

Joanne Mahoney: Good morning, and welcome to the March 27<sup>th</sup>, 2023, meeting of the Thruway Authority Board of Directors. Welcome to our board members, Robert Megna, Dr. Veras, and Heather Briccetti-Mulligan. Today, we're going to start with the Finance Committee and Bob you are chair of that committee. Also serving is Dr. Veras, and I am ex officio. So, Bob, will you please start the Finance Committee Meeting.

Bob Megna: Sure. Number 1 is approval of the minutes of Finance Committee meeting #70, may I have a motion to advance and discuss this item?

Dr. Veras: So moved.

Joanne Mahoney: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Any opposed? Motion is approved. Any questions on the minutes? Okay, so I guess we advanced now we should vote on it. Do I have a motion to accept the minutes?

Dr. Veras: So moved.

Joanne Mahoney: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Any opposed? Okay, so the next thing that we have is review and approval of the Financial Reports for October, November, and December 2022. And Matt Howard will present.

Matt Howard: Thank you. This item seeks the Committees approval to advance to the full Board basically our financial reports through the end of 2022. For total traffic in 2022, we were up overall compared to '21 by roughly 4% above the prior year. That is balanced equally between passenger traffic growth at 4% and commercial traffic growth of that similar 4.1%. I will note that as we had forecasted, we are starting to see the commercial traffic really begin to revert back more toward a normal trend in the pre-COVID values in terms of. December commercial traffic was up by about a percent above the prior year, not that 4% that was on a yearly basis. So, we're seeing it begin to sort of go back to that. If you compare the 2022 traffic to the pre-COVID levels of '19, what you find is that there is still an estimated overall decline, it's about 3.6% below where we were in 2019 prior to COVID. But that's sort of mismatched in terms of what we see even with commercial traffic on the way it is. It's still .1% above where it was prior to COVID. So, we saw a lot of growth based on changes in activity behavior, public at large, more shipping system to the point where traffic on the truck side is up about 21%. For passenger traffic, we're still about 7% below where we were prior to COVID. So, it's coming

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back, but it's still below where we were prior to COVID. That translates into a total revenues of \$899 million in 2022, that's about 8.9% or \$73 million above the 2021 levels. That's actually about 2% above where our forecast predicted. So, we're a little bit above what we had anticipated in end of year revisions. That number includes basically \$820 million in toll revenues, \$62.7 million in E-Z pass toll by mail and related fees, \$15 million in concession fiberoptic lease revenues and \$1.2 million in various sundry revenues. So, again, put it in context, about 2% above on the revenue basis from where we thought we were going to be in the projected 2022 budget. On the operating expense side for '22, the Thruway operating expenses totaled \$482 million which is about \$35 million or 7% above the 2021 levels. I would note that there are significant aspects of that that are unfunded by like you know, OPED liability are long-term, accounting for long-term liabilities that we carry on the books. But when you look specifically at those costs that are funded, the 2022 budget totaled about \$377 million, that's about 9% above the prior year. Again, it's right in line with what we budgeted for, its actually about 2% below of what was in the revised budget for 2022. We did find savings that accrued over the course of the year that were things like tightening for the execution of lease agreements in terms of the fiberoptic lease agreements where there's an expense that goes with essentially drawing in revenues over a long-term basis that we account for in the year the transaction occurs. There is finding fees that are associated with that, that resulted in savings of about \$7.5 million from this years' budget. We had \$3.8 million savings for maintenance and repair costs due to lower bridge and operating contract cost in the system as a whole, \$9.7 million in savings for operating supplies, those were mainly due to toll by mail administration savings due to lower provider rates that we had negotiated with the contractor, \$1.7 million in savings that resulted from reimbursement of legal things that we received reimbursement from legal things higher than what we had anticipated. About \$1.5 million in savings from the personal services that was due to the fact that hiring in a lot of instances was going to be much more challenging that we anticipated in this labor market. Because of that, our personal service costs were about a million and a half less. All those rolled together and allowed us to set aside funds associated with remediated commissions really associated with continued work on the Service Area project to ensure that to the extent that has worked on those liability for existing site issues, we have the ability to fund those things. So, when you put all those things together, we ended up with an overall operating budget of \$377 million, about .2% above what we had anticipated in the 2022 budget. That's really the broad overview of the budget as a whole. I'll stop right there to see if anyone has any questions or any comments?

Dr. Veras: What is the expectation for traffic say a year, two years ahead for both trucks and passenger cars?

Matt Howard: So, on an overall basis, we have projected for '23 a slight decline in our overall traffic, the real driver of that I think it's about a .9% decline in overall traffic, I think it's like 3 million transaction decline in '23 from the levels that we're at for '22. The real driver of that is that sort of rebalancing and rebasing of the commercial traffic due to kind of leveling out. And then after that, on a going forward basis, we will continue to see growth about a percent a year, within a percent a year in '24, '25, '26.

Bob Megna: Any other questions, if no other questions for Matt may I have a motion to advance this item? Can I have a second? Any further discussion, if not, all in favor? Aye.

All: Aye.

Bob Megna: Any opposed? The motion is approved. Number 3 is approval of the Authority's Investment Transactions for the fourth quarter of 2022, and again, Matt Howard will present.

