



## **MINUTES**

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

#### **BOARD MEETING NO. 665**

**March 19, 2008**

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 10:50 a.m.

There were present:

**John L. Buono, Chairman**

**Frederick M. Howard, Board Member**

**Kevin J. Plunkett, Board Member**

**Jeffrey D. Williams, Board Member, via video conference**

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

Mr. Conway 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**

**Sharon O'Connor, General Counsel**

**Christopher Waite, Chief Engineer**

**John Bryan, Chief Financial Officer**

**Jill Warner, Secretary and Board Administrator**

**William Rinaldi, Director, Albany Division**

**Ramesh Mehta, Division Director, New York Division**

**Richard Garrabrant, Division Director, Syracuse Division**

**Michael Sikule, Director, Office of Investments and Asset Management**

**Kevin Allen, Acting Director, Audit and Management Services**

**Joanne Riddett, Director, Information Technology**  
**John Barr, Director, Administrative Services**  
**Donald Bell, Director, Operations and Maintenance**  
**Carmella Mantello, Director of Canal Corporation**  
**Betsy Graham, Acting Director, Office of Public Affairs**  
**Major Robert Meyers, Troop T**  
**Daniel Gilbert, Chief of Staff**  
**Wendy Allen, Deputy Chief of Staff**  
**Richard Harris, Deputy Director of Canal Community Development & Land Management**  
**Kenneth Flood, Director, Office of Real Property Management**  
**Dorraine Steele, Director, Office of Fiscal Audit and Budget**  
**Liz Yanus, Office Manager, Office of the Deputy Chief of Staff**  
**Dave Malone, Assistant Director, Office of Accounting and Disbursements**  
**Also in Attendance:**  
**Scott Fein, Partner, Whiteman, Osterman & Hanna**  
**Bob Connor, Reporter, *Daily Gazette***  
**William M. Kahn, CPA, Partner, UHY Advisors NY, Inc.**  
**Luke Slayton, Staffer, Assemblyman Steve Hawley's Office**  
**Paul Minni, Production Coordinator, NYN**

Chairman Buono noted that he, Mr. Howard, Mr. Plunkett 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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**Item 1 Ms. Warner (Appendix A)**  
**Minutes of Meeting No. 664**

On the motion of Mr. Plunkett, seconded by Mr. Howard, without any objections, the Board approved the minutes of Meeting No. 664 held on February 20, 2008, which were made available to the Board Members as part of the Agenda.



**Item 2 by Mr. Fleischer (Appendix B)**

**Report to Thruway Authority Board for Personal Service Contracts Up to \$150,000 for the Period October 1, 2007 through December 31, 2007**

Mr. Fleischer submitted as Exhibit I a listing containing Personal Service Contracts up to \$150,000 for the period of October 1, 2007 through December 31, 2007.

After full discussion, on the motion of Mr. Howard, seconded by Mr. Williams, without any objections, the Board accepted Mr. Fleischer's report.

**Report to the Board by the Governance Committee**

As Chair of the Governance Committee, Mr. Plunkett reported on the Committee's recent activities, summarizing the actions taken at the March 19, 2008 meeting. The Committee authorized three items to be submitted to the Authority/Corporation Board for consideration. First is a revised Governance Committee Charter that includes language clarifying constitution of a quorum. At its previous meeting the Governance Committee had approved a revised charter, but indicated that further modifications to the quorum language should be considered. Upon receipt of that language, the Committee recommended that the charter, as amended, be considered by the full Board in April. A revised Thruway Authority/Canal Corporation Whistleblower Policy that was modified to incorporate statutory language from the Civil Service Law was also approved for Board consideration. No substantial changes were made, only minor revisions to bring the policy into compliance with Section 75-b of the Civil Service Law. The Governance Committee also approved for Board consideration the existing Thruway Authority/Canal Corporation Procurement Contracts Policies. No substantive changes were made to the policies that were last approved by the Board in September 2006.

