
Joanne Mahoney: Good morning, and welcome to the September 18th, 2023, meeting of the Thruway Authority Board of Directors. We have here in person live and in person for his first meeting, Norman Jones, welcome, Bob Megna, Heather Mulligan, Jose Veras and myself Joanne Mahoney. We have folks via Webex, Steve Peyser, President Public Resources Advisory Group, and Eric Taylor, Bond Council. Today we are going to start with the Finance Committee. Bob you're chair of that Committee, also serving are Dr. Veras and I, and Bob would you please start the Finance Committee meeting?

Bob Megna: Sure. Thank you, Chair. The first item of business is approval of the minutes of the Finance Committee meeting #72, any discussion? If there is no discussion, do I have a motion to move this item?

Dr. Veras: So moved.

Norman Jones: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Any opposed? Motion is approved. The second item is review and approval of the Financial Reports for April, May and June of 2023, and Dave Malone will present.

Dave Malone: Thank you. This item seeks the Finance Committee's approval to advance to the full Board the financial reports for April, May and June of 2023. Through June, total traffic was up approximately 4% compared to 2022. Looking at the split between passenger and commercial traffic, passenger traffic was up 5%, and commercial traffic was down 2% compared to 2022. This resulted in toll revenue \$389 million through June which represents an increase of 1% or \$5 million compared to 2022. In line with the traffic trends previously mentioned, passenger revenue increased 7% or \$13 million dollars and commercial revenue increased 4% or \$8 million dollars. Total operating revenue through June \$428 million consisting of \$419 million in tolls and related fees, \$7 million in lease revenues and \$2 million in other miscellaneous revenues. Nonoperating revenues in \$31 million consisting primarily interest return on investments. In comparison to our 2023 budget, through the end of June, revenues were approximately 7% above what we had planned which was driven by a combination of traffic being involved with work passing levels, and interest earnings also being above what we had originally budgeted for for 2023. On the operating expense side, the June 2023 Financial Report needs to be looked at in context in order to get a clear picture of where we stand. Through June, operating costs totaled \$180 million dollars which is an increase of 1% or \$1 million compared to 2022 which at first seemed to indicate we are not being impacted by inflation, which is not reality. So, there's two factors that the committee needs to be aware of in looking at these numbers. During the first half of 2022, we made just under

\$6 million dollars of nonreturn marketing fees associated with long-term users of our fiber optic system. These costs mean we entered into agreements that will generate revenue for years to come but when we look at year over year comparison, it skewed the numbers a little bit so, that's one factor. The second factor is that since June 30th, this report is through June, so since June 30th, we processed approximately \$4 million dollar payments related to recently approved contracts and compensation actions with our key represented employees, as you know are confidential nonunion employees. Due to the timing, those are not reflected in the financial reports today. So, if you take those two items into consider, the 2023 operating costs are up approximately \$9 million dollars or 5% compared to 2022 balance. With that I can answer any questions the committee may have.

Bob Megna: Well, that was really my question. So, on an adjusted basis, you think apples to apples, we're up about 5%.

Dave Malone: About 5%, yeah.

Bob Megna: And how much is that, since you do have folks under contract, how much is that labor like increase in materials?

Dave Malone: The more significant portion is the personal service cost and the 2023 budget that was approved in December contemplated that we end 23 about 4% above 2022 levels. And with some of the additional actions that have been taken, it could end up above that number, but at the November meeting we will present a revised financial plan, but we're in that 5% rate right now.

Bob Megna: Thank you. Any other questions? If not, can I have a motion to advance the item?

Norman Jones: So moved.

Bob Megna: Second?

Dr. Veras: Second.

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

All: Aye.

Bob Megna: Any opposed? Motion is approved. Third, approval of the Authority's investment transactions for the second quarter of 2023 and again, Dave will present.

Dave Malone: This item seeks the Finance Committee's approval to advance to the full board the investment report for the second quarter of 2023. Exhibit A in your materials

presents the detail of all investments purchased during the second quarter of 2023 and details the investments that were held as of the last day of the quarter June 30th, 2023. As of that date, the investment sales as of the last day of the quarter totaled \$3.5 billion dollars consisting of \$1 billion dollars in Thruway Authority Funds, \$2.5 billion in state personal income tax revenue bond bonds and \$13.8 million in trust fund bond programs. The yield on the Thruway Authority investments during the second quarter was about 5% which is up about 1/2% from the first quarter of 2023. So, the increase in interest rates on this side of the ledger are beneficial to us, and compared to last year, interest earnings in 2023 were \$27 million dollars compared to about \$2 million dollars during the same timeframe of 2022. So, obviously, interest rates are up.

Joanne Mahoney: Can you remind me what we budgeted for?

Dave Malone: In 2023, we budgeted for \$5 million dollars which turns out at the time there wasn't that much clarity.

Joanne Mahoney: But it will help on the other side that you just went through with us.

Dave Malone: Yes.

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

Norman Jones: So moved.

Dr. Veras: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Any opposed? We passed the resolution. Number 4 approve the toll rate adjustment. And Dave will talk about this one too.

Dave Malone: This item seeks the Finance Committees approval to advance to the full board of the Thruway toll adjustments and other actions necessary to implement the toll adjustment. We have a presentation to get through.

