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Joanne Mahoney: Good morning, good afternoon actually, and welcome to the June 27<sup>th</sup>, 2023, meeting of the Thruway Authority Board of Directors. We have board members, Robert Megna, Dr. Veras, and Heather welcome, and we would like to welcome our newest member of the Thruway Authority Board of Directors who, due to unforeseen circumstances is joining us via WebEx. And I would like to introduce and welcome, Norman Jones and tell you just a little bit about Mr. Jones. He was confirmed by the New York State Senate earlier this month and he is now our fifth member of our Board of Directors. He is no stranger to public service, in fact has more than four decades serving the community in the City of Rochester. Mr. Jones was born and raised in Rochester, and received his degree from the University at Buffalo, so we're guessing you're very familiar with the New York State Thruway System. During Mr. Jones' distinguished career in public service, to say he climbed through the ranks would be an understatement. He started as a summer seasonal worker in 1977 and retired two years ago as the Commissioner of the Department of Environmental Services for the City of Rochester, a position he held from 2014-2021. Norman, on behalf of the dedicated men and women of the Thruway Authority, especially Frank Hoare who I think is planning to welcome you in person, as you were unable to make it here, I look forward to working with you to further the mission of the Thruway Authority and make it one of the safest and most reliable superhighways in the nation. So, welcome, we're happy to have you and we look forward to meeting you in person in September. And today, we will start with the Finance Committee. Bob Megna is chair of the committee, also serving on the Finance Committee is Dr. Veras, and I am ex officio. So, Bob, will you please start the Finance Committee Meeting.

Bob Megna: Sure. Thank you. First item as is always the case, the approval of the minutes of Finance Committee meeting #71, may I have a motion to advance and discuss?

Dr. Veras: So moved.

Joanne Mahoney: Second.

Bob Megna: Any discussion on the minutes? All in favor of adopting the minutes aye?

All: Aye.

Bob Megna: Any opposed? The motion is approved. Second is review and approval of the Financial Reports for January, February, and March of 2023, and Karen Osborn will present.

Karen Osborn: Yes, thank you. This item seeks the Finance Committee's approval to advance to the full board the financial reports through March of this year. Through March, total traffic was up by 5.2% compared to the prior year. Passenger traffic increased by 6.8% while commercial traffic decreased by 1.8%. It should be noted that the decrease in commercial traffic is consistent with our forecast that predicted that commercial traffic would begin to revert back toward the historical norms over the year couple of years. This corresponds to total revenue receipts of \$178.3 million representing a growth of 4% or \$6.8 million above the prior year, with passenger total revenues growing by 10.9% and commercial toll revenues declining by 2.6%. In total, the Thruway collected \$197.9 million through March, which is comprised of \$178.3

million in toll revenues, \$15.8 million in toll related fees, \$3.6 million in lease revenues, and \$239,000 in other revenue. Through March Thruway operating expenses totaled \$96 million which is \$8.1 million or 7.8% below last year and reimbursements for state police totaled \$15.5 million which was about \$600,000 or 4.1% above last year. Through March, total revenues were about 6.5% above where we had anticipated in our budget, and on the expense side, we are about \$5.2 million or 4.4% below our budget target. I'll pause at this time to answer any questions you may have on the performance through March.

Bob Megna: Any questions for Karen? If not, 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. We move onto item #3 approval of the Authorities Investment transactions for the first quarter of 2023, and again Karen will present.

Karen Osborn: This item seeks approval of the reporting on investment transactions of the Thruway Authority for the first quarter of 2023. The attached exhibit A presents the details of all investments purchased during the quarter ending March 31, 2023, while the attached exhibit B detailed the investments held as of March 31<sup>st</sup>, 2023. These exhibits are submitted in accordance with the Authority's investment policy and approved by the Board at the March Board meeting that requires us to provide a quarterly update on the activities that we have engaged in relative to the investment of authority funds. For the first quarter, we had \$6.4 billion of investment activity comprised of \$2.3 billion in Thruway Authority funds, \$4.1 billion in state personal income tax revenue bond program funds, and \$2.6 million in trust fund bond program investments. The average yield for Thruway investments was 4.46% with a weighted average maturity of 35 days. I'll answer any questions you may have.

Bob Megna: None from me. If not, any other business for the Finance Committee?

Joanne Mahoney: I'll move to advance that item.

Bob Megna: Oh, I'm sorry, I missed it. So, can I have a second?

Dr. Veras: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Any opposed? So now, I'll move onto other business, any other business before the Finance Committee? If not, we can move to adjournment. A motion to adjourn the Finance Committee?

Dr. Veras: So moved.

Joanne Mahoney: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Any opposed? We're adjourned.

Joanne Mahoney: Thank you very much for that Bob. I would like to call to order the Board Meeting of the New State Thruway Authority. This scheduled meeting has been dually noticed as required by the Open Meetings Law. The meeting is called to order pursuant to Bylaws Article 3 Section 2, and before we start, I want to say that our updated Bylaws allow us to have Mr. Jones join us by WebEx. He is not necessary for a quorum. We have an in person quorum here, but he is allowed to vote via WebEx pursuant to our bylaws. May I please have a motion to enter the Board Meeting?

