



MINUTES

NEW YORK STATE THRUWAY AUTHORITY

BOARD MEETING NO. 670

November 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 and via video conference from the Authority's New York Division, 4 Executive Boulevard, Suffern, NY 10901.

The meeting began at 10:30 a.m.

There were present:

**John L. Buono, Chairman
E. Virgil Conway, Board Member, via video conference
Erin M. Crotty, Vice-Chair
Frederick M. Howard, Board Member
Donna J. Luh, Board Member
Kevin J. Plunkett, Board Member
Brandon R. Sall, Board Member**

Constituting all of the members of the Thruway Authority Board.

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, Division Director, Albany Division
Ramesh Mehta, Division Director, New York Division, via video conference
Richard Garrabrant, Division Director, Syracuse Division
Thomas Pericak, Division Director, Buffalo Division**

Kevin Allen, Acting Director, Audit and Management Services
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
Captain Joe Flagler, Troop T
Daniel Gilbert, Chief of Staff
Kenneth Flood, Director, Office of Real Property Management
Wendy Allen, Deputy Chief of Staff
Joanne Riddett, Director, Information Technology
Deb Haslun, Director, Bureau of Labor Relations
Tom Fitzgerald, Director, Office of Human Resource Management
Harry Lennon, Senior Investigator, Audit and Management Services
Elizabeth Yanus, Office Manager, Office of the Deputy Chief of Staff
Tracie Sandell, Assistant Counsel
Cathy Sheridan, Manager, Canal Capital Program
Dorraine Steele, Director, Office of Fiscal Audit and Budget
Karen Osborn, Budget Manager, Office of Fiscal Audit and Budget
Kimberly Chupa, Public Information Specialist
Jill Ross, Deputy Project Manager, TZB/I-287 Environmental Review
Michael Sikule, Director, Office of Investments and Asset Management
Also in attendance:
Cathy Woodruff, Reporter, *Albany Times Union*
Charles Breiner, Representative, NYS OMCE
Stanley Kramer, Bond Counsel, Hawkins, Delafield & Wood, via video conference
Angela Roddell, Senior Vice President, First Southwest, via video conference
Pat Reale, Principal Budget Examiner, NYS Division of the Budget
Steve Sacripanti, Public
Michael Anderson, Project Director, I-287/TZB Environmental Review, NYSDOT
Phil Ferguson, Financial Policy Bureau, NYSDOT
Bill Estes, Assistant Counsel to the Governor
John Armstong, Assistant Television Engineer, NYN

Chairman Buono noted that he, Mr. Conway, Ms. Crotty, Mr. Howard, Ms. Luh, Mr. Plunkett and Mr. Sall 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.

Executive Session

On the motion of Mr. Plunkett, seconded by Mr. Howard, the Board voted to convene to Executive Session to discuss collective negotiations pursuant to article fourteen of the civil service law.

Public Session Resumed at 11:00 a.m.

Mr. Howard moved that the meeting return to Public Session. Ms. Crotty seconded the motion.

Item 1 Ms. Warner (Appendix A)

Minutes of Meeting No. 669

On the motion of Mr. Howard, seconded by Mr. Plunkett, without any objections, the Board approved the minutes of Meeting No. 669 held on September 17, 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 July 1, 2008 through September 30, 2008

Mr. Fleischer submitted as Exhibit I a listing containing Personal Service Contracts up to \$150,000 for the period of July 1, 2008 through September 30, 2008.

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

Item 3 by Mr. Fleischer (Appendix C)

Conforming New York State Police Troop T Employees' Eligibility for E-ZPass Privileges to That of Thruway Authority Employees

Mr. Fleischer sought Board approval to conform the eligibility of New York State Police Troop T employees to that of Thruway Authority employees for E-ZPass privileges. A new collective bargaining agreement was reached by representatives of the Authority and Teamsters Local 72 that provides that newly-hired employees will not be eligible for unlimited free travel on the Thruway. This item would apply the same policy to incoming Troop T employees and is consistent with State Police



Item 3 by Mr. Fleischer (Appendix C)

Conforming New York State Police Troop T Employees' Eligibility for E-ZPass Privileges to That of Thruway Authority Employees (Continued)

Superintendent Corbett's request that any changes to E-ZPass policies for Thruway Authority employees also be applied to incoming Troop T employees.

Ms. Crotty commented that the PBA had written a letter disputing the former Superintendent's position, and asked what actions the Authority and PBA have taken, if any, to resolve these issues. Mr. Fleischer advised there was a series of letters from the Superintendent, whose view is that the proposed eligibility policy is consistent with State Police agreements, as it falls outside of any work agreements. The policy only affects new employees so there is no change of benefits that are provided to any current Troop T members, only perspective troopers. In follow-up, Ms. Crotty asked Mr. Fleischer's opinion as to whether the PBA has had the opportunity to address the issue directly with the Superintendent before the Authority responds. Mr. Fleischer responded that there have been discussions, basing his opinion on the change in the Superintendent's request since the beginning of the process; the same policy now only applies to the incoming classes, not the existing positions. Mr. Sall asked what effect this policy will have on the Thruway. Mr. Fleischer stated that troopers will still be able to travel, without charge, between their residence and place of business. Mr. Sall expressed the opinion that Troopers enjoy the privilege of traveling the Thruway without charge while off duty and are probably encouraged to do so. He asked if the Authority perceives any problems if this policy is approved. Mr. Fleischer responded negatively, and added that there is value in having troopers travel the Thruway whether on or off-duty. Troop T's dedicated safety record was considered in the development of the policy; however, the Authority believes the troopers will continue to use the Thruway regardless of the policy. Mr. Sall asked what the costs are of the troopers using the Thruway without expense in terms of lost revenue. Mr. Bryan replied that he did not have a definitive amount, as an analysis of each individual trooper's travel points would need to be examined and the associated tolls calculated. Both he and Mr. Bell believed the costs to be diminutive. Chairman Buono cautioned against a "slippery slope" that might result if this item was not approved. Mr. Howard concurred, and expressed support for a single policy for both employees and Troop T. Mr. Fleischer confirmed that both policies would be consistent. Further, the Superintendent thought it best to display uniform treatment for all incoming troopers. Mr. Sall inquired whether the Superintendent could make an internal rule among the State Police that they can't do something, noting that the Authority might be depriving its employees too. Mr. Fleischer noted that the Authority provides E-ZPass privileges to the State Police and reiterated the Superintendent's perspective that the same privileges should be extended to both incoming Authority employees



Item 3 by Mr. Fleischer (Appendix C)

Conforming New York State Police Troop T Employees' Eligibility for E-ZPass Privileges to That of Thruway Authority Employees (Continued)

and troopers. Chairman Buono reported that the Superintendent had sent him a letter asking that E-ZPass privileges be rescinded for the entire Troop, a proposal he did not support or deem necessary. He agrees with the other Board Members that having the troopers travel the Thruway adds to the safety of the highway. He does, however, support a consistent policy for both employees and troopers.

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

RESOLUTION NO. 5701

**CONFORMING NEW YORK STATE POLICE TROOP T
EMPLOYEES' ELIGIBILITY FOR E-ZPASS
PRIVILEGES TO THAT OF THRUWAY AUTHORITY
EMPLOYEES**

RESOLVED, that the New York State Police employees assigned to Troop T be eligible to receive E-ZPass privileges on the same terms and conditions as Authority employees, and be it further

RESOLVED, that this policy apply to New York State Police employees assigned to Troop T on or after December 1, 2008, and be it further

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

Item 4 by Mr. Bryan (Appendix D)

Financial Reports– July, August and September 2008

Mr. Bryan reported that for the first 9 months of the year, the Authority collected \$449.7 million in revenue, which was \$10.0 million higher than the level collected in the same period of 2007, representing an increase of 2.3 percent. Toll revenues were up by \$16 million for the first 9 months of the year. Given that traffic has been steadily declining throughout the year due to high gas prices in the first half of the year and now a deteriorating economic environment, the increase in toll collections seen over 2007 is entirely due to scheduled toll rate changes.



