



MINUTES

NEW YORK STATE THRUWAY AUTHORITY

BOARD MEETING NO. 656

January 17, 2007

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 and by video conference from the New York State Thruway Authority's New York Division, 4 Executive Boulevard, Suffern, New York, 10901.

The meeting began at 10:55 a.m.

There were present:

John L. Buono, Chairman
E. Virgil Conway, via video conference
Frederick M. Howard, Board Member
Kevin J. Plunkett, Board Member
Jeffrey D. Williams, Board Member

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

Ms. Carey Cassidy and Ms. Crotty were not present at this meeting and did not vote on any of the Items.

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
John Barr, 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
Ramesh Mehta, Director, New York Division
Cathy Sheridan, Canal Capital Program Manager
Richard Harris, Deputy Director of Canal Community Development and Land Management
Betsy Graham, Acting Director, Office of Public Affairs
John Brizzell, Transportation Federation Liaison
Kathy McCartney, Deputy Counsel
Tracie Sandell, Assistant Counsel
Eric Christensen, Program Manager, E-ZPass Operations
Liz Yanus, Office Manager, Office of the Deputy Chief of Staff
Kathy Taylor, Cash Management Analyst, Bureau of Debt Management
Michael Sikule, Director, Office of Investments and Asset Management
Jim Chicoine, Director, Office of Capital Program Management
Patrick Hoehn, Deputy Director, Syracuse Division
Steve Sweeney, Canal Engineer, Albany Division
John Callaghan, Special Assistant, Canal Community Development and Land Management
Also in Attendance:
Cathy Woodruff, Reporter, *Albany Times Union*
Bob Connor, Reporter, *Schenectady Daily Gazette*
Lloyd Lowy, Outside Counsel, Hawkins Delafield & Wood, LLP
Stanley Kramer, Bond Counsel, Hawkins Delafield & Wood, LLP
Steve Kantor, Managing Director, First Southwest Company
Geraldine Gauthier, General Public

Chairman Buono noted that he, Mr. Howard, Mr. Plunkett, Mr. Conway 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.



Chairman Buono introduced newly appointed Board Members Mr. Kevin J. Plunkett, Esq. and Mr. E. Virgil Conway and welcomed them on behalf of the Board and Authority Staff.

Item 1 by Presentation by First Southwest Company
Interest Rate Hedging Strategies

Steve Kantor, Managing Director of First Southwest Company, made a brief presentation to the Board and staff regarding interest rate hedges (attached as Appendix A). He discussed reasons to use interest rate hedges such as taking advantage of a low interest rate environment, reducing the Authority's cost of capital, locking in the cost of capital, reducing the interest rate variability and promoting budget certainty. At the present time the Authority anticipates \$1.7 billion of new money borrowing needs to support the current Multi-Year Capital Plan.

Interest rate risk can be hedged in a variety of ways. The Authority can hedge none, all or a part of its interest rate risk. First Southwest recommends that the Authority consider four strategies: interest rate locks, cash settled interest rate swaps, forward starting swaps and forward bond purchase agreements.

The Authority, like numerous other public authorities (MTA, Dormitory Authority) in New York that have entered into hedging arrangements, does not have express statutory power to enter into hedges, but its enabling act authorizes the Authority to enter into "any contracts necessary or convenient." The Authority's bond counsel, Stanley Kramer of Hawkins Delafield & Wood, LLP, is prepared to render market accepted opinions as to the validity of contracts necessary to implement interest rate hedging strategies similar to those currently supporting billions of dollars of such contracts for other New York public authorities.

Mr. Kantor explained that an interest rate hedge is based upon different market rates calculated at different times. An increase in rates would result in a payment to the Authority; a decrease in rates would result in a payment from the Authority. The hedge can have a "flexible" delivery date, so the Authority could close on any date during a defined period.

Board Member Williams asked what the worst case scenario would be if the Authority engaged in a hedging strategy. The potential for a decline in interest rates was the only negative noted. Board Member Conway stated that savings would still be noted as dollar cost averaging would be achieved through diversification.



Item 1 Presentation by First Southwest Company
Interest Rate Hedging Strategies (Continued)

First Southwest recommended to the Board that the Authority implement an interest rate hedging program. It would provide the Authority with a conservative approach to interest rate management; it may also result in lower costs to fund capital projects and would give the Authority greater budget certainty. In moving forward the Authority's next steps would include determining hedging strategies. Adopting formal hedging policies and executing and managing the program.