**Report to the Board by the Audit and Finance Committee**

In the absence of Mr. Conway, Chair of the Audit and Finance Committee, Mr. Howard reported on the Committee's recent activities, summarizing the actions taken at the March 19, 2008 meeting. The Committee approved the Authority's Annual Investment Report for Board action. In addition, the Committee reviewed and discussed a number of items including the Authority's 2007 Financial Statements and significant accounting and reporting policies and issues. The Committee also reviewed and accepted the financial statements related to the audit report prepared by UHY. Mr. Howard particularly noted certain sections of the report that indicated the Authority was in substantial compliance with good accounting practices. UHY concluded that it did not identify any deficiencies in the internal controls over financial



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**Report to the Board by the Audit and Finance Committee (Continued)**

reporting that are considered to be material weaknesses. Relative to compliance with other matters, no instances of non-compliance or matters that are required to be reported under the government auditing standards were disclosed.

Chairman Buono commended staff on the findings of the complex audit.

**Item 3 by Mr. Bryan (Appendix C)**  
**Financial Reports – November and December 2007**

Mr. Bryan summarized the results for 2007, stating that operating and capital expenses totaled \$912.9 million, which was \$64.5 million below the level estimated in the 2007 Revised Financial Plan. The variance is due to the following factors:

The Capital Program spent \$66.5 million less than expected as more than \$60 million in contractor payments that were scheduled to be made in December were made in early 2008 (simply a payment timing issue). In addition, \$2 million in Canal Capital projects that are funded by Transportation Bond Act proceeds were not started as the Authority has not yet completed a final funding agreement between the Authority and the DOT (who manages these funds); total Operating Expenses came in \$5.3 million below the level estimated in the 2007 Revised Financial Plan, which indicates that ongoing cost containment efforts continued to have a positive impact in the final months of the year.

An additional \$3.8 million deposit was made into the Indemnity and Claims Reserve. This additional deposit is a prudent step to make in light of the results from a re-evaluation of future litigation claims against the Authority which suggested greater exposure than previously estimated. Debt Service Expenses came in \$3.5 million above earlier estimates due to a higher amount of General Revenue bonds being issued in 2007 and a slight increase in interest rates.

Funding sources in 2007 are also down \$64.5 million. Of this total, Toll Revenue came in \$2.5 million below expected levels because of lower than expected traffic growth in December, principally due to unusually poor weather conditions. For the year, traffic increased by 0.2 percent compared to projected growth of 0.5 percent in the 2007 Revised Financial Plan.

Following discussion regarding the financial condition of the Authority, on the motion of Mr. Williams, seconded by Mr. Howard, without any objections, the Board accepted the Financial Reports for the months November and December 2007.



**Item 4 by Mr. Bryan (Appendix D)**  
**Investment Transactions**

Following discussion regarding the purchase of authorized securities, repurchase agreements and certificates of deposit, on the motion of Mr. Plunkett, seconded by Mr. Howard, without any objections, the Board accepted the Authority's quarterly report on Investment Transactions.

**Item 5 by Mr. Bryan (Appendix E)**  
**Review and Approval of the Authority's Annual Investment Report**

At the request of Mr. Plunkett, Mr. Bryan summarized the report figures. The Public Authorities Law requires the Authority prepare, approve and submit this report to the Division of the Budget each year. The report includes the Authority's policies for making investments, the results of the annual independent audit, investment and investment income information and all fees charged by firms rendering investment services to the Authority. In total, the Authority made a total of \$7.4 billion in investments in 2007, earned \$44.8 million in interest, and received an average yield of 5.1 percent.

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

**RESOLUTION NO. 5661**  
**REVIEW AND APPROVAL OF THE AUTHORITY'S**  
**ANNUAL INVESTMENT REPORT**

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RESOLVED, that the Authority's Investment Report including the revised policy statement FINANCIAL INVESTMENTS, the annual report by the independent auditors, and the listing of investment income has been reviewed and is hereby approved, and be it further

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



**Item 6 by Mr. Bryan (Appendix F)**  
**Annual Report of 2007 Procurement Contracts**

Mr. Bryan reported that the Public Authorities Law requires the Authority to prepare, approve and submit this report to the Division of the Budget each year. In the report are schedules of all personal service and purchasing contracts, a summary of all bond sales and the Authority's guidelines for awarding these contracts. The Governance Committee approved the procurement policies which are contained within this report.

In 2007 the Authority paid \$39.9 million under personal service and lease agreements (best value contracts), \$45.9 million under commodities and service agreements (low bid contracts) and \$52.1 million under engineering and architectural consultant contracts – for a total of \$137.9 million. In addition, the Authority issued just over \$2.4 billion in bonds, \$1.0 billion in bonds under its General Revenue credit and \$1.4 billion in bonds under the PIT, CHIPs and Trust Fund credit for the State.