Item 4 by Mr. Bryan (Appendix D)

Financial Reports– July, August and September 2008 (Continued)

Concession revenues, which are dependent upon the level of fuel and food sales at the Authority's Travel Plazas, are down by \$275,000 or 2.7 percent from last year. This reduction is mainly due to the closure of a number of gas stations and food facilities for capital upgrades and service enhancements including new convenient stores, upgraded fuels facilities and new food venues.

Interest earnings are also down, quite substantially, from last year as yields earned on investments dropped with declining market rates. In total, interest earnings for the first nine months of 2008 are down by \$5.2 million or 59 percent.

To help counter the impact reduced traffic is having on revenues, the Authority implemented significant operating cost containment measures, which are expected to generate over \$13 million in operating savings this year. As a result of these actions, total operating expenses for the Thruway, Canal and I-84 grew by only a fraction, 0.12 percent, over 2007 (after accounting for GASB OPEB accounting changes). Just looking at Canal and Thruway operating expenses (excluding I-84), operating expenses grew by only 1.5 percent, which is less than a third of the rate of inflation. Cost containment this year is definitely showing some positive results.

Referencing the trend between the September and August statements, Mr. Howard commented that it appears that the figures are fractionally better, and the Authority appears to be holding its own. He asked if this trend is expected to continue through October and November. Mr. Bryan advised that the forecast for 2008 accounted for a worsening financial environment from October through December. He attributed the fluctuating plateaus and declining figures in September and October to be reflective of the recent crisis experienced by the overall economy. Over the past few weeks commercial traffic is down 15 percent per day which is a sign that the recession will extend through the quarter. Growth this quarter is expected to slip into negative territory, although that trend relies heavily on the upcoming weather. Steady growth is predicted for 2009. Mr. Howard commented that a number of trucking companies have gone out of business which could also contribute to a decline in revenues over the next few months. Mr. Bryan concurred, adding that there are a number of offsetting factors that will affect revenues throughout the next several weeks; gas prices, for example, are plummeting and the consumer price index has experienced a historical decline. Mr. Plunkett commented that the Authority's 2008 operating expenses are \$11 million less than budgeted (approximately 4 percent); unfortunately revenues are down 4.5 percent. Mr. Bryan concurred, and noted that he would review the revised budget in greater detail later in the meeting.



Item 4 by Mr. Bryan (Appendix D)
Financial Reports– July, August and September 2008 (Continued)

Following discussion regarding the financial condition of the Authority, on the motion of Mr. Howard, seconded by Mr. Plunkett, without any objections, the Board accepted the Financial Reports for the months of July, August and September 2008.

Item 5 by Mr. Bryan (Appendix E)
Investment Transactions

Mr. Conway prefaced Mr. Bryan's presentation, advising that the Audit and Finance Committee had approved this Item at its November 17, 2008 meeting. Chairman Buono thanked Mr. Conway and apologized for not having him report on the Committee meeting sooner.

Mr. Bryan reported that during the third quarter of 2008, the Authority invested a total of \$1.2 billion, earning an average yield of 2.4 percent (5.1 percent earned last year). The yields earned in the first 9 months of the year are about half of what they were last year due to falling market rates on investments commonly purchased, like treasuries and agencies.

In an effort to increase investment earnings, staff has invested approximately \$150 million in highly-rated securities offered by public companies that the Authority is authorized to invest in under statute and the investment policy. The \$150 million in short-term commercial paper that the Authority bought is earning about 1.5 percentage points higher than the 0.5 percent that is currently offered on treasuries that the Authority would otherwise purchase.

At the Audit and Finance Committee meeting staff discussed whether or not investments made in Federal Agency securities, principally those of Fannie Mae and Freddie Mac, can be considered safe investments. The Authority has \$545 million of its own funds invested, of which \$250 million is invested in securities issued by these two agencies.

As a brief background, Fannie Mae and Freddie Mac are congressionally authorized private companies, are owned by shareholders and are regulated by the U.S. Department of Housing and Urban Development (HUD). They are the largest sources of home financing in the U.S. and fund residential mortgages by purchasing loans directly from lenders, such as mortgage bankers and depository institutions. They hold these loans in portfolio or bundle them into mortgage-backed securities that are sold to a wide variety of investors in the capital markets.



Item 5 by Mr. Bryan (Appendix E)
Investment Transactions (Continued)

The reason for this discussion is that there have been well publicized concerns over their solvency, their high risk exposure and the significant decline in their share value due to the housing and mortgage back securities crisis. However, in response to this crisis, in early September the Treasury Department effectively took over Fannie Mae and Freddie Mac, naming the Federal Housing Finance Agency as conservator over the two agencies. As a result, securities from these two agencies have maintained a AAA rating, are seen as very safe investments, and have attractive yields.

At the request of the Audit and Finance Committee, staff asked the Authority's financial advisor, First Southwest, to provide the Board with some background on these investments. As noted in their memo, they have affirmed that the Fannie Mae and Freddie Mac investments made by the Authority are sensible investments given their high credit rating, stable outlook and the concentration limits allowed under the Authority's investment policy.

Mr. Bryan introduced Angie Rodell from First Southwest who was in attendance via video conference from Authority offices in the NY Division.

Mr. Plunkett acknowledged that the equity side of Freddie Mac and Fannie Mae is in trouble, and asked if the side the Authority is invested in remains stable. Mr. Bryan advised that the companies are operational; however, there is skepticism in the equity markets relative to the companies' future form and content, which is why the stock value of the companies has declined. However, the Fed has stepped in and "guaranteed" its support of the securities issued by these entities, consequently the companies are able to maintain a AAA rating on their securities.

In subsequent questions, Mr. Plunkett asked if there was any exposure to the side the Authority is investing in, should there be even bigger problems on the equity side of Fannie and Freddie. Is there a wall between the Authority's investments and the equity problems so the Authority never has to worry? Does the "guarantee" mean that the money will never be allocated to the equity side? Ms. Rodell responded affirmatively, and explained that the discount notes are backed by mortgage-backed securities, thereby allowing Freddie and Fannie to continue to buy up mortgage loans and keep the mortgage market in place in the United States because the economy is dependent on the housing market. They have increased the purchase prices that Fannie Mae can buy and the loans need to be insured by FHA, so there are several different levels of insurance in the NBF market. It is the opinion of First Southwest that the Authority's investments are sound. Mr. Bryan added that the investments are



Item 5 by Mr. Bryan (Appendix E)
Investment Transactions (Continued)

short-term, typically less than 30-days. In addition, the Treasury has pledged \$100 billion worth of liquidity through the end of next year at which time the Authority may reconsider the concentration of its investments.

Mr. Sall asked if it was at the recommendation of First Southwest that the Authority buy \$150 million in commercial paper. Mr. Bryan responded negatively, advising that the Authority's statute and adaptive operational policy allows the Authority to invest in commercial paper, but only at the highest ratings; for example, in stable facilities like GE, HSBC and MetLife. However, First Southwest did say that they felt the investments in commercial paper were sensible investments given the state of the current market. Chairman Buono inquired if all investments are funneled through First Southwest, to which Mr. Bryan responded affirmatively. Chairman Buono thanked Mr. Bryan.

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

Item 6 by Mr. Bryan (Appendix F)
Extending the Authorization Granted Under Resolution Nos. 5605 and 5678 Relative to the Conveyance of Temporary Easement, Real Property Reference No. 562-A, to Tennessee Gas Pipeline Company

Mr. Howard reiterated that he would like staff to modify the Authority's procedures to allow for a longer lead time for these types of transactions.

