



## **MINUTES**

### **NEW YORK STATE THRUWAY AUTHORITY**

#### **BOARD MEETING NO. 654**

**October 30, 2006**

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 10:40 a.m.

**John L. Buono, Chairman**  
**Nancy E. Carey Cassidy, Board Member**  
**Erin M. Crotty, Board Member**  
**Jeffrey D. Williams, Board Member**  
**Frederick Howard, Board Member**

Constituting a majority of the members of the Thruway Authority Board.

In addition, there were present the following staff personnel:

**Michael R. Fleischer, Executive Director**  
**John Bryan, Chief Financial Officer**  
**Sharon O'Connor, General Counsel**  
**William Rinaldi, Director, Albany Division**  
**Joanne Riddett, Director, Information Technology**  
**Christopher Waite, Chief Engineer**  
**Jill Warner, Secretary and Board Administrator**  
**Major George Beach, Troop T**  
**Daniel Gilbert, Chief of Staff**  
**Wendy Allen, Deputy Chief of Staff**  
**Thomas Fitzgerald, Acting Director, Administrative Services**  
**Donald Bell, Director, Operations and Maintenance**  
**Carmella Mantello, Director of Canal Corporation**

**Michael Flynn, Director, Audit & Management Services**  
**Kevin Allen, Unit Supervisor, Audit & Management Services**  
**Dorraine Steele, Director, Office of Fiscal Audit and Budget**  
**Lawrence Frame, Deputy Director of Canal Corporation**  
**Richard Garrabrant, Director, Syracuse Division**  
**Ramesh Mehta, Director, New York Division**  
**Cathy Sheridan, Canal Capital Program**  
**Richard Harris, Deputy Director of Canal Community Development and Land Management**  
**Jennifer Meicht, Deputy Director, Canal Office of Communications and Marketing**  
**Betsy Graham, Acting Director, Office of Public Affairs**  
**Tracie Sandell, Assistant Counsel**  
**John Brizzell, Transportation Federation Liaison**  
**Michael Sikule, Director, Office of Investments and Asset Management**  
**Howard Goebel, Hydrologist, Office of Canal Operations, Maintenance and Engineering**  
**Marc Tryon, First Sergeant, Troop T**  
**Captain Christopher Fiore, Troop T**  
**Howard Jones, Troop T**  
**Also in Attendance:**  
**Cathy Woodruff, Reporter, Albany Times Union**  
**Marty Latko, President, Teamsters Local 72**  
**Terrence Aldridge, Secretary Treasurer, Teamsters Local 72**  
**Craig Miller, Senator Dale Volker's Office**  
**Mark Henneson, Assemblyman Sam Hoyt's Office**  
**Tom Precious, Buffalo News**  
**Christopher Fahey, Congressman Brian Higgins' Office**  
**Geraldine Gouthier, Public**  
**Rich Kellman, Reporter, WGRZ Channel 2, Buffalo**  
**Joe O'Roarke, Cameraman, WGRZ Channel 2, Buffalo**

**Chairman Buono noted that he, Ms. Carey Cassidy, Ms. Crotty, Mr. Howard and Mr. Williams 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.**

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Chairman Buono introduced newly appointed Board Member Mr. Frederick Howard and welcomed him on behalf of the Board and Authority Staff.

**Item 1 by Ms. Warner (Appendix A)**  
**Minutes of Meeting No. 653**

On the motion of Mr. Williams, seconded by Ms. Crotty, without any objections, the Board approved the minutes of Meeting No. 653 held on September 14, 2006, which were made available to the Board Members as part of the Agenda.

**Item 2 by Mr. Bryan (Appendix B)**  
**Financial Reports – August and September 2006**

Mr. Bryan reported that net toll revenue in the first nine months of 2006 was \$41.7 million over the level collected in the same period of 2005, representing an increase of 11 percent (\$22.1 million of this increase was from passenger vehicles and \$19.6 million was from commercial vehicles).

Higher fuel prices and their affect on traffic have led to a 4.3 percent reduction in gasoline deliveries to Thruway service areas so far this year, causing a 4.9 percent decline in gasoline revenues to the Authority through the first nine months of the year.

Despite small growth in restaurant sales for the first three quarters of the year, restaurant revenues were down due to a contractual decrease in the rental rate at the HMS Host food facilities that started in October 2005. As a result, for the first nine months of 2006 total concession revenue is about 8.4 percent or \$920,000 below the level collected in the first nine months of 2005.

