dealing with our post retirement health plan and the pension as it relates to the Authority's participation in ERS.

On the second half of this page you can see the significant transactions in audit areas and from my perspective, the biggest thing that we focused on when you compare our audit to the prior years of cashless tolling system, it was implemented toward the end of 2020 and we have all 12 months. So one of the things I personally handled as part of the audit was looking at the internal control reports that our service organization publishes, examining those reports and looking at the user level controls that are required to have a full and robust internal control system. So not only just taking that report but seeing what we do on the Thruway side to make sure that all of the tolling system internal controls and processes are functioning properly.

The rest of the items you'll see here are fairly straight forward from the prior year. Obviously a significant amount of capital assets here at the Authority so we're looking at additions, disposals, and appreciation expense. We confirm cash and investments and we examine your compliance with the state rules and regulations, examine revenue recognition and receivables. And again, we gave consideration when it comes to those receivables on a cashless tolling side, I believe you'll notice a slight increase in receivables when compared to the prior year. Payroll and operating expenses, payables, rapid maturity as well as bond transactions we have here at the Authority. And finally, Matt kind of alluded to these nonfunded expenses. We have OPEB and pension liability. OPEB is going to be largely driven by discount rates which, when we went to measure this obligation, we're at historic lows. I would hope as the one benefit to interest rates rising is that we'll probably see an increase in our discount rate going forward, and I think recent discount rates in future periods will likely lead to a lower OPEB liability.

Finally, I'd like to point out that our Net Pension Liability was also at a really low point. When you think back to a year ago when gave this presentation, the state measures pension liability as of March 31st. So March 31st, 2020 the sky had fallen the stock markets and all the investment markets had crashed and unfortunately when the state went to go measure the fund status of the pension liability at 3/31 there was a pretty wide gap. The state had dropped to about 86% funded which resulted in a larger liability in our financial statements at 12/31/2020. We flash forward a year and at 3/31/2021 the system was virtually 100% funded. The ERF side of the state pension system was 99.9% funded where as EFRS was slightly below that around 97 or 98% and so our Net Pension Liability went down significantly when compared to the prior year.

We also give consideration to contingencies; obviously we're considering litigation and other claims that might impact financial statements. And again, we went through all of these areas with a fine toothcomb and found them to be reasonably and accurately presented in the Authority's financial statements.

Again, on these audit results, process and controls appear to function properly. Transactions were adequately supported. Management judgments, that for management is considering inputs and assumptions. We found them to be non-biased and adequately supported. The Thruway staff was courteous and helpful in all audit requests were fulfilled for satisfaction. So overall, very positive audit results I would say as it relates to our financial statement audit.

Briefly here I'll talk about your major federal program. We had two federal awards or two programs I should say that were reported on your schedule of expenditures of federal awards. We had highway planning and construction. This is obviously a very common program at the Thruway Authority as we're in charge of administering highway. We also had some de minimus disaster grants and FEMA awards that came through. For the purposes of our audit, we focused on program 20.205 that is our Highway Planning and Construction. And again, this is an award that the Thruway Authority is well versed on. And we found that the program to be adequately accounted for.

Just below here you'll see the different areas that we focused on as part of the award. These types of audits, when it relates to the federal awards, are fairly constricted. They're a little less

subject to auditor judgment. We focused on allowable costs, equipment, real property management, procurements, program income, I don't believe was material here nor subrecipient needed monitoring but I simply highlighted here the areas we develop and evaluate the eligibility for our specific programs.

We did a sample of costs related to these awards for allow ability. We verify that the vendors are not suspended or debarred from doing business with the federal government, that's one of the requirements. We verified adherence to procurement standards and then we looked at the difference compliance requirements with special tests and provisions. And again, as mentioned earlier, we determined that the Thruway Authority complied in all material aspects with the requirements for this major federal program.

I won't spend a lot of time on here. We've discussed the examination on investment in clients. There is a separate deliverable but we do a number of procedures to examine your compliance with the New York State Investment rules and regulations and we did not identify any noncompliance as it relates to your investment program. We found controls to be adequate and we found the records to be adequately supportive of your transactions. So, no matters of significance here as it relates to the investment compliance.

Here required communications and then I'll button up my presentation here. We found the significant accounting policies to be appropriate. They are disclosed in footnote 1. There were no significant account policies changed during the period, nor were there any new accounting standards that were adopted. There were no unusual transactions for which there was a lack of authoritative accounting transactions. We did not have any disagreements with management and there were no difficulties in encountered during the audit. As mentioned before, anything that we asked for as part of the audit was provided, any question that we had during the audit was fulfilled and we received the full cooperation of everyone that we dealt with as part of the audit. So no limitations whatsoever.

