



MINUTES

NEW YORK STATE THRUWAY AUTHORITY

BOARD MEETING NO. 639

April 25, 2005

Minutes of a meeting of the New York State Thruway Authority, held in the Board room at Administrative Headquarters, 200 Southern Boulevard, Albany, New York, 12209.

The meeting began at 10:30a.m.

There were present:

**John L. Buono, Chairman
Nancy Carey Cassidy, Board Member
John R. Riedman, Board Member**

Constituting all of the members of the Canal Corporation Board.

In addition, there were present the following staff personnel:

**Michael R. Fleischer, Executive Director
John Brizzell, Deputy Executive Director, Chief Engineer
John Bryan, Chief Financial Officer
Sharon O'Connor, General Counsel
William Rinaldi, Acting Director, Operations
Joanne Riddett, Director, Information Technology
Wendy Allen, Director, Department of Planning Services
Christopher Waite, Director, Engineering Services and Assistant Chief Engineer
George Tanner, Director, Maintenance Engineering and Assistant Chief Engineer
Michael Flynn, Director, Audit and Management Services
Jill Warner, Secretary and Board Administrator**

Captain Richard Smith, Troop T
Daniel Gilbert, Director, Public Affairs
Wilma DeLucco, Director, Administrative Services
Donald Bell, Director, Albany Division
Ramesh Mehta, Director, New York Division
Richard Garrabrant, Acting Director, Syracuse Division
William Leslie, Director, Buffalo Division
Lawrence Frame, Acting Director of Canals
Lawrence DeCosmo, Former CFO, Finance and Accounts
Marc Hannibal, Chief Attorney for Public Finance
Dorraine Steele, Director, Office of Fiscal Audit and Budget
Cailein MacDougall, Director, Capital Program Management Team

Also in Attendance:

Cathy Woodruff, *Albany Times Union*
Tom Regatti, Empire Radio
Erika Rosenberg, Gannett News Service
Aja Lownels, WAMC
Scott Patterson, WTEN
Steve Reynolds, WTEN
Bill Joyce, Motor Truck Association
Jerry DeLuca, Motor Truck Association
Gary Glinski, Inside Albany
Mark Johnson, *Associated Press*
David Hepp, Inside Albany
Tim Roske, *Associated Press*
Danielle Straus, Channel 9
Joe Fuschia, Channel 9
Tom Precious, *Buffalo News*
RJ Kelly, *Gazette*
Ray Zanta, Channel 13
John Allen, Channel 13
Laurie VanBuren, *Albany Times Union*
Eric Kriss, *Syracuse Post Standard*
John Milgrim, Ottoway News Service
John Tavjel, NYS Broadcasters
Jill Montag, Fox News
Barry Sanders, Fox News
MaryBeth Wenger, Channel 6
Jim Selitte, Channel 6
Rick Gobeille, Vollmer Associates



Chairman Buono noted that he, Ms. Carey Cassidy and Mr. Riedman had received and reviewed the Agenda submitted for consideration at this meeting and were prepared to act on each of the items.

The Chairman called the meeting to order.

Ms. Warner recorded the minutes as contained herein.

Public notice of the meeting had been given, Ms. Warner said.

Ms. Carey Cassidy expressed the Board's condolences to the family, friends and co-workers of Pamela L. Dulin, former Board Administrator. Ms. Carey Casssidy noted that Ms. Dulin was a dedicated employee who fought a long and courageous battle with cancer and she will be missed.

Item 1 by Ms. Warner (Appendix A)
Minutes of Meeting No. 638

On the motion of, Ms Carey Cassidy, seconded by Mr. Riedman, without any objections, the Board approved the minutes of Meeting No. 638 held on March 3, 2005, which were made available to the Board Members as part of the Agenda.

Item 2 by John Bryan (Appendix B)
Financial Reports – January and February 2005 and First Quarter Report

Mr. Bryan reported that in the first quarter of 2005, growth in passenger and commercial traffic was tempered due to an increase in unexpected adverse weather. As a result, net toll revenue for the first three months of 2005 increased by just over \$300,000 or 0.3 percent over the level collected in the first quarter of 2004. Compared to the 2005 budget, total net toll revenue collections was only \$1.0 million or 1.1 percent below the level forecasted.