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

**RESOLUTION NO. 5662**  
**ANNUAL REPORT OF 2007 PROCUREMENT**  
**CONTRACTS**

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RESOLVED, that the Schedules of 2007 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 2007 (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



**Item 6 by Mr. Bryan (Appendix F)**  
**Annual Report of 2007 Procurement Contracts (Continued)**

Section 2879 of the Public Authorities Law, and be it further

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

**Item 7 by Mr. Bryan (Appendix G)**  
**Report of UHY,LLP Examination of the Authority's Financial Statements and Report on Compliance with Investment Guidelines**

Mr. Bryan requested that the Board accept the Authority's Financial Statements and Report on Compliance with Investment Guidelines. William Kahn, Partner at UHY, LLP, summarized the materials. Mr. Kahn reported that UHY had recently completed the 2007 audit and issued an unqualified opinion that the Statements fairly presented the financial condition of the Authority. He noted that the Audit Committee had reviewed and discussed the audit plan and internal controls. UHY determined that there were no deficiencies in the internal controls that were deemed to be reportable conditions that required elevation to the Board level.

Mr. Plunkett asked if there were any previous comments that were made and reviewed during the course of the audit that remained outstanding or had been resolved. Mr. Kahn responded, stating that a previous deficiency in the area of account reconciliation, specifically pertaining to E-ZPass, was reported last year. Significant progress and substantial resolution of this issue has been noted within the past year. Mr. Plunkett asked, from a Board perspective, if all outstanding issues have been resolved. Mr. Kahn responded affirmatively.

After full discussion, on the motion of Mr. Howard, seconded by Mr. Plunkett, without any objections, the Board accepted the Report of UHY, LLP Examination of the Authority's Financial Statements and Report on Compliance with Investment Guidelines.



**Item 8 by Mr.Fleischer (Appendix H)**  
**Revising the Board Audit and Finance Committee Charter**

Mr. Howard requested resolution of an issue concerning a requirement of the Audit and Finance Committee to meet privately with the external auditor on an annual basis. Ms. O'Connor stated that she had reviewed the Public Authorities Accountability Act and determined that there was no requirement for the Audit and Finance Committee to meet privately with the external auditor. The possibility of the Audit and Finance Committee meeting with the auditor in executive session pursuant to the Open Meetings Law was also examined. Absent the auditor or the Board determining the need to discuss an Item that met the statutory threshold for executive session, such as staff conduct or suspicion of criminal activity, there is no basis for the Committee to meet privately with the auditor in executive session. Ms. O'Connor verified with the auditor that no applicable basis was discovered.

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

**RESOLUTION NO. 5663**

**REVISING THE BOARD AUDIT AND FINANCE  
COMMITTEE CHARTER**

RESOLVED, that the Audit and Finance Committee Charter, attached hereto as Exhibit 1, be, and hereby is, adopted, replacing all prior Audit and Finance Committee Charters, and be it further

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

**Item 9 by Mr. Bryan (Appendix I)**  
**Approving the Thruway Real Property Management Policy (25-6-02), the Revised Thruway Real Property Management Standard Operating Procedures (500-2) and the Thruway Personal Property Disposal Policy (25-6-01)**

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



**Item 9 by Mr. Bryan (Appendix I)**

**Approving the Thruway Real Property Management Policy (25-6-02), the Revised Thruway Real Property Management Standard Operating Procedures (500-2) and the Thruway Personal Property Disposal Policy (25-6-01) (Continued)**

**RESOLUTION NO. 5664**

**APPROVING THE THRUWAY REAL PROPERTY MANAGEMENT POLICY (25-6-02), THE THRUWAY REAL PROPERTY MANAGEMENT STANDARD OPERATING PROCEDURES (500-2) AND THE THRUWAY PERSONAL PROPERTY DISPOSAL POLICY (25-6-01)**

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**RESOLVED, that the Thruway Real Property Management Policy (25-6-02), attached as Exhibit A be, and the same hereby is, approved, and be it further**

**RESOLVED, that the revised Thruway Real Property Management Standard Operating Procedures (500-2), attached as Exhibit B be, and the same hereby are, approved, and be it further**

**RESOLVED, that the Thruway Personal Property Disposal Policy (25-6-01), attached as Exhibit C be, and the same hereby is, approved, and be it further**