Matt Howard: This is an item that is submitted to the Board consistent with the investment policy that was approved roughly a year ago where we provide reporting on quarterly investment activities. attached exhibit A presents the details of all investments that were made during that fourth quarter of 2022. And the second exhibit shows and reports on all of the investments that were held as of the end of that quarter. So, for the fourth quarter, we had about \$2.5 billion in investment transactions that were comprised of \$948 million in State PIT revenue bond program funds, \$1.6 million in joint Authority funds and \$3.8 million in trust fund bond program investments. In the broad sense, the significant point relative to our investment activities is just how much rates have changed over the course of the last year when I reported on this a year ago. So, the average maturity is within 74 days of the investment that we made that we're turning those things over to make sure that we have access to draw down to meet the State Thruway needs. A year ago, the interest on maturities of that duration were about .35%, today it's over 4%. So, you see a large change based on the interest rate environment and we're benefiting from that as a result. So, I'll stop there for this report and can answer any questions.

Bob Megna: Questions for Matt? If no questions, can I have a motion to advance this item?

Dr. Veras: So moved.

Joanne Mahoney: Second.

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

All: Aye.

Bob Megna: Any opposed? The motion is advanced and now we move onto item number 4 which is review and approval of the Authority's annual investment report and again, Matt Howard will present.

Matt Howard: So, the last item I just mentioned that the reporting was consistent with the policy you approved a year ago. This is approval of the policy I'm going for. So, this is a requirement in Public Authority's Law, that annually the Board approve an investment policy as well as review of annual report of all the activities over the course of the year. So, this report again, includes the Authority's Investment Policies unchanged in a material way from policies that the Boards has previously approved. There is also a report relative to the auditors on compliance with our investment policies to ensure that the activities comply with the policy that is on hand for the Authority, which it does. And as noted, I would say that it does review the entirety of the

investment transactions that occur over the course of the 2022 year, which in that case reports on \$12 billion dollars in investment transactions. Again, you have shorter term investments, and you continue to roll over, it increases the overall level of transactions that we make over the course of the year. So that's \$12 billion of this, about \$4.6 billion were investments made from the Thruway Authority Bond Funds, about \$102 million from dedicated trust fund proceeds, and \$7.2 billion in transactions related to the state PIT Bond fund proceeds that really were the result of a bond issuance that the Thruway executed on behalf of the state over the summer. On an overall basis, what we saw is the interest earnings from all of those activities in 2022 is about \$26 million. That reflected an average yield of around 2.5%. So, earlier in the year we had lower investments, and as time has gone on, that number has grown. But the net result was about \$26 million in interest that was earned as a result of those transactions. So, I'm going to stop right there, and I can answer any questions.

Bob Megna: No questions. May I have a motion to advance this item?

Dr. Veras: So moved.

Joanne Mahoney: Second.

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

All: Aye.

Bob Megna: Any opposed? The motion is approved. And then I believe item number 5 is an annual report of the 2022 Procurement contracts and again, Matt Howard will present.

Matt Howard: This is another report that is required pursuant to Public Authority's Law that the reporting is submitted to the Authority Budget Office. It requires that the Board annually prepare and approve this reporting to the Authority's Budget Office. It includes a schedule of all personal services, and personal contracts as well as, new this year, reporting on construction contracts, and a summary of all bond sales as well as a copy of our procurement policy. There are no recommendation changes from prior approved policies that the Board has approved. In the broadest sense, to briefly summarize the activity that's included in the report for 2022, the Authority paid off \$94.1 million on their personal service lease agreements that are best value contracts, \$52 million under commodities and service agreements that are low paying contracts as well, \$32.8 million under engineering and architectural consultant contracts, and \$236 million under construction contracts that are part of the annual Authority Capital program. Finally, the item again includes the procurement policy that we're seeking approval in compliance with Public Authority Fund.

Bob Megna: Thank you. Any questions?

Joanne Mahoney: The goals for minority, women, service veterans stay the same and we're meeting them now so, steady? Okay, thanks.

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

Joanne Mahoney: So moved.

Dr. Veras: Second.

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

All: Aye.

Bob Megna: Any opposed? The motion is approved. Item number 6 on the agenda for the Finance Committee is other business. If there is no other business, I would move to item 7 which is adjournment.

Joanne Mahoney: I move.

Dr. Veras: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Meeting is adjourned.

Joanne Mahoney: Thank you very much and we will move on to the Audit Committee and I understand that Jose agreed to Chair Audit Committee.

Dr. Veras: The first item is approval of the minutes. It is number 58. May I have a motion to advance the item?

Joanne: So moved.

Dr. Veras: Second? Any discussion on minutes? All in favor?

All: Aye.

Dr. Veras: Any opposed? The motion is approved. The second item is we will have a report from BST and will be done by Brendan Kennedy.

Brendan Kennedy: Good afternoon everyone, I have a brief presentation to summarize the results of the 2022 audit and I will walk you through that. If there's any questions, please let me know. So, I will be manning the computer screen here.

The table of contents, we will do a brief Executive Summary, walk you through the statements, accounting standards, talk about the investment compliance reports that Matt mentioned earlier.

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We'll go through the required communications to give you a heads up on few accounting standards.

So, we completed our work on March 10<sup>th</sup>, 2023. Our deliverables include the Basic financial statements which is our independent auditor's report, a report on internal controls and compliance, that investment compliance report and our communications with those charged with governance. We did not do a federal compliance audit because our federal awards was below \$750,000.

So, on our financial statements we have an unmodified opinion, that is the highest level of assurance that we give you the Board that the financial statements are free of errors. Our report and internal controls and compliance did not reveal any findings, no control deficiencies, no material weaknesses or significant matters identified. Then we also have a clean opinion on our report on Investment Compliance and we agree with Matthew's assessment that the Authority complied in all the investments requirements.

A few things to point out, I'm not going to spend a ton of time here. The context of financial statements are largely consistent with the prior year. We did adopt a new accounting standard, GASB 87, so that was the new area of focus for us. But all the other areas of significance remained relatively consistent. I had cashless tolling on there not as an accident, because it's just that important, I promise it will not affect this.