Mr. Conway, who started the hedging program for the MTA when he was Chairman, stated that he believes it to be an excellent program and fully supports the Authority engaging it, especially in light of volatile interest rates. Chairman Buono agreed and stated that it would be a useful management tool for the Authority. Mr. Williams asked that Ms. Carey Cassidy be given time to consider the proposal and provide comments to the Board. Mr. Howard asked Mr. Kantor to provide more examples and background information on the program. Mr. Plunkett requested an assurance from Mr. Kramer that Hawkins Delafield & Wood, LLP would prepare an unqualified opinion. Mr. Kramer responded that the firm would do so.

After a full discussion the Board instructed staff to move forward and develop a hedging program for the Authority and to return and provide the Board with proposed guidelines and policies for formal approval.

Item 2 by Ms. Warner (Appendix A)
Minutes of Meeting No. 655

On the motion of Mr. Williams, seconded by Chairman Buono, without any objections, the Board approved the minutes of Meeting No. 655 held on November 16, 2006, which were made available to the Board Members as part of the Agenda.

Item 3 by Mr. Bryan (Appendix B)
Financial Reports – October and November 2006

Mr. Bryan reported that net toll revenue in the first eleven months of 2006 was \$43.0 million over the level collected in the same period of 2005, representing an increase of 9.2 percent (\$22.3 million of this increase was from passenger vehicles and \$20.8 million was from commercial vehicles). The growth rate in toll collections dropped a bit from what was experienced in the first 10 months of 2006, as the Authority suspended toll collection at the Black Rock and City Line barriers in Buffalo on October 30th.



Item 3 by Mr. Bryan (Appendix B)
Financial Reports – October and November 2006 (Continued)

Higher fuel prices and their affect on traffic have led to a 3.2 percent reduction in gasoline deliveries to Authority service areas so far this year – causing a 3.9 percent decline in gasoline revenues to the Authority through the first eleven months. In November, however, the Authority saw the monthly growth rate in deliveries and revenues increase above last year’s rates as gas prices dropped and traffic picked up from the summer slump.

Despite very small growth in restaurant sales for the first 11 months of the year, restaurant revenues were down due to a contractual decrease in the rental rate at HMS Host food facilities that started in October 2005 as well as the renovation-related closure of several WNY service areas in October of 2006. As a result, for the first eleven months of 2006 total concession revenue is about 8.3 percent or \$800,000 below the level collected in the first eleven months of 2005.

Sundry and other revenue collections continue to significantly exceed last year’s levels – up by just over \$4.7 million. As mentioned in previous monthly reports, almost all of this increase is due to due to higher interest earnings received on Authority investments.

Accounting for toll, concession, sundry and other revenue collections, total operating revenue in the first eleven months of 2006 reached \$550 million which was just over \$46.8 million or 9.3 percent above the level collected in the first eleven months of 2005.

On the operating expense side, in the first eleven months of 2006 total operating expenses were \$29.6 million or 9.2 percent above expenses for the same period in 2005. However, these expense numbers include a \$5.0 million deposit made to Claims Reserves. After adjusting for this reserve deposit, expenses increased by 7.6 percent or \$24.6 million.

Following discussion regarding the financial condition of the Authority, on the motion of Mr. Plunkett, seconded by Mr. Howard, without any objections, the Board accepted the Financial Reports for the months of October and November 2006.



Item 4 by Mr. Bryan (Appendix C)

Extending the Expiration of Provisions Previously Approved Under Resolution No. 5464, Declaring Surplus to Authority Needs, Real Property Reference Nos. 530-A and 530-B; and Authorizing their Conveyance to Rockland County Sewer District No. 1

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

RESOLUTION NO. 5568

EXTENDING THE EXPIRATION OF PROVISIONS PREVIOUSLY APPROVED UNDER RESOLUTION NO. 5464, DECLARING SURPLUS TO AUTHORITY NEEDS, REAL PROPERTY REFERENCE NOS. 530-A AND 530-B; AND AUTHORIZING THEIR CONVEYANCE TO ROCKLAND COUNTY SEWER DISTRICT NO. 1

RESOLVED, that the expiration of provisions previously approved under Resolution No. 5464 be, and the same hereby is, extended through May 20, 2007; and be it further

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

Item 5 by Mr. Bryan (Appendix D)

Authorizing the Designation of Underwriting Firms to Serve as Senior Managers, Co-Senior Managers and Co-Managers for Authority Bond Sales and Authorizing the Executive Director to Enter into Contracts with the Designated Firms for Underwriting Services

Board Member Kevin J, Plunkett, Esq. made the following statement prior to any discussion of this Item:

“It has come to my attention that Raymond James has responded to the Authority’s RFP for Underwriting Services, issued in October 2006 with proposals due by November 30, 2006. I was not a member of the Board until December 2006. My nephew, Jake Plunkett, is the Director of the Municipal Bond Department at Raymond James. Therefore, I must recuse myself from activity involving Raymond James and Thruway Authority/Canal Corporation matters. Specifically, I am abstaining from



Item 5 by Mr. Bryan (Appendix D)

Authorizing the Designation of Underwriting Firms to Serve as Senior Managers, Co-Senior Managers and Co-Managers for Authority Bond Sales and Authorizing the Executive Director to Enter into Contracts with the Designated Firms for Underwriting Services (Continued)

voting on any resolutions or agenda items regarding the possible designation of Raymond James as an underwriter for the Authority. I am recusing myself to avoid any possibility of a conflict of interest or an appearance of a conflict of interest.”

At the conclusion of his statement Mr. Plunkett left the Board Room until discussion of this Item had concluded and a vote was recorded.

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

RESOLUTION NO. 5569

AUTHORIZING THE DESIGNATION OF UNDERWRITING FIRMS TO SERVE AS SENIOR MANAGERS, CO-SENIOR MANAGERS AND CO-MANAGERS FOR AUTHORITY BOND SALES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO CONTRACTS WITH THE DESIGNATED FIRMS FOR UNDERWRITING SERVICES

RESOLVED, that the Board authorizes the designation of Citigroup Global Markets Inc. and Goldman, Sachs & Co. to a senior manager pool, from which firms will be selected to serve as senior managers to the Authority when issuing bonds, and the same hereby is approved; and be it further

RESOLVED, that by virtue of designation to the senior manager pool, said firms may also be selected to serve as co-senior managers and co-managers to the Authority when issuing bonds, and be it further

RESOLVED, that the Board authorizes the designation of Banc of America Securities LLC; JPMorgan Securities Inc.; Lehman Brothers; and Raymond James & Associates, Inc. to a co-senior manager pool, from which



Item 5 by Mr. Bryan (Appendix D)

Authorizing the Designation of Underwriting Firms to Serve as Senior Managers, Co-Senior Managers and Co-Managers for Authority Bond Sales and Authorizing the Executive Director to Enter into Contracts with the Designated Firms for Underwriting Services (Continued)

firms will be selected to serve as co-senior managers to the Authority when issuing bonds, and the same hereby is approved; and be it further

RESOLVED, that by virtue of designation to the co-senior manager pool, said firms may also be selected to serve as co-managers to the Authority when issuing bonds, and be it further

RESOLVED, that the Board authorizes the designation of A. G. Edwards & Sons, Inc.; First Albany Capital; KeyBanc Capital Markets; Loop Capital Markets, LLC; M. R. Beal & Company; Roosevelt & Cross Incorporated; Siebert Brandford Shank & Co., LLC; Sterne, Agee & Leach, Inc.; Southwest Securities, Inc.; and Wachovia Bank, National Association to a co-manager pool, from which firms will be selected to serve as co-managers to the Authority when issuing bonds, and the same hereby is approved; and be it further

RESOLVED, that the Executive Director is authorized to designate, in accordance with this resolution, from the aforementioned approved firms, the senior managers, co-senior managers and co-managers to perform the necessary banking services for the bond sales occurring through December 31, 2009; and be it further

RESOLVED, that the Executive Director is authorized to add, from time to time during the contract period, through additional solicitations, more firms to the co-manager pool when and if needed; and be it further

RESOLVED, that the Executive Director is authorized to enter into contracts with each firm selected to



Item 5 by Mr. Bryan (Appendix D)

Authorizing the Designation of Underwriting Firms to Serve as Senior Managers, Co-Senior Managers and Co-Managers for Authority Bond Sales and Authorizing the Executive Director to Enter into Contracts with the Designated Firms for Underwriting Services (Continued)

the senior manager, co-senior manager and co-manager pools for underwriting services; 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 the terms of this item and other Board authorizations and suspend or terminate the contract 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 6 by Ms. O’Conor (Appendix E)

Authorizing the Executive Director to Execute a Fifth Amendment to the Agreement (C100431) with Whiteman, Osterman and Hanna for Legal Services to Increase the Monetary Cap

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

RESOLUTION NO. 5570

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIFTH AMENDMENT TO THE AGREEMENT (C100431) WITH WHITEMAN, OSTERMAN AND HANNA FOR LEGAL SERVICES TO INCREASE THE MONETARY CAP

RESOLVED, that the Executive Director be, and he hereby is, authorized to execute a Fifth Amendment to the Agreement (C100431) with Whiteman, Osterman and Hanna for legal services, such amendment to be on such



Item 6 by Ms. O’Conor (Appendix E)