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

**Item 10 by Mr. Mehta (Appendix J)**

**Authorizing the Executive Director to Execute an Agreement with the National Multiple Sclerosis Society - Southern New York Chapter to Conduct "The 2008 TZ Bike Tour for MS" and Undertake such Other Measures as may be Required to Facilitate the Event**

Mr. Plunkett thanked staff for coordinating this event and contributing to its success. He expressed the opinion that the event does not interrupt traffic and is a good use of the Tappan Zee Bridge. Reiterating the worthiness of event, Mr. Williams asked if the Authority is allowed to conduct these events, referencing the Power Authority's difficulty in funding similar events. Ms. O'Connor advised that the Authority does not fund this event; the MS Society reimburses the Authority for all



**Item 10 by Mr. Mehta (Appendix J)**

**Authorizing the Executive Director to Execute an Agreement with the National Multiple Sclerosis Society - Southern New York Chapter to Conduct “The 2008 TZ Bike Tour for MS” and Undertake such Other Measures as may be Required to Facilitate the Event (Continued)**

costs incurred up to \$25,000. The Authority has increased the limit over the years to align with increased costs. Mr. Williams commented that this event should be conducted in every division.

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

**RESOLUTION NO. 5665**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH THE NATIONAL MULTIPLE SCLEROSIS SOCIETY - SOUTHERN NEW YORK CHAPTER TO CONDUCT “THE 2008 GREAT TZ BIKE TOUR FOR MS” AND UNDERTAKE SUCH OTHER MEASURES AS MAY BE REQUIRED TO FACILITATE THE EVENT**

**RESOLVED**, that the Executive Director be, and he hereby is, authorized to execute an agreement with the National Multiple Sclerosis Society- Southern New York Chapter (“MS Society”) to hold a bicycling Event – “The 2008 TZ Bike Tour for MS” (“Event”) – under such terms and conditions as the Executive Director, in consultation with the General Counsel, determines to be in the best interest of the Authority, and be it further

**RESOLVED**, that the agreement will require that the MS Society remit \$25,000 to the Authority to offset the cost of assisting with the Event, 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



**Item 10 by Mr. Mehta (Appendix J)**

**Authorizing the Executive Director to Execute an Agreement with the National Multiple Sclerosis Society - Southern New York Chapter to Conduct "The 2008 TZ Bike Tour for MS" and Undertake such Other Measures as may be Required to Facilitate the Event (Continued)**

terminate the agreement in the best interests of the Authority, and be it further

RESOLVED, that the Executive Director or his designee be, and he hereby is, authorized to take all appropriate actions to facilitate the Event, and be it further

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

**Item 11 by Mr. Waite (Appendix K)**

**Authorizing Negotiation and Execution of Engineering Agreement D213746 with Erdman, Anthony and Associates, Inc. for Construction Inspection Services Relative to TAS 08-1, Pavement Reconstruction and Bridge Rehabilitations Between M.P. 289.3 and M.P. 304.5 in the Syracuse Division**

Confirming that the paving reconstruction cost for 15 miles of roadway is equivalent to \$120 million, Mr. Plunkett commented that this figure is illustrative of the amount of money needed to maintain the Authority's infrastructure in the condition necessary for safe travel. Chairman Buono acknowledged Mr. Plunkett's comment as a point well taken and affirmed that the work was for complete reconstruction.

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

**RESOLUTION NO. 5666**

**AUTHORIZING NEGOTIATION AND EXECUTION OF ENGINEERING AGREEMENT D213746 WITH ERDMAN, ANTHONY AND ASSOCIATES, INC. FOR CONSTRUCTION INSPECTION SERVICES RELATIVE TO TAS 08-1, PAVEMENT RECONSTRUCTION AND BRIDGE REHABILITATIONS BETWEEN M.P. 289.3 AND M.P. 304.5 IN THE SYRACUSE DIVISION**

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**Item 11 by Mr. Waite (Appendix K)**

**Authorizing Negotiation and Execution of Engineering Agreement D213746 with Erdman, Anthony and Associates, Inc. for Construction Inspection Services Relative to TAS 08-1, Pavement Reconstruction and Bridge Rehabilitations Between M.P. 289.3 and M.P. 304.5 in the Syracuse Division (Continued)**

**RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering agreement D213746 with Erdman, Anthony and Associates, Inc., 2165 Brighton Henrietta Town Line Road, Rochester, New York 14623, for construction inspection services relative to TAS 08-1, Pavement Reconstruction and Bridge Rehabilitations between M.P. 289.3 and M.P. 304.5 in the Syracuse Division, provided that sufficient funding has been identified to complete this project and that the Maximum Amount Payable does not exceed \$9,600,000 (as noted in Item H890.1 of the 2008 Contracts Program), 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 2008 Contracts Program Resolution 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 12 by Mr. Waite (Appendix L)**

**Authorizing Negotiation and Execution of Engineering Agreement D213757 with LiRo Engineers, Inc. for Construction Inspection Services Relative to TANY 07-59, Reconstruction of the Woodbury Toll Barrier for Highway Speed E-ZPass Contract 2 in the New York Division**

Mr. Williams commented that inspection costs appear to be decreasing. Chairman Buono asked what the projects scope of work entails. Mr. Waite explained that five center lanes of existing barrier will be removed to accommodate four lanes of through, unimpeded traffic. Pavement will be added for non-E-ZPass traffic and a queuing area, and lanes will be widened to separate through and non-E-ZPass traffic with a barrier.

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

**RESOLUTION NO. 5667**

**AUTHORIZING NEGOTIATION AND EXECUTION OF  
ENGINEERING AGREEMENT D213757 WITH LIRO  
ENGINEERS, INC. FOR CONSTRUCTION INSPECTION  
SERVICES RELATIVE TO TANY 07-59,  
RECONSTRUCTION OF THE WOODBURY TOLL  
BARRIER FOR HIGHWAY SPEED E-ZPASS  
CONTRACT 2 IN THE NEW YORK DIVISION**

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering agreement D213757 with LiRo Engineers, Inc., Three Aerial Way, Syosset, New York 11791, for construction inspection services relative to TANY 07-59, Reconstruction of the Woodbury Toll Barrier for Highway Speed E-ZPass Contract 2 in the New York Division, provided that the Maximum Amount Payable does not exceed \$6,000,000 which is currently provided through the 2008 Contracts Program (Items H1021.2, H837.1 and B917.1), 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 agreement, manage and administer the agreement, amend



**Item 12 by Mr. Waite (Appendix L)**

**Authorizing Negotiation and Execution of Engineering Agreement D213757 with LiRo Engineers, Inc. for Construction Inspection Services Relative to TANY 07-59, Reconstruction of the Woodbury Toll Barrier for Highway Speed E-ZPass Contract 2 in the New York Division (Continued)**

the provisions of the agreement consistent with the terms of this item and in accordance with the 2008 Contracts Program Resolution 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 13 by Mr. Waite (Appendix M)**

**Authorizing Negotiation and Execution of Engineering Agreement D213761 with Hatch Mott McDonald NY, Inc. for Construction Inspection Services Relative to TAB 08-10, Pavement Resurfacing and Repairs at Various Locations in the Buffalo Division**

Mr. Williams asked if entry and exit ramps were included in the project, offering the opinion that they were in bad condition. Mr. Waite was unsure, but indicated he would find out.

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

**RESOLUTION NO. 5668**

**AUTHORIZING NEGOTIATION AND EXECUTION OF ENGINEERING AGREEMENT D213761 WITH HATCH MOTT MCDONALD NY, INC. FOR CONSTRUCTION INSPECTION SERVICES RELATIVE TO TAB 08-10, PAVEMENT RESURFACING AND REPAIRS AT VARIOUS LOCATIONS IN THE BUFFALO DIVISION**

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**Item 13 by Mr. Waite (Appendix M)**

**Authorizing Negotiation and Execution of Engineering Agreement D213761 with Hatch Mott McDonald NY, Inc. for Construction Inspection Services Relative to TAB 08-10, Pavement Resurfacing and Repairs at Various Locations in the Buffalo Division (Continued)**

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering agreement D213761 with Hatch Mott McDonald NY, Inc., 438 Main Street, Suite 700, Buffalo, New York 14202, for construction inspection services relative to TAB 08-10, Pavement Resurfacing and Repairs at Various Locations in the Buffalo Division, provided that sufficient funding has been identified to complete this project and that the Maximum Amount Payable does not exceed \$350,000 (as noted in Item H1062.5 of the 2008 Contracts Program), 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 2008 Contracts Program Resolution No. 5653 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 14 by Mr. Waite (Appendix N)**