Accounting for trends in toll, concession, sundry and other revenue, total revenue collected in the first quarter of 2005 was \$1.5 million or 1.5 percent over the level collected in the first quarter of 2004. Compared to budget estimates, total revenues were 0.8 percent or \$780,000 over estimates.

On the expense side, higher than anticipated costs associated with snow and ice removal and the high cost of fuel, steel and other costs forced up expenses in the first quarter of 2005. In addition, there was a number of computer hardware, computer



Item 2 by John Bryan (Appendix B)
Financial Reports – January and February 2005 and First Quarter Report (Continued)

software and other expenses that were paid out earlier than expected, which artificially inflated actual expenditures in the first quarter.

As a result, the Authority ended up about \$4.0 million or 4.6 percent over budget for the first quarter. However, since a large portion of this is attributable to the timing of payments, the underlying increase over budget is relatively small and can easily be made up throughout the remainder of the year.

Mr. Bryan reported that year-to-date capital expenditures are approximately \$21 million behind our 2005 plan – generally the result of delayed lettings and the timing of payments.

Following discussion regarding the financial condition of the Authority, on the motion of Ms. Carey Cassidy, seconded by Mr. Riedman, without any objections, the Board accepted the Financial Reports for the months of January and February 2005.

Item 3 by Mr. Fleischer (Appendix C)
Quarterly Report on Personal Service Contracts Up to \$150,000 Reported for the Period 1/1/05 through 3/31/05

Mr. Fleischer submitted as Exhibit I a listing containing Personal Service Contracts up to \$150,000 for the period of January 1, 2005 through March 31, 2005.

After full discussion, on the motion of Ms. Carey Cassidy, seconded by Mr. Riedman, without any objections, the Board accepted Mr. Fleischer's report.

Item 4 by Mr. Bryan and Ms. DeLucco (Appendix D)
Annual Report of 2004 Procurement Contracts

After full discussion, on the motion of Mr. Riedman, seconded by Ms. Carey Cassidy, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 5414

**ANNUAL REPORT OF 2004 PROCUREMENT
CONTRACTS**



Item 4 by Mr. Bryan and Ms. DeLuco (Appendix D)
Annual Report of 2004 Procurement Contracts (Continued)

RESOLVED, that the Schedules of 2004 Procurement Contracts (Exhibits A1, A2, and A3), as submitted, are hereby accepted, and be it further

RESOLVED, that all such contracts were executed in accordance with the applicable provisions of the following Board approved Policy Statement: **PROCUREMENT CONTRACTS (25-5-01)**, unless otherwise authorized by the Board, and be it further

RESOLVED, that the Bond Sale Report for Calendar Year 2004 (Exhibit B), as submitted, is hereby accepted, and be it further

RESOLVED, that staff is authorized to submit this report to the New York State entities as required by Section 2879 of the Public Authorities Law, and be it further

RESOLVED, that this resolution be incorporated in the minutes of this meeting.

Item 5 by Ms. DeLuco(Appendix E)
Confirming Informal Board Approval of a Sublease of the Authority's Lease Office Space at One Rockefeller Center in New York City

After full discussion, on the motion of Ms. Carey Cassidy, seconded by Mr. Riedman, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 5415

**CONFIRMING INFORMAL APPROVAL OF A
SUBLEASE OF THE AUTHORITY'S LEASED OFFICE
SPACE AT ONE ROCKEFELLER CENTER IN NEW
YORK CITY**

RESOLVED, that the Director of Administrative Services or her designee is authorized to negotiate a



Item 5 by Ms. DeLucco(Appendix E)

Confirming Informal Board Approval of a Sublease of the Authority's Lease Office Space at One Rockefeller Center in New York City (Continued)

sublease agreement with Stax, Inc. of the office space leased by the Authority from RCPI Landmark Properties, L.L.C. at One Rockefeller Center on the terms described herein, or such terms as may be deemed to be in the best interest of the Authority and consistent with the terms of this Item and the Thruway Real Property Management Policy (25-6-02), and to approve expenditures required in connection with such sublease, and be it further,

RESOLVED, that the Executive Director or his designee is authorized to execute the sublease agreement on behalf of the Authority, and all other documents necessary to implement, or related to, said sublease agreement, and be it further

RESOLVED, that the recommendation regarding the environmental significance of this action be and the same hereby is approved, and be it further

RESOLVED, that this Item be incorporated in full in the minutes of this meeting.