So before getting into the details today, I would like to state some key facts. The Thruway is one of the largest and safest highways in the country and is critical to the economy of our state and surrounding region. The system stretches over 570 miles and more than 80% of the underlying base of the pavement service today was put down in the 1950s during the original construction. Within that 570 miles, there are 816 bridges, 75% of them are more than 60 years old. In preserving and rebuilding this much infrastructure so we can continue to provide a safe and reliable highway requires significant and

sustains capital investment. The money needed to make these capital investments comes almost exclusively from tolls. The Authority does not receive any dedicated federal or state funding, this includes both COVID relief funds, as you are aware in 2020 the Authority lost close to \$144 million dollars through traffic reduction that occurred during the pandemic. And while we continue to seek new revenue sources including the leases of fiber optic network that I mentioned earlier, and we receive federal and state money where possible, tolls are the primary revenue, they make up to 90% of all of our revenue. The last systemwide increase to New York EZ-pass passenger customers on the system occurred in 2010, approaching 14 years ago. And as you'll see as we go through this presentation, even with the toll adjustment being considered for approval today, Thruway tolls will remain among the lowest in the nation.

So, since that last systemwide increase in 2010, we have limited the growth we are spending on operations to less than 2% per year and we continue to pursue ways to restrain spending but as I mentioned earlier, we're starting to face the same inflationary pressures that everyone else is. This slide here shows some significant increase in the cost of commodities that we rely on. In the construction side on highway bridge and snow and ice side for maintaining the system during winter.

What is proposed before you today is the result of a process initiated by the Board this past December. Since then, all statutory requirements necessary before the Board approves a toll adjustment had been completed. Notably 5 local hearings were held in May and June of this year. Four were in person public hearings at the locations listed in the slide here. There was also a virtual public hearing. The new toll rates being proposed and they are important for independent traffic engineering, toll adjustments and the specifics of the proposal have been available on our website since December and the public was provided ample time to send in comments. More than 200 comments were received and in the packet for you today is an assessment of all of those comments. No suitable alternative to the proposed toll adjustment was offered.

The proposal calls for the following adjustments to our tolls. Tolls will not change for the remainder of 2023. Systemwide with the exception of the Governor Mario M Cuomo Bridge, New York EZ-Pass rates will increase by 5% on January 1st, 2024, and again by 5% on January 1st, 2027. Systemwide, New York EZ-Pass transaction accounts for 74% of toll transactions. So, this is where it would change the impacts for the vast majority of our customers. Beginning on January 1st, 2024, New York's EZ-Pass passenger rates on the Governor Mario M Cuomo Bridge will increase \$.50 annually. During January 1st, 2027, this will bring the current base rate from \$5.75 to \$7.75 as of January 1st, 2027. There are two discount plans on the bridge that will remain in place, the 40% commuter discount plan will continue with no change. Participants in this plan would pay \$3.75 toll in 2024, and that would increase to \$4.65 by 2027. The second discount plan is the Westchester and Rockland Resident Discount Plan to continue the discount it will increase from its current 17% up to 20%. Participants in this plan would pay a \$5.00 toll

in 2024 increasing up to \$6.20 in 2027. On the bridge 31% of all trips are eligible for one of the two discount plans. So, it's a significant overall traffic. Commercial rates on the bridge will increase annually by amounts proportionate to passenger rate increases. We're going over the last change here, we encourage everyone to use the Thruway to enroll in New York EZ-Pass, it would make it easier for anyone to enroll and the options that will allow customers to use bank account or credit card, it's important that that's said. Both systemwide and on the bridge, beginning January 1st, 2024, toll by mail non New York EZ-Pass rates will add a differential of 75% above New York EZ-Pass rates. Currently 14% of our total trips are tolls by mail and 12% are made using out of state EZPass tags. So, this shows our rates and other tolls systems across the country. New York EZ-Pass toll rate for passenger vehicles is currently 4.5 cents per mile, that will go up to 4.7 cents per mile in 24 and then up to 4.9 cents per mile in 2027. As you can see with this slide, we are at the bottom of the scale. Some notable already proceed our 2027 rates are Garden State Parkway 6.5 cents per mile, Pennsylvania Turnpike at 14.6 cents per mile, New Jersey Turnpike which charges one rate for their northern/southern is 11.6 cents and the other one is 31.1 cents per mile. All the rates shown for the other toll roads here are their current rates, it's reasonable to assume that they'll have some toll adjustments between now and 2027. Commercial truck rates, I'm not showing this slide but our commercial rates a cent per mile basis compared favorably with other toll rates as it does for the passenger that you see here.

The left side of the next slide shows common commuter trips across our systems, you know in the Albany area or Schenectady, Syracuse area and shows the 4 year change for those trips ranging from 2 to 10 cents, up to 7 cents 19 cents for Leroy to Williamsville. The right hand side is the side that shows some longer distance trips that are common on the system and that the cost change over 4 years is very reasonable for the length of the trip that's involved.

While we're going over this next slide, I just want to repeat what I said before which is anyone can enroll in New York EZ-Pass. This slide shows how our out of state EZ-Pass and toll by mail rates will compare in cents of a mile basis to other roads and as you can see here, we are still very competitive, we're lower than a lot of the other toll roads even with the rate difference.

This last slide focuses on the rate change specifically on the Governor Mario M Cuomo Bridge compared to other major crossings in the New York metropolitan area. Our 2027 rating of \$7.75 will remain nearly 50% less than the current rates charged for all of the other major crossings into the New York City area. In staying with the systemwide increases as far as the commercial rates goes, they compare just as favorably on the bridge as you see here with the passenger rates. That concludes the presentation, I would be happy to answer any questions.

Bob Megna; Any questions for Dave on this?

Joanne Mahoney: It's on the consent agenda, so, this is our opportunity to weigh in really. I mean you can take it off the consent agenda if you want to, but just so you know it's on the consent agenda. I would just like to thank the Thruway staff, Frank, you and the whole team, this was an incredible amount of work that got us to here today. We participated a little and got to see it in action and I would like to thank the public that came and weighed in and offered comments, you said, you complied them for us. And this presentation illustrates that these are reasonable adjustments especially in light of what we just went over in terms of our increase in expenses with inflation and it's been 14 years, and I just want to specifically point out when you say everyone can get an EZ-Pass, I know there was concern when we first came forward with this proposal that there were people that were not able to get EZ-Passes but that was not the case, there is a work around for folks who don't have credit cards can still avail themselves of the EZ-Pass rates which is good information for us to have as we consider this. So, I just want to say thank you for getting us to this point. In my opinion, it was long overdue but this will put the Thruway Authority in a good position going forward.