**Authorizing Negotiation and Execution of Two Term Agreements (D213731 and D213732) with Two Firms for Materials Testing and Inspection Services for a Period of Three Years**

At Mr. Plunkett's request, Mr. Waite identified the two firms with which agreements will be executed and the amount of each contract. Advance Testing Company, Inc. from Campbell Hall, New York will provide statewide materials testing and inspection services. The maximum amount payable for this contract is \$475,000. Atlantic Testing Laboratories, Limited from Clifton Park, New York is designated to provide services in the Syracuse and Buffalo Divisions. The maximum amount payable for this contract is \$300,000.

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

**RESOLUTION NO. 5669**

**AUTHORIZING NEGOTIATION AND EXECUTION OF TWO TERM AGREEMENTS (D213731 AND D213732) WITH TWO ENGINEERING FIRMS FOR MATERIALS TESTING AND INSPECTION SERVICES FOR A PERIOD OF THREE YEARS**

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**RESOLVED**, that the Chief Engineer be, and he hereby is, authorized to negotiate and execute term agreements (D213731 and D213732) for materials testing and inspection services with the two (2) engineering firms listed in Exhibit A, attached hereto, provided that sufficient funding has been identified to complete the projects that will utilize these 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 2008 Contracts Program Resolution and other Board authorizations, and



**Item 14 by Mr. Waite (Appendix N)**

**Authorizing Negotiation and Execution of Two Term Agreements (D213731 and D213732) with Two Firms for Materials Testing and Inspection Services for a Period of Three Years (Continued)**

suspend or terminate the agreements in the best interests of the Authority, and be it further

RESOLVED, that 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 agreements, and be it further

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

**Item 15 by Mr. Waite (Appendix O)**

**Authorizing Negotiation and Execution of Three Term Agreements (D213737, D213765 and D213767) with Three Firms for Construction Inspection Support Services for a Period of Three Years**

Mr. Williams asked if the agreement is a retainer agreement or is associated with a separate contract. Mr. Waite classified the agreement as a retainer agreement, advising that there are a number of contracts involved, some of which have not yet been identified. Mr. Williams asked if these firms would request additional inspection funds from the Authority after the contracts are let. Mr. Waite responded negatively. The project and scope of services have not yet been detailed; however the costs will conform to the \$1 million maximum amount payable assigned to each contract.

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

**RESOLUTION NO. 5670**

**AUTHORIZING NEGOTIATION AND EXECUTION OF THREE TERM AGREEMENTS (D213737, D213765 AND D213767) WITH THREE ENGINEERING FIRMS FOR CONSTRUCTION INSPECTION SUPPORT SERVICES FOR A PERIOD OF THREE YEARS**

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**Item 15 by Mr. Waite (Appendix O)**

**Authorizing Negotiation and Execution of Three Term Agreements (D213737, D213765 and D213767) with Three Firms for Construction Inspection Support Services for a Period of Three Years (Continued)**

**RESOLVED**, that the Chief Engineer be, and he hereby is, authorized to negotiate and execute term agreements (D213737, D213765 and D213767) for construction inspection services with the three (3) engineering firms listed in Exhibit A, attached hereto, provided that sufficient funding has been identified to complete the projects to be inspected through this agreement, 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 2008 Contracts Program Resolution No. 5653 and other Board authorizations, and suspend or terminate the agreements in the best interests of the Authority, and be it further

**RESOLVED**, that 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 agreements, and be it further

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



**Item 16 by Mr. Waite (Appendix P)**

**Authorizing an Amendment to the 2008 Contracts Program for Two Projects**

Mr. Howard briefed fellow Board Members on the objective of the Automatic Vehicle Classification (AVC) project, noting that the system is designed to track improper coding of E-ZPass tags which is presently resulting in a loss of revenue. Implementation of AVC proposes to collect full revenue from Thruway users. Although initially inclined to defer this project and assign Authority maintenance forces to complete the work, he articulated a change of opinion after acquiring an understanding of the project's goal and expressed support for progressing this project from a revenue-generating standpoint. Chairman Buono thanked Mr. Howard for his due diligence.