Results. Processes and controls appear to function properly. Transactions were adequately supported. The Accounting estimates or making of judgments were reasonable, non-biased. We received the full cooperation of everyone that participated, any questions that we asked were addressed. Anything we asked for was provided to us. There were no obstacles as relates to the audit. Again, I think our results speak for themselves.

Two accounting standards that the Authority adopted GASB 87 is a comparable standard on the commercial side of accounting. It has to do with lease accounting and in essence it's just a conceptual change where now leasing transactions represent a right to use asset. And so have to spend hours on this, obviously, we don't have that. What I want to say is that the Authority spent a significant amount of time on this. This was a pretty complex standard and after going through all the transactions, we felt that the Authority properly implemented this accounting standard. So, congratulations. There is some additional work we did as part of it. We looked at the software that was used, the adoption of this accounting standard using samples, various lessor and lessee transactions. We reviewed the footnote to assure it complied with professional standards and then obviously, we made sure that the revenue expenses associated with these transactions were properly reconciled.

Investment Compliance report. It was an unmodified opinion again, clean report. We go through the investment policies and practices. We examined the investments that you own to make sure they comply with laws and regulations, and there were no matters brought to our attention as a result of the examination.

So Required Communications. Significant policies and practices accounting policies are in footnote 1, beyond the adoption of new accounting standards, everything remained relatively consistent. There were no unusual transactions, disagreements with management, no difficulties encountered during the audit, as mentioned, we received full cooperation of everyone. There were no audit adjustments or uncorrected audit differences. That is fairly rare in my world to say that. So, again, job well done. No other consultations with accounting that I'm aware of.

The new significant transactions included the adoption of GASB 87 and 94. And then, of course, we do go through the claims submitted against the Authority as one of the significant discussion items, going through those. Accounting policies are relatively consistent from the prior period. We will note that we did net pension asset for the first time using the State's 331 2022 measurement period and then the only written communication was the management representation letter which is the final piece of audit evidence that we need to sign off on the reports.

A couple of new accounting standards out there. One that's going to impact this in 2023. I know Dave and his group are currently working on GASB 96 and a few down the line there that we're going to keep our eyes on to see how they impact the Authority.

So, obviously that was a quick summary of our audit results. If there's any questions, please reach out to me. Be mindful that I do work for the Board. So, here's my contact information and if you have questions later, feel free to reach out to me whenever is convenient for you.

Bob Megna: Any questions?

Joanne Mahoney: No, I would just congratulate our team. Thank you very much.

Dr. Veras: Being no other audit business, may I have a motion to move to adjourn?

Bob Megna: So moved.

Joanne Mahoney: Second.

Dr. Veras: All in favor?

All: Aye.

Dr. Veras: Any opposed? The Audit Committee meeting is adjourned.

Joanne Mahoney: Thank you very much. We will move onto the Governance Committee and Heather, you're going to take us through that.

Heather Briccetti-Mulligan: Yes, the first item on the agenda of the Governance Committee is approval of the minutes of Governance Committee meeting #34. Can I have a motion to advance and discuss this item? Second? All in favor?

All: Aye.

Heather Briccetti-Mulligan: Any discussion. So, let's vote to approve the minutes.

Bob Megna: I like it, short cut. Aye.

All: Aye.

Heather Briccetti-Mulligan: Next item on the agenda are proposed amendments to the Thruway Authority bylaws and Joe Igoe will be presenting those.

Joe Igo: Okay, good afternoon. This item proposing the amendment of the Authority's Bylaws for proposed organizational changes for authorization for remote participation at Board Meetings under extraordinary circumstances and to adopt a defense and indemnification provisions for board members and employees. So, the big change here is that Chapter 56 of the Laws of 2022 provides that each public body may allow for remote attendance by its members at locations that are not open to the public in extraordinary circumstances. So, these extraordinary circumstances, non-exhaustive list including disability, illness, caregiving, or a catchall, any other significant or unexpected factor that precludes a member's physical attendance at a meeting. So, the law requires that a minimum number of members are present to fulfill the quorum requirement in the same physical location or at any location open to the public. There are additional requirements in the law such as notice and record keeping requirements. So, the changes to Article 4 of the Bylaws reflect the provisions of the law. Additional changes to Article 4 include the addition of a presumption of assent to facilitate meetings. It basically assumes all board members have voted in favor of a board item unless their objection or recusal is specifically noted in the minutes of the meeting.

Changes to Article 5 of the Bylaws include organizational changes to include the addition of new departments to the Authority. These include the Strategic Center of Excellence, Department of Revenue Management and Department of Procurement Services. These were the results of the Authority's vision forward project. And lastly, there is a defense and indemnification provision for all employees and board members when they act within the scope and course of their employment. So, that's all for this. Any questions?

Heather Briccetti-Mulligan: Any questions?

Joanne Mahoney: Does having to get the project in place by next Saturday count as extraordinary?

Bob Megna: I was going to say. These would be new starting when we vote on them?

Joe Igoe: Probably easier for next meeting.

Bob Megna; No, no, I get it, yes.



(Everyone laughing)

Bob Megna: We have rooms that are open to the public.

Dr. Veras: I have a question. What are the extraordinary circumstances is it the national trip to China? I could make it open to the public but how would that be.

Joe Igo: Yeah, we'll have to evaluate that, possible.

Bob Megna: With four board members, I'm going to say really possible, probably, right?

Joanne Mahoney: We should put on the record our critical need for new board members because we are joking around but we can't conduct the Thruway Authority business if any one of us is not here.

Bob Megna: Raised already.