Bob Megna: I just would add that again, thank you for the discussion today, I think it put everything in context, but this is something you guys have been going to the public with now for months. I don't think anyone can say that we've shied away from sharing with the public all of the implications both on the positive side and what these rates changes will be. So, again, I want to thank the folks that put the work in, but this is not just a today thing, this has been over a long significant period of time, and a lot of talking to the outside world. So, thanks for that.

Dr. Veras: And thank you for your great presentation. One of the things that we are going to tackle in the future is the statement of payments that basically they are in good condition but at some point daily and if we do not have like a proactive program replacements, we're going to have a tsunami wave years down the road. Would you like to explain to the public about what may be the impacts of these new tolls in payment or something. What might be the impact of this.

Dave Malone: From a financial perspective, this is going to allow us to put in the neighborhood of \$500 million dollars more into our capital into our multiyear capital program over the next 4 years. So, that's the financial side of it. The need is absolutely there. We are routinely in meetings with our engineers talking about the condition of the highway and we need to invest in that.

Dr. Veras: Thanks.

Heather Mulligan: I just wanted to first compliment all the staff. I thought the proposal was very well thought out. From my perspective, the things that I've heard from industry are that it's not enough of an increase so there is no opposition, certainly at least from folks that I've spoken to, and there is also great appreciation of the fact that there is not a disproportionate increase for commercial vs. noncommercial traffic, which I know there

was historically at least one proposal that had a huge over weighting on the commercial side and that was not well received, but I do not see that here. But thank you for the hard work and I had the experience of going to one of the public hearings and thought it was interesting how many people came out in support of the proposal.

Norman Jones: And I think the New York State Thruway is the best value for a transportation system in America, and I got to drive in Florida, Ohio, several different states and you are second to none in what you do and it truly appreciate the fact that not only are you keeping the roads safe during the summer, spring, and fall, but the real kicker is being there during the winter time so good program, good presentation, thank you for what you do.

Bob Megna: Are there any other comments or questions, if not may I have a motion to advance this item?

Dr. Veras: So moved.

Norman Jones: Second.

Bob Megna: Any further discussion? I don't think so, we already asked that. So, all in favor?

All: Aye.

Bob Megna: Any opposed? The motion is approved. Five, approving the 21st supplemental resolution authorizing the issuance of general revenue bond series P, approving the form of certain related documents, and authorizing an authorized officer to execute any other necessary documents related thereto. And Dave, do you want to talk about this?

Dave Malone: This item seeks the Finance Committee's authorization to allow us to issue up to \$1.7 billion dollar of bonds on a negotiated or competitive basis that would be valid for 1 year from today. A couple of important things to note, due to the objectives of the issuance that I will be discussing more details shortly, the \$1.7 billion dollar value being authorized is very broad. Our current investments of the final value of this transaction will be closer to \$1.2 billion dollars and a large portion of that will be refunding and refinancing. So, I don't want the Board thinking that we're going to be borrowing \$1.7 billion dollars, a lot of it is a refinancing. We also intend to issue a series of B bonds on a negotiating basis subject to OSC approval. Timing wise, we anticipate closing on series B transaction mid-December, but we may wait until early 2024, depending on marketing conditions and other factors. One of the reasons that we're seeking your approval at this meeting is, it allows us to close in December that's when marketing conditions are most beneficial to us. If we were to wait till the November meeting, closing before the end of the year would be difficult. So, that's one of the reasons we are at this meeting. The

transaction has four objectives; the first is to achieve savings by refunding approximately \$500 million dollars in series J bonds that are called for January 1st, 2024; second is to achieve savings by doing a tender offer to buy back outstanding series M taxable bonds. This is a new process this is New York's first tender offer and we're done. The goal is the tender will buy back some portion of the series M taxable bonds using proceeds of this new bond issuance at a price point to achieve savings for the Authority and is advantageous to the holder of the series M bonds. As of right now, we have \$857 million dollars in series M bonds outstanding and of this amount \$839 million would be offered for tender. We will not know how many bonds we will be able to buy back until we complete the tender offer process in advance of the series B closing, but the current estimate is a 40% participation rate. The Dormitory Authority recently completed a tender on some of their taxable bonds and had a 50% participation rate. The tender offer is one of the primary reasons we are doing the negotiated transaction instead of a another transaction. The third objective is to provide new money for the capital program. Potentially capitalize interest, \$300 million dollars will be provided to fund our multiyear capital program, and the final objective is to replace debt service with maturity bond that expires on January 1st, 2024, of \$13 million dollars. So, based on recent market conditions as of last week, our estimated present value savings from the refunding and tender component of this issuance would be approximately \$48 million dollars. Put this into context, that number has changed \$11 million in the last 2 to 3 weeks and we are 3 months away from the transaction. So, there is a lot of variables in play here and what we hope to ultimately refinance or refund, we will adjust for that as marketing conditions call for. The other thing is new money for in this transaction will be used to fund our capital program, barring some radical change or market range of rates are at, we are going to be paying more for our money than we have in recent years, and go back to series O which we issued in October 2021, that had an interest cost of 2.75% and the interest cost of series P based on last weeks rate would be about 4.28%. So, it's about 1.5% increase in interest rates since the last transaction we did. So, I mentioned all this variability so that if the committee approves this today, I recommend that I come back and give you an update in the November meeting, it will come into much clearer focus by mid-November with the final transaction will look like. To assist with any questions, we have Steve Peyser from our financial advisory firm Prag and Eric Taylor from our bond firm Hawkins, Delafield, and Wood. They are with us via video today and with that, they will answer any questions in regard to this transaction.