Heather Briccetti-Mulligan: So moved.

Dr. Veras: Second.

Joanne Mahoney: Okay, 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 specific to just items on today's agenda. Tanya, has anyone sent in written comments regarding today's agenda?

Tanya: No, they have not.

Joanne Mahoney: Okay, that concludes the public comment period on today's agenda. Next order of business is the approval of the Consent Agenda. You will see it in your materials. The first three items, may I have a motion to approve these consent items? Bob, Jose Second. All in favor?

All: Aye.

Joanne Mahoney: No opposition. Thank you. The three items are approved. Sorry about that Norm, I will wait cause I think there's a little delay. The next order of business is the action

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agenda, agenda item No. 4 authorizes the Interim Executive Director to approve 23-25 salary actions for MC's and Selica will present. Hello.

Selica: Hello, good afternoon everyone. So, this item is requesting authorization for the Executive Director to approve a 3% increase for fiscal years 2023, 2024, and 2025, additionally approving the Executive Director to authorize a one time \$3000 lump sum payment of certain employees full-time salaried employees that are on the payroll from August 2<sup>nd</sup>, 2022, through March 30<sup>th</sup>, 2023, and this will be on parity with the legislation just approved for other Management Confidential employees throughout the State. I will pause here for any questions.

Joanne Mahoney: Pretty straightforward. Thank you. Hearing no questions, may I have a motion to advance the item? Thank you, second. All in favor?

All: Aye.

Joanne Mahoney: The motion is approved and we will move onto the Agenda item No. 5 Authorizing the Interim Executive Director to execute a non-engineering personal services contract, Tim Bonney will present for Josh Klemm.

Tim Bonney: According to the Authority's Procurement Contract policy Board authorization is requested to execute a non-engineering personal services contract with I-Site to provide Drupal Platform Development and maintenance support services for Authority customer based websites. Drupal Platform is an open source content management framework that is utilized to develop complex web applications that provide a dynamic versatile structured content. Content management is the core to the Drupal Platform which allows for easy authoring while providing reliable performance and high levels of security. WebNY, under the New York State Office of Information Technology has standardized under Drupal Platform to establish common processes, procedures, and practices across all state agencies. The Authority had previously contracted with WebNY to provide hosting services for Drupal initiatives which provide cost effective and modern hosting platform. I-Site was a subcontractor of the Tappan Zee Constructors LLC overseeing the design build project for the construction of the Governor Mario M Cuomo Bridge they were chosen to design and develop a public facing website that would provide information on the bridge including news, events, bridge design and history, shared use path information and public art as well as other visitor information. I-Site and coordination with J2 design a subcontractor to I-Site designed and developed the bridge website on the Drupal web development platform utilizing specific technology stacks that provides the desired outcome of the final website platform. The Authority felt that staff had limited experience in the Drupal development environment and required assistance from I-Site to provide help and physical assistance and recommended best practices around Drupal development platform. I-Site has valuable bridge web site development knowledge being the designer and developer as well as being a high level Drupal expertise and deploying large scale solutions. Services of the contract include sustained with development environment best practice recommendations with existing and new Drupal initiatives, assistance with development and maintenance enhancements and an upgrades to the Drupal platform and web code, assistance with security and vulnerability patching and training and documentation of provided Drupal development and web code

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changes. An exemption from pre-advertising on the New York State contract reporter has been obtained from OSC and was published in the New York State Contract Reporter regarding the intent of work and reasons for exceptions. Services will be billed monthly, the contract is for a 5 year term, not to exceed the amount of \$487,500. The Department of Information Technology has funds in its 2023 budget and will budget for future years accordingly.

Joanne Mahoney: Thank you very much. Great explanation no, I really mean that. Does anybody have any follow up questions for Tim? Norm? Just giving opportunities for any questions or discussion. If there is none, may I have a motion to advance?

Bob Megna: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. I told Norm I would delay but. If you put your hand up then I'll know you voted, how about that? There you go, thank you very much.

Norm: I just wanted to, I just thought that the explanation that was given and the backup during the phone call was very thorough and on point, and really described what this project would encompass. So, kudos to him for the way he explained it to me in the phone call over the actual project.

Joanne Mahoney: Thank you very much. The Thruway staff does an exceptional job preparing us for the Board Meeting. We can have a pretty efficient meeting. Thank you. Alright, so No. 6 Tim, you're up again.