Heather Briccetti-Mulligan: : Thank you, we were hoping that was the case. Is there any other questions about the policies? Can I have a motion to advance the policy?

Bob Megna: So moved.

Dr. Veras: Second.

Heather Briccetti-Mulligan: Any further discussion? All in favor?

All: Aye.

Heather Briccetti-Mulligan: The motion is approved. The next item is a long and wordy item bear with me, it is the review and approval of real property management policy, the personal property disposal policy, the procurement contracts policy, the whistleblower policy, the code of ethic governing employees, and the code of ethics governing board members. And again, Joe Igoe.

Joe Igo: Okay, so, you mentioned all the policies, this is an annual review of those policies as required by law. So, there are no changes to the policies that are recommended except to whistleblower policy, and both of the code of ethics policies. Basically, they change references from the Joint Commission on Public Ethics to some successor entity the Commission on Ethics and Lobbying in Government.

Heather Briccetti-Mulligan: So, it's just a change in the reference of the oversight body?

Joe Igoe: Yes, exactly.

Heather Briccetti-Mulligan: Okay, so other than that though everything remains the same. Can I have a motion to advance this policy?

Dr. Veras: So moved.

Heather Briccetti-Mulligan: Second? Any further discussions? All in favor?

All: Aye.

Heather Briccetti-Mulligan: Any opposed? Motion is approved. Is there any other business to for the Governance Committee? Hearing none, I would entertain a motion to adjourn today's meeting of the Governance Committee.

Bob Megna: Moved.

Dr. Veras: Second.

Heather Briccetti-Mulligan: All in favor?

All: Aye.

Heather Briccetti-Mulligan: Adjourned.

Joanne Mahoney: Thank you very much and I would now like to call to order the Board Meeting of the New York State Thruway Authority. The scheduled meeting has been dully noticed as required by the Open Meetings Law. May I please have a motion to enter our board meeting?

Heather Briccetti-Mulligan: So moved.

Dr. Veras: Second.

Joanne Mahoney: 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 published comment period for speakers to address items on today's agenda. Tanya, did we have any comments on today's agenda.

Tanya: No, we don't.

Joanne Mahoney: Alright, that will conclude the public comment period on today's agenda. The next order of business is the approval of the consent agenda. May I please have a motion to approve consent items 1 through 8?

Bob Megna: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The eight items are approved and the next order of business is the action agenda and first up is Matt Trapasso and he is going to help us appoint Frank Hoare as Interim Executive Director.

Matt Trapasso: That's correct, thank you Chair. The first item, as you mentioned, is asking the Board to consider the appointment of Frank Hoare as the Interim Executive Director. I would just say this is effective December 21<sup>st</sup>, 2022, succeeding Matthew Driscoll.

Joanne Mahoney: So moved.

Bob Megna: Second.

Joanne Mahoney: Any discussions.

Bob Megna: For the record, members should say that we want to thank Frank for taking this on and already over this interim period, I think it's been a real successful and productive leadership. So, thank you.

Heather Briccetti-Mulligan: I agree wholeheartedly.

Joanne Mahoney: I do too and my purpose for speeding through was to just make it official. No more time to think. So we have a motion and a second, all in favor?

All: Aye.

Joanne Mahoney: Alright, hearing no opposition, the motion is approved. And agenda number 10, authorizing the Interim Executive Director to execute a collective bargaining agreement between the Thruway and local 456.

Bob Megna: Well, the first thing is for Frank to spend money? (All laughing)

Matt Trapasso: Thank you Chair. Once again, as you said representatives of the Thruway and the New York State Thruway Employees International Brotherhood of Teamsters, the local 456 which includes certified representatives in negotiating unit 1 which are nonsupervisory, maintenance, and clerical employees have reached an agreement on a successor collective bargaining agreement. The agreement was ratified by the membership of Unit 1 on Friday, March 24<sup>th</sup>, 2023. I will just hit a couple of highlights here. The major salary terms of the

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agreement include 2% salary increase effective July 1<sup>st</sup>, 2022, and 3% increases in July of 2023, 24, and 25. There was also a \$3000 signing bonus and \$200 increases in service award payments moving to \$300 in the final year of the agreement. There are other terms included as well which touch on health insurance contributions, changes to the disciplinary procedure, increases in allowances for shoes, tools, and some seniority changes. Total cost for the agreement in year 1 is \$4.5 million and no additional appropriations were required, sufficient funds have been included in the operating budget for this year. The previous agreement expired on June 30, 2022, and so this agreement will be retroactively effective to July 1, 2022, and continue through June 30<sup>th</sup> of 2026. The only thing left to do is to sign and that will happen with our interim executive director and teamster leadership. I recommend approval to the board.

Joanne Mahoney: Alright, could I have a motion to advance and discuss.

Dr. Veras: Move.

Bob Megna: Second.

Joanne Mahoney: Alright, any questions or comments for Matt? I would say that it is a healthy salary package among the other items you went through. I also know we have a critical need to retain and hire plow drivers especially. So, I hope this puts us in a position to be competitive in those areas. Do you feel pretty good about it?

Matt Trapasso: I think it will, the next item will cover that in particular. These salary changes are consistent with what the state landed with CSEA earlier, in the summer of last year.

Joanne Mahoney: Okay, any other questions or comments? All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. And then we'll go onto the geographic pay differential Matt.