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

**RESOLUTION NO. 5671**

**AUTHORIZING AN AMENDMENT TO THE 2008  
CONTRACTS PROGRAM FOR TWO PROJECTS**

RESOLVED, that the 2008 Contracts Program be amended to include the following two projects: Installation of treadles, sensors and complete other toll plaza modifications at Yonkers and New Rochelle Toll Barriers, April 2008 letting, total construction and construction inspection cost of \$510,000; and Installation of treadles and complete other toll plaza modifications at Williamsville and Lackawanna Toll Plazas, May 2008 letting, total construction and construction inspection cost of \$500,000, be approved, and the same hereby is, and be it further

RESOLVED, that the 2008 Contracts Program be amended to account for the additional \$1,010,000 in Thruway funds, and that a sum of \$1,010,000 in 2008 Thruway cash flow be, and the same hereby is, allocated toward the projects from savings and deferrals in technology projects in the 2008 Reserve Maintenance Fund, 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



**Item 16 by Mr. Waite (Appendix P)**

**Authorizing an Amendment to the 2008 Contracts Program for Two Projects (Continued)**

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 16 by Mr. Bryan (Appendix Q)**

**Declaring Real Property Reference No. 568 ("Lot 8") Not Presently Required for Thruway Purposes; Authorizing a Lease of Lot 8 to 10 Ellicott Square Court Corporation (d/b/a Ellicott Development Company), the Highest Bidder in Response to a Request for Proposals; and Authorizing the Authority's Execution of a Lease Agreement to Use Such Property for Vehicular Parking**

Mr. Bryan reported that an RFP was issued in 2006 seeking tenants for 4 parking lots in Buffalo. Leases for three of the four lots were subsequently approved by the Board and executed. However, no award was recommended on one of those lots as the net present value of each of the proposals received for this lot was less than the estimated fair-market annual rent over the initial term.

Ms. O'Connor made the Board Members aware of a legal challenge that resulted from the lack of award of the prior RFP. The highest bidder initiated an Article 78 proceeding challenging the lack of award. The New York State Office of the Attorney General defended the Authority in this matter, which was won at the Supreme Court level. The bidder filed a notice of appeal but has not pursued it. The Authority has a provision in the current contract that it may cancel the lease should the bidder prevail on the appeal.

Mr. Williams asked if the appraisal was done from both a cost and income approach. Mr. Bryan responded affirmatively, stating that income was based on area and the number of cars that could fit in the area. Mr. Howard stated that the challenging firm only bid \$1 a year over the Authority's minimum on the most recent RFP, which appears to nullify the basis for appeal. Ms. O'Connor and Mr. Bryan confirmed the firm's participation in the RFP and added that two bids were higher than that of the challenging firm.



**Item 16 by Mr. Bryan (Appendix Q)**

**Declaring Real Property Reference No. 568 (“Lot 8”) Not Presently Required for Thruway Purposes; Authorizing a Lease of Lot 8 to 10 Ellicott Square Court Corporation (d/b/a Ellicott Development Company), the Highest Bidder in Response to a Request for Proposals; and Authorizing the Authority’s Execution of a Lease Agreement to Use Such Property for Vehicular Parking (Continued)**

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

**RESOLUTION NO. 5672**

**DECLARING REAL PROPERTY REFERENCE NO. 568 (“LOT 8”) NOT PRESENTLY REQUIRED FOR THRUWAY PURPOSES; AUTHORIZING A LEASE OF LOT 8 TO 10 ELLICOTT SQUARE COURT CORPORATION (D/B/A ELLICOTT DEVELOPMENT COMPANY), THE HIGHEST BIDDER IN RESPONSE TO A REQUEST FOR PROPOSALS; AND AUTHORIZING THE AUTHORITY’S EXECUTION OF A LEASE AGREEMENT TO USE SUCH PROPERTY FOR VEHICULAR PARKING**

**RESOLVED**, that the Authority hereby finds and determines that Real Property Reference No. 568 (“Lot No. 8” or the “Lot”), described in the agenda item is not presently required for Thruway purposes, and be it further

**RESOLVED**, that a lease of Lot 8 to 10 Ellicott Square Court Corporation (d/b/a Ellicott Development Company), on the terms detailed in the agenda item, be, and the same hereby is, authorized, and be it further

**RESOLVED**, that the Executive Director, or his designee, be, and the same hereby is, authorized to execute the lease signed by 10 Ellicott Square Court Corporation (d/b/a Ellicott Development Company), along with all other documents necessary to effectuate the leasing of the Lot, in accordance with the terms authorized during this meeting, and be it further