Tim Bonney: Okay, so, Authority's Procurement Policy Board Authorization was requested to execute a Non-Engineering Personal Services Contract with Oracle to provide unifier platform integration development and integration training and maintenance support services for the Authority's integrated and holistic financial management system. Unifer is a commercial software platform developed by Oracle to provide wholistic financial insights start to finish of capital projects. To move to the Unifer platform makes a significant step forward for the Authority and the ability to forecast capital finances and funds and view spend across projects from bid opening to final payment. As part of our Vision Forward initiative the Authority works with Accenture to confirm that Unifer was the best in class to meet our needs and it is determined that this platform offers the best step forward. The Authority had previously contracted with Forsee to provide initial implementation offerings for the Unifer platform in a contract with Oracle will build upon this and rapidly accelerate our task to completion by integrating all of our remaining financial systems. Oracle has chosen as their offering now professional services to accelerate the completion of the project but also the hosting platform for the environment as we migrate to the Oracle infrastructure. The software was written by Oracle

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having this company that created it to help us with delivery is the optimal path to ensure success. Additionally, pricing, the services are based on the OGS contracts and as such, the insured be fair and competitive. The Authority staff will work hand in hand with Oracle to ensure that we are able to successfully manage and continue to build on that platform to make sure it is complete. Services under the contract also include assisting the Authority with its development on the environment, the production environment, migration from an on premise platform to the Oracle cloud infrastructure integration and migration of existing Oracle platforms such as the capital planning system, contract management, planning and budgeting, financial system, and other systems that the Authority will need brought together and best practices as it pertains to work closing processes for our business units, testing support and standard Software as a service offerings . Contract services will be billed as deliverables, but they will be recurring as deliverables are completed. The contract term up to 1 year with a maximum amount payable of contract not to exceed \$673,800 and the Authority has the funds in the 2023 reserve maintenance fund and will be budgeted for future years in maintenance accordingly. I will take any questions about that.

Bob Megna: Well, I don't have a question but I'm assuming Richard this is something that works for you guys, correct?

Joanne Mahoney: Any other questions, comments?

Dr. Veras: Nothing obviously.

Joanne Mahoney: With that, I'm ready to call for a vote. Can I have a motion please? All in favor?

All: Aye.

Joanne Mahoney: Thanks, Norm. The motion is approved. Jim Konstalid No. 7, please.

James Konstalid: Thank you, Madam Chair, good afternoon, Board Members. This Board Item seeks approval waive the competitive procedure to negotiate a single source agreement with the Canal Society of New York to provide services to the operation of Heritage Park which includes but is not limited to staffing visitor center, historical buildings, onsite tour guides, staff uniforms and cleaning services. The Thruway owns and maintains two parcels of Heritage Park and leases a portion that houses the historic buildings and Canal Society. As far as the States pathway history program, Heritage Park was developed with the Canal Society. It is the only Heritage Park in New York State that is accessible from the interstate highway. The visitor center opened in September 2016 and sees over 13,000 visitors annually. Heritage Park is currently being operated by the Canal Society under a purchase order that is due to expire on August 14<sup>th</sup> of this year. The most recent RFP that was issued to operate Heritage Park was issued on November of 2017, and the Canal Society was the only vendor to respond. The Canal Society's expertise on the subject matter and the services required who are best positioned, it would be in the Authority's best interest to continue for them to operate Heritage Park. The term of this agreement will be from August 14 of 2023, through December 31<sup>st</sup>, 2026, with options to renew

for 1 additional 1 year term with a maximum amount payable of \$700,204. We've got a little bit of good news, we've been in discussions with the Canal Society and also reviewing the operating the ins and outs of this and we now believe she can bring this is at \$555,538. So, we will be below that top of \$700,000. The necessary exception for pre-advertising in the Contract Reporter has been obtained from the State Comptroller, and the record purposing reviewed both contractor's responsibility and reasonable assurance that the contractor is responsible. The Department of Maintenance and Engineering as once allocated in the 2023 budget and will keep in the budget necessary funds for the subsequent years to follow. I will wait for a moment here for any questions.

Bob Megna: Remind me, are they charging for people to come visit?

Dr. Veras: Have we received any negative feedback?

Jim Konstalid: No, not to my knowledge. The feedback were a pretty intense group when it comes to Canal Society and things like that so it can be very well received.

Joanne Mahoney: Okay, any other questions? Hearing none may I have a motion to approve? Thank you and I see a second. All in favor?

All: Aye.

Joanne Mahoney: The motion is approved and Joe Igoe will present agenda item No. 8 please, and 9 and 10.

Joe Igo: Good afternoon, Chair and Board members. As Chair mentioned, I will be presenting the next three agenda items that are related to real property. And each of them seeks an amendment of prior board resolutions. So, No. 8 seeks to reaffirm the previously approved Board resolution number 6343 declaring real property reference No. TN23 subject property B located in the town of Clarkstown, County of Rockland as not necessary for Authority Corporate purposes and authorizing a negotiated sale thereof. So, this seeks amendment of the January 2022 resolution which authorized the auction of 2 parcels in the Town of Clarkstown. One of these parcels was sold. However the subject parcel here was auctioned for sale but the minimum bid of \$170,000 was not met. As authorized by Statute in the Real Property Management Policy, negotiations commenced with the owner of the adjacent property who agreed to purchase the property for \$110,500, which is above the \$105,000 fair market value. The property is approximately .176 acres and the applicant plans to assemble the subject property to their car dealership next door and use this space for parking new and used vehicles. Any questions?