Matt Trapasso: Thank you. In December of 2022, the New York State Department of Civil Service and Division of Budget approved a geographic pay differential for certain titles directly involved with snow and ice control equipment and activities for the New York State Department of Transportation. In order for the Thruway to remain competitive and prevent any adverse impact on our ability to recruit and retain staff in these critical snow and ice positions, we are recommending the board authorize Interim Executive Director to implement a geographic pay differential added to the base salaries of 16 maintenance titles which are outlined in exhibit A in the board package. Payments for this geographic pay differential will be retroactive to December 8<sup>th</sup> of 2022, which is consistent with where DOT was with their action. Based on the number of current and eligible titles, the annual recurring cost will be approximately \$8 million. There is sufficient funding to cover this in the '23 budget, and we will build this into future budgets. We recommend approval based on what you said, it is important for us to retain and continue to attract staff in these critical positions.

Joanne Mahoney: Is it fair to say we lucked out with some mild winter? We had some huge storms, but overall...

Matt Trapasso: Overall, it was a relatively light winter. I mean March wouldn't say that but yes, it was light.

Joanne Mahoney: Any questions or comments on this geographic...

Dr. Veras: With these increases are you saying they are equal system with NYSDOT?

Matt Trapasso: Yes, this will allow the Thruway to obtain its position where we had been previous to DOT taking this action.

Dr. Veras: Okay, excellent.

Joanne Mahoney: Any other comments or questions? Can I have a motion to approve?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. And Joe Igoe will present #12 authorizing the Interim Executive Director to execute agreements to provide outside council services to the Authority.

Joe Igoe: Okay, so, the Authority requires a panel of outside law firms to represent the Authority in 7 areas of law in which the Authority may require legal services that cannot be handled by the Authority's legal department or the Attorney Generals Office. So, in June of 2022, the Authority issued an RFP to provide these services. Nine firms have been selected to serve on the panel based on the needs of the Authority, 6 of these firms are MWBE firms. So, the agreements would be for a five year term up to a maximum amount payable of \$2 million for each agreement based on the area of law and perceived need of services. There is no guaranteed payment to these firms. They are only paid when they perform work for us.

Joanne Mahoney: Any questions? May I have a motion to approve?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Thanks Joe and we also have 13 authorizing a contract amendment, Whiteman, Osterman, Hanna.

Joe Igo: Yes, Whiteman, Osterman and Hanna currently represents the Authority in pending federal litigation and before the public employment relations board related to the lay offs of employees in 2013. These litigations will likely last beyond the current April 25<sup>th</sup>, 2023 expiration of the agreement. Additionally, the agreement has sufficient funds left to pay for potential trial expenses and PO's expenses in the event that that litigation proceeds to such stages. So, based on this, authorization is sought for a contract amendment that provides for a 2 year extension of the agreement to terms and increase in the agreement's maximum amount payable by \$800,000 to a new maximum amount payable of \$1.6 million.

Joanne Mahoney: Any discussion? May I please have a motion to approve?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Thank you, Joe. Numbers 14 and 15 are yours also.

Joe Igoe: Yes, 14 and 15 these two items concern two different parcels of real property in Hamburg, Erie County. They are somewhat interrelated. So number 14 this seeks authorization for the disposal of approximately 15 acres in Hamburg, disposal would be via a public auction with a minimum bid price of \$4,910,000 which is the fair market value as determined by appraisals. This sale would be encumbered with an easement to DOT for drainage purposes. The applicant plans to assemble this parcel with their adjoining property with the intent to develop both parcels.

Joanne Mahoney: Do you want to tell us how it connects to 15 and then we can just vote separately?

Joe Igoe: Okay, yes. So, I mentioned that DOT is retaining easement, so 15 transfer property to them so they can access this easement.

Joanne Mahoney: Any questions on either of those items 14 or 15? Alright we'll take them separately with respect to real property reference number TD21-2 can I have a motion to approve?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. And with respect to number 15, real property reference number TD22-4 may I also have a motion to approve?

Heather Briccetti-Mulligan: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. And now Jim Konstalid has agenda item #16 for us.

Jim Konstalid: Thank you Madam Chair, good afternoon. Item #16 authorizes the Interim Director to execute agreement with GeoCom corporation to provide the Thruway Authority with a structural health monitoring system for the Governor Mario Cuomo Bridge. Clearly a health monitoring system takes measurements of critical components on the bridge, readings and measurements such as movement, temperature and vibration or heat components such as the deck pier catch, stay cables, and expansion joint systems to name a few. There is also weather monitoring stations across the bridge integrated as well. The gap of these sensors is captured and managed through a software package and dashboard alerting key staff of any potential issues and allowing the Thruway engineering and staff to make decisions with the best information available. The system provided by GeoCom is currently in place and was part of the original construction for the design process. The system is heavily integrated with multiple other systems in place on the bridge, GeoCom designs the proprietary. And should the Thruway Authority decide to procure the system from a different provider, the cost would be dramatically increased, and the existing system would have to be removed and entirely replaced with all new components. The maximum amount payable for this agreement is \$339,786 over the period of 5 years which includes a base term of 3 years and 2 additional one-year terms. The Department of maintenance and operations has sufficient funding in the 2023 budget and continue to fund in subsequent other years. I will pause for any questions you might have.

Joanne Mahoney: Any questions regarding the structural health monitoring system for the Governor Mario M. Cuomo Bridge? Can I have a motion to approve?

Dr. Veras: So moved.

Heather Briccetti-Mulligan: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. Thank you very much. And Jim #17 please.