Authorizing the Executive Director to Execute a Fifth Amendment to the Agreement (C100431) with Whiteman, Osterman and Hanna for Legal Services to Increase the Monetary Cap (Continued)

terms and conditions as the Executive Director and General Counsel determine to be in the best interests of the Authority, and be it further

RESOLVED, that such Fifth Amendment shall increase the maximum amount payable under such agreement by \$175,000, from the current monetary cap of \$1,350,000, to a new monetary cap of \$1,525,000, 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 this Agreement, manage and administer this Agreement, amend the provisions of this Agreement consistent with the terms of this Item and other Board authorizations and suspend or terminate this Agreement in the best interest of the Authority, and be it further

RESOLVED, that sufficient funds are provided in the 2007 Thruway and Canal operating budgets for these expenditures, and be it further

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

Item 7 by Mr. Bell (Appendix F)

Authorizing the Executive Director to Execute an Agreement with ACS State & Local Solutions, Inc. to Provide E-ZPass New York Customer Service Center Services

Mr. Bell provided the Board with information regarding the terms of the proposed Agreement. Mr. Bell indicated that in addition to the projected annual savings of \$2 million, the contract contains provisions aimed at improving customer service. Chairman Buono commented that the Board Members had been critical of the level of customer service provided in the past. Mr. Bell added that more checks and balances were built into the new contract, specifically 31 performance standards, as an



Item 7 by Mr. Bell (Appendix F)

Authorizing the Executive Director to Execute an Agreement with ACS State & Local Solutions, Inc. to Provide E-ZPass New York Customer Service Center Services(Continued)

assurance of improved customer service. Mr. Plunkett inquired as to when the RFP was issued to which Mr. Bell responded June 2005, Mr. Howard questioned the significance of the three-year renewal provision. Authority staff explained that three years was deemed an appropriate time period in which to complete the lengthy procurement process and transition to a new contract. Mr. Conway applauded the customer service efforts of ACS and attributed the problems experienced by the New Jersey Turnpike with their system to their initial decision not to participate in the joint venture.

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

RESOLUTION NO. 5571

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH ACS STATE & LOCAL SOLUTIONS, INC. TO PROVIDE E-ZPASS NEW YORK CUSTOMER SERVICE CENTER SERVICES

RESOLVED, that the Executive Director be, and hereby is, authorized to execute an Agreement with ACS State & Local Solutions, Inc. to provide the Authority with E-ZPass New York Customer Service Center services; and be it further

RESOLVED, that such Agreement shall be for a term of ten years, with an option to renew for one additional three-year term, shall have a maximum amount payable of \$202.5 million, and shall be on such other terms and conditions as the Executive Director and General Counsel determine to be in the best interests of the Authority; and be it further

RESOLVED, that the Authority's Chief Financial Officer be, and hereby is, authorized to charge expenditures for services rendered pursuant to such Agreement to the Operating Budget; and be it further



Item 7 by Mr. Bell (Appendix F)

Authorizing the Executive Director to Execute an Agreement with ACS State & Local Solutions, Inc. to Provide E-ZPass New York Customer Service Center Services (Continued)

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, amend the provisions of the Agreement consistent with the terms of this item and other Board authorizations and 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 8 by Mr. Bell (Appendix G)

Authorizing the Executive Director to Execute an Agreement with ACS State & Local Solutions, Inc. to Provide the Thruway Authority with Replacement Toll Ticket Processing Equipment

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

RESOLUTION NO. 5572

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH ACS STATE AND LOCAL SOLUTIONS, INC., TO PROVIDE THE THRUWAY AUTHORITY WITH REPLACEMENT TOLL TICKET PROCESSING EQUIPMENT

RESOLVED, that the Executive Director or his designee be, and hereby is, authorized to execute an agreement with ACS State and Local Solutions, Inc., 1090 King Georges Post Road, Edison, NJ 08837 for toll ticket processing equipment; and be it further

RESOLVED, that the Agreement shall be for a term of 10 (ten) years, with options to renew, in the Authority's discretion, for 2 (two) additional 1 (one) year terms, shall have



Item 8 by Mr. Bell (Appendix G)

Authorizing the Executive Director to Execute an Agreement with ACS State & Local Solutions, Inc. to Provide the Thruway Authority with Replacement Toll Ticket Processing Equipment (Continued)

a maximum amount payable of \$9,779,000 and shall be on such other terms and conditions as the Executive Director or his designee, determine to be in the best interests of the Authority; and be it further

RESOLVED, that the Executive Director or his designee be, and hereby is authorized to execute any and all renewals of such Agreement on such terms as he determines to be in the best interest of the Authority and consistent with applicable policies and procedures; 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, amend the provisions of the agreement consistent with the terms of this item and other Board authorizations and 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 9 by Mr. Bell (Appendix H)

Approval of General Policy for Dissemination of CCTV Images

Mr. Bell presented an overview of the Authority's CCTV program noting that there are currently 76 cameras installed along the Thruway and 17 more are expected to be added over the course of the next few years. Board Member Howard expressed concern relative to public exposure in the event of a high-profile incident occurring on the Thruway. Ms. O'Connor replied that the Authority has the ability to cut the feed at any time. Board Member Plunkett inquired as whether the cameras were monitored continuously to which Mr., Bell responded that they were.