Joanne Mahoney: I'm curious, and maybe Bob, you can answer it. But what would a government shutdown due to this process? Would it be more expensive?

Bob Megna: It could go either way actually, I would defer to the bond guys who we're talking to, but depending on what the market's like, there maybe an increase in demand for public paper, that could actually work to our advantage, I would think, but I wouldn't want to predict that.

Joanne Mahoney: If we had a government shutdown I wonder if that would get people skittish about public and paper. Anyhow, do they have plans?

Dave Malone: Steve would you like to weigh in on that?

Steve Peyser: Yeah, if there's a government shutdown that lasts for a while, it could cause the GDP to slow down, so our growth slow down as a whole in the nation, and when growth slows down, generally bond prices improve our interest rates go down. So, it could have, because it could have a contractor effect on our economy, the fed might sort of decide not to keep rates at this level for a shorter period of time, so it could actually help interest rates. But obviously, it's going to have negative impacts on the economy as a whole if it lasts a while. So, sometimes bad news is good for bonds.

Joanne Mahoney: Thanks.

Bob Megna: Again, this is for you guys and I don't again, thank you, but aside, this is not an unusual amount that we're asking for for construction on actual thruway projects. A lot of this is to take advantage of some financial engineering that would benefit us overall.

Dave Malone: Yes, a large portion of the transactions is a refinance.

Bob Megna: Any other questions? If not, can I have a motion to advance the item?

Joanne Mahoney: So moved.

Bob Megna: Second. Can we get all the ayes.

All: Ayes.

Bob Megna: Any nays, if not, the motion passes. Do we have any other business on the finance meeting. If no other business can we adjourn?

Joanne Mahoney: So moved.

Dr. Veras: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: We're adjourned.

Joanne Mahoney: Thank you. I would like to call to order the Board Meeting of the New York State Thruway Authority. This scheduled meeting has been duly noticed as required by the Open Meetings Law and we're called to order pursuant to our bylaws Article 3, section 2. May I have a motion to enter the full board meeting/

Bob Megna: So moved.

Joanne Mahoney: Bob thank you, Heather second. All in favor?

All: Aye.

Joanne Mahoney: We are not in the full meeting of the board. Our first order of business is the public comment period for speakers to address items on today's agenda. Tanya, has anyone sent in written comments regarding today's agenda?

Tonya: No, they haven't.

Joanne Mahoney: Alright, that concludes the public comment period for today's agenda. The next order of business is the approval of the consent agenda. And you can see there the items and they are what we just went through in the Finance Committee meeting. May I have a motion to approve the consent agenda.

Bob Megna: So moved.

Joanne Mahoney: One of those can be our second. All in favor?

All: Aye.

Joanne Mahoney: Any opposition? The items are approved. And we have news today from the Governor's office that, Governor Hochul has recommended Frank Hoare to be the executive director of the Thruway Authority, congratulation. And it is the job of the board to appoint Frank if we so choose as the Acting Director pending senate approval, and as Frank and I talked about before the meeting, they could send it now but have agreed to wait until January when the legislature typically starts its robust calendar. So, this agenda item #6 would ask that we appoint Frank as Acting Executive Director, and I will open it up to any discussion before we ask for a motion. I will just say I'm thrilled, and I am happy that we'll have a steady hand here and things go well. Good luck with the Senate. Any discussion, if not, can I have a motion to approve?

Heather Mulligan: So moved.

Norman Jones: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Any opposition, the motion is approved, congratulations. And Selica you're going to handle agenda item #7, appointing Dave Malone as our Chief Financial Officer.

Selica: Yes, ma'am. Good afternoon, Madam Chair, Board members, my item is to appoint David Malone as the Chief Financial Officer for the Thruway Authority as well as the treasurer for the Authority. Dave comes with over 30 years of experience at the Thruway. Most recently he served as the Director of Accounting and Disbursement. So, we are excited to present this item to you for consideration.

Joanne Mahoney: Thank you. Any discussion? Hearing none, may I have a motion to advance?

Heather Mulligan: So moved.

Dr. Veras: Second.

Joanne Mahoney: Thank you, all in favor?

All: Aye.

Joanne Mahoney: The motion is approved, and I will say agenda item #8 is Dave's.

Dave Malone: This item seeks the Board's approval to enter into contract with NFP Property Casualty and Services, Incorporated to provide insurance broker and risk management services for the Authority. The selection was made using a competitive process following an issuance of an RFP. 4 proposals were received and evaluated. NFP proposal received the highest score. This contract will be for a 4-year term from November of 23 through 27 with an option for 1 additional year to November of 28. The maximum amount payable for the initial 4 years is \$574,500 and would increase to \$729,000 if the option for the 5th year is exercised. With that, I can answer any questions you may have.

Joanne Mahoney: Thank you. any discussion? Hearing none, may I have a motion to advance the item.

Bob Megna: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

All: Aye. Hearing no opposition, the motion is approved. Thank you and congratulations by the way on your work and your official role as our CFO and treasurer. And now agenda items 9, 10, and 11. Joe Igo please.

Joe Igo: Okay, good afternoon. Item #9, appointing Keith Fragomeni as Assistant Treasurer of the Authority and Christiano DeSorrento as Assistant Secretary of the Authority. So Keith Fragomeni, our Director of Investments and Pass Management will be moved from Assistant Secretary to Assistant Treasurer due to the vacancy created by the retirement of William McDonough. Mr. DeSorrento, who is an Associate Investment Officer in the Department of Finance will replace Mr. Fragomeni as the Assistant Secretary. If appointed, these individuals would have powers of these offices under the bylaws. They would be authorized to perform the duties of the Secretary and Treasurer in the absence of those individuals. Any questions?