Jim Konstalid: Item #17 authorizes the Interim Executive Director to execute a second amendment to the C010601 Mission Critical Partners for Tiburon, CAD, RMS support. Just a quick acronym review CAD RMS is a Critical tool used for Statewide Operations Center to warn Incident Management Services if there is trouble on the Thruway. CAD simply means an acronym for Computer Aid Dispatch RMS is Records Management System. The Tiburon system currently used in our operations center is designed and supported by Mission Critical Partners. It has been in place for many years making mission critical best position to provide the required services in an economically and timely manner. MCP is currently developing a replacement for the Tiburon system which we could see before the end of '24. I mean, that's kind of why we're going kind of a year at a time here. In 2021, a single source contract was awarded to MCP for maintenance of the Tiburon CAD RMS system. This contract had a 1 year term which expired on August 11<sup>th</sup>, 2022. The first amendment to this agreement was awarded to extend for an additional year and increased amount capped by \$30,300 to a new not to exceed amount of \$59,700. This current amendment seeks to extend the term for an additional 1 year period and increase the monetary cap by \$43,605 with a new not to exceed amount of \$103,305. This term included a little bit of more on demand kind of maintenance since it's getting to that age and doesn't necessarily interact with all of the computer systems as nicely as we'd like it to. Funding is provided by maintenance and operations for the 2023 budget year. I'll pause now to answer any questions you may have.

Joanne Mahoney: Thank you. Any questions? May I please have a motion to approve?

Dr. Veras: So moved.

Heather Briccetti-Mulligan: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Thank you very much Jim and now Diana, if you'll take #18 the authorization to enter into an E-Z pass interoperability hub agreement.

Diana Nebiola: Yes, thanks a lot. As you know, since the early '90s the Authority has been part of an interagency E-Z pass group known as the IAG that is comprised of tolling entities across 17 states, collaboration in developing innovative solutions and cashless tolling, and allowing for



seamless travel across the states. This item is seeking authorization to pay annual dues to part of the IAG in an amount not to exceed \$100,000 annually. The current cost is currently \$80,000. In addition, I am seeking approval for the Interim Executive Director to execute an E-Z pass interoperability hub third party beneficiary agreement. With E-Z pass participation having expanded and evolved so significantly over the years, there was an unanimous consensus among the IAG members that we need to modernize the current technology and the approach to data sharing. So, to that end, centralized E-Z pass interoperability hub is being built. I like to think of it as a central spoke of a wheel that will connect all tolling entities and greatly improve data exchange capabilities between the various customer serve adventures. This includes connection to three regional hubs across the country and what is great about this is by connecting to these other hubs, we will ultimately achieve our goal of having national interoperability. In other words, our E-Z pass customers can use their tag anywhere that there is electronic tolling across the nation. The duration of the contract is 10 years, and we are seeking Board approval for a not to exceed annual amount of \$175,000 associated with this project. I would be happy to answer any questions.

Joanne Mahoney: Thank you very much. Anybody have any questions, comments? Sounds like a giant step forward.

Dr. Veras: No brainer.

Joanne Mahoney: Then I will count that as a motion to approve?

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. We will go Rich Lee to agenda a lot of the next ones.

Rich Lee: Good afternoon. Today, I will be presenting 6 items to the Board. Item 19 is for the approval of D214918, a term agreement for materials, testing and inspection support services in the Albany and Syracuse divisions. The maximum amount payable is \$500,000, a two-year term with a one-year option. Two firms submitted letters of interest, Atlantic Testing Laboratories, Limited is the selected one. Any questions on that?

Joanne Mahoney: Any questions? Can I have a motion to approve?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved.

Rich Lee: Item number 20 asks for approval of D214919, another term agreement for materials, testing and inspection support services this time for the Buffalo division. The maximum amount payable is \$500,000, again, a two-year term with a one-year option. Only one firm in this case Atlantic Testing Laboratories, Limited submitted a letter of interest. As is our process, whenever we only have one submission, we investigated why others didn't submit as we reviewed Atlantic's submission and record of past performance. Based on that review, we are recommending and requesting approval of Atlantic Laboratories, Limited for this agreement D214919.

Dr. Veras: Will you explain the feedback that you got from the other companies that could have submitted, please?

Rich Lee: Yeah, in the past, we made some changes to these material testing agreements. We started making them a little bit bigger. For some of the larger firms a small contract really isn't worth going through the administrative paperwork, etc., etc. So, we made some changes and in this particular version, we actually went from \$300,000 to \$500,000. Some of the word actually didn't get to some parts, they were still believing it was under some of the old rules. So, hopefully in the future, along with a couple other changes we made, we'll get some greater interest. Essentially, we have to go out and market ourselves a little bit more with some of the folks who have been on the sidelines.

Joanne Mahoney: Any other questions? Can I have a motion to approve?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Thank you. Rich.

Rich Lee: Okay, item 21 requests authorization to execute a supplemental agreement #1 engineering agreement D214776. At its May 12, 2020 meeting, the Authority Board authorized execution of D214776 which was an agreement with Greenman Peterson, Incorporated for the design, build, support services statewide for the Thruway Service area modernization project. The value of this agreement was \$5 million. Based upon Greenman Peterson, Incorporated's performance to date on this complicated project, Authority staff now recommends that the original agreement be supplemented with an additional \$4,200,000 the amount estimated to complete the projects. Sufficient authorization is included in the 2023 Contracts Program.

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Visited all the sites so we kind of got to see the complexity of the overall issue. If you have any questions, I would be pleased to answer them.

Bob Megna; I was just going to ask given that there are rest spot issues right now, is this bundled with other things or this kind of a separate single, individual...

Rich Lee: This contract as always been solely for essentially QA services for the Authority's service area. They don't get involved in any of the other Thruway contracts, at least through this.

Joanne Mahoney: We did have a good opportunity to see, as you said, the complexity of that project. Any other questions?

Bob Megna: Sorry, I missed that, believe me it would have been preferable to...(everyone laughing)

Joanne Mahoney: May I please have a motion to approve?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. 22.