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



Item 9 by Mr. Bell (Appendix H)

Approval of General Policy for Dissemination of CCTV Images (Continued)

RESOLUTION NO. 5573

**APPROVAL OF THE GENERAL POLICY FOR
DISSEMINATION OF CLOSED CIRCUIT TELEVISION
IMAGES**

RESOLVED, that the General Policy for Dissemination of Closed Circuit Television (CCTV) Images, set forth as Exhibit A attached hereto, is hereby approved, and be it further

RESOLVED, that the Executive Director or his designee be, and he hereby is, authorized to execute agreements with public and private entities that provide for the dissemination of Authority CCTV images, provided that such agreements are in compliance with the requirements of the Policy, 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 such agreements; manage and administer such agreements; amend the provisions of such agreements consistent with the terms of this item and other Board authorizations; and suspend or terminate such agreements in the best interests of the Authority, and be it further

RESOLVED, that Resolution No. 5523, adopted by the Board on July 6, 2006 at Meeting no. 651, is hereby rescinded, and be it further

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



Item 10 by Mr. Bell (Appendix I)

Authorizing the Executive Director to Execute a Public Pay Telephone Agreement with Verizon New York, Inc. to Provide Public Pay Telephones and Related Services for Thruway and Canal Travelers at Numerous Locations

Mr. Bell reported that this is a contract for the installation and operation of public pay phones along the Thruway system. Board Member Conway asked why the Angola location was excluded from this agreement. Mr. Bell explained that Angola was covered by a separate contract that allows McDonald's to provide for this service at the Angola Travel Plaza.

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

RESOLUTION NO. 5574

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A PUBLIC TELEPHONE AGREEMENT WITH VERIZON, NEW YORK, INC. TO PROVIDE PUBLIC PAY TELEPHONES AND RELATED SERVICES FOR THRUWAY AND CANAL TRAVELERS AT NUMEROUS LOCATIONS

RESOLVED, that the Executive Director be and hereby is authorized to execute an Agreement with Verizon New York, Inc. consistent with the requirements of the RFP and Proposal, to run for a period of three years with two one-year renewal options, and be it further

RESOLVED, that the Executive Director, or his designee, be and hereby is authorized to consent to any necessary or beneficial amendments or modifications to the Agreement, after consultation with the Director of Maintenance and Operations, such amendments to be consistent with the policies and procedures of the Authority and related Board Resolutions and be it further

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



Item 11 by Mr. Waite (Appendix J)

Approving Supplemental Agreement No. 1 to D213202 with Stantec Consulting Services, Inc. for Design Services Relative to the Rehabilitation of I-90, M.P. 438.5 to M.P. 451.5 in the Buffalo Division

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

RESOLUTION NO. 5575

APPROVING SUPPLEMENTAL AGREEMENT NO. 1 TO D213202 WITH STANTEC CONSULTING SERVICES, INC. FOR DESIGN SERVICES RELATIVE TO THE REHABILITATION OF I-95, M.P. 438.5 TO M.P. 451.5 IN THE BUFFALO DIVISION

RESOLVED, that the proposed Supplemental Agreement No. 1 to D213202 with Stantec Consulting Services, Inc., 2060 Brighton Henrietta Town Line Road, Rochester, New York 14623, for an additional sum of \$918,000, be, and the same hereby is, approved, and be it further

RESOLVED, that the revised Maximum Amount Payable for this Agreement (D213202) be \$1,860,000, and be it further

RESOLVED, that the Chief Engineer or his designees shall have the authority to exercise all powers reserved to the Authority under the provisions of the Supplemental Agreement, manage and administer the Supplemental Agreement, amend the provisions of the Supplemental Agreement consistent with the terms of this item and in accordance with the 2007 Contracts Program Resolution No. 5553 and other Board authorizations, and suspend or terminate the Supplemental Agreement in the best interests of the Authority, and be it further

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



Item 12 by Mr. Waite (Appendix K)