Item 6 by Ms. Riddett (Appendix F)

Authorizing the Executive Director or his designee to Execute a Contract with Keane, Inc., to Improve the Infrastructure Inventory and Inspection System (IIS) and Processing of Related Bridge Inspection and Soil Boring Data

After full discussion, on the motion of Mr. Riedman, seconded by Ms. Carey Cassidy, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 5416

AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO EXECUTE A CONTRACT WITH KEANE, INC., TO IMPROVE THE INFRASTRUCTURE INVENTORY AND INSPECTION SYSTEM (IIS) AND



Item 6 by Ms. Riddett (Appendix F)

Authorizing the Executive Director or his designee to Execute a Contract with Keane, Inc., to Improve the Infrastructure Inventory and Inspection System (IIS) and Processing of Related Bridge Inspection and Soil Boring Data (Continued)

**PROCESSING OF RELATED BRIDGE INSPECTION
AND SOIL BORING DATA**

RESOLVED, that the Executive Director, or his designee, be, and hereby is, authorized to execute a contract with Keane, Inc., to provide expertise and assistance to improve the ability of IIS to manage sign, bridge inspection and soil boring data, upon such terms and conditions consistent with this item, and upon such other terms and conditions as the Executive Director determines to be in the best interests of the Authority, and be it further

RESOLVED, that the Executive Director or his designee shall have the authority to exercise all powers reserved to the Authority under the provisions of the contract, manage and administer the contract, amend the provisions of the contract consistent with other Board authorizations and suspend or terminate the contract in the best interest of the Authority, and be it further

RESOLVED, that this resolution be incorporated in the minutes of the meeting.

Report by Mr. Fleischer
Capital Program

Mr. Fleischer provided the Board with an update on the Authority's Six-Year Capital Program that was introduced at the December Board Meeting. He re-iterated that these changes are necessary to meet our obligations for a top of the line transportation corridor. The Authority remains committed to projects outlined below:

- 500 miles of new and/or rehabilitated highway
- 227 new and/or rehabilitated bridges
- 695 new truck parking spaces
- 9 new noise barrier locations



Report by Mr. Fleischer
Capital Program (Continued)

- Installation of 12 new higher speed E-ZPass lanes (Lackawanna & Newburgh)
- Installation of 16 new highway speed E-ZPass lanes (Woodbury, Williamsville, Canaan, Yonkers and potentially Albany)
- Installation of 15 new dedicated E-ZPass lanes.

Mr. Fleischer gave an overview of the public process followed by Authority Staff since December that included briefings for Legislative Staff, as well as letters sent to members of the State Senate and Assembly, including Finance, and the Chairperson of both the Ways and Means Committees as well as other State leaders. A toll calculator was added to the Authority's Website in January allowing the public to calculate the impact of the toll increase on the cost of their trips. The Comptroller's office was briefed on the Authority's plan and a public notice was put into the State Register. Authority Staff met with 15 community groups throughout the State, as well as with the Bond Rating Agencies.

Public Hearings regarding the Capital Plan were held in Buffalo, Syracuse, Albany and Rockland Counties. The Authority received public input in several forms listed below:

- | | |
|--------------------------|--------------|
| • Emails | 103 |
| • Phone Calls | 4 |
| • Letters | 40 |
| • Speakers (at Hearings) | 81 |
| • Website | 30, 089 hits |
| • Toll Calculator | 16, 362 hits |

The majority of the concerns voiced at the public hearings dealt with the toll increase and vehicle re-classification for commercial vehicles. The Authority currently has 43 vehicle classifications that will be reduced to nine. Vehicles with similar height the same number of axles will now be in the same class. Simplification is needed to prepare the Thruway for Automated Vehicle Classification (AVC) that can be used for toll collection at highway speeds. In certain cases, the proposed re-classification system for commercial vehicles resulted in increases that exceeded the 35 percent cash increase recommended in December.