Rich Lee: Okay item 22 is about additional funding for TANY 22-36A, D214885. Replacement of a deteriorated roof at the Harriman maintenance section mile post 45.20 in the town of Harriman. This contract was let back on November 9<sup>th</sup> of 2022, and the accepted low bid of \$613,500 was from Titan Roofing Incorporated. Previously approved construction budget was \$400,000 thus an additional \$213,500 is requested to complete the project. Reasons for the additional costs include supply chain issues, and rising costs of materials and labor. Sufficient funds are available in the 2023 contract program. I would be happy to answer any questions.

Joanne Mahoney: I'm curious, I know there's supply chain issues, but \$600,000 contract having additional \$200,000 amendment is pretty significant. How, do we tract this to look for patterns? I mean if it's a low bid.

Rich Lee: Well, the \$400,000 that was originally at budget was actually budgeted probably a year and a half before letting it so, in that timeframe, obviously, there's lots of issues with rising costs, etc. So, that was kind of part of it. This project was actually more complicated because we did have a low bid of \$398,000 but that contractor had some issues, did an analysis and found out that really they wouldn't have been acceptable to even do this work. So, we ended up going

to the second low bidder. There were three or four other bidders who had similar dollar value as Titan was. So, with any project that's under, over, whatever you do analysis just to make sure that before we would recommend the award that that is indeed for that moment in time the reasonable costs.

Joanne Mahoney: I know from a previous life though that there were bidders who knew how to put the low bid in and then come back with a change and just making sure that we look for patterns.

Rich Lee: Well, we don't, when a bid comes in that's what it is. In general, if we look at kind of going out, when we originally sign a contract with a contractor, 85% of our contracts when they're completed actually finished lower than that cost. And that's just true with construction management practices and so.

Joanne Mahoney: Which is great.

Rich Lee: So, we certainly try not to let people take advantage.

Joanne Mahoney: Yeah, but I mean Andy probably can tell you still the names of the people that you knew were going to be doing that. So, that's not a concern here, so. Anybody have any other questions or comments? Can I have a motion to approve?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Thank you very much. I think we're on 23.

Rich Lee: Item number 23 is a request for a new project. We posted an ad to the 2023 contracts program. H302-1 TAN 23-19 D214924, Albany division mile post 180 to 197.9 resurfacing and repair of the various locations. This new \$7.5 million project addresses some pavement deterioration we recently experienced in that section, and will restore the pavement to appropriate standards addressing any potential safety or liability concerns. Sufficient funding is accounted for in the 2023 contracts program. Any questions, I'd be pleased to answer them.

Joanne Mahoney: Any questions? Can I have a motion to approve? Heather, Jose second. All in favor?

All: Aye.

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Joanne Mahoney: The motion is approved. And that brings up, I think your last agenda item #24.

Rich Lee: Last item I bring today is to authorize the Interim Executive Director or designee to execute an agreement with the American Association of State Highway Officials, Incorporated with licensing and implementation of AASHTOWare software systems. Contract C010672 is a higher agreement in the amount of \$2,300,000 for AASHTOWare project and bridge rating and design software packages. Prior to selecting AASHTOWare, a team of staff from engineering and information technology evaluated several other software packages and approved this one best fits the Authority's needs. Sufficient funding has been provided in the 2023 project funding. Again, I can answer any questions.

Joanne Mahoney: Any questions? Can I have a motion to approve?

Dr. Veras: So moved.

Joanne Mahoney: Heather second. All in favor?

All: Aye.

Joanne Mahoney: That motion is also approved. Thank you very much Rich. And we'll move onto reports to the Board. I think we have two; one from Andy Trombley on procurement contracts, and then one from our new official Interim Executive Director. Andy our first.

Andy Trombley: Good afternoon, Chairman Mahoney, Interim Director Hoare, members of the Authority Board, 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 or the Interim Executive Director in the period from July 1<sup>st</sup>, 2022 through December 31<sup>st</sup>, 2022. As you can see from the attached Exhibit 1, there were 6 professional services contracts executed in the second and third quarters of 2022, one was an amendment to an existing contract and 5 new contracts. Please note that all 6 contracts were single or sole source and therefore not eligible for MWBE or SVDOB participation opportunities. Thank you for having me here to speak with you today and I'll be happy to answer any questions you may have.

Joanne Mahoney: You all can see the six he's referring to in here? Any questions? Thank you, that as quick and easy. We will move on Frank, please.

Frank Hoare: Chair, thank you and directors, thank you very much. I just want to start off by thanking our team at the Thruway, our chief staff in reference to collective bargaining agreements. We had a great result led by our outside lead negotiator, Joe Bress, we had a great result that works for the Thruway Authority and values our points. And the success of our outside negotiations was only because of the great work that the internal Thruway team provided led by Carlos Milan, Matt Howard, and Karen Osborne from Finance, Jim Konstalid, Rich Lee, Pat Hohen our previous director from Syracuse and Kim Chupa. So, thank you to all of them, that team that supported Joe Bress in that result. A couple other items just to touch on. As you

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know, the Board voted in December to propose a toll adjustment, that toll adjustment represents the first time in 14 years that there has been a request for an increase on the main system, and also notes that we are not the Thruway is not in the state budget. We receive no tax dollars. Everything is supported by our toll revenues, so that's what we rely on to keep the system up and running, and to rebuild on that system. So, that adjustment has been proposed, we are going through now the legal processes required by the Public Authority's Law and the State Administrative Procedures Act to put those proposed increases into effect. To that end, in the coming months, there will be hearings across the state, both physical and at least one virtual to allow as many people as possible to weigh in on those increases. So, more to come on that.