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

RESOLUTION NO. 5702
**EXTENDING THE AUTHORIZATION GRANTED
UNDER RESOLUTION NOS. 5605 AND 5678 RELATIVE
TO THE CONVEYANCE OF A TEMPORARY
EASEMENT, REAL PROPERTY REFERENCE NO. 562-
A, TO TENNESSEE GAS PIPELINE COMPANY**



Item 6 by Mr. Bryan (Appendix F)

Extending the Authorization Granted Under Resolution Nos. 5605 and 5678 Relative to the Conveyance of Temporary Easement, Real Property Reference No. 562-A, to Tennessee gas Pipeline Company (Continued)

RESOLVED, that the Authority Board hereby finds and determines that the authorization heretofore granted under Resolution Nos. 5605 and 5678 is hereby extended an additional six months until May 16, 2009, and be it further

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 the Authority's Contracting Officer determined that this Board action complies with Article 9, Title 5-A of the Public Authorities Law, and with the Thruway Real Property Management Policy, and be it further

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

Item 7 by Mr. Bryan (Appendix G)

Authorizing a Designation of a Firm to Perform Trustee Services for the Authority's State Supported Bond Programs and Authorizing the Executive Director to Enter Into a Contract with the Designated Firm for Trustee Services

Mr. Plunkett asked for clarification that Bank of New York is the current Trustee and that this is a continuation of the existing contract through a competitive bidding process. Mr. Bryan responded affirmatively.

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

RESOLUTION NO. 5703

**AUTHORIZING A DESIGNATION OF A FIRM TO
PERFORM TRUSTEE SERVICES FOR THE
AUTHORITY'S STATE SUPPORTED BOND**



Item 7 by Mr. Bryan (Appendix G)

Authorizing a Designation of a Firm to Perform Trustee Services for the Authority's State Supported Bond Programs and Authorizing the Executive Director to Enter Into a Contract with the Designated Firm for Trustee Services (Continued)

PROGRAMS AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH THE DESIGNATED FIRM FOR TRUSTEE SERVICES

RESOLVED, that the Board authorizes the designation of The Bank of New York Mellon ("BNYM") to perform trustee services for all bonds and notes issued and to be issued by the Authority under the Local Highway and Bridge Special Limited Obligation Service Contract Bond Resolution, General Highway and Bridge Trust Fund Bond Resolution, Second General Highway and Bridge Trust Fund Resolution, State Personal Income Tax Revenue Bonds (Transportation) General Resolution, and any future State supported bond resolutions (collectively the "State-Supported Bond Programs") and the same is hereby approved, and be it further

RESOLVED, that the Executive Director is authorized to enter into a contract with BNYM to perform trustee services for the Authority related to the State-Supported Bond Programs on such terms and conditions as are deemed to be in the best interests of the Authority, and be it further

RESOLVED, that the Agreement shall be for a term of ten years commencing February 1, 2009 and ending January 31, 2019 with a maximum amount payable of \$622,500, and be it further

RESOLVED, that the costs of such services will be funded from the respective State-Supported Bond Program and that the funding of such costs be, and the same hereby is approved, and be it further

RESOLVED, that the Chief Financial Officer is authorized to charge expenditures for services rendered



Item 7 by Mr. Bryan (Appendix G)

Authorizing a Designation of a Firm to Perform Trustee Services for the Authority's State Supported Bond Programs and Authorizing the Executive Director to Enter Into a Contract with the Designated Firm for Trustee Services (Continued)

under such agreement to the appropriate State Supported Bond Program, 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 the item and other Board authorizations and suspend or terminate the contract in the best interest of the Authority, and be it further

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

Item 8 by Mr. Bryan (Appendix H)

Authorizing the Re-Designation of Underwriting Firms to Serve as Senior Managers and Co-Senior Managers to Fill Vacancies in Said Underwriting Pools for Authority Bond Sales and Authorizing the Executive Director to Enter Into Contract Amendments with the Re-Designated Firms for Underwriting Services

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

RESOLUTION NO. 5704

AUTHORIZING THE RE-DESIGNATION OF UNDERWRITING FIRMS TO SERVE AS SENIOR MANAGERS AND CO-SENIOR MANAGERS TO FILL VACANCIES IN SAID UNDERWRITING POOLS FOR AUTHORITY BOND SALES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO CONTRACT AMENDMENTS WITH THE RE-DESIGNATED FIRMS FOR UNDERWRITING SERVICES



Item 8 by Mr. Bryan (Appendix H)

Authorizing the Re-Designation of Underwriting Firms to Serve as Senior Managers and Co-Senior Managers to Fill Vacancies in Said Underwriting Pools for Authority Bond Sales and Authorizing the Executive Director to Enter Into Contract Amendments with the Re-Designated Firms for Underwriting Services (Continued)

RESOLVED, that the Board authorizes the re-designation of Banc of America Securities LLC, JPMorgan Securities Inc. and RBC Capital Markets to the Senior Manager pool from the Co-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 re-designation of DEPPFA First Albany, Loop Capital Markets, LLC, Roosevelt & Cross Inc. and Siebert Brandford Shank & Co., LLC to the Co-Senior Manager pool from the Co-Manager pool, from which 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 Exhibit A contains the complete list of underwriting firms and their designated pools approved by the Board pursuant to Resolution Nos. 5569 and 5583 and those underwriting firms before the Board today for re-designation, and be it further

RESOLVED, that the Executive Director is authorized to designate, in accordance with this resolution, from the firms listed in Exhibit A, the Senior Managers, Co-



Item 8 by Mr. Bryan (Appendix H)

Authorizing the Re-Designation of Underwriting Firms to Serve as Senior Managers and Co-Senior Managers to Fill Vacancies in Said Underwriting Pools for Authority Bond Sales and Authorizing the Executive Director to Enter Into Contract Amendments with the Re-Designated Firms for Underwriting Services (Continued)

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 Authority shall issue a new RFP for underwriting services during calendar year 2009, and be it further

RESOLVED, that the Executive Director is authorized to enter into contract amendments with each firm re-designated to the Senior Manager and Co-Senior 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 9 by Mr. Bryan (Appendix I)

Approval of Revisions to the 2008 Financial Plan and the 2009 Proposed Budget for the New York State Thruway Authority

Mr. Conway prefaced Mr. Bryan's presentation, advising that the Audit and Finance Committee had approved this Item at its November 17, 2008 meeting.

Mr. Bryan stated that the underlying theme is that ongoing enhanced cost containment efforts will ensure that the 2008 and 2009 budgets remain in balance and that the Authority continues to deliver safe transportation services more efficiently.



Item 9 by Mr. Bryan (Appendix I)

Approval of Revisions to the 2008 Financial Plan and the 2009 Proposed Budget for the New York State Thruway Authority (Continued)

While the 2008 Budget that was adopted by the Board in December of 2007 was balanced at the time, the Revised 2008 Budget includes more up to date revenue, expense and fund deposit adjustments that will result in a balanced budget for the year. The continuation of operating expense reductions and other actions will allow the Authority to meet its needs in 2008, despite a reduction in revenues attributable to high fuel prices in the first 9 months of the year and the current recessionary national economic environment.

The Proposed 2009 Budget is based on the assumption that the national economic climate will continue to impact traffic on the Thruway. To meet this challenge, the Proposed 2009 Budget includes a reduction of an additional 30 full-time staff positions, adding to the nearly 460 positions that have been eliminated over the last decade.

Mr. Bryan mentioned that Chairman Buono requested that staff amend the Proposed 2009 Budget to add additional savings by extending the current strict hiring controls through 2009. The documents before the Board today include the impact of this extension.

In addition, at the November 17, 2008 Audit and Finance Committee meeting, the Chairman directed staff to add to the 30 positions that staff planned on eliminating in this budget. While there wasn't time to add this to the documents the Board is contemplating today, staff will put something together and will send it out to the Board by the next meeting. The plan is to eliminate an additional 20 positions to bring the total up to 50.

For 2009, overall, staff anticipates the total operating budget for the Canal and Thruway will grow by a rate just under the latest consensus inflation forecasts for the year. However, after adjusting for mandated, non-discretionary costs, operating expenses for both the Canal and the Thruway are expected to actually decline by more than 1 percent under the Proposed 2009 Budget.