- | | |
|-------------------------------------|-----|
| • 48' trucks | 56% |
| • Dairy Petroleum carriers (6 axle) | 93% |



Report by Mr. Fleischer
Capital Program (Continued)

- Dairy Petroleum carriers (7 axle) 131%

As a result of this information, Authority staff revised the proposed plan to include a special additional E-ZPass discount for certain commercial vehicles and a phase-in of the overall commercial increase through a temporary increase in the volume discount program. Mr. Fleischer stated that the revised plan addresses the serious anomalies of the proposed classification system.

The revised plan includes a special E-ZPass discount program for 48' trucks, including dairy and petroleum carriers, which will bring these commercial vehicles with E-ZPass back to a 28% increase. It will also reduce and phase-in the increase for commercial carriers with E-ZPass through an enhanced volume discount program, regardless of the size of the vehicle. The revised plan maintains the \$80 mainline commuter plan or Annual Permit, which would have increased to \$100 under the December proposal.

Changes to the commercial and commuter toll structures will generate approximately \$20 million in savings to customers in 2005 and approximately \$25-30 million in 2006. In order to provide the savings the Capital Program will be extended to seven years and which will still allow for the maintenance of Thruway infrastructures in good condition. The revised Capital Plan remains fully financed and preserves the fiscal integrity of the Program. The financing plan still exceeds fiscal management guidelines.

Mr. Fleischer stated that no additional funding provided by the toll increase will be invested into the Canal System. Improvements at Exit 24 remain a priority and Authority staff are working to better manage the E-ZPass program, including a new RFP for the administration of E-ZPass.

The toll increase is expected to take effect on May 15, 2005.



Item 7 by Mr. Fleischer (Appendix G)

Establishing Lead Agency Status for Environmental Review of the Proposed Toll Increase and Vehicle Classification System, Approving the Issuance of a Negative Declaration of Environmental Significance, Approving Proposed Toll Increases and a New Vehicle Classification System to Finance the Authority's Capital Plan, Authorizing Amendment to the Rules and Regulations of the Authority and Any Other Action Necessary for Implementation of the Proposed Toll Increase and New Vehicle Classification System

Ms. Carey Cassidy stated that the Board has put off a toll increase for 17 years but the road needs to be maintained for the people who use it every day.

Chairman Buono thanked Mr. Fleischer and Authority Staff for their efforts and thanked the outside organizations for their input and responsiveness which helped ensure that the public process worked. He stated that these changes are needed to ensure that the Authority continues to have one of the safest, most efficient highway systems in the United States.

Mr. Riedman concurred with Ms. Carey Cassidy and Chairman Buono but asked that a proviso be added to the minutes that if additional recurring funding for the Canal Corporation should become available the Authority reconsider the size of the increase for private passenger cars.

After full discussion, on the motion of Mr. Riedman, seconded by Ms. Carey Cassidy, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 5417

ESTABLISHING LEAD AGENCY STATUS FOR ENVIRONMENTAL REVIEW OF THE PROPOSED TOLL INCREASE AND VEHICLE CLASSIFICATION SYSTEM, APPROVING THE ISSUANCE OF A NEGATIVE DECLARATION OF ENVIRONMENTAL SIGNIFICANCE, APPROVING PROPOSED TOLL INCREASES AND A NEW VEHICLE CLASSIFICATION SYSTEM TO FINANCE THE AUTHORITY'S CAPITAL PROGRAM, AUTHORIZING AMENDMENT TO THE RULES AND REGULATIONS OF THE AUTHORITY AND ANY OTHER ACTION NECESSARY FOR IMPLEMENTATION OF THE PROPOSED TOLL



Item 7 by Mr. Fleischer (Appendix G)

Establishing Lead Agency Status for Environmental Review of the Proposed Toll Increase and Vehicle Classification System, Approving the Issuance of a Negative Declaration of Environmental Significance, Approving Proposed Toll Increases and a New Vehicle Classification System to Finance the Authority's Capital Plan, Authorizing Amendment to the Rules and Regulations of the Authority and Any Other Action Necessary for Implementation of the Proposed Toll Increase and New Vehicle Classification System (Continued)