Joanne Mahoney: Nope. It's all here in the materials. The Chrysler Dealership. Any questions for Joe? Okay, can I have a motion to advance? Thank you, and a second. All in favor?

All: Aye.

Joanne Mahoney: Thank you Norm, hearing no opposition the motion is approved. And Joe you're up.

Joe Igoe: And the next two items No. 9 and 10 they seek amendment to the Board's resolutions from March 2023, and involve real property owned by the Authority in the Town of Hamburg, Erie County. They involve changes to dimensions of a parcel to be auctioned off, and the parcel to be transferred to the New York State Department of Transportation. These changes were required by FHWA as a result of changes to an access point needed by DOT. So, the first of these items No. 9 is a change to authorization of the transfer of jurisdiction to DOT which would amend resolution 6420. So, as a result of the access point changes required by FHWA, the parcel to be transferred to DOT free of charge which allows DOT to access an easement on a property to be auctioned off, decreases from 1.252 acres to 1.078 acres. With your approval, the authorized transfer of jurisdiction is amended to include the new size of the property. Are there any questions?

Joanne Mahoney: If we knew someone from the State Budget Office, we could negotiate a price.

Bob Megna: I was going to say, I was hoping it was a zero cost when it was a different size.

Joanne Mahoney: Any questions for Joe? Another no brainer. Thank you Jose I'll consider that a motion, and may I have a second? All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. And Joe, your last one.

Bob Megna: Can I ask though a separate not on the record I guess, even though it will be. So, the zero cost transaction has to come to the Board?

Joe Igoe: As currently in our real property management policy, we can entertain an amendment to that.

Bob Megna: Just a thought for transactions between us and DOT that have zero cost, I'm just wondering if that's something you guys would talk to them about maybe don't really come through us but it's just a suggestion.

Joe Igoe: Yeah, but our capital projects, they're not, but for noncapital projects, they are. Under the contracts program, authorization the Chief Engineer has the ability to effectuate them, so.

Bob Megna: Good, thanks.

Joe Igoe: So, it's fairly limited.

Joanne Mahoney: 10 is similar to 9?

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Joe Igo: Yes, 10 seeks an amendment to resolution number 6421 which authorized the auction of this parcel. So, it dovetails here in that there are changes to dimensions that are required due to the FHWA access point issue. So, here No. 10 the parcel that will be auctioned off increases from approximately 15.016 acres to 15.189 acres. Here the applicant plans to assemble with their adjoining property with the intent to develop both parcels. So, with this change, there is actually an increase in the minimum bid from 4.19 million to 4.965 million, so it actually helps us here in the form of increased revenue you know, assuming that minimum bid is met. So, with your approval, the authorized auction of real property is amended to include the new sites and new minimum bid.

Joanne Mahoney: Just a technicality, I think that our materials have them flipped, 9 and 10.

Joe Igo: Yeah, I think.

Joanne Mahoney: So, we were clear because you told us what we were voting on, but I just wanted to note that they were flipped in our agenda though. Okay, any questions, I'm afraid to even ask for this. I will move, can I have a second. All in favor?

All: Aye.

Joanne Mahoney: Thank you and the motion is approved. Rich Lee agenda item No. 11, please.

Rich Lee: Thank you. Today I will actually be presenting three items for the Board's consideration. The first two request additional funding for projects already let. I know we discussed this previously, but I wanted to again put these two requests in context and give an update on how our lending program has been fairing over the last year or so. We all know how construction costs have soared over the last couple of years and as an example steel prices are double what they were in 2020. In 2022, we let 34 projects with the total engineer investment approximately \$350 million. Our low bids came in less or under budget at \$335 million. Thus far this year, we have let 14 projects, 11 of which have come in under the engineer investment. Of the three that came in over, one will be relet later this year, and actually included in a larger project. This is due for economy scale and more bidders and a larger pool, and the other two I will be discussing today. Overall, our project budgets have held up well, and we haven't faced some of the issues that other agencies so far. So, with that, I'll move into item #11, which is a request to add additional funds to a project let back on April 5<sup>th</sup>, TAA23-123B D214916 which is the bridge preservation project with trust structures at mile post 11.13 and 113.22. After the budget was established more than a year ago, it was decided it would be most cost effective to let drainage work and some other modifications to this preservation projects, to keep these fracture critical major structures in good repair for decades to come. These are large bridges that are very costly to replace, thus need to be maintained properly. The low bid was received at \$9,283,000.00. After a bid analysis was performed, it was determined that this was a reasonable and fair bid for the contract work included. Therefore, we are requesting an additional \$5,282,000 to be added to the original budgeted amount so this project can go forward. Additional funding is available from project investments and the savings from the contract program and I would be happy to answer any questions you may have.

Joanne Mahoney: And I understand Heather is recusing herself from this one, we're on 11 now. Okay, and I appreciate the context that you've put this in and congratulate you and your team on some budgeting in difficult times. So, this is an outlier.