No audit adjustments or uncorrected audit difference. That's a really significant accomplishment. We don't find this very often. Generally when we perform an audit, we typically find some transaction whether it's material or not, so to go through an entire financial statement audit and not have any adjustments or uncorrected differences is a very nice accomplishment for your staff. We are also not aware of any consultations of your accountants. So, if someone were to pose a question to us because they didn't like our response and then they went out and got a second opinion, that would be something we would communicate to you. We are not aware of any situations like that.

We did examine the debt issuances and refundings and we did discuss with management the ongoing claim matter with TZC for those claims in excess of the contract. These are just matters that we discussed as far as our audit to get an update on where that situation stands. So, those would be the material discussions that we had.

Significant accounting estimates, we discussed some of these already. We did evaluate your allowance for uncollectable receivables, we looked at your claims payable, depreciation expense,

evaluating useful lives, OPEB is a significant actuarial calculation that we evaluate, as well as the Net Pension Liability.

So with that, I'm going to flip to the last page. The one thing that we're going to be working on here, we got a pass as a result of COVID a deferred GASB 87 and that has to deal with leases. There is a comparable accounting standard on the commercial side. And so, as we speak, we're working with the Thruway staff to evaluate your leases to make sure that they're properly accounted for. So this will have a 2022 impact on our financial statements, and essentially what's going to happen is, we are going to have a right to use asset for anything we are leasing from other people and there is going to be some transactions where we're leasing things to others and so we're going to have a lease liability as it relates to, or excuse me, a lease receivable as it relates to those.

I am also keeping an eye on this Conduit Debt Obligations that some of you folks know we administer a debt program for the State of New York so we're going to make sure that that GASB 91 is incorporated and that we properly account for that.

So with that, those were my prepared remarks. It was a good audit from our perspective. Again, we received the full cooperation of everyone while we conducted our audit and we appreciate all the work that the Thruway personnel put into the audit and that allowed us to get to this point right here where we are ready to issue all of our opinions unmodified opinions on this audit.

Don Rice: Can I have a motion to discuss this item?

Joanne Mahoney: So moved or second I see Bob.

Don Rice: Alright and so let's have a discussion. Any questions, comments?

Dr. Veras: I have a question Don. Could you tell me more about the implication in this GASB changes to the leases. You mentioned there were implications, could you tell us more about that?

Brendan: Sure, what's going to happen here is under the exiting accounting requirements we have two kinds of leases, operating leases and capital leases. And capital leases are kind of treated similar to the way we would report debt. When we meet the criteria for capitalizing a lease, we book an asset and we book a lease payable on the books and as we make payments on that lease, we amortize the loan down and we depreciate the asset over the useful life. Operating leases are traditionally different. We treat them as an expense when occurred and we disclose all of our operating leases in financial statements. Going forward, almost all of our lease transactions are going to resemble that of a debt transaction. So as we lease things from people, we would book a lease payable and then we're going to book on the other side a right to use asset. Okay and then when we're leasing things to other people, we're going to have a lease receivable and a deferred inflow which is kind of an equity type account and as payments are made, we'll receive our receivable and recognize revenue.

Dr. Veras: Okay thank you.

Joanne Mahoney: I just have a comment and that is first of all Brendan thank you very much for that presentation but also hats off to our staff. It sounds like they have done a tremendous job and it's been very difficult times. It's hard to do a job that you get that kind of review from your independent auditor in the best of times and they've done it in some pretty difficult times. So, Matt Howard I would like you to express my gratitude to your whole staff for the work done and Brendan thanks for working with us and the report.

Brendan: Yep auditors throw compliments like manhole covers. So it's not our nature.

Don Rice: Are there any other questions? I'll just second what Joanne said there, the compliments to Matt Howard and staff for the work that I've been involved in audits and detail and there is an awful lot of work for the financial staff. So that feedback is welcome. Any other discussion points? Favor of accepting the report? Any opposed? Alright it's passed. The motion is approved. Alright is there any other business to come before the audit committee? If no further business can I have a motion to adjourn. I can't see the hands but I assume...

Joanne Mahoney: So moved Joanne and I see Bob's hand too.

Don Rice: Alright thank you and so the audit committee meeting is adjourned. Thank you very much.

Joanne Mahoney: Up next is the Governance Committee and Steve Saland is chair of that committee. Also serving are Jose and I am again ex-officio and Steve I was prepared to chair Governance but I know you've joined us and we'll turn that over to you.