**Item 16 by Mr. Bryan (Appendix Q)**

**Declaring Real Property Reference No. 568 (“Lot 8”) Not Presently Required for Thruway Purposes; Authorizing a Lease of Lot 8 to 10 Ellicott Square Court Corporation (d/b/a Ellicott Development Company), the Highest Bidder in Response to a Request for Proposals; and Authorizing the Authority’s Execution of a Lease Agreement to Use Such Property for Vehicular Parking (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 applicable Board authorizations, and suspend or terminate the Agreement as he deems to be in the best interests of the Authority, and be it further

**RESOLVED**, that the recommendation for issuance of a Negative Declaration (the “Recommendation”) based on an environmental assessment of the proposed action completed in accordance with the provisions of the State Environmental Quality Review Act (“SEQRA”) be, and hereby is, approved, and be it further

**RESOLVED**, that the Chief Engineer, or his designee, be, and the same hereby is, authorized to execute the SEQRA Short Environmental Assessment Form and Negative Declaration in accordance with the Recommendation, and to distribute any required documents on behalf of the Board relative to such adoption, and be it further

**RESOLVED**, that the Authority’s Contracting Officer determined that the recommended transaction in the agenda item, complies with applicable law, including Article 9, Title 5-A of the Public Authorities Law, and with the Thruway Real Property Management Policy, and be it further



**Item 16 by Mr. Bryan (Appendix Q)**

**Declaring Real Property Reference No. 568 (“Lot 8”) Not Presently Required for Thruway Purposes; Authorizing a Lease of Lot 8 to 10 Ellicott Square Court Corporation (d/b/a Ellicott Development Company), the Highest Bidder in Response to a Request for Proposals; and Authorizing the Authority’s Execution of a Lease Agreement to Use Such Property for Vehicular Parking (Continued)**

**RESOLVED**, that the Executive Director, the Chief Engineer, the Chief Financial Officer, and the General Counsel be, and the same hereby are, authorized to take all steps necessary to implement this Board action, and be it further

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

**Other Business**

Mr. Fleischer reported that public hearings have been scheduled as part of the public review process for the proposed toll adjustment as follows: Monday, March 24, at the Colonie Town Library from 6:00 to 8:00 p.m.; Tuesday, March 25 at the Buffalo & Erie County Public Library Auditorium in Buffalo from 6:00 to 8:00 p.m.; Thursday, March 27 at the State Fair Grounds in Syracuse from 6:00 to 8:00 p.m.; Tuesday, April 1 at Monroe County Community College in Rochester from 6:00 to 8:00 p.m.; and Thursday, April 3 in West Nyack at Palisades Center from 6:00 to 8:00 p.m.;

The Authority is in the midst of an environmental review process and the Comptroller has performed an audit. Both the environmental review results and the Comptroller’s audit, along with the public’s input, will be considered in developing a plan that preserves the safety and services for Thruway users. Staff will be at the public hearings to listen and gather ideas to define this plan.

Mr. Plunkett asked if staff intends to make presentations at the hearings. Mr. Fleischer stated that he would likely give a brief presentation and informational boards will be posted. In addition, E-ZPass enrollment will be available as attendees are being alerted to the E-ZPass discount programs available, which may be advantageous, especially for the daily commuter. Chairman Buono asked if handouts will be provided, to which Mr. Fleischer replied that a four-page flyer including information on bridge conditions; the capital program and a list of projects in each division; and a map of the annual permit program, outlining a 30-mile radius that is encompassed in



the free plan for an annual \$80 fee. Information on the Tappan Zee Bridge commuter program will be provided in the New York area. Essentially the Authority intends to advise people of the discount programs available and encourage participation to individuals who determine the programs to be advantageous; and convey the Authority's intention to simply ensure that the roads and bridges stay in good condition.

Mr. Plunkett asked if the Authority had an analysis of the Authority's current and/or proposed tolls as they compare to other toll agencies such as the \$8 fee to enter New York City from New Jersey and the George Washington Bridge. Mr. Fleischer responded affirmatively, stating that this information would be available

### Adjournment

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

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Jill B. Warner  
Secretary

On the motion of Mr. Plunkett, seconded by Mr. Howard, the Board voted to convene to Executive Session to discuss matters relating to personnel matters.