Dr. Veras: For the benefit of the public, you mentioned the advances in the steel and basically, all the factors not basically this main.

Rich Lee: Yeah, well I mean this is a lot of steel work. But in all this work is for labor, but whether you're buying scuffers and steel related all that anything that's fabricated steel is expensive. In addition to that, these structures are truss, deck trusses and essentially, you drive over the bridge, you don't realize but underneath there's a big truss way up in the air, etc, etc. So, there's a lot of access issues. So, we put in these new downspells through this kind of maze of truss is something that is very difficult and labor intensive.

Dr. Veras: Thanks.

Joanne Mahoney: Any other questions on item number 11? Bob, okay thank you. We have a motion, we have a second, we have one in favor and we have one recusal. Aye, Aye and Mr. Jones.

Norm Jones: Aye.

Joanne Mahoney: The motion is approved, thank you very much. I think we can move onto should we wait for Bob. Alright, agenda item No. 12, Rich please.

Rich Lee: This item requests additional funds for TAN23-15B D2148978 structural steel repair seismic retrofits and light pole replacements for the North Grand Island Bridges, and light pole replacements of the South Grand Island Bridges. Years ago, this project was \$36 million. A detailed inspection shows the need for scores of steel repairs to the almost mile long truss bridges. Again, these are fracture critical, nonredundant structures. Three bids were received by April 19<sup>th</sup>, the lowest being \$67,705,000. The bid analysis was performed which determined that the low bid received was a fair reasonable price for the work contained in the contract. Access and issues related to working high over the water, and numerous locations and the truss structure with high steel application costs contributed to the high prices. In addition, the seismic and barren replacement work for a structure this large, these bridges are 4,000 feet long, is extremely complicated. Therefore, we are requesting the additional \$31,705,000 for this project so it can be awarded. The additional funding required is available for deferment and bid savings from the contract appropriate.

Joanne Mahoney: That you have that kind of reserve to absorb it. Any questions? Jose.

Dr. Veras: Again, for the benefit of the public, who displayed the difficulties to foresee the repairs that have to be done that cannot be done...

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Rich Lee: right, right and well as we right before we actually put out the plan for any type of rehab. A rehab is the most complicated, and again you have structures that are long structures, and these trusses and gusset plates, lots of angles, lots of numbers and each one of those have to be actually looked at and ever since the issue in Minnesota, where the bridge collapsed, and it was related to gusset plated. The rules of what's allowed and what's not and obviously should become more stringent. So, the detailed inspection of all those connections over these bridges that are 4,000 feet long, so as a result, it was more than 300 areas that needed to be replaced. And it's not like and again, you have a gusset plate as three to four members going into it, its not that easy to take it off, you're going to have to take off the rivets inside, you've got temporary support, so very labor intensive, quite a bit of expertise, not a lot of contractors can do this kind of work. And you take that over the Niagara River, it's not exactly an easy place to work, getting people there, getting the protection there so you're not dropping things into the water, paint and all that stuff when you just do it in multiple locations, A it's very difficult to actually estimate, but it's very difficult to perform. So, that's just a, it's kind of interesting that what we're asking for here in today's meeting, both were truss bridges, more typical for being stringer bridges that we have all over, much simpler, much easier to do. When you're working in these kind of mazy trusses high above water, difficulties come.

Bob Megna: Rich how many people bid on the original?

Rich Lee: Actually the first time we actually let this job last year, no one bid on it. And we went and we met with the contractors who did buy plans to try to find out what the issues were. A lot of it had to do with access, and it was hard for them to work on both structures at the same time, etc. etc, I'm talking about an awful lot of iron work result of the crews, and to be honest, there's not that many contractors in Western New York who actually can do this kind of work. So, this time around we made some modifications, and added different ways for access and made it clear on how a contractor would get paid and certain things, and also staged it in so they could get some progress statements as we're going ahead, so that helped a lot. But, at the end of the day, we ended up with 3 bidders for this one. One bidder was from the eastern part of the state, there was another bidder from out of state, and then there was one bidder who actually was the highest price was from western New York. But, when we took all that into consideration and spoke again, spoke to the contractors to try to find out where their money was, lot to do with access, bringing in all that labor, you know just a lot of moving parts on a big project like that.

Bob Megna: Thanks Rich.

Joanne Mahoney: So, is this changing? Are you taking a look at estimates for trusses in the future to see if they need to be adjusted?

Rich Lee: Yes, we've already, and you'll see it reflected in next years' capital program, we already started looking at, we have size and similar project for the South Grand Island bridges in the next couple of years, and we're taking all that into account again, making adjustments as we can. The good news is we don't have a lot of these truss bridges, and at least for the skill bridges it must more in item No. 11 is actually 4 bridges, repair all structures and locations. So, we're going to be set for a while.

Joanne Mahoney: Any other questions? Discussion? Alright can I have a motion to advance? And second Jose. All in favor?

All: Aye.

Joanne Mahoney: I saw your mouth move, I think you might be on mute, okay thank you. The motion is approved and the final item on our agenda today is Rich, item No. 13 please.