Sundry and other revenue collections continue to significantly exceed last year's levels, up by just over \$5.3 million. As mentioned in previous monthly reports, almost all of this increase is due to higher interest earnings received on our investments.

Accounting for toll, concession, sundry and other revenue collections, total operating revenue in the first nine months of 2006 reached \$450 million which was about \$46.0 million or 11.4 percent above the level collected in the first nine months of 2005.

On the operating expense side, for in the first nine months of 2006 total operating expenses were \$26.4 million or 9.9 percent above expenses for the same period in 2005. However, these expense numbers include a \$5.0 million deposit made



**Item 2 by Mr. Bryan (Appendix B)**  
**Financial Reports – August and September 2006 (Continued)**

to Claims Reserves. After adjusting for this reserve deposit, expenses increased by 7.3 percent or \$21.4 million.

Following discussion regarding the financial condition of the Authority, on the motion of Ms. Carey Cassidy, seconded by Mr. Williams, without any objections, the Board accepted the Financial Reports for the months of August and September 2006.

**Item 3 by Mr. Bell (Appendix C)**  
**Authorizing the Executive Director to Execute a Revised E-ZPass Interagency Group Operating Agreement**

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

**RESOLUTION NO. 5555**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO  
EXECUTE A REVISED E-ZPASS INTERAGENCY  
GROUP OPERATING AGREEMENT**

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**RESOLVED**, that the Executive Director be, and he hereby is, authorized to execute a revised E-ZPass Interagency Group Operating Agreement, upon such terms and conditions as are consistent with this item; and be it further

**RESOLVED**, that the Executive Director be, and he hereby is, authorized to execute amendments to such Operating Agreement which the Executive Director, in consultation with the General Counsel, determine to be in the best interests of the Authority and necessary or convenient to effectuate the purposes thereof without materially altering the terms thereof; 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 Agreement, manage and administer the Agreement, and



**Item 3 by Mr. Bell (Appendix C)**

**Authorizing the Executive Director to Execute a Revised E-ZPass Interagency Group Operating Agreement (Continued)**

suspend or terminate the Agreement in the best interests of the Authority; and be it further

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

**Item 4 by Mr. Bell (Appendix D)**

**Authorizing the Executive Director to Execute an E-ZPass Interagency Group Reciprocity III Agreement to Enable the Implementation of E-ZPass Plus Services at Privately Owned Parking Facilities**

This Item was withdrawn from consideration at this time.

**Item 5 by Mr. Bell (Appendix E)**

**Authorizing an Amendment to the Rules and Regulations of the Authority (Part 100.10 and Part 102.1 (a) (19) in Relation to Saddle-mount Vehicles**

After full discussion, on the motion of Mr. Williams, seconded by Mr. Howard, without any objections, the Board adopted the following resolution:

**RESOLUTION NO. 5556**

**AUTHORIZING AN AMENDMENT TO THE RULES AND REGULATIONS OF THE AUTHORITY (PART 100.10 AND PART 102.1(a)(19) IN RELATION TO SADDLE-MOUNT VEHICLES**

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RESOLVED, that the Board approves the proposed amendments to the Authority's rules and regulations as presented in Exhibit I and Exhibit II attached hereto, and be it further

RESOLVED, that the Board authorizes the Executive Director, or his designee, to take all actions necessary for adoption of such amendments in accordance with the State Administrative Procedure Act (SAPA), Executive Order #20, and any other applicable statutes, policies and procedures, and be it further



**Item 5 by Mr. Bell (Appendix E)**

**Authorizing an Amendment to the Rules and Regulations of the Authority (Part 100.10 and Part 102.1 (a) (19) in Relation to Saddle-mount Vehicles (Continued)**

RESOLVED, that the Executive Director, or his designee, is authorized to make modifications to such amendments as he deems appropriate in response to any comments that may be received during the rulemaking process conducted in accordance with SAPA, Executive Order #20 and any other applicable statutes, policies and procedures, and be it further