Joanne Mahoney: Does anyone have any questions for Joe? I'll make a motion to advance, can I have a second?

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. Next #10.

Joe Igo: Thank you. Number 10 seeks authorizing the release of the reversion clause on land sold to the Madison County Industrial Development Agency currently owned by the International Boxing Hall of Fame. So, this item seeks authorization for the release of the reverter of real property that the Authority is entitled to pursue due to previous transfers to the International Boxing Hall of Fame for the fair market value of \$107,000. In 2013, the legislature authorized the sale of real property to Madison County IBA who sold the property to the International Boxing Hall of Fame in Canastota, New York. Property was transferred to the Hall of Fame in 2014 and 2023. The laws authorizing the sale required that the real property transfer shall revert to the Thruway Authority if the Hall of Fame did not develop the property and use it for a museum by July 31st, 2023. In 2022, legislation was signed into law that provided that the Hall of Fame may purchase the reverter interest from the state Thruway Authority at current fair market value. A recent appraisal was conducted, and it was determined that the fair market value of the reverter was \$107,000. The Authority has no need for this land, and therefore release of this reversion for fair market value is beneficial to the Authority. Any questions on this?

Joanne Mahoney: Alright, may I have a motion to advance, please?

Bob Megna: So moved.

Heather Mulligan: I'll second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. And Joe, agenda item #11 please.

Joe Igo: Thank you, item 11 seeks authorization for the Acting Executive Director to execute agreements for real property valuation services. So, this item seeks authorization to award contracts to 8 firms for real property appraisal services which will be awarded on either a decision basis or statewide basis. These 8 firms were selected pursuant to a request for proposals. We need multiple appraisers based on the availability to perform work, different types of property that require different skill sets, or knowledge of a particular area. Sometimes multiple appraisals are required for the same property. The agreements would be for a 5-year term up to a maximum amount payable of \$200,000 for each agreement. Any questions on this item?

Bob Megna: How many do we currently have?

Joe Igo: I believe it is around that number.

Bob Megna: That's really my question, so it's not unusual to have 8 around that?

Joe Igo: Yes.

Joanne Mahoney: I'm wondering if any of the 8 are women or veteran owned businesses?

Joe Igo: I believe they are. I will get you the exact number.

Joanne Mahoney: Thank you. Any other questions for Joe? Alright, may I have a motion to advance, please?

Norman Jones: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. Thank you very much, Joe. Now agenda item #12, Jim Konstalid will present please.

Jim Konstalid: Good afternoon, Madam Chair, Board members. I have 3 items. Item #12 Authorizing the Executive Director to execute an agreement with Alarm & Suppression Incorporated fire alarm system replacement and maintenance. A need to replace the existing fire alarm system for the headquarters building to comply with the building code and fire safety standards, this will improve liability and reduce maintenance and incurred cost of this current system. On May 15th of 2023, the Authority released RFP #23C07 and received 1 proposal following the competitive process. The proposal was evaluated by evaluation committee that represented several different departments. Alarm and Suppression Inc. was the selected proposer. Alarm and Suppression Inc. has more than 25 years of industry experience providing fire alarm services and inspections. Their trained service team has more than 100 years of combined experience in the delivery, service of and support of fire security systems. The agreement term is for a 3 month implementation period and maintenance for 3 years with the option to renew 2 one-year periods. The actual amount payable for the term of this contract will not exceed \$591,337 for maintenance and operations 2023 budget has funds available for the project and will do an appropriate budget analysis in the subsequent years of the agreement. I will answer any questions you may have.

Joanne Mahoney: Hearing no questions, may I have a motion to advance the plan?

Bob Megna: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. Jim.

Jim Konstalid: Thank you. Our next item authorizes the Acting Executive Director in executing an agreement with New York State Technology Enterprise Corporation to assist with land mobile radio contract negotiations and project implementation. Mobile radio systems maintenance, operations, and state police affiliate thruway system extreme technical nature of planned radio systems and the execution and maintains such a system, the Authority is seeking assistance with contract negotiations and projects and indications related to this RFP. New York State acknowledged Enterprise Corporation or NYSTEC is a not-for-profit company founded by New York State in 1995. NYSTEC was formed to help leverage technologies and expertise to benefit business and government entities statewide. Legislation was enacted in 1996 naming the New York State government entities to contract NYSTEC, therefore government entities are utilizing this OGS

statewide contract do not need to justify a single source use, and competition is not required. The Authority utilized NYSTEC for development of an RFP for the land mobile radio system and assisted in evaluating proposals in response to the RFP, and it would be in the Authority's best interest to continue utilizing NYSTEC to provide assistance in contract negotiations with tentatively awarded proposer and assistance with the project implementation. NYSTEC will provide project managers, dedicated to supporting the Authority's development of this new communication system. the Authority has utilized NYSTEC on two previous occasions, first in 2016, when a purchase order was issued in an amount of \$495,679 for services related to the planning, development, and fiber optic contracts. The second was between 2017 and 2020 when it was first issued in the amount of \$459,624 for assistance in writing two RFPs related to maintenance and marketing fiber optic system. The agreement is for a term of 4 years in an actual amount payable to determine this contract will not exceed \$5 million dollars. The department's maintenance and operations has funding available in the 2023 budget to allocate this project to include appropriate budget analysis. I will answer any questions you may have.

Joanne Mahoney: I think its great something like that exists.

Jim Konstalid: Absolutely awesome for us.

Joanne Mahoney: I would love you to share the information. Does anybody have any questions on agenda item #13?

Dr. Veras: For the benefits of the general public, do you think that could you explain why you use them?