Rich Lee: And this one is a little self aware and routine. It's item No. 13 to request authorization to execute engineering agreement D214917 for Traffic Engineering Services relative to financing and operation of Thruway system. These are the folks who are going to be giving Karen and her people traffic rejections so she can do all the budgeting and the forecast going forward. This contract has a maximum amount payable of \$1 million, it's a 3 year term agreement with an option from the Authority to extend for 2 additional 1 year terms. The goals of the standard MWBE 30%, 60%, DOB rules. And for this contract the firm is Stantec Consulting Services, Incorporated company who has actually performed these services in the past and have performed great.

Joanne Mahoney: Okay, any questions? Hearing none, can I have a motion?

Bob Megna: So moved.

Dr. Veras: Second.

Joanne Mahoney: Thank you. All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. Thank you, Norm. And we will move onto the part of the agenda where we get two reports; the first is from Andy Trombley to report on procurement contracts.

Andy Trombley: Thank you. Good afternoon, Chair Mahoney, Interim Director Ford, and members of the Authority Board, it is an honor to be with you today. I'm here to present the attached report of procurement contracts and other agreements up to \$500,000 by the Executive Directors during the period of January 1<sup>st</sup>, 2023, to March 31<sup>st</sup>, 2023. As you can see from these attachments there were four professional services contracts executed in the first quarter of 2023, one was an amendment to an existing contract and 3 new contracts. New contracts were single source or sole source with no subcontracting opportunities. One was a procurement to a WBE firm, and the last is a renewal of a piggyback contract with the MTA authority with no subcontracting opportunities. Thank you for the opportunity to speak with you today and I'll be happy to answer any questions you may have.

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Joanne Mahoney: Any questions? I'm looking at exhibit 1 that you have in front of you Andy, and these zeroes under the goals, what does that mean?

Andy Trombley: So, the first contract is with an individual provider as direct consulting services for the bridge. So, that was individual no opportunity on that one. The third was for SUNY and therefore there was no subcontractor opportunities, and other was to focus, so they are 100% WBE, and then the fourth with Paymenttech was the one piggybacked from the MTA contract to process our credit card servicing and that meant that we did not set the goal, there were subcontracting opportunity for us.

Joanne Mahoney: So, when you were saying no subcontracting opportunities that is what you were trying to tell me, I just wasn't getting it. Thank you very much. Okay, anybody have any questions for Andy? We don't need to vote on this, but there is an opportunity to ask questions. Okay, thanks Andy and report from our Interim Executive Director, Frank the floor is yours.

Frank Hoare: Thank you, Chair and members of the Board. First, I just want to start off and once again thank our Board Secretary Tanya Morris and all department heads in preparing this agenda as you noted Chair, a lot of work goes into scheduling and preparing for these meetings. So, thank you for the work that you do and that work is led by Tanya.

Next, I just wanted to recognize and again, thank Karen Osborn our interim Chief Financial Officer. I was hoping that she would say that she had such an enjoying pleasant stay here today that she would delay her retirement. But I'm presuming that's not the case. So, I wanted to thank Karen. She's had a long and distinguished career here at the Thruway. And then she has topped that off with our board members decided to steal our CFO, Karen stepped in and has been serving since March as the interim CFO here at the Thruway. Honestly, just the title and what that department does we know how important that is. So, Karen, thank you very much. I appreciate all the talent, the experience, the integrity, and judgment you've brought to the positions through your years at the Thruway, and I hope you have a long and happy, and healthy retirement. So, thank you. And again, I'll echo the Chair in welcoming Director Jones, thank you sir for your past public service and continued public service. We look forward to your talent, experience, and judgment and bringing that to the work of the Board and the work of the Thruway Authority. I look forward to working with you and meeting in person.

I want to announce to just update the Board on two critical projects that have been taking a lot of the time of the Thruway executive staff and the various departments, and that is number 1, the service area projects. As you know this is a public private partnership in excess of \$450 million being expended to rebuild 23 service areas and refurbish the other 4 for a total of 27 service areas. It has been years since it has last been refurbished and they seriously needed attention not only in terms of their physical infrastructure but also in terms of the amenities and services that they provide to the traveling public. As we all know, Thruway Authority is a service business and it's important to us that we meet the needs of the traveling public. We do it in a way that is consistent with our mission to maintain, operate, and build on that system and make it safe and efficient. So, where are we right now? As we sit here, 7 are open, we have another one opening tomorrow in Clarence in western New York. That will have the many amenities that we've seen