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

**Item 6 by Mr. Fleischer (Appendix F)**

**Authorizing the Executive Director to Give the New York State Department of Transportation (“DOT”) the Required One (1) Year’s Notice that the Authority is Returning Maintenance and Operation of Interstate Route 84 (“I-84”) to DOT Pursuant to the I-84 Agreement and Authorizing the Executive Director to Suspend Toll Collection on Portions of the I-190 (the Niagara Section of the Thruway), Specifically, the Black Rock and City Line Barriers, Based Upon Receipt of Written Assurances that Funding for One (1) Year Covering the Lost Revenue from Said Barriers will be Provided to the Authority and Upon Actual Receipt of Funding Covering One (1) Year of Lost Revenue from Said Barriers, Authorizing the Executive Director to Remove the Toll Barriers at Black Rock and City Line on I-190**

Mr. Fleischer presented an Item to the Board which would provide for a number of actions related to the elimination of toll collection at the Black Rock and City Line toll barriers in Buffalo. To allow for the ceasing of toll collections at these locations, the Authority would accept \$14.1 million in funding provided by the New York State Senate through Senator Dale Volker.

In order for the removal of the tolls to be a revenue neutral action, Mr. Fleischer requested the Board’s authorization to provide the New York State Department of Transportation one year’s notice that the Authority is returning maintenance and operation of Interstate 84, which is authorized under the Authority and DOT’s 1992 Agreement on I-84. The return of I-84 to DOT will result in a decrease of annual operating expenses for the Authority of \$14.1 million. This method for meeting revenue neutrality has been endorsed by Assemblyman Sam Hoyt. The transfer of I-84 is the only action at this time that can be pursued at the Authority’s



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own discretion to meet the revenue neutrality requirement.

Mr. Fleischer advised that members of both houses of the State Legislature from the Buffalo area have worked with Authority staff to find a solution that does not negatively impact the Authority’s finances or Capital Program. Vollmer Associates LLP has prepared a report indicating that the combination of the elimination of toll collection at the Black Rock and City Line barriers and the return of operation and maintenance of I-84 to DOT will not result in an adverse financial impact on the Authority.

If this Item is approved today by the Board, there will be an increased State Police presence at the barriers, advanced signage and reduced speed limits along the I-190 to keep travel through the barriers as safe as possible pending removal. The Authority expects to have a contract in place to remove the toll barriers in the Spring of 2007.

Board Member Williams, of Lewiston, N.Y., thanked the Board in advance for their support of this issue and stated: “This is a good day for Buffalo.”

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

**RESOLUTION NO. 5557**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO GIVE THE NEW YORK STATE DEPARTMENT OF TRANSPORTATION (“DOT”) THE REQUIRED ONE (1) YEAR’S NOTICE THAT THE AUTHORITY IS RETURNING MAINTENANCE AND OPERATION OF INTERSTATE ROUTE 84 (“I-84”) TO DOT PURSUANT**



**Item 6 by Mr. Fleischer (Appendix F)**

**Authorizing the Executive Director to Give the New York State Department of Transportation (“DOT”) the Required One (1) Year’s Notice that the Authority is Returning Maintenance and Operation of Interstate Route 84 (“I-84”) to DOT Pursuant to the I-84 Agreement and Authorizing the Executive Director to Suspend Toll Collection on Portions of the I-190 (the Niagara Section of the Thruway), Specifically, the Black Rock and City Line Barriers, Based Upon Receipt of Written Assurances that Funding for One Year Covering the Lost Revenue from Said Barriers will be Provided to the Authority and Upon Actual Receipt of Funding Covering One Year of Lost Revenue from Said Barriers, Authorizing the Executive Director to Remove the Toll Barriers at Black Rock and City Line on I-190 (Continued)**

**TO THE I-84 AGREEMENT AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUSPEND TOLL COLLECTION ON PORTIONS OF THE I-190 (THE NIAGARA SECTION OF THE THRUWAY), SPECIFICALLY, THE BLACK ROCK AND CITY LINE BARRIERS, BASED UPON RECEIPT OF WRITTEN ASSURANCES THAT FUNDING FOR ONE YEAR COVERING THE LOST REVENUE FROM SAID BARRIERS WILL BE PROVIDED TO THE AUTHORITY AND UPON ACTUAL RECEIPT OF FUNDING COVERING ONE YEAR OF LOST REVENUE FROM SAID BARRIERS, AUTHORIZING THE EXECUTIVE DIRECTOR TO REMOVE THE TOLL BARRIERS AT BLACK ROCK AND CITY LINE ON I-190.**