The Proposed 2009 Budget includes funding for several important capital projects:

- The completion of the partial deck replacement effort on the Tappan Zee Bridge;



Item 9 by Mr. Bryan (Appendix I)

Approval of Revisions to the 2008 Financial Plan and the 2009 Proposed Budget for the New York State Thruway Authority (Continued)

- An important deck replacement job at one of the Grand Island Bridges;
- The completion of the Interchange 17 project, that will provide a new, seamless interchange between I-84 and I-87;
- The completion of the new Woodbury Toll Plaza that will bring highway speed E-ZPass to our customers in that often congested area; and
- The total reconstruction of a 15 mile section of highway in the Syracuse Division, which will be the largest single highway reconstruction project the Authority has ever undertaken.

Finally, as noted in the Multi-Year Financial Plan:

- Ongoing cost containment is expected to continue to limit annual increases in operating costs to a rate that is near or below the projected rate of inflation, with no projected operational deficits anticipated through 2011;
- Debt service coverage is expected to remain above the minimum levels established in the Authority's Fiscal Management Guidelines and bond resolution through 2011. As a result, the Authority will continue to be able to issue General Revenue bonds to finance its capital needs;
- No reductions in the Multi-Year Capital Program are required to retain a balanced financial plan. The Authority will continue to invest \$2.1 billion into the Multi-Year Capital Program, with over \$1.0 billion in lettings scheduled from now until the end of 2011. This will ensure that the overall condition rating of the Authority's highway and bridge assets will remain in good condition and the safety of the motoring public will be preserved; and
- Sufficient cash resources will be available, allowing pay-as-you-go financing of the Multi-Year Capital Program to remain above 20 percent.

Mr. Plunkett stated that according to the Nov. 7th Memorandum (page 2, table 1) the revised 2008 Budget is down \$31 million. Mr. Bryan responded that staff believes that is where the authority will end up as of December 31, 2008, primarily due to a shortage of toll revenues. Mr. Plunkett then stated that on the next page of



Item 9 by Mr. Bryan (Appendix I)

Approval of Revisions to the 2008 Financial Plan and the 2009 Proposed Budget for the New York State Thruway Authority (Continued)

the memo Thruway revenues for 2009 are estimated to be up by \$71 million. Mr. Bryan stated that that's accounting for the full impact of the E-ZPass toll adjustment, even accounting for ridership issues. Mr. Plunkett questioned the \$4 million drop in toll revenue from the original discussion with the Board. Mr. Bryan stated that when staff met with the Board in September to discuss the budget it was estimated that the loss of toll revenue would amount to \$27 million by the end of the year. That number has since been adjusted and staff believes a more accurate figure for the amount of lost revenue is \$31 million.

Mr. Sall asked a question with regard to Table 1 and the operating expenses for I-84, wanting to know where the corresponding revenue from the State comes in. Mr. Bryan responded that those figures appear in the other funds category. Mr. Sall then asked why there is a need to increase the amount of funding from claims from \$2 million to \$4 million. Mr. Bryan responded that he and Ms. O'Connor had reviewed the outstanding claims and determined there was a need for the increase based on the number of large claims still outstanding. Mr. Sall asked if the amount was specifically tied to lawsuits against the Authority. Ms. O'Connor responded affirmatively, stating that there was already a claim that has gone to judgement, portions of which are bring appealed, that involved four deaths and two injured children. The amount is approximately \$13.8 million. There are a few additional claims along the same lines and staff thought it prudent to add the additional \$2 million so that payments can be made when they come due. Mr. Bryan stated the Authority is self-insured and the funds are placed in an indemnity reserve fund. Some years the annual deposit is \$2 million, others it's been near \$7 million. It's variable dependent on these cases.

Ms. Crotty stated that the original Budget approved for 2008 and the proposed 2009 Budget are relatively consistent, with only a \$29,000 difference. The original \$545 million target for the 2008 Capital Program that was set when the Authority's Budget was approved in December 2007 will not be met. A number of projects were delayed in early 2008 prior to the toll adjustment being approved due to concerns over funding availability. The project delays caused cash support for the projects to be moved from 2008 to the 2009 fiscal year. She asked how confident staff is that they can spend the \$547 million budgeted for 2009. Mr. Waite stated that the \$547 million was cash flow rather than letting figures. She stated that it seems to be the pattern where the Capital Program budget is overshot. Mr. Waite responded that the 2009 letting amount is closer to \$203 million, agreeing that the Authority does tend to fall short on spending although not as much as in past years. Mr. Bryan stated that



Item 9 by Mr. Bryan (Appendix I)

Approval of Revisions to the 2008 Financial Plan and the 2009 Proposed Budget for the New York State Thruway Authority (Continued)

movement of large project lettings often account for the difference in annual cash flow, in the past the Tappan Zee Bridge project was an issue, this year the work on the Grand Island Bridge was responsible.

Mr. Howard commented that the Stantec Report update is critical and the Board needs to be updated in January especially regarding continuing trends in commercial and passenger traffic.

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

RESOLUTION NO. 5705

**APPROVAL OF REVISIONS TO THE 2008 REVISED
FINANCIAL PLAN AND THE 2009 PROPOSED BUDGET
FOR THE NEW YORK STATE THRUWAY
AUTHORITY**

RESOLVED, that the Report on the 2008 Financial Plan as presented in this item be, and the same hereby is, accepted by the Board, and be it further

RESOLVED, that the Chief Financial Officer be, and he hereby is, authorized to make any and all adjustments to the appropriate funds consistent with this revised Financial Plan for 2008, and be it further

RESOLVED, that the Chief Financial Officer be, and he hereby is, authorized to make any other adjustments based on actual results that are consistent with this projected plan, and report such actions to the Board, and be it further

RESOLVED, that the Authority's proposed Budget for the fiscal year 2009, submitted by the Executive Director, the Chief of Staff and the Chief Financial Officer, be, and the same hereby is, approved and funded in accordance with the attached Exhibit III, and be it further



Item 9 by Mr. Bryan (Appendix I)

Approval of Revisions to the 2008 Financial Plan and the 2009 Proposed Budget for the New York State Thruway Authority (Continued)

RESOLVED, that the Executive Director or his designee be, and he hereby is, authorized to make such expenditures as set forth in this Budget, subject to compliance with Authority policies and procedures, and to make such internal adjustments and transfers within the Authority Budget as are necessary and proper, and to make any other adjustment with the concurrence of the Board, and be it further

RESOLVED, that a copy of the Budget approved herein, when printed in final form, be attached to these minutes and made a part thereof, and be submitted to the New York State entities in accordance with Section 2801 of the Public Authorities Law, and be it further

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

Item 10 by Mr. Bryan and Ms. O'Connor (Appendix J)

Approving a Date Extension and a Revised Not-To- Exceed Amount for the Authority to Complete the CHIPS Transaction Approved by the Board on April 25, 2008 Pursuant to Resolution No. 5679 and Approving an Amended and Restated Seventeenth Supplemental Local Highway and Bridge Special Limited Obligation Service Contract Resolution to Reflect the Same

Mr. Conway prefaced Mr. Bryan's presentation, advising that the Audit and Finance Committee had approved this Item at its November 17, 2008 meeting.

Mr. Bryan reported that the auction rate securities were issued by the Authority back in 2003. They were issued on behalf of and are paid for by the State to fund local highway and bridge projects.

For over a year now, credit and liquidity concerns have steered investors away from auction rate investments, leading to numerous and frequent auction failures that have resulted in higher debt service costs to the State. As a result, the NYS Division of the Budget requested that the Authority convert these auction rate securities into other variable or fixed rate obligations.



Item 10 by Mr. Bryan and Ms. O’Conor (Appendix J)
Approving a Date Extension and a Revised Not-To- Exceed Amount for the Authority to Complete the CHIPS Transaction Approved by the Board on April 25, 2008 Pursuant to Resolution No. 5679 and Approving an Amended and Restated Seventeenth Supplemental Local Highway and Bridge Special Limited Obligation Service Contract Resolution to Reflect the Same (Continued)

The authorization to perform this transaction was originally made by the Board this past April and that authorization expired on October 31, 2008. However, due to the turmoil in the financial markets and the complications it has caused in structuring this transaction, staff was unable to complete it prior to the expiration of the authorization. As a result, at the Division of the Budget’s request, staff is seeking to extend the expiration date of this transaction until December 31, 2009.