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with those that have opened already in terms of great food services, playground areas for children, dog walk areas, but the Clarence site is going to be one of four that also offer services to our commercial drivers. They are going to have showers and locker rooms and washing machine and dryers in order to help them on their way in the vital service that they provide. Not only are they safe but as participating in interstate service, is a state business. So, that will bring us up by the end of the week to 9 and another 2 are expected to open the end of July that will bring us to 11 and another 3 by the end of the year. So, by December, by Christmas time and New Year, end year travel, there will be 14 new service areas completely reconstructed new service areas on the Thruway. Now, this has not been done without a lot of hard work but also controversy. We are 8 to 10 months behind that schedule, allegedly due to COVID and supply chain issues. We have a design builder who sites any new developments in excuses is not a word in terms of delays for the project. For example, just last week or two weeks ago, the fires in Canada supposedly slowed them down. All I can tell you is that we are aggressively holding it to the contract. We will aggressively hold them accountable and make sure that they do simply what they're contracted to do. And we recognize that the public's patient and we continue to ask for that patience. We know we have teams here working on it every single day to mediate those delays and to catch up, but to make sure that the project continues and that we keep opening our service areas. And I think that the public, as more and more open up, they will see larger sites, because there are more, there will be less crowding at individual sites, and we will keep pushing on that project again. We have people we deal with every day and we are going to hold the operator that we have contracted with accountable and the operator is holding the design builder and contractor accountable to make sure that they get these service areas up and open as soon as possible. Again, we continue to thank the public for their patience on that. I'll stop if there are any questions on the service areas?

Dr. Veras: Could you explain the role the fires in Canada and relates to this.

Frank Hoare: Well, I can't because it's not something we will ever accept as a reasonable and plausible excuse. I can only imagine that they felt they slowed down in certain locations. We didn't get specifics. They site this, they throw this out there in potential contemplation of litigation down the road, able to recruit dollars, but we can only presume that what they're talking about is alleged inability to work outside on certain days. But we saw no evidence of that. Again, we always point that certainly on those days there were days that were bad obviously environmentally, but again, proudly I say the men and women in Thruway never called in sick or never took any time off. They were out there again, operating, and maintaining and building on the system to keep it safe.

Heather Mulligan: There's nothing in the contract that would allow them to stop work based on smoke or something?

Frank Hoare: Yes, that's correct, and they know that.

Bob Megna: Frank do you expect, I know you guys are doing everything you can to expedite and get this going, you know realistically are we expecting that this 8 to 10 months will hold, that

that's about as long as it's going to be or do you expect that just because of their performance that might not hold?

Frank Hoare: We're concerned that it might not hold, we're hoping, our goal is to keep it and not have it drop any further. But certainly based on their performance over the last 2 years, that is really concern and that's why we daily have our project team working with them and reminding them what their obligations are. There's high level calls almost once a week, and we've had several vendor responsibility fact finding meetings here at the Thruway with the top management of the operator Apple Green and AECOM to make sure that they understand their duties and their responsibilities and their obligations under the contract. So, I can't guarantee that it won't drop but I can guarantee that we will be on it every day to make sure it doesn't drop.

Bob Megna: What leverage do we have ultimately if they're not compliant with the things you're trying to accomplish?

Frank Hoare: They're limited and there are remedies come in at the end of the project where we can go after them for costs we've incurred because of their delays. Because obviously we're not making money, the Thruway is not making money if a site is not open or we expected the site to be open and generating revenue as of July 1<sup>st</sup> but now it's going to be 8 months past. So, our remedies will kick in at the end of the project.

Joanne Mahoney: And it think it's important for the vendor, AECOM and Apple Green, yes, I do, it's important for them to know that when we meet as a board that we're going to continue to ask you for these updates and let us know and let us know if you think that there is something that we can also be doing because it is a significant delay. But I will say, on the other hand, that those that are open that we toured as a Board and that I have seen myself, they are nice and they are an improvement, and I know that they are crowded and you said the public is being patient, but it's because half of them are closed. So, we have twice as many people by definition in each individual place. So, once the whole project is done, I think the traveling public will be very happy with the service that we provide, and that we as a board and you as the Thruway staff can talk about how to hold the vendor accountable for the time delays. It is a significant hit to our revenue.

Bob Megna: And there are people on the Board Frank who want to help you hold them accountable.

Frank Hoare: Yes, and we will gladly communicate that, the Governor communicates to them that she's not pleased with the delays but we are working hard to keep the project moving, get them open, and I think some of the crowds you see, I suggest that they're a testimony to the amenities of the services that they find there. We've gotten compliments on our food options. They are quite different from what was there in the past, and our traveling public are stopping to take advantage of that, as well as the other amenities that are being offered there.

Joanne Mahoney: As a electric car driver, I'm happy, so thank you.

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Frank Hoare: Electric vehicle charging is a key element of that and they will all be added in the future because we feel that there's certainly not enough there but they will only be added on, and we're getting another project we're working on weekly here to be part of that revolution in electric vehicles.

Joanne Mahoney: Any questions on the service areas, otherwise, we'll let Frank continue his report.