Approving Supplemental Agreement No. 3 to D213271 with C&S Engineers, Inc. for Design Services Relative to the Reconstruction of I-90, M.P. 289.3 to M.P. 304.5 in the Syracuse Division

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

RESOLUTION NO. 5576

APPROVING SUPPLEMENTAL AGREEMENT NO. 3 TO D213271 WITH C&S ENGINEERS, INC. FOR DESIGN SERVICES RELATIVE TO THE RECONSTRUCTION OF I-95, M.P. 289.3 TO M.P. 304.5 IN THE SYRACUSE DIVISION

RESOLVED, that the proposed Supplemental Agreement No. 3 to D213271 with C&S Engineers, Inc., 499 Col. Eileen Collins Boulevard, Syracuse, New York 13212, for an additional sum of \$1,800,000, be, and the same hereby is, approved, and be it further

RESOLVED, that the revised Maximum Amount Payable for this Agreement (D213271) be \$3,860,000, and be it further

RESOLVED, that the Chief Engineer or his designees shall have the authority to exercise all powers reserved to the Authority under the provisions of the Supplemental Agreement, manage and administer the Supplemental Agreement, amend the provisions of the Supplemental Agreement consistent with the terms of this item and in accordance with the 2007 Contracts Program Resolution No. 5553 and other Board authorizations, and suspend or terminate the Supplemental Agreement in the best interests of the Authority, and be it further

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



Item 13 by Mr. Waite (Appendix L)

**Authorizing Additional Funding for the Award of the TABS 06-54B (D213648),
Rehabilitation of the Castleton Bridge in the Albany Division**

Mr. Waite provided an overview of the scope of work associated with the rehabilitation of the Castleton Bridge that includes repairs of the piers and substructure. He reported that an additional \$16 million is requested to align the rehabilitation costs with the bid received by the low bidder, which exceeded the Engineers Estimate by 411 million. Chairman Buono asked for an explanation regarding the dramatic differences between the estimates. Mr. Waite cited difficulty in accessing the bridge as the primary reason. The bridge stands approximately 150 feet over the Hudson River and swamps and is supported by 55 piers. The project was originally let in June 2006, however no bids were received. Contractors were surveyed to ascertain the reason for the lack of interest. Their responses included: the preference not to extend the company's bonding capability as they wanted to bid on other New York State Department of Transportation projects; the lack of appropriate time to develop a bid; as well as some uncertainty in several of the major items. This feedback prompted the Authority to revise the scope and re-let the project in November 2006. Two proposers responded, both of whose bids exceeded the Engineers Estimate but were within five percent of each other. When asked by Board Member Plunkett if D.A. Collins Construction Co. had provided previous services to the Authority, Mr. Waite responded affirmatively. Board Member Conway expressed concern about the significant difference in the estimates prepared by the Authority and the contractors and asked if the Authority estimate should be increased. Mr. Waite noted that the Authority's estimate had been revised prior to the November 2006 letting. Board Member Howard asked if the Authority might receive a better price if the project were re-bid, to which a negative response was provided by Mr. Waite. Board Member Plunkett asked if not performing the work would be an option, Mr. Waite again responded, stating that more work would be required in the future if the project was delayed and deterioration would be accelerated. Board Member Conway asked how the Authority determined the actual difference in the unit prices for each item. Mr. Waite advised that a review of the bids with the contractors led to this determination. The inherent deterioration and the extensive cost of the repairs would result from the delay was the response provided to Board Member Conway's inquiry to the potential impacts of delaying this work. Questions concerning the initiation and analysis of design plans were raised by Board Member Plunkett. Mr. Waite reported that design plans were developed in-house in consultation with Wilbur Smith Associates, Greenman-Pedersen, Inc. and Erdman, Anthony and Associates, Inc. Board Member Plunkett requested clarification of the funding source. He expressed concern that if \$9.9 million in savings from the Tappan Zee Bridge (TZB) Partial Substructure Replacement were allocated the funds would not be available to the TZB



Item 13 by Mr. Waite (Appendix L)

**Authorizing Additional Funding for the Award of the TABS 06-54B (D213648),
Rehabilitation of the Castleton Bridge in the Albany Division (Continued)**

project when necessary. He was reassured by Mr. Fleischer that the TZB funds would be available when needed for the project.