Mr. Bryan noted that Pat Reale, from the New York State Division of Budget and Stan Kramer, the Authority’s bond counsel were present at Headquarters and via video conference respectively, and available to answer any questions.

Mr. Plunkett commented that the maximum issuance amount had changed from \$575 million to \$625 million and asked if that was just a sign of the times. Mr. Bryan responded that conversations are ongoing about how to convert the transactions, whether using a variable or a fixed rate, so to make sure there is some latitude for the Authority and also allow the Authority to take advantage of a refunding the amount has been increased. Mr. Plunkett stated that he wanted to be sure that the 10 percent increase was a reflection of the current instability in the market. Mr. Bryan concurred.

Ms. Crotty asked if the authorization was correctly dated December 2009, allowing for a full year to complete the transaction. Mr. Bryan responded affirmatively, stating that staff expects to complete the process in the first quarter of 2009 but requested the additional time as a precaution.

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

RESOLUTION NO. 5706
**APPROVING A DATE EXTENSION AND A REVISED
NOT- TO-EXCEED AMOUNT FOR THE AUTHORITY
TO COMPLETE THE CHIPS TRANSACTION
APPROVED BY THE BOARD ON APRIL 25, 2008
PURSUANT TO RESOLUTION NO. 5679 AND**



Item 10 by Mr. Bryan and Ms. O’Conor (Appendix J)

Approving a Date Extension and a Revised Not-To- Exceed Amount for the Authority to Complete the CHIPS Transaction Approved by the Board on April 25, 2008 Pursuant to Resolution No. 5679 and Approving an Amended and Restated Seventeenth Supplemental Local Highway and Bridge Special Limited Obligation Service Contract Resolution to Reflect the Same (Continued)

APPROVING AN AMENDED AND RESTATED SEVENTEENTH SUPPLEMENTAL LOCAL HIGHWAY AND BRIDGE SPECIAL LIMITED OBLIGATION SERVICE CONTRACT RESOLUTION TO REFLECT THE SAME

RESOLVED, that the Authority Board approved a CHIPS transaction on April 25, 2008 pursuant to Resolution No. 5679, and be it further

RESOLVED, that the New York State Division of Budget (DOB) has requested that the Authority extend the date to complete the transaction contemplated by Resolution No. 5679 through December 31, 2009, and be it further

RESOLVED, that DOB has further requested that the Authority increase the not-to-exceed amount for the transaction contemplated by Resolution No. 5679 to \$625,000,000, and be it further

RESOLVED, that there has been prepared and submitted to the Board an Amended and Restated Seventeenth Supplemental Local Highway and Bridge Special Limited Obligation Service Contract Bond Resolution Authorizing an amount not-to-exceed \$625,000,000 of Local Highway and Bridge Service Contract Bonds, Series 2008C (the “Amended and Restated Seventeenth Supplemental Resolution”), to refund and restructure all or a portion of said Series 2003C Bonds, on terms satisfactory to the Authority and DOB on or before December 31, 2009, and be it further

RESOLVED, that the Board approves and adopts the Amended and Restated Seventeenth Supplemental



Item 10 by Mr. Bryan and Ms. O'Connor (Appendix J)

Approving a Date Extension and a Revised Not-To- Exceed Amount for the Authority to Complete the CHIPS Transaction Approved by the Board on April 25, 2008 Pursuant to Resolution No. 5679 and Approving an Amended and Restated Seventeenth Supplemental Local Highway and Bridge Special Limited Obligation Service Contract Resolution to Reflect the Same (Continued)

Resolution and authorizes such changes to the supporting documentation previously approved by the Board which are consistent herewith, and be it further

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

Item 11 by Mr. Barr (Appendix K)

Authorization for the Executive Director to Execute a Collective Bargaining Agreement Between the Thruway Authority and the Civil Service Employees Association, Local 058, Approval of Compensation for Managerial/Confidential Employees and Authorization for the Executive Director to Extend to Managerial/Confidential Employees Appropriate Bargaining Agreement Provisions Which May Be Negotiated

Prior to any discussion on this Item Mr. Howard read the following statement: I have a family member who was hired by the New York State Thruway Authority through the civil service process and is currently a Civil Engineer II. This family member is also a member of CSEA. If the Board approves the contract, my family member, who is one of many in the negotiating unit, will receive the salary increase negotiated in the new contract. I have not partaken in any negotiations of the terms of the proposed contract. I have discussed the issue of a potential conflict with the New York State Thruway Authority's counsel and we have concluded that it would be the most prudent action for me to abstain from this vote. As such, I abstain from the vote and will now leave the meeting until all discussion and voting on this matter is completed. Thank you.

Mr. Barr stated that this Item does not allow for salary increases for the Authority's Executive Director, Chief of Staff, Department Heads or Division Directors.

Mr. Sall stated he believes that the raises should be approved for CSEA and M/C employees, but noted that the Governor has asked Unions to make adjustments on these contracts on a going forward basis. Mr. Sall requested that staff keep this in



Item 11 by Mr. Barr (Appendix K)

Authorization for the Executive Director to Execute a Collective Bargaining Agreement Between the Thruway Authority and the Civil Service Employees Association, Local 058, Approval of Compensation for Managerial/Confidential Employees and Authorization for the Executive Director to Extend to Managerial/Confidential Employees Appropriate Bargaining Agreement Provisions Which May Be Negotiated (Continued)

mind and be prepared to approach the Thruway unions if finances dictate that cost control measures be taken.

Mr. Plunkett stated he believes that the senior management have served the Authority well and with great distinction in difficult times and asked that staff continue to monitor the issue and inform the Board if an appropriate time presents itself to extend the increases to the senior staff as well. Ms. Crotty echoed Mr. Plunkett's statement, adding that it's been a difficult couple of years in terms of long-term capital planning and financial planning, toll increases, etc. and it is difficult to accept that the people not getting a raise are the people the Board leans on the most in those situations, although she recognizes the dire fiscal situation the State is under. Ms. Crotty spoke to management directly stating that she thinks the world of them and the work they've done during difficult times and she is hopeful this issue can be revisited in the next fiscal year. Mr. Sall concurred with Ms. Crotty stating that these are the same people the Board interacts with on a regular basis and who do a fine job and that he is hopeful that in the coming year if the finances improve this issue can be readdressed. Chairman Buono stated that he echoes all of the comments made and that he works very closely with all of the senior staff and knows the amount of effort they put into making this the greatest Authority in the State of New York and he is also hopeful that adjustments can be made as things change down the road.

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

RESOLUTION NO. 5707

**AUTHORIZATION FOR THE EXECUTIVE DIRECTOR
TO EXECUTE A COLLECTIVE BARGAINING
AGREEMENT BETWEEN THE THRUWAY
AUTHORITY AND THE CIVIL SERVICE EMPLOYEES
ASSOCIATION, LOCAL 058, APPROVAL OF
COMPENSATION FOR MANAGERIAL/
CONFIDENTIAL EMPLOYEES, AND
AUTHORIZATION FOR THE EXECUTIVE DIRECTOR**



Item 11 by Mr. Barr (Appendix K)

Authorization for the Executive Director to Execute a Collective Bargaining Agreement Between the Thruway Authority and the Civil Service Employees Association, Local 058, Approval of Compensation for Managerial/Confidential Employees and Authorization for the Executive Director to Extend to Managerial/Confidential Employees Appropriate Bargaining Agreement Provisions Which May Be Negotiated (Continued)

**TO EXTEND TO MANAGERIAL/CONFIDENTIAL
EMPLOYEES APPROPRIATE BARGAINING
AGREEMENT PROVISIONS WHICH MAY BE
NEGOTIATED**

RESOLVED, that the Executive Director be, and hereby is, authorized to execute an agreement between the Authority and Civil Service Employees Association, Local 058 (as representatives of employees in Negotiating Unit II) (“Agreement”), and be it further

RESOLVED, that such Agreement shall have a term of four years, beginning July 1, 2008 and ending June 30, 2012, and shall be on terms and conditions consistent with this item, and be it further