Frank Hoare: Thank you. The other issue I would like to just update the Board on is the Comptroller's Audit. As you know, in early May, the Comptroller released an audit which was the result of their being here at the Thruway for 14 months and looking at our toll collection processes. At the end of the day, their conclusion is that we should be making more efforts to collect revenue and they cited an example, a \$276 million amount that is owed to us by folks who have not paid, almost half of that being from out of state drivers. And that money also represents money from toll by mail, folks who do not have an EZ-Pass. So, again, I don't think anything revolutionary in what the Comptroller suggested. Yes, we need to make every effort to collect the tolls that are owed to us because 90% of our revenue as a Thruway comes from tolls and we do make every effort to collect it. And again, just so you know this, we do collect 96% of tolls that are due to them, and we make every effort to go after that and the context is that since the cashless tolling system went into place fully on the system in November of 2020, there have been 908 million transactions in this 2 ½ year period, and over a 3 year period of the Comptroller's audit, they say \$276 million wasn't collected, but \$3.27 billion, yes that's a B billion has been collected. So, again, we don't excuse or justify what's out there what is not collected, but we do make every effort to collect. It's not just sitting at our table; we are working very hard and in fact efforts started by my predecessor Director Driscoll in efforts to make us a leaner and meaner and better and more efficient toll collecting system in light of cashless toll. Certain things have been done in the office of revenue management was created here that consolidated toll collecting functions in one department and also collect the added benefit of quality control, quality assurance. So, we're not only looking over the system ourselves, but we're looking over our contractor who bills and collects the tolls for us. We also have that the current contractor will be ending at the beginning of next year. We have taken lessons to learn from the last 2 ½ years of cashless tolling, and we are putting into those contracts' greater remedies for us, greater accountability over that contractor to make sure that every possible toll dollar is collected. We are also working more closely with DMV and the State Police for enforcement. We are increasing our license suspension program where if you don't pay, we move to suspend your registration. And we're working and talking with our other states again, to be more cooperative and collaborative in what can be done to increase that percentage of toll collection. This is not isolated to New York, even within New York it's a major problem for the MTA and Port Authority you read that every day. But you see every single state that it's a challenge, but we will work on that challenge because not only do we need to collect the tolls that are owed to us again, to keep the system safe by operations and maintenance and capital building, but also just a fair assessment. It's not fair, it's not right that again, a vast majority of those who use the Thruway pay their tolls, pay them on time, and keep that system going. So, we will continue those efforts.

One final thought cause I've seen it come up in a couple of Op ad pieces, the belief that if we collected that \$276 million that somehow the Thruway would be happy, it would meet all our needs in maintenance and operations and building, we would not need to increase tolls, it is simply not true. We could collect 100% of the tolls owed to us, we would still be, as we look out over the next 8 year period, to view the modest increase that has been proposed and extremely modest in terms of any other state, the country as a whole, but in the northeast in particular. So, it comes down to again and Audit it's related has been connected to the proposed toll increase, but we make every effort to collect everything that's owed. We will continue to do that and we will move forward with those efforts.

Bob Megna: Frank, is it fair to ask if a big chunk of the 276 or a disproportionate chunk came from the early days of being toll free or I mean being cashless tolling.

Frank Hoare: I'm not sure of the percentage, but there is a large percentage in the system going into effect. And in fact, we worked with folks, between that and COVID there was a period of time where we did not pursue people, and on the amounts that they owe.

Joanne Mahoney: it was the same, sorry to interrupt you, but I was thinking about it while you were talking. You know people from different there apartments, utilities worked doing shut offs, and we were aggressively pursuing people and now the time has come to continue that.

Bob Megna: So, it's fair to say we are doing better than when cashless tolling came into effect.

Frank Hoare: Yes, yes, because we're using all the tools that are available to us. And of that \$276 million 46%, 47% was from out of state drivers, and the biggest proportion of that was from Connecticut and New Jersey. Connecticut, we do not have a reciprocal agreement because Connecticut does not have toll roads, so they will not enter into an agreement. And New Jersey can only do it by legislation and the Port Authority has been negotiating on behalf of the Thruway, Bridge Authority and the MTA for at least 2 years now to try and get some relief there. New Jersey would help us in these efforts, and we would reciprocate with New Jersey.

Joanne Mahoney: And I know it's outside the scope of the audit, but it would be interesting to see how much New Yorker's probably all of New Jersey. And I appreciate you putting it in this context because the communications team has done a great job of the daily clips. We've been able to see what the toll entire has been and I don't think I saw a single article that put it in that whole context, and that's important about 3.27 Billion has been collected and that we were going to cashless tolling at the same time that we had this pandemic and people telling us not to create hardships for people, so, again, it's another place where we just need people to be patient until we get where we need to go, no pun intended.

Joanne Mahoney: Does that conclude your report. Any questions for Frank's report? Okay, alright. Alright, we will move onto other business. Tanya, public comment period for general Thruway Authority matters. Do you have any to report?

Tanya: I did hear from Murray but anyway, he said he couldn't make it, but no, there is no other comments.

Joanne Mahoney: Is there any other business that anyone wants to bring before the Board? That concludes our formal agenda. Our next Board meeting will be September 18<sup>th</sup>, and I would just like one final motion to adjourn today's meeting.

Heather Briccetti-Mulligan: I'll move.

Bob Megna; Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Norm, thanks again, looking forward to seeing you in person. We are adjourned. Thank you to everybody.