**RESOLVED, that Sections 10 and 11 of Chapter 53 of the Laws of New York of 1991 (“Chapter 53”) authorized the Authority to acquire by transfer without consideration from the State acting through the Commissioner of the New York State Department of Transportation (the “Commissioner”) the highway connection presently known as I-84 together with any other rights in land necessary for the proper and safe operation and maintenance of said highway connection pursuant to an Agreement between the Commissioner and the Chairman of the Authority; and be it further**

**RESOLVED, that the Authority Board pursuant to Resolution Numbers 4060 and 4084 authorized the**



**Item 6 by Mr. Fleischer (Appendix F)**

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Chairman to enter into and execute said Agreement; and be it further

RESOLVED, that the Authority and DOT entered into said Agreement on March 19, 1992; and be it further

RESOLVED, that pursuant to the I-84 Agreement, the Authority is responsible for operation and maintenance of I-84, and DOT is responsible for capital projects; and be it further

RESOLVED, that the I-84 Agreement provides that after July 1, 1996, the Authority shall have the right to terminate said Agreement for any reason upon giving one year’s notice to DOT and upon such termination, the Authority shall have no further operational, maintenance or financial obligations with respect to I-84 and the property shall revert to DOT; and be it further

RESOLVED, that it is in the best interests of the Authority to exercise its right to terminate the I-84 Agreement at this time; and be it further

RESOLVED, that the Authority projects spending approximately \$14.1 million in 2007 on operation and maintenance of I-84, which costs are expected to increase each year; and be it further



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RESOLVED, that the Executive Director is hereby authorized to give DOT one year’s notice that the Authority is returning operation and maintenance of I-84 to DOT pursuant to the I-84 Agreement, and be it further

RESOLVED, that the Authority projects 2007 toll collections of \$13.5 million (after eliminating the costs of collection) at the Black Rock and City Line Barriers on I-190, the Niagara Section of the Thruway; and be it further

RESOLVED, that the Executive Director is authorized to suspend toll collection, as soon as is reasonably possible at the Black Rock and City Line toll barriers on I-190, based upon the written assurances, attached hereto as Exhibit F, that funding in the amount of \$14.1 million will be provided to the Authority from DOT and DASNY to compensate the Authority for its lost revenue at said toll barriers; and be it further

RESOLVED, that DOT will pay an additional \$7.55 million for the construction of TANY 06-51, I-87/I-84 Interchange Reconstruction (Exit 17) Contract 3, thereby increasing DOT’s estimated share of construction from \$26.4 million to \$33.95 million. Further, DOT’s additional funding will be available during 2007, thus reducing the Authority’s 2007 construction expenditures from \$13.857 million (Items H308.1 and B520.2 of the 2007 Contracts Program) to \$6.307 million, and be it further



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RESOLVED, that the Authority has applied for an Economic Development Grant from DASNY in the amount of \$6.55 million for the I-87/I-84 Interchange Reconstruction, Contract 2 and DASNY has informed the Senate that there are no adverse issues that would prevent the award of a grant to the Authority; and be it further

RESOLVED, the Vollmer report, attached hereto as Exhibit E, indicates that the combination of the elimination of toll collection at the Black Rock and City Line Barriers and the return of operation and maintenance of I-84 to DOT will result in a net budget savings of some \$0.6 million annually; and be it further

RESOLVED, that upon the Authority’s receipt of the entire \$14.1 million (\$7.55 million from DOT and \$6.55 million from DASNY) the Executive Director is authorized to commence the contracting process to remove the toll barriers at Black Rock and City Line on I-190; and be it further

RESOLVED, that the Executive Director is authorized to take all necessary actions, including the setting and posting of reduced speed limits along sections of I-190 for safety purposes until such time as the Black Rock and City Line barriers are permanently removed ; and be it further



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RESOLVED, that the Executive Director’s recommendation for the issuance of a negative declaration regarding the environmental significance of this action (“Recommendation”) pursuant to the State Environmental Quality Review Act (“SEQRA”), be, and the same hereby is approved; and be it further

RESOLVED, that the Executive Director, or his designee, be, and the same hereby is, authorized to execute the SEQRA Short Environmental Assessment form, the Coastal Assessment form and the Negative Declaration in accordance with the Recommendation, and to distribute any required notices on behalf of the Board relative to this action; and be it further

RESOLVED, that Authority staff will continue to monitor the implementation of this initiative to ensure actual financial results are consistent with the Vollmer report projections so that the Authority continues to meet its obligations under its bond resolution; and be it further

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



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**Adjournment**

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

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**Jill B. Warner**  
**Secretary**