RESOLVED, that the Executive Director or his designee be, and hereby is, authorized to enter into Memoranda of Understanding or Settlement Agreements with representatives of CSEA Local 058 to clarify or otherwise settle questions or disputes regarding the interpretation and application of the Agreement, and be it further

RESOLVED, that the base salary of Managerial/Confidential (M/C) employees and the M/C Salary Schedule be increased by 3.0% retroactive to the pay period that includes July 1, 2008; and effective the pay period that includes July 1, 2009, the base salary of M/C employees and the M/C Salary Schedule be increased by 3.0%; and effective the pay period that includes July 1, 2010, the base salary of M/C employees and the M/C Salary Schedule be increased by 3.0%; and effective the pay period



Item 11 by Mr. Barr (Appendix K)

Authorization for the Executive Director to Execute a Collective Bargaining Agreement Between the Thruway Authority and the Civil Service Employees Association, Local 058, Approval of Compensation for Managerial/Confidential Employees and Authorization for the Executive Director to Extend to Managerial/Confidential Employees Appropriate Bargaining Agreement Provisions Which May Be Negotiated (Continued)

that includes July 1, 2011, the base salary of M/C employees and the M/C Salary Schedule be increased by 4.0% provided, however that no payment of base salary increases be granted for the Executive Director, Chief of Staff, Chief Engineer, Director of Maintenance and Operations, Director of Administrative Services, General Counsel, Director of Audit and Management Services, Chief Financial Officer, Director of Information Technology, and the Division Directors for New York, Albany, Syracuse and Buffalo, and be it further

RESOLVED, that the Board continue to monitor and review this issue during the next fiscal year, and be it further

RESOLVED, that the Location Differential for M/C employees whose work location is in Bronx, Rockland or Westchester Counties be increased to \$1,850 retroactive to the pay period that includes July 1, 2008, and further increased to \$3,026 effective the pay period that includes October 1, 2008; retroactive to the pay period that includes July 1, 2008, the Mid-Hudson Adjustment paid to M/C employees whose work location is in Dutchess, Putnam and Orange Counties be increased to \$1,000 and further increased to \$1,513 effective the pay period that includes October 1, 2008, and be it further

RESOLVED, that M/C employees first hired by the Authority or Corporation on or after July 1, 2008 are not eligible to receive unlimited free travel on the Thruway, and be it further



Item 11 by Mr. Barr (Appendix K)

Authorization for the Executive Director to Execute a Collective Bargaining Agreement Between the Thruway Authority and the Civil Service Employees Association, Local 058, Approval of Compensation for Managerial/Confidential Employees and Authorization for the Executive Director to Extend to Managerial/Confidential Employees Appropriate Bargaining Agreement Provisions Which May Be Negotiated (Continued)

RESOLVED, that the Executive Director be, and hereby is, authorized to extend appropriate provisions of collective bargaining agreements that have been or may be reached as a result of current labor negotiations with the Authority/Corporation's unionized employees (including the reduction of such benefits) to the Authority's M/C employees, and be it further

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

Item 12 by Mr. Barr (Appendix L)

Authorizing the Executive Director to Execute a Contract with Professional Health Services, Inc., to Provide Occupational Medical Services for Authority and Canal Corporation Employees

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

RESOLUTION NO. 5708

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH PROFESSIONAL HEALTH SERVICES, INC. TO PROVIDE OCCUPATIONAL MEDICAL SERVICES FOR AUTHORITY AND CANAL CORPORATION EMPLOYEES

RESOLVED, that the Executive Director be, and hereby is, authorized to execute an agreement with Professional Health Services, Inc. to provide Occupational Safety and Health Administration mandated occupational medical services for both Authority and Canal Corporation employees ("Agreement"), and be it further



Item 12 by Mr. Barr (Appendix L)

Authorizing the Executive Director to Execute a Contract with Professional Health Services, Inc., to Provide Occupational Medical Services for Authority and Canal Corporation Employees (Continued)

RESOLVED, that the Agreement shall be for a term of two years, with the option to renew for three additional one-year terms, the cost of these services is anticipated to be \$193,000 for each of the years 2009 and 2010, for a maximum amount payable for the initial two year term of \$386,000, and be it further

RESOLVED, that the Agreement shall be on such other terms and conditions as the Executive Director, in consultation with the General Counsel, determines to be in the best interests of the Authority, and be it further

RESOLVED, that the Executive Director be, and hereby is, authorized to exercise the Authority's option to extend the Agreement for each of the three additional one-year terms provided that the maximum amount payable for the entire five year term will not exceed \$965,000, 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 the Agreement, to manage and administer the Agreement, amend 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 the Chief Financial Officer be, and hereby is, authorized to charge expenditures for services rendered under such Agreement to the appropriate funds provided therefore, subject to reallocation and adjustment as determined by final audit of charges, and be it further

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



Item 13 by Mr. Bell (Appendix M)

Authorizing an Amendment to the Thruway Rules and Regulations in Relation to Fees for Advertising Devices

Mr. Plunkett stated that the fees range from \$20 to \$100. Mr. Bell concurred. Mr. Howard asked what the fees amount to in terms of revenue. Mr. Bell responded that it's almost nothing. Mr. Sall asked what types of advertising are available along the Thruway. Mr. Bell responded that these are primarily local businesses along the Thruway Right-of-Way who put signs up facing the highway. Billboards are not allowed within 660 feet. Mr. Sall then clarified that these businesses are putting these signs up on their own property but the Authority can charge a fee because it looks out onto the highway. Mr. Bell concurred. He stated that the Authority has to regulate the signs based on the actual size, size of the letters, the messages on the signs, phone numbers, web addresses, etc. He stated the Authority actually loses quite a bit of money doing this program due to the fact that staff time is much more valuable than what the Authority recovers in cost.

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

RESOLUTION NO. 5709

**AUTHORIZING AN AMENDMENT TO THE THRUWAY
RULES AND REGULATIONS IN RELATION TO FEES
FOR ADVERTISING DEVICES**

RESOLVED, that the Board approves the proposed amendments to the Authority's rules and regulations as presented in Exhibit A attached hereto and 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, and any other applicable statutes, orders, policies and procedures, and be it further

RESOLVED, that the Executive Director is authorized to make modifications to such amendments as he deems appropriate in response to any comments that may be made during the adoption process conducted in accordance with the State Administrative Procedure Act, and any other applicable statutes, orders, policies and procedures, and be it further



Item 13 by Mr. Bell (Appendix M)

Authorizing an Amendment to the Thruway Rules and Regulations in Relation to Fees for Advertising Devices (Continued)

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

Item 14 by Mr. Bell (Appendix N)

Authorization of a Multi-Year Agreement between the New York State Thruway and TRANSCOM, Inc. for the Years 2009-2013

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

RESOLUTION NO. 5710

AUTHORIZATION OF A MULTI-YEAR AGREEMENT BETWEEN THE NEW YORK STATE THRUWAY AUTHORITY AND TRANSCOM, INC., FOR THE YEARS 2009-2013

RESOLVED, that the Executive Director be, and hereby is, authorized to execute a multi-year agreement for membership in TRANSCOM, Inc. for the years 2009-2013, and be it further

RESOLVED, that the Executive Director be, and he hereby is, authorized to approve and execute such future ministerial amendments and additions to the TRANSCOM Multi-Year Agreement that may be approved by the TRANSCOM Board of Trustees and which the Executive Director deems to be in the best interests of the Thruway Authority, and be it further

RESOLVED, that the Executive Director be, and hereby is, authorized to expend, in consultation with the Director of Finance, an annual amount not to exceed \$310,000, and for the five year term 2009-2013, an amount not to exceed \$1,300,000, and be it further



Item 14 by Mr. Bell (Appendix N)

Authorization of a Multi-Year Agreement between the New York State Thruway and TRANSCOM, Inc. for the Years 2009-2013 (Continued)

RESOLVED, that the sum \$155,618 be and the same hereby is appropriated to the 2009 Operating Budget from revenues to be received during 2009, and be it further

RESOLVED, that the Board will annually review its continued membership and funding for TRANSCOM as part of the Budget approval process, and be it further

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

Item 15 by Ms. Riddett (Appendix O)

Approving the Waiver of Competition for the Purchase of Laser Sensors Offered by O.S.I. Laserscan, Inc. and Authorizing the Procurement of Such Laser Sensors from O.S.I. Laserscan, Inc.