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

RESOLUTION NO. 5577

**AUTHORIZING ADDITIONAL FUNDING FOR THE
AWARD OF TABS 06-54B (D213648), REHABILITATION
OF THE CASTLETON BRIDGE IN THE ALBANY
DIVISION**

RESOLVED, that additional funding for the award of TABS 06-54B, Rehabilitation of the Castleton Bridge in the Albany Division, to D.A. Collins Construction Co., Inc. for their low bid of \$32,207,674 be authorized, and the same hereby is, and be it further

RESOLVED, that an additional sum of \$9,900,000 for 2007 be, and the same hereby is, allocated toward contract TABS 06-54B from savings in the 2007 Contracts Program that is associated with B905.1, Tappan Zee Bridge Partial Superstructure Replacement, 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 the terms of this item and other Board authorizations and suspend or terminate the contract in the best interests of the Authority, and be it further

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



Item 14 by Mr. Waite (Appendix M)

Authorizing Negotiation and Execution of Two Term Agreements (D213650 and D213651) with Two Engineering Firms for Construction Inspection Support Services for a Period of Two Years

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

RESOLUTION NO. 5578

AUTHORIZING NEGOTIATION AND EXECUTION OF TWO TERM AGREEMENTS (D213650 AND D213651) WITH TWO ENGINEERING FIRMS FOR CONSTRUCTION INSPECTION SUPPORT SERVICES FOR A PERIOD OF TWO YEARS

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute term agreements (D213650 and D213651) with the two (2) engineering firms listed in Exhibit A, attached hereto, for construction inspection support services with the Maximum Amount Payable of each of these agreements not to exceed the amount shown in the attached Exhibit A, and be it further

RESOLVED, that the Chief Engineer or his designees shall have the authority to exercise all powers reserved to the Authority under the provisions of the agreements, manage and administer the agreements, amend the provisions of the agreements consistent with the terms of this item and in accordance with the 2007 Contracts Program Resolution No. 5553 and other Board authorizations, and suspend or terminate the agreements in the best interests of the Authority, and be it further

RESOLVED, that the information relating to each agreement be included in the Chief Engineer's Quarterly Report to the Board on Contracts Program activities which will include the date of execution of each agreement, and be it further



Item 14 by Mr. Waite (Appendix M)

Authorizing Negotiation and Execution of Two Term Agreements (D213650 and D213651) with Two Engineering Firms for Construction Inspection Support Services for a Period of Two Years (Continued)

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

Item 15 by Mr. Waite (Appendix N)

Authorizing Negotiation and Execution of Engineering Agreement D213655 with LiRo Engineers, Inc. for Construction Inspection Services Relative to TANY 06-56, Modifications to Woodbury Toll Barrier for Highway Speed E-ZPass Contract 1 in the New York Division

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

RESOLUTION NO. 5579

**AUTHORIZING NEGOTIATION AND EXECUTION OF
ENGINEERING AGREEMENT D213655 WITH LIRO
ENGINEERS, INC. FOR CONSTRUCTION INSPECTION
SERVICES RELATIVE TO TANY 06-56,
MODIFICATIONS TO WOODBURY TOLL BARRIER
FOR HIGHWAY SPEED E-ZPASS CONTRACT 1 IN THE
NEW YORK DIVISION**

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering agreement D213655 with LiRo Engineers, Inc., Three Aerial Way, Syosset, New York 11791, for construction inspection services relative to TANY 06-56, Modifications to Woodbury Toll Barrier for Highway Speed E-ZPass Contract 1 in the New York Division, provided that the Maximum Amount Payable does not exceed \$900,000 which is currently provided through the 2007 Contracts Program (Items H1021.1, B411.1 and I33.1), and be it further

RESOLVED, that the Chief Engineer or his designees shall have the authority to exercise all powers reserved to the Authority under the provisions of the



Item 15 by Mr. Waite (Appendix N)

Authorizing Negotiation and Execution of Engineering Agreement D213655 with LiRo Engineers, Inc. for Construction Inspection Services Relative to TANY 06-56, Modifications to Woodbury Toll Barrier for Highway Speed E-ZPass Contract 1 in the New York Division (Continued)

agreement, manage and administer the agreement, amend the provisions of the agreement consistent with the terms of this item and in accordance with the 2007 Contracts Program Resolution No. 5553 and other Board authorizations, and suspend or terminate the agreement in the best interests of the Authority, and be it further

RESOLVED, that the information relating to this agreement be included in the Chief Engineer's Quarterly Report to the Board on Contracts Program activities, such information to include the exact Maximum Amount Payable and date of execution of the agreement and be it further

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

Item 16 by Mr. Waite (Appendix O)

Approving Engineering Agreement D213623 with Labella Associates, P.C. for Design Services Relative to the Rehabilitation of I-90, M.P. 362.5 to M.P. 378.2 in the Buffalo Division

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

RESOLUTION NO. 5580

APPROVING ENGINEERING AGREEMENT D213623 WITH LABELLA ASSOCIATES, P.C. FOR DESIGN SERVICES RELATIVE TO THE REHABILITATION OF I-90, M.P. 362.5 TO M.P. 378.2 IN THE BUFFALO DIVISION