Jim Konstalid: Sure, we share our radio handler with the State police, so maintenance and the state police occupy the same frequencies. There are very specific requirements for police and security, emergency management, radio systems, if I recollect which significantly wraps up the complexity and the security of the system. In addition, this is above and beyond, if there's cell phone towers, obviously, that has radio towers down the road, but this is independent of all of that, so certainly it's not able to fail.

Joanne Mahoney: Any other questions? Hearing none, may I have a motion to advance? Oh, Norm were you going to as a question?

Norman Jones: No, I'm just thinking, it's pretty cool.

Joanne Mahoney: It is, it's very...

Jim Konstalid: It's the back up of everything we do out there on radio communications for data sense you know opening and closing roads, having sequences reopening entrance ramps and we actually got to do in real time uninterruptable communications that have to

happen in a moment, so what we did in New York with that bridge closing, we did orchestrated reopening, exit by exit and everyone has to have access to the same information.

Bob Megna: Thruway Board Members when they breakdown on the highway.

Joanne Mahoney: I will say an aside that I was at a Special Olympics event in Rome, New York that day that the road was closed for the bridge repair and everyone had the information. They were all talking about how they were going to get back from Rome to Long Island and Staten Island and they all knew. So, well done to the communications team and that system.

Norman Jones: I was just going to say that having on time information is so critical to the operation team, when you're out there whoever that might be, having that ability and sharing it with cell towers. Living that life at one point in time, I'm just saying I'm very impressed with your presentation.

Joanne Mahoney: Any other discussion or questions? May I please have a motion to advance agenda item #14. And a second. All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. Thanks Jim. And we will move onto Josh, sorry that was agenda item #13 and we're moving onto agenda item, sorry, agenda item #14.

Jim Konstalid: Number 14 authorizes the Acting Executive Director to approve amendment C1010561 with the Association of Public Safety Communications Officials or APCO for frequency analysis in preparation for upgrade of Authority's and State Police Troop T's radio system. This is also related to the previous item. Radio frequency analysis is a required prerequisite to assist and operate available frequencies, track resources and existing radio signals, resulting geographic issues and ensure continued FCC compliance for years to come. Full upgrade of the Authority's radio system is scheduled to begin next year. At the September 30th, 2020, board meeting, the board authorized the Executive Director to execute a single source agreement with APCO to provide frequency analysis and upgrade to the radio system and internal maintenance for radio systems, which was fully executed on December 13th of 2020. The agreement had a term of 2 years with a maximum amount payable of \$160,000. Board approval is now being sought to waive competitive procedure for Acting Executive Director to negotiate and execute a first amendment for an extended term of the agreement for an additional 3 years. The amendment will add 3 years to the terms of the agreement however it will not change the maximum amount payable. After approval of the first amendment, the term will now be for 5 years in the same maximum amount payable of \$160,000. Department of maintenance and operations has funds in its 2023 budget which

was allocated to this project and will continue to allocate funds from this project for the remaining term. I will answer any questions you may have.

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

Bob Megna: So moved.

Heather Mulligan: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. And now we can move onto item #15 and Josh Klemm will present and I have a note here that Heather is recusing herself from this agenda item.

Josh Klemm: Good afternoon, Madam Chair, and members of the Board. Item 15 is authorizing agreements of communication providers for the use of the Thruway Authority's fiber optic system. The first agreement is with AT&T who has requested use of Thruway Authority's fiber optic system including internet and generation building source at various locations along the Authority's right of way. This use will be in accordance with Public Authority's Law. AT&T requests a 30-year agreement resulting in a total revenue of \$13,789,817. I'll pause at this time for any questions.

Joanne Mahoney: Do you have more?

Josh Klemm: There is a second one.

Joanne Mahoney: Any questions for the AT&T?

Bob Megna: Is 30 years pretty standard?

Josh Klemm: Correct, the industry department in that space looking for anything between 20 and 50 years on the commercial sideso 30 is the longest one we have but our next I think is listed as 23 or 24 years, so it's standard or grand construction nationwide. The second offer is an agreement from the New York State Office of Communication and Technology Services to use the New York Thruway Authority's fiberoptic system. ITS has requested use of innerducts, fiber optic cable at various locations. This use will be in accordance with Public Authority's Law. ITS is requesting a 10-year agreement resulting in total revenue of \$5,185,850.

Joanne Mahoney: Any questions? Hearing none, may I have a motion to advance, please?

Bob Megna: So moved.

Norman Jones: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. And Tanya will you note Heather has accused herself.

Tonya: Yes, I will.

Joanne Mahoney: Agenda item #16, 17, 18, 19, 20, and 21, Rich you're up.

Rich Lee: Good afternoon. Today, I will be presenting a total of 6 items. All of them will be requesting authorization to execute an engineering agreement. All of them contain 30% MWBE goals and 6% SVOB. The first item #16 is for D214932 – this is an agreement for biannual inspection of the Governor Mario M Cuomo Bridge New York division. It has a maximum amount payable of \$2,500,000 dollars. It has 28-month term with an option to extend for an additional 2 years. Five firms submitted letters of interest, all five were short listed, and the selected first is Stantec Consulting Services Inc.

Joanne Mahoney: Any questions? May I please have a motion?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Any opposition? The motion is approved.

Rich Lee: Item #17 is D214933 – an agreement for Geotechnical Hydrology and Hydraulic Support Services Statewide. Maximum amount payable is \$2 million. It is a 3-year term with an option to extend for an additional 3-years. Seven letters of interest were submitted, 3 were shortlisted. WSP USA is the selected firm.

Joanne Mahoney: Any questions on that one? May I please have a motion?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved.