Mr. Plunkett inquired if there are any competitors for this work. Ms. Riddett responded that there were only two bidders on the last RFP. Mr. Plunkett then asked if it's prudent to look for other bidders. Mr. Fleischer responded that the issue in going with another company would require the Authority to reconfigure all of its existing equipment. Mr. Howard said the Authority is basically committed to this type of technology now. Mr. Plunkett questioned if it makes sense to then explore the option of alternative technology while still going forward with this. Mr. Bryan and Ms. Riddett responded that the Authority continuously looks at alternative technology and that a research budget is in place to assist with that. Ms. Luh asked that the Board be informed of the results of the research and shown the different options.

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

RESOLUTION NO. 5711

APPROVING THE WAIVER OF COMPETITION FOR THE PURCHASE OF LASER SENSORS OFFERED BY O.S.I. LASERSCAN, INC. AND AUTHORIZING THE PROCUREMENT OF SUCH LASER SENSORS FROM O.S.I. LASERSCAN, INC.



Item 15 by Ms. Riddett (Appendix O)

Approving the Waiver of Competition for the Purchase of Laser Sensors Offered by O.S.I. Laserscan, Inc. and Authorizing the Procurement of Such Laser Sensors from O.S.I. Laserscan, Inc. (Continued)

RESOLVED, that the Board approves the waiver of competition for the procurement of laser sensors and repair services from O.S.I. Laserscan, Inc. for an amount not to exceed \$2,500,000, 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 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 16 by Ms. Riddett (Appendix P)

Authorizing the Executive Director or His Designee to Execute a Contract with Keane, Inc., to Enhance the Infrastructure Inventory and Inspection System (IIS) to Improve Capital Planning, the Quality Control and Assurance of Bridge, Sign and Culvert Inspections and Expedite the Update of Bridge Load Ratings

Mr. Howard asked why the Authority only asks for one-year contracts for this work. Ms. Riddett responded that it gives the Authority the option not to go forward with the work if it doesn't need to. On a yearly basis staff evaluates what type of work needs to be done on the system and determines if there is a need for the contract. Mr. Howard asked if the information is of a proprietary nature. Ms. Riddett responded negatively, stating that the software is written in a language that is very common and that there were 7 bidders on the contract, Keane just happened to be the low bidder. Mr. Howard asked if there was in fact a legitimate competitive selection process each time. Ms. Riddett concurred.

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



Item 16 by Ms. Riddett (Appendix P)

Authorizing the Executive Director or His Designee to Execute a Contract with Keane, Inc., to Enhance the Infrastructure Inventory and Inspection System (IIS) to Improve Capital Planning, the Quality Control and Assurance of Bridge, Sign and Culvert Inspections and Expedite the Update of Bridge Load Ratings (Continued)

RESOLUTION NO. 5712

AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO EXECUTE A CONTRACT WITH KEANE, INC., TO ENHANCE THE INFRASTRUCTURE INVENTORY AND INSPECTION SYSTEM (IIS) TO IMPROVE CAPITAL PLANNING, THE QUALITY CONTROL AND ASSURANCE OF BRIDGE, SIGN AND CULVERT INSPECTIONS AND EXPEDITE THE UPDATE OF BRIDGE LOAD RATINGS

RESOLVED, that the Executive Director, or his designee, be, and hereby is, authorized to execute a contract with Keane, Inc. for an amount not to exceed \$150,000, to provide expertise and assistance to improve the ability of IIS to manage bridge inspection and sign inspection data, upon such terms and conditions consistent with this item, and upon such other terms and conditions as the Executive Director determines to be in the best interests of the Authority, and be it further

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

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



Item 17 by Mr. Waite (Appendix Q)
Report on the Capital Program

Mr. Waite reported that the letting goal for 2008 was \$370 million with a corresponding cash flow for the year of \$496 million. Up to October 1, 2008 23 projects had been let. Seventeen had been let through the end of August, six were let in September worth \$53 million and 5 more were let during the month of October for an aggregate of \$18 million. In Mr. Waite's September report, 15 projects remained to be let in 2008; 9 of those have been let, a couple have been delayed and staff hopes to let 9 more before the end of the year. He expects the total letting figure for 2008 to be \$320 million, down from the \$370 million predicted 11 months ago. Mr. Waite stated that staff had anticipated a year-long inflation of 15 percent over what was originally approved in the 2008 Contracts Program. The actual increase has been closer to 10 percent. Mr. Waite stated that he believes that decrease is due in part to a lack of competition from DOT, the contractors have less work and are putting in lower bids due to DOT's program being curtailed somewhat. The slow down in the economy has also helped to stabilize prices. The month of October took a significant dip in some of the highway costs, whether or not that trend will continue is hard to say. There is also talk of a Federal stimulus package for infrastructure. Mr. Waite stated that he is unsure if the Authority would receive any of the funds, but the State DOT would get it and their funds would jump up, allowing for more lettings and increasing competition again which would not be good for the Authority and could once again raise prices. Mr. Plunkett asked if the stimulus package could impact the Authority. Mr. Waite concurred, stating that Federal funds often have additional requirements and the work would be subject to NEPA. The Authority does not have projects that have been prepared in accordance with NEPA So while the stimulus package may be good for New York State, the Authority does not have many projects that could qualify.

Mr. Waite stated that as Mr. Howard pointed out at the November 17, 2008 Audit & Finance Committee Meeting, the 2009 Contracts Program indicates a bump in prices by 16 percent over the 2008 re-estimated costs for the projects. Staff has been conservative with these figures, which Mr. Waite believes is not a bad thing, stating that if prices continue to drop or level off, the Authority will be able to use those funds to let more projects. The letting program for 2009 is approximately \$202 million but it jumps significantly to \$250 million for 2010 and even higher in 2011, so the Authority needs to get some momentum going to achieve those goals.

Mr. Conway advised that the Audit and Finance Committee had approved this Item at its November 17, 2008 meeting.



Item 17 by Mr. Waite (Appendix Q)
Report on the Capital Program (Continued)

Mr. Plunkett inquired as to where the Authority stands with the \$2.1 billion Capital Plan. Mr. Waite and Mr. Bryan simultaneously responded that there is approximately \$1 billion left. Mr. Plunkett asked if the aforementioned projects are a part of that total to which Mr. Waite responded affirmatively.

Following discussion regarding the 2005-2011 Capital Program and the 2008 Contracts Program, on the motion of Mr. Conway, seconded by Mr. Howard, without any objections, the Board accepted the Authority's reports (2008-3 and 2008-4) on the Capital Program.

Item 18 by Mr. Waite (Appendix R)
Approving the 2009 Contracts Program

Mr. Waite advised that the Audit and Finance Committee had approved this Item at its November 17, 2008 meeting. Mr. Conway concurred.