RESOLVED, that the proposed engineering agreement D213623 with Labella Associates, P.C., 300 State Street, Suite 201, Rochester, New York 14614 for



Item 16 by Mr. Waite (Appendix O)

Approving Engineering Agreement D213623 with Labella Associates, P.C. for Design Services Relative to the Rehabilitation of I-90, M.P. 362.5 to M.P. 378.2 in the Buffalo Division (Continued)

design services relative to rehabilitation of I-90, M.P. 362.5 to M.P. 378.2 (including six bridges) in the Buffalo Division, for a Maximum Amount Payable of \$3,000,000, which is provided through the 2007 Contracts Program (Item H410.1), be, and the same hereby is, approved, and be it further

RESOLVED, that the Chief Engineer or his designees shall have the authority to exercise all powers reserved to the Authority under the provisions of the agreement, manage and administer the agreement, amend the provisions of the agreement consistent with the terms of this item and in accordance with the 2007 Contracts Program Resolution No. 5553 and other Board authorizations, and suspend or terminate the agreement in the best interests of the Authority, and be it further

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

Item 17 by Mr. Waite (Appendix P)

Authorizing an Amendment to the 2007 Contracts Program to Include the 337 Southern Boulevard Data Center Air Conditioning Project, and Allocating Funds Therefor

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

RESOLUTION NO. 5581

AUTHORIZING AN AMENDMENT TO THE 2007 CONTRACTS PROGRAM TO INCLUDE THE 337 SOUTHERN BOULEVARD DATA CENTER AIR CONDITIONING PROJECT, AND ALLOCATING FUNDS THEREFOR



Item 17 by Mr. Waite (Appendix P)

Authorizing an Amendment to the 2007 Contracts Program to Include the 337 Southern Boulevard Data Center Air Conditioning Project, and Allocating Funds Therefor(Continued)

RESOLVED, that the 2007 Contracts Program be, and it hereby is, amended to include a project to install two additional air conditioning units for the 337 Southern Boulevard data center, and be it further

RESOLVED, that the 2007 Contracts Program be amended to account for the additional \$110,000 for the 337 Southern Boulevard data center air conditioning project, and that a sum of \$110,000 in 2007 cash flow be, and the same hereby is, allocated toward the project from savings associated with TANY 06-51, I-87/I-84 Interchange Reconstruction Contract 3 (Items H308.1 and B520.2), in the 2007 Contracts Program, and be it further

RESOLVED, that the 337 Southern Boulevard data center air conditioning project, will be administered in accordance with the 2007 Contracts Program Resolution, 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 contracts, manage and administer the contracts, amend the provisions of the contracts consistent with the terms of this item and other Board authorizations and suspend or terminate the contracts in the best interests of the Authority, and be it further

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



Item 18 by Mr. Waite (Appendix Q)

Authorizing an Increase of the Maximum Speed Limit on the Niagara Section of the Thruway System (I-190) from M.P. N15.6 to N20.2 Northbound and from M.P. N19.9 to M.P. N15.3 Southbound

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

RESOLUTION NO. 5582

AUTHORIZING AN INCREASE OF THE MAXIMUM SPEED LIMIT ON THE NIAGARA SECTION OF THE THRUWAY SYSTEM (I-190) FROM M.P. N15.6 TO N20.2 NORTHBOUND AND FROM M.P. N19.9 TO M.P. N15.3 SOUTHBOUND

RESOLVED, that the maximum allowable speed limit on the Niagara Section of the Thruway System (I-190) from M.P. N15.6 to N20.2 Northbound and from M.P. N19.9 to M.P. N15.3 Southbound be increased to 65 miles per hour, and be it further

RESOLVED, that the Board hereby authorizes staff to post the new speed limit in accordance with all existing regulations, and be it further

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

Report to the Board by Michael Fleischer

Executive Director Michael Fleischer informed the Board that the first New York State Thruway highway speed E-ZPass lanes will open for commercial motorists at the Spring Valley Toll Barrier, Rockland County on Thursday, January 18, 2007 at 2:00 a.m.. Only commercial tolls are collected northbound at the Spring Valley Toll Barrier. Passenger vehicles with nothing in tow do not pay a toll at the Spring Valley Toll Barrier. The Authority also plans to begin work on highway speed E-ZPass at the Woodbury Toll Barrier in Orange County in 2007. Board Member Williams asked if the highway speed project at the Williamsville Toll Barrier was progressing, to which Mr. Fleischer responded affirmatively.



Adjournment

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

Jill B. Warner
Secretary