Steve Saland: thank you. First item on the agenda would be the approval of the minutes of the Governance Committee meeting #32. May I have a motion to advance and discuss this item?

Dr. Veras: So moved.

Bob Megna: I'll second.

Steve Saland: Discussion? Any discussion I'll call a vote all in favor aye.

All: Aye.

Steve Saland: Opposed? Motion is approved. Next item is review and approval of several policies; Real property management policy, personal property disposal policy, procurement contracts policy, whistleblower policy, and code of ethics policy and Counsel Frank Hoare will present them.

Frank Hoare: Thank you Commissioner. Good morning Commissioners and Director Driscoll. As Commissioner Director Saland said, we are coming to you for approval of a variety of

policies that the Thruway Authority operates under. The Public Authority's Law requires certain policies to be reviewed on an annual basis, others are reviewed pursuant to best practices recommended by the Authority's Budget office. As said, there are a variety of policies being reviewed this morning. There are no changes to the Real Property Management policy, Personal Property Disposal policy, Procurement Contracts policy, or the Whistleblower policy.

One policy that is being modified for purposes of updating to be in compliance is the Code of Ethics that governs members of the Board. There are two modifications to that current policy; one is again, updating and making clear that Board members are prohibited from receiving compensation for appearing or rendering services against the Authority in relation to any matter in any forum or venue. The second modification is updating references in the policy from the State Commissioner of Public Integrity to the Joint Commission on Public Ethics as the State Ethics entity that reviews such matters. That concludes my report to the Board subject to your questions.

Steve Saland: Thank you Frank. May I have a motion to advance this policy? I'll move it. Is there a second? There's a second. Any discussion? I'll ask for a vote, all in favor?

All: Aye.

Steve Saland: Opposed? The motion is approved. Is there any other business to come before the Governance Committee? In the absence of that I'll ask for a motion to adjourn. It's been moved, I will second it. All in favor?

All: Aye.

Steve Saland: The meeting is adjourned.

Joanne Mahoney: Thank you very much Steve. It's hard if you can't see everybody on the screen but see who's moving and who's seconding. I hope Tanya if you have a hard time seeing that you'll let us know.

Tanya: Yes, I will.

Joanne Mahoney: Okay. I would like now to call to order the Board Meeting of the New York State Thruway Authority. The scheduled meeting has been duly noticed as required by Open Meetings Law. The meeting is called to order pursuant to bylaws Article 3 section 2. May I please have a motion to enter the full Board Meeting?

Don Rice: So moved.

Bob Megna: Second.

Joanne Mahoney: Thank you. All in favor?

All: Aye.

Joanne Mahoney: We are now in the full meeting of the Board and our first order of business is the Public Comment period for speakers to address items that are on today's agenda. Tanya, has anyone sent in written comments regarding today's agenda?

Tanya: No they have not.

Joanne Mahoney: Alright and I do see you now that the camera is zoomed in. That concludes the public comment period on today's agenda. The next order of business is the approval of the consent agenda. May I have a motion to approve the consent items 1 through 6?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: Jose and Bob all in favor?

All: Aye.

Joanne Mahoney: Any opposition? Hearing none, the six items are approved. The next order of business will be our action agenda and John Barr has first item authorizing a contract with Joseph Bress to assist in negotiations of Authority Labor Agreements. John welcome.

John Barr: Good morning Chair, board members, Director Driscoll. As you mentioned, this Board item seeks authority from the Authority to enter into an agreement with Joseph Bress for negotiation services with the Authority's unions. Joe is currently assisting the State of New York in their public sector negotiations. As many of you know, he has extensive experience in labor negotiations. He was a previous director of the Governor's Office of Employee Relations and he previously negotiated our agreements starting in beginning 2011 and ending in 2017. Mr. Bress possesses a very unique understanding of the Authority's Administrative structure, operations, and collective bargaining agreements. Given the historical nature, Mr. Bress' services to this organization, we are seeking a single source agreement. An agreement that would be for 3 years with two 1-year options to extend. The total cost of this agreement would not exceed \$200,000 and there is enough money in the 2022 Authority's Budget to cover those expenses. I would be happy to answer any questions at this time.

Joanne Mahoney: Are there any questions for John about either the single source or the contract itself? Hearing none...

Steve Saland: One question please.

Joanne Mahoney: Oh I'm sorry Steve.

Steve Saland: You said there was provisions for two 1-year extensions, would contemplate that \$200,000 arrangement or would that be subject yet to additional funding?

John Barr: That contemplates the \$200,000 Director.

Steve Saland: Thank you.

Joanne Mahoney: Thank you Steve. Any other questions? Alright may I have a motion to approve that contract?