Rich Lee: I have #18 this is for D214934 – an agreement for construction, inspection support services, in the Buffalo Division. It has a maximum amount payable of \$4 million dollars and a 3-year term with an option to extend for 1 additional year. Six firms submitted letters of interest, 3 of which were short-listed. Urban Engineers of NY D.P.C., is the selected firm in this case.

Joanne Mahoney: Any questions? May I please have a motion?

Dr. Veras: So moved.

Heather Mulligan: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved.

Rich Lee: Item #19 is for D214935 – an agreement for 2024 to 2025 biannual bridge and other structure inspections for the New York and Albany divisions in a maximum amount payable of \$6,300,000. A 28- month term with an option to extend for an additional 2 years. five letters of interest were submitted. All five were short-listed. ATANE Engineers, Architects and Land Surveyors, D.P.C. were the selected firm.

Joanne Mahoney: I do like this format both the iPad and the fact that you have listed all the MWBE, and you can see it all here, so I don't have any questions. Anybody else? May I please have a motion?

Bob Megna: So moved.

Norman Jones: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved.

Rich Lee: Item #20 is for D214936 – an agreement for construction and inspection support services in the New York division. Has a maximum amount payable of \$2 million. It's a 2-year term with an option for 1 additional year. 20 firms submitted letters of interest. 10 were short-listed. The firm selected is Gannett Fleming Engineers and Architects, PC.

Joanne Mahoney: Any questions? May I please have a motion?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved.

Rich Lee: The last one item #21 is for D214938 – an agreement for 2024/2025 biannual bridge and all their structural inspections in the Syracuse and Rockland divisions. It has a maximum amount payable of \$3,200,000 and it's a 28-month term with an option for an additional 2-years. 4 firms submitted letters of interest, 3 were short-listed. Popli Architecture + Engineering & L.S., D.P.C. was the selected firm.

Joanne Mahoney: Any questions? May I please have a motion?

Dr. Veras: So moved.

Heather Mulligan: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The motion is approved. Thank you very much Rich. And we will move to the part of our agenda where we can get a couple reports to the board, the first being from Andy Trombley, welcome.

Andy Trombley: Good afternoon, Madam Chair, members of the Authority Board and Acting Executive Director. I am here to present the exact report on the secured contracts and other agreements up to \$500,000 executed by the Executive Director in the April 1st,

2023 and June 30th, 2023. As you can see, we attached exhibit 1 there were 4 contracts awarded in the second quarter. Two which were amendments existing procurement contracts and 2 were new contracts. Please note that the two new contracts were single source contracts and 2 extensions were in place and therefore not eligible for MWBE or SVOB opportunities. That concludes our report. Thank you for the opportunity today and I would be happy to answer any questions you may have.

Dr. Veras: You mentioned you have two single sole source and basically can you provide an explanation.

Andy Trombley: The first was the Canal Society which they run the Erie Canal Heritage Park and that is an organization that has done that work for a long period of time and when we finally had a procurement in the past, they were the only ones that applied, so at this point it moved to just enter a single sole source contract subject to the approval of Comptroller. That has been obtained. The second was with the Adopt a Highway Corporation for their services and again, that was one of the specials that had limited or no competition.

Dr. Veras: Thanks.

Joanne Mahoney: Any other questions? I don't think we have to take any action, but thank you very much for your report. And we will turn to our new old acting, you are going from interim to acting, right? Our Acting Executive Director Frank Hoare, the floor is yours.

Frank Hoare: Thank you very much, let me begin my report with my thanks to the Governor for her recommendation and my thanks to you and the board for their vote in favor and your vote of confidence in me. It is really to me a recognition of the great work that everybody at the Thruway Authority does every single day from the executive staff to our division directors, to men and women who are out there every single day reporting to the headquarters, reporting to the four division headquarters, reporting to maintenance facilities, working out there all kinds of conditions, the cold of winter, the heat of summer, to deliver what the Board has recognized is truly the best Thruway system in the country, I think we all need that and know that to be the case. So, I take the vote for me as recognition of the great work they do. A couple of recent examples of that again, the clock and the calendar is always irrelevant when work has to be done, but Jim Konstalid eluded to the Thruway closure a week ago, a week and a half ago, again, we had an out of state truck driver slam into an overpass bridge just above the work of the Governor Cuomo Bridge. It was immediate response, very little destruction on that initial day, and then again, the great professionals and operators, our engineers, our architects, were monitoring and testing that bridge every single day, and in less than a week, it was discovered that that sunk another inch. Our folks immediately jumped into action, something of that nature, you can imagine just doesn't happen, but they came together as a great team not only internally and led by the New York division, but our engineers, our

maintenance operators, our highway supervisors, our safety folks, our emergency services team all worked together and came up with a great plan in a short amount of time, and working with our partners outside, particularly the trucking association and the state police. And they came up with a plan that required safety and due diligence to not only our folks but to the traveling public that the Thruway would need to be closed for what could be up to 24 hours. They were able to accomplish that in 16, and again something like that the Thruway doesn't often close down, it was an extraordinary event and the efforts to deal with that were extraordinary. So, again, I think we can all be very proud of the work that they do. That is just an example. Took many hours through a Friday night through the night into Saturday afternoon to get that work done, but they pulled it off and again, as you heard the word went out with our great communications team, got the word out and government folks constantly talking to elected officials who were very complimentary in terms of the outreach. Nobody wanted to see it closed down and understood the need for it. Understood why we were doing it and they appreciated then the communication that went out to the public to try to avoid that are if you could, also to have a plan to get that schedule out to people. So, I thank them for that. State Fair, I know you are a great fan and participant in that but we had our folks out there all 13 days at the State Fair again performing outreach and education to the public not only in terms of Thruway in general but in particular EZ-Pass issues and providing those services to the public.