Service area project, it was referenced before. Thank you for taking the time to visit down to the Baltimore Service Center to see how big a project it is. We are, four sites are currently open, eleven are down but in the next two months, a little after Memorial Day another six will reopen, so we'll have ten open for the traveling public. There has been delays because of COVID. We're working every day. Again, we have a very talented and dedicated team here at Thruway working every day to catch up on that schedule. But I think as you saw this morning, that when they open up, they are worth the wait. They are state of the art facilities in terms of food that's offered, in terms of easy charging stations, play areas, four out of the twenty-seven when they're all built, will have facilities for commercial drivers and our truckers that use our system. So, we are working very hard on that and we thank the public for their patience over that time. I think they will be pleased with the result, as they have been with the four that are open now.

Next topic is New Policies. With the creation of the Department of Revenue Management, we are looking at new policies and ways to expedite our toll collection, enhance our toll collection because it is, and they said 95% of the revenue comes into the Thruway, we need to protect that revenue. We need to protect and respect those people are paying by having policies and procedures in place, to penalize those who don't pay their fair share. Again, it's not only that you don't pay your fair share, you're not only depriving the system of money to continue to operate, but you're just not fair to those 99.% that are paying their tolls in a timely manner. But again, more on that coming in the next few months. We'll be coming back to you with policy proposals and changes. Some great news, we were just notified that we will be getting a \$1.5 million federal grant to our engineering department that will help our drone program, again, it is the first time in a while that we've gotten any federal dollars and that's been one of the challenges we had to work through. Whether again, related to the toll increased proposals, thruway authority none of the money that came from Federal Infrastructure Act, received Federal emergency dollars that came from COVID. So, we've been weathering that storm and approximately \$135 million that has been lost over 3 or 4 year period because of COVID. Those are the issues that we've been working on and continue to work on.

I know our time is short but news that is always both happy and sad and that is that this is today is Matt Howard's last official day, his last official meeting. And it is a sad day for us to lose such a talented individual, somebody that's been here for 6 years as our Chief Financial Officer, came to the Thruway from the Assembly where I had the honor and privilege of working with him for so many years on Ways and Means. He's been the money guy, which is not always the guy you want to be when you have such competing financial needs, particularly over the last few years.

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But we are fortunate for his professionalism, his dedication, his talent, there will be a more formal recognition of that, but I wanted to say as the General Counsel and the Interim Director, thank you and as your friend, thank you for all you've done for this organization.

Bob Megna: Since it's my fault, it is my fault and that's because we know we respect Matt's work and his dedication and the fact that he's willing to come and help us in the time of need at the Division of the Budget and I think speaks to his character, and we thank you Frank for letting this happen so seamlessly.

Frank Hoare: You're welcome. We are on the same team here, we always want to be as helpful as we can. That's something that I know leadership here has always emphasized that. So, one final note, I want to thank and welcome Matt's successor as Interim Director and that is Karen Osborne who has been here for 30+ years. She is currently director of Fiscal Audit and Management, and she has served in her current position since March of 2020. Again, Karen, thank you, we are extremely grateful to you, extremely lucky that as we lose Matt that we can have this seamless transition based on, again, your tremendous talents and experience. I know personally it's not easy to walk into an Interim position, so thank you. Welcome to the world of interim. But again, thank you very much and you have the appreciation of the Board. I will speak for the Board but I know and certainly the executive staff, your colleagues here, we look forward to working with you in the next several months, so thank you.

Joanne Mahoney: And I'll just add my appreciation to you Matt. I think you are a big part of the reason that I was able to come up to speed and understand how the Thruway Authority operated, and financed itself. It's been a pleasure to work with you, and I wish you all the best. I recommend against getting on whatever career train Bob Megna has been on (laughing). It's a really big stamp of approval that you were picked by Bob, so congratulations, thanks for your work here, and Karen we look forward to working with you.

Dr. Veras: All the best to you.

Joanne Mahoney: Alright, I have a public comment period for general Thruway Authority matters. Tanya, I understand we have at least one comment. Read slowly and clearly.

Tanya: Yes, I am. Good afternoon. I recognize I have not been able to have some road lines corrected on the Thruway, that means...

Bob Megna: who's this from I wonder?

Tanya: That means, I've been approaching this the wrong way. When each of you drives somewhere today, watch to see how many distracted and/or aggressive drivers you see. You can easily guess who is texting when the traffic light turns green, and nobody moves. Aggressive drivers are easy to spot when you are in an exit left only lane and an aggressive driver crosses the gore, the neutral area to get ahead of drivers who were politely waiting in line. The rules are easily enforced when correct legal lines are used. This Board can require safe conditions. Please take action now. This was written by Murray and not an automatic program.

Bob Megna: I don't want to hold people up in terms of one that rushed, but I think aren't we one of the safer roads in the country? I think.

Frank Hoare: It is safer now that we've gone cashless toll.

Bob Megna: So, sometimes I know its Murray, so I get it and listen, he's been an advocate for a long time, so we should be somewhat praise for his continued attempts. But I think it's fair for us to make a public comment that we are a safe system and have been a safe system and are getting safer.

Joanne Mahoney: I agree, and when I came, I think Murray was here before me, and so I would get his e-mails and looked into them and found that he his concerns have always been looked at and we are making sure that we're compliant. And as Bob said, we're safe. But we miss seeing him in person. Hope he is doing well. Any other comments? Tanya, you have none, right? Any other business for this Board. Hearing none can I have a motion to adjourn?

Dr. Veras: So moved.

Heather Briccetti-Mulligan: Second.

Joanne Mahoney: All in favor?

All: Aye.

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