Bob Megna: So moved.

Don Rice: Second.

Joanne Mahoney: And Bob thank you, all in favor?

All: Aye.

Joanne Mahoney: The motion is approved and we will move on, Matt Howard is going to present agenda item #8, authorizing the execution of supplemental agreement #2 the Engineering Agreement D214695 with StanTech Consulting.

Matt Howard: Thank you. This item requests the Board's approval for a supplemental agreement with our Independent Traffic Engineers, StanTech Consulting Services. This contract supports the traffic and toll revenue forecast that we're required to produce not only for the creation of our annual budget but also for financial and bond issuance purposes, we're required to have an independent voice professionally produce the traffic engineer's report. So this item would request that executing the final 1-year optional extension that we had for their services and it would also increase the maximum amount payable by \$800,000 thus revising the \$2.1 million and extending the agreement for the final 1-year option out to October 31st of 2023. Funding is provided for this agreement within our budget and again, new additional funding is required for funding assignments that will be necessary and executed over the term of the agreement. On a final note, I would just say that much of their original planning has been used for unique circumstances that we've all experienced over the last several years from reviewing impacts of COVID that they were instrumental on and keep up to speed with what's going on relative to broader forces as well as executing multiple bond issuance agreements for our debt restructuring a couple of years ago as well as our annual budget traffic and revenue forecasts and finally environmental review that is associated with the toll adjustment process that occurred in 2020. So, with that, this item will allow that work to continue through October 2023 and I would be happy to answer any questions.

Joanne Mahoney: Thanks Matt. Any questions for Matt on agenda item #8? Alright seeing none can I please have a motion to approve? Heather, thank you and a second? Thank you. All in favor?

All: Aye.

Joanne Mahoney: I don't see any opposition so the motion is approved. Agenda item #9 Jim Konstalid authorizing the Executive Director to execute an agreement with Precision Environmental Services soil remediation at the Verona Maintenance Facility. Jim, hello.

Jim Konstalid: Thank you good morning Madam Chair, fellow Board members and Director Driscoll. While conducting soil borings at our Verona Maintenance section facility a petroleum contamination was found in the soil. After reporting the contamination to the New York State Department of Environmental Conservation as required, and working with them, the Authority submitted and received a work plan approval for removal of approximately 2,200 tons of contaminated soil from the location. The Authority is requesting to execute an agreement with Precision Environmental for the necessary soil remediation from the site. The selection of Precision is in accordance with the Authority's Procurement Policy requirements and based on a competitive selection process undertaken by DEC to obtain such services. Approval from New York State Comptroller's Office has been received. The total amount of this agreement is for \$550,000 has a one-year term beginning on April 1st of 22. I'd be happy to answer any questions you may have.

Joanne Mahoney: I'm curious Jim whether this was a surprise or is this something to be expected at a maintenance facility like that?

Jim Konstalid: It's not out of the ordinary. It does occur from time to time. Years ago we had buried tanks in many of these locations. We've since, probably several iterations ago in the fuel system but certainly it's not completely out of the ordinary.

Joanne Mahoney: Thanks. Anybody have any questions for Jim? Alright can I please have a motion to approve the authorization for the Executive Director to execute this agreement? Thank you and I heard a second. All in favor?

All: Aye.

Joanne Mahoney: Any opposed? Hearing none the motion is approved. And the next agenda item will be Rich Lee authorizing additional funding for the Garden State Parkway connector and pavement resurfacing. And Rich you have the next 3 agenda items I believe.

Rich Lee: Correct. Thank you and good morning. Before I get into the specifics of this particular Board item, with your indulgence, I just want to put some context in the items I'm going to be presenting today. I know Board members are already aware of this as it was discussed in some detail at our briefings but I think it might be helpful for others to hear it as well. So I'll be presenting three items today, all of which will be requests for additional funding for specific projects of capital programs. As you know there are dozens of projects listed in the 2022 capital program and it's important to note that these three requests won't be adding to the total program monies already approved. These requests will be funded through savings realized

from some of the other projects within the program. So, essentially we'll just be adjusting the project amounts without increasing the overall amount that has already been approved.

So, now for this first item, I'm requesting additional funds for D214853 Garden State Parkway Connector Pavement Resurfacing. Included in the contracts program last year and was budgeted for \$5 million. As design progressed and maintenance reports were reviewed, it became evident that due to recent cost increases for asphalt and building operations and the necessity to perform much of this work at night or on weekends to avoid basically impacting traffic, it was going to be difficult to maintain that original budget. The letting was held on February 16th, and we received 5 bids all from qualified contractors with the low bid being \$6,386,590. We performed data analysis as is our practice, it was determined that the low bid did represent fair and reasonable costs for the work included and thus recommended the project be awarded. Therefore, I am asking that \$1,386,590 be relocated from savings realized elsewhere in the capital program to this specific project. If you have any questions, I'd be happy to answer.