And then I just wanted to touch on, we continue to modernize the Thruway and make those efforts to better serve our customers. It started with cashless tolling, cashless tolling makes travel safer, it's better for the environment, and we just recently passed 1 billion that's with a B 1 billion successful transactions on that system since we went live on that. And that's 1 billion and counting. We continue our efforts to modernize the service areas. Again, we are rebuilding and refurbishing all 27 service areas along the system. As we sit here, 11 are open as we speak, 11 newly opened. Another 3 will be opened by the end of the year, and by the start of Memorial Day weekend 22 out of the 27 will have been rebuilt or refurbished. Again, credit that effort with the team there that fields that every single day in working with our operator and working with the design builder to keep that going. Tremendous amenities, we've gotten complimented on that. Again, as we modernize and make it safer, amenities for families and our commercial drivers, and we reflect a growing need and a big part of that is a need for electric vehicle charging which again, you and I talked about many times, and that effort is continuing and it's all going to get bigger and better over time as the needs increase on that. We continue to invest in the 570 miles of thruway, 818 bridges, people hear these numbers and the need for our toll, modest toll increase, that's where it goes, it goes right back into the system to make it effective, efficient, and safe, and to get the traveling public to where they need to be. And it serves as an economic backbone for not only the state but across the country as we move north and east, and then west, into the Midwest. That investment that maintenance continues every day. We invested our maintenance last year, we plowed 1.5 million lane miles of snow, we're hoping that that number drops this

year, but we will see. But again, it's the work of Thruway women and men who are out there performing that work in all conditions.

Finally, I'll just touch on again, as we modernize, we are using the latest technology to make work zones safer. We're using drones to make bridge inspection safer. And we're doing everything in our power to modernize and to keep up with improving technology to make the system safe. We also continue to look for other sources of revenue. You voted on today a contract for our fiber that will bring in revenue. 90% of our revenue comes from our tolls and we are constantly looking for other sources of revenue. That is just one fiberoptic system is just one part of that, we continue to look for grants, federal grants. We are traditionally not part of that but a benefactor of that. The first time ever, this year, we have two one for drones and one for the Castleton Bridge over here, two federal grants. We have a robust group of people working here in the Thruway to explore all those opportunities and we will continue to do that again, to maximize any source of revenue out there because it goes right back into the system. It is never enough, but we will look for every single dollar that we can to pour into this system. So, again, that is my report board. So, if you have questions. Again, I thank you for the great honor that you've given me, and greatest honor to work with this tremendous group of people and to lead the New York State Thruway, so thank you very much.

Joanne Mahoney: How are we doing on hiring plow drivers?

Jim Konstalid: We are better than we were at this time last year. But we are still struggling in places to hire, but not as bad as we were at this point. With the Geo raise that went into effect last year and that will certainly help our ability to recruit and we're out there always looking, and always looking for the great individuals that want to come work for us.

Dr. Veras: I have a quick question. What's the use you said the bridge moved 1". How would that happen in the bridge. There was a sinking of...

Jim Konstalid: That was the girder that was damaged.

Dr. Veras: It was a damaged girder?

Rich Lee: Two of the 8 girders were very much damaged, and some cracks continued to open up over.

Dr. Veras: Okay.

Frank Hoare: And both those girders 110 feet in length had to be removed which is why the Thruway needed to close, you cannot perform that safely.

Bob Megna: Can I get you guys to come up and fix the 85? It's taken an entire year to screw up plans, but...

Norman Jones: A question, Frank I have is the actual trucker who hit the bridge, are they paying for the actual damage, or do they have enough insurance coverage?

Frank Hoare: We will pursue litigation. The Attorney General's office will represent us and we routinely do this. Our Claims Department in legal, annually collects \$6 to \$7 million in property damage claims to the Thruway. So, this will be part of that. We will go after them. Joe is looking at that now and only just to give you an idea of the extent here, not only was the cost to bring in these crews to do this demolition repair, it is estimated we lost about \$500,000 in tolls from the initial hit, we had to close down some lanes, and then the 16 hours that it was down about \$500,000 in lost toll revenue that we will not see, much like COVID. So, that will be part of the claim. We will pursue them vigorously. But the problem always is, they have insurance, the trucking company is out of Illinois, the driver was from Florida, and they did not oversize weight and what they were carrying. They did not ask for a permit, we get 60,000 permits a year, requests for this type of oversize and made plans. We plan it out, so the vast majority of folks do it, and do it right, but we get these breeches and they have been up this year the number of hits have been up, and that's part of the actual trend, different theories about it, but we do pursue each and every one we pursue. It's difficult to get dollar for dollar but we pursue them.

Bob Megna: What was the connecting bridge? What was the outside road or was it all through there?

Frank Hoare: No, it was South Broadway in Nyack. So, it went from one side of Nyack to the other.

Bob Megna: So, that was a big local disruption, as well.

Frank Hoare: Exactly, that bridge portion of the pavement happened to be ruined. It's still not fully opened, it's open to industrial traffic, and I believe 1 lane is open, alternating one lane in each direction, that is going to be a larger fix.

Norman Jones: What's the cost, what's the projection? Guestimate?

Male: Difficult to say right now.

Joanne Mahoney: I just want to address one stereotype and ask whether any of these bridge hits were by women drivers? (Everyone laughing). Alright, thank you for your report Frank. Tanya, now we have the public comment period for general Thruway Authority matters. Did we hear from anyone on general Thruway Authority...

Tanya: No.

Joanne Mahoney: Okay, is there any other business anybody wants to bring before the Board? Alright, that concludes the formal agenda for this September 18th Board Meeting. our next Board meeting will be November 14th, mark your calendars. There being no further business, may I have a motion to adjourn today's meeting?

Dr. Veras: So moved.

Norman Jones: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: The meeting is adjourned, thank you all.