INCREASE AND NEW VEHICLE CLASSIFICATION SYSTEM

RESOLVED, in accordance with the provisions of Resolution No. 5394 adopted at Meeting No. 635 held on December 16, 2004, the staff of the Authority has undertaken preparatory actions in relation to establishing a toll increase and a new vehicle classification system and that such actions conform with the Authority's General Revenue Bond Resolution and the applicable statutory procedures outlined in the Public Authorities Law, the Executive Law, the State Administrative Procedure Act, Executive Order #20 and the State Environmental Quality Review Act as further detailed in the report contained in Exhibit 1 attached hereto and made a part hereof, and be it further

RESOLVED, that in accordance with the applicable provisions of the State Environmental Quality Review Act and the regulations promulgated thereunder (6 NYCRR Part 617), the Board determines and establishes that the Authority shall be Lead Agency for the determination as to whether the proposed toll increase and new vehicle classification system will have a significant impact on the environment, and be it further

RESOLVED, that as Lead Agency, the Authority has prepared a full Environmental Assessment Form, attached hereto as Exhibit 2 and made a part hereof, and has undertaken a full environmental assessment to examine the impact that a proposed toll increase and new vehicle classification system will have on environmental,



Item 7 by Mr. Fleischer (Appendix G)

Establishing Lead Agency Status for Environmental Review of the Proposed Toll Increase and Vehicle Classification System, Approving the Issuance of a Negative Declaration of Environmental Significance, Approving Proposed Toll Increases and a New Vehicle Classification System to Finance the Authority's Capital Plan, Authorizing Amendment to the Rules and Regulations of the Authority and Any Other Action Necessary for Implementation of the Proposed Toll Increase and New Vehicle Classification System (Continued)

human and community resources and has given them appropriate weight in considering the action to be taken with respect to the implementation of a toll increase and new vehicle classification system, and be it further

RESOLVED, that the Board adopts the Negative Declaration of Environmental Significance attached hereto as Exhibit 3 and made a part hereof and approves the issuance of such Negative Declaration of Environmental Significance in accordance with the provisions of 6 NYCRR Part 617, and be it further

RESOLVED, that the Board approves and adopts the specific plan for vehicle classification and the specific program of toll increases necessary to fund the multi-year Capital Plan and meet the requirements of the Authority's General Revenue Bond Resolution presented for its consideration and attached hereto as Exhibit 4 and made a part hereof and authorizes the Executive Director, or his designee, to take all actions necessary to amend the rules and regulations of the Authority to implement the specific toll increases and the specific vehicle classification in accordance with this Resolution, and be it further

RESOLVED, that the Board authorizes the Executive Director, or his designee, to take any other action deemed necessary to accomplish the implementation of the toll increase and the vehicle classification system authorized herein, including the revision of the capital plan approved in Resolution No. 5394 to include a seventh year for the Multi-year Capital Plan and to reallocate the projects within the approved



Item 7 by Mr. Fleischer (Appendix G)

Establishing Lead Agency Status for Environmental Review of the Proposed Toll Increase and Vehicle Classification System, Approving the Issuance of a Negative Declaration of Environmental Significance, Approving Proposed Toll Increases and a New Vehicle Classification System to Finance the Authority's Capital Plan, Authorizing Amendment to the Rules and Regulations of the Authority and Any Other Action Necessary for Implementation of the Proposed Toll Increase and New Vehicle Classification System (Continued)

Plan in accordance with terms herein, and be it further

RESOLVED, that this Resolution be incorporated
in full in the minutes of this meeting.

Executive Session

On the motion of Mr. Riedman, seconded by Ms. Carey Cassidy, without any objections, the Board voted to convene to Executive Session to discuss matters relating to the possible appointment of two corporations.

Adjournment

There being no further business to come before the Board, on the motion of Mr. Riedman, seconded by Ms. Carey Cassidy, without any objections, the meeting was adjourned.

Jill B. Warner
Secretary