Joanne Mahoney: Rich that was some great context to put around these three items. I appreciate that. Does anybody have any questions about that or specifically agenda item #10? Alright, seeing none, I will move to approve the additional funding, can I have a second? Bob. All in favor?

All: Aye.

Joanne Mahoney: Any opposition? Approved and Rich #11 please.

Rich Lee: This item I'm requesting an additional \$8 million be added to this specific project budget for D214321 North Avenue Bridge over I95 replacement. The original budgeted amount was \$18 million. Now unlike the last time, this project has not yet been let. But we are requesting the funding change at this time to avoid any potential delays in construction. We would like to get it kind of started in the summer and then not lose the season. Again, since the original budget was developed, there have been cost increases of fuel, asphalt, concrete, steel and many other items. These increases represent the majority of this additional funds request. And if you have any questions, I'd be happy to answer them.

Joanne Mahoney: Any questions for Rich on agenda item #11? Alright may I please have a motion to approve?

Don Rice: So moved.

Joanne Mahoney: And I see a second, Don thank you. All in favor?

All: Aye.

Joanne Mahoney: Any opposition? The motion is approved. And our final agenda item on our action agenda is #12 Rich that's you.

Rich Lee: The last item I'm presenting today is a request for additional \$15 million for D214875. This will rehabilitate more than 55 lane miles on the Thruway from mile post 29.4 to mile post 38.7. Like the previous items, this project has also not been let. When D214875 was first programmed it was described as a resurfacing process and designed for grass maintenance record reviewed, it became clear that this project needed to be more of a rehabilitation project with the associated change in scope and cost. In addition to the many miles of construction traffic and with the associated change of scope and cost. We decided to do more related safety work at the same time. So as a result of these modifications and the aforementioned rises in asphalt, fuel and steel prices, I'm requesting \$15 million to be added to the original \$35 million for this specific project. Again, any questions I'd be happy to answer.

Joanne Mahoney: Okay any questions on this final agenda item? Hearing none, could I please have a motion? Jose I apologize.

Dr. Veras: Rich which one item has the most biggest impact on the budget?

Rich Lee: Well if you've seen the price of a barrel of oil it's quite big obviously in the last few months actually here. So and asphalt is a product of oil as well as obviously fuel. So those two are big issues. As far as steel prices go though, steel is something kind of left over from COVID, if you will, there are a lot of supply chain issues and many plants were shut down for various reasons so it's kind of a combination of both if you will, but these particular projects considering 75% of the project is paving related work it's more of the fuel and asphalt.

Dr. Veras: Okay perfect, excellent.

Joanne Mahoney: Any other questions or comments? May I please have, oh Bob.

Bob Megna: I'm sorry. Are we going to expect that this is going to be a factor for like the next year or so?

Rich Lee: Well, I mean if I could predict the future I wouldn't be here.

Bob Megna: They ask us to do that all the time anyway.

Rich Lee: Hopefully things will settle down, the markets will kind of find some sort of equilibrium and all these prices will kind of settle and plateau in this area which any kind of stability is going to help us plan as we move forward. So, I guess it's hard to answer your question exactly but I'm hopeful as well as anyone else is that things will start to stabilize more. Obviously when it comes to some of the supply chain issues, I think we're starting to see some progress in those areas. And right now, I guess the price of a barrel of oil is probably the biggest thing.

Joanne Mahoney: Any other questions or comments? Alright may I please have a motion to approve?

Dr. Veras: So moved.

Joanne Mahoney: Thank Jose. And a second? Bob. All in favor?

All: Aye.

Joanne Mahoney: And see no opposition that motion is approved. And that brings us to the Public Comment Period for general Thruway Authority matters. I will ask Tanya again if you've received anything in writing for someone who wishes to address the Board on General Thruway Authority matters.

Tanya: No, there have been no comments or e-mails.

Joanne Mahoney: Okay, thank you very much. Is there any other business that anyone would like to bring before our Board today? Seeing none that will conclude the formal agenda for our March 28th, Board Meeting. Our next Board Meeting will be June 13th, 2022 and there being no further business may I please have a motion to adjourn today's meeting? Heather, thank you and a second? All in favor?

All: Aye.

Joanne Mahoney: We are adjourned, thank you all very much.