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

RESOLUTION NO. 5713
APPROVING THE 2009 CONTRACTS PROGRAM

RESOLVED, that the 2009 Contracts Program for Highway, Bridge, Intelligent Transportation Systems and Architectural be, and the same hereby is, approved, and be it further

RESOLVED, that the Chief Engineer be, and hereby is, authorized:

- A. to prepare and approve Official Proposals, Plans and Specifications, Engineer's/Architect's Estimates of Cost and Contract Documents for such projects as are tabulated in the 2009 CONTRACTS PROGRAM;
- B. to hold the respective Engineer's/ Architect's Estimate of Cost for such contracts confidential;
- C. to advertise for receipt of bids for those projects which are tabulated in the 2009



Item 18 by Mr. Waite (Appendix R)
Approving the 2009 Contracts Program (Continued)

CONTRACTS PROGRAM; (1) when the final Engineer's/Architect's Estimates of Cost are equal to or less than the project's budget allocations, and (2) when the final Engineer's/Architect's Estimate of Cost does not exceed the project's budget allocation by more than \$75,000 for projects with budget allocations of up to \$500,000 or by more than 15 percent for projects with budget allocations that exceed \$500,000 provided confirmation is received from the Department of Finance and Accounts that sufficient funds are available in the 2009 CONTRACTS PROGRAM, or (3) when the final Engineer's/Architect's Estimate of Cost exceeds the project's budget allocation beyond the limits in (2), provided that he receives prior approval of the Executive Director and confirmation from the Department of Finance and Accounts that sufficient funds are available in the 2009 CONTRACTS PROGRAM;

D. to award any such contract to the lowest responsible bidder when it is deemed to be an acceptable bid, and:

- 1. the low bid is equal to or less than the Engineer's/Architect's Estimate; or**
- 2. the low bid exceeds the Engineer's/Architects Estimate by up to \$75,000 on contracts up to and including \$500,000, or 15 percent on contracts over \$500,000 and confirmation is received from the Department of Finance and Accounts that, by virtue of bid savings and/or deferrals, sufficient funds are available for the additional difference between the Estimate amount and the low bid; or**
- 3. the low bid exceeds the Engineer's/Architects Estimate by up to \$100,000 on contracts up to and including**



Item 18 by Mr. Waite (Appendix R)
Approving the 2009 Contracts Program (Continued)

\$500,000, or 20 percent on contracts over \$500,000, provided that he receives prior approval of the Executive Director and confirmation from the Department of Finance and Accounts that, by virtue of bid savings and/or deferrals, sufficient funds are available for the additional difference between the Estimate amount and the low bid; or

4. the low bid exceeds the limits of (1), (2) or (3) provided he obtains Board authorization for the necessary additional funds;

E. to reject bids for any such contract which are determined to be not in accordance with bid documents and specifications thereof, or not in the Authority's best interests, or which are submitted by bidders determined to be not responsible. In these cases and where no bids are received, he may again advertise for receipt of bids pursuant to paragraph C;

F. to approve contingent or extra work on such construction contracts, when necessary, provided the additional cost shall not exceed the bid price by more than \$150,000, for contracts bid up to and including \$1,000,000, or 15 percent for contracts bid in excess of \$1,000,000 and to approve additional extra work, beyond that authorized above with the prior approval of the Executive Director, provided the final cost of the respective contracts shall not exceed the total bid price by more than \$200,000, for contracts bid up to and including \$1,000,000, or 20 percent for contracts bid in excess of \$1,000,000; and to adjust and determine disputed contract claims in accordance with contract documents;

G. to enter into, extend, and modify project specific agreements or multi-project agreements with localities, utility companies, railroads, and/or others as may be necessary in order to facilitate the



Item 18 by Mr. Waite (Appendix R)
Approving the 2009 Contracts Program (Continued)

administration, award, progress and completion of such contracts;

H. to acquire and grant such property interests (fee title, easements, etc.), in accordance with the provisions of the Authority's Real Property Management Policy, as may be necessary for implementation of the 2009 CONTRACTS PROGRAM; provided that the total amount of acquisitions or the amount of grants for any one project shall not exceed \$150,000 each without Board authorization;

I. to execute engineering agreements approved by the Board, or where otherwise authorized by the Executive Director, including amendments thereto, for services relating to projects included in the 2009 CONTRACTS PROGRAM;

J. to approve a supplemental agreement for expenditure of additional funds in furtherance of a Board approved engineering agreement, including any Board approved supplemental agreement, provided that the amount of such additional funds does not exceed \$150,000 in the case of agreements up to and including \$3,000,000, or 5 percent, in the case of agreements of over \$3,000,000; to approve, with the prior approval of the Executive Director, a supplemental agreement for expenditure of additional funds in furtherance of a Board approved engineering agreement, including any Board approved supplemental agreement, provided that the amount of such additional funds does not exceed 25 percent including any additional funds authorized in paragraph J; and provided further, when such supplemental agreement includes additional new design or construction inspection tasks, such approval must be based upon the following: it is determined that the assignment of the additional tasks is in the best interests of the Authority when considering the proximity of the



Item 18 by Mr. Waite (Appendix R)
Approving the 2009 Contracts Program (Continued)

additional tasks to the ongoing tasks, or it is determined to be in the best interests of the Authority to expedite the additional tasks through such assignment, or it is determined that significant savings to the Authority will result through the assignment of the additional tasks;

K. to exercise all powers reserved to the Authority under the provisions of any contracts or agreements executed pursuant to this item, manage and administer any such contracts or agreements, amend the provisions of any such contracts or agreements consistent with the terms of this item and in accordance with other applicable Board authorizations, and suspend or terminate any such contracts or agreements in the best interests of the Authority, and be it further

RESOLVED, that any powers granted to the Executive Director by the Board to approve expenditures or to increase expenditures for contracts and agreements shall be in addition to those powers granted under this resolution and any action taken pursuant thereto shall be deemed to be authorized under this resolution, and be it further

RESOLVED, that in accordance with the other powers delegated herein, the Chief Engineer shall be, and hereby is, authorized to make all necessary decisions pursuant to the State Environmental Quality Review Act (SEQRA) with relation to the Contracts Program, and be it further

RESOLVED, that quarterly reports shall be submitted to the Board by the Chief Engineer on all awarded construction contracts; on approved additional funds for construction contracts over and above the contingency funds; on all engineering agreements and supplemental engineering agreements, approved pursuant to the provisions of this resolution, and be it further



Item 18 by Mr. Waite (Appendix R)
Approving the 2009 Contracts Program (Continued)

RESOLVED, that the Chief Financial Officer be, and he hereby is, authorized:

- A. upon award of such contracts to return such funds budgeted for such projects in the respective 2009 Budgets which are otherwise not required for expenditure during 2009 to its proper fund in accordance with acceptable budgeting and accounting procedure;**
- B. to monitor total cash expenditures for the 2009 CONTRACTS PROGRAM to insure that they do not exceed \$460,188,599 during the 2009 Fiscal Year;**
- C. to return bid checks submitted for such contracts to unsuccessful bidders; and to make necessary adjustments in the respective 2009 approved Budgets as required by implementation of any part of the Resolution relative to the 2009 CONTRACTS PROGRAM, and be it further**

RESOLVED, that the Executive Director or Chief Engineer be, and they hereby are, authorized to execute such contracts, including any amendments thereto, provided such amendments do not increase the authorized contract value beyond that which is otherwise authorized, and be it further

RESOLVED, that the provisions of this resolution shall be deemed to supersede all other inconsistent Authority policies and procedures to the extent necessary to implement the approved Contracts Program and for no other purposes, and be it further

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



Item 19 by Mr. Waite (Appendix S)

Authorizing Additional Funding for the Award of TANY 08-21B (D213657), Tappan Zee Bridge Phase II Steel Repairs, East Deck Truss, in the New York Division

Mr. Waite stated that the low bid of \$29,172,331.60 was received from Skanska Koch Inc. This sum exceeded the Engineer's Estimate by \$5,174,642.56. Mr. Waite stated that it is his belief that re-letting this project will not result in a lower bid. Mr. Howard agreed with Mr. Waite's analysis that the Authority would not get a better price, but was disappointed in the divergence of the figures. He questioned if the engineers estimate was done by an outside consultant or in-house. Mr. Waite responded that it was a combination of both. He stated that the issue was the last minute decision to add the bearing stool retrofits which delayed the letting. Another issue that could account for the divergence of bids was access to the site. Mr. Howard agreed, stating that the next bid was 25 percent higher than the low bid.

Mr. Plunkett inquired as to who was currently working on the bridge doing the re-decking. Mr. Waite responded that Perini Corp. was doing the re-decking. Mr. Plunkett asked if this project (steel repairs) is completely separate from that work. Mr. Waite responded affirmatively, stating that this project involved work that is strictly below deck. The biggest concern with this project is that the work has been outlined and is specific in nature however, once the crew begins work other issues can become noticeable, so cost containment will be a challenge. Mr. Plunkett inquired if this work will need to be done at night. Mr. Waite responded that this project does not require night work.

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

RESOLUTION NO. 5714

**AUTHORIZING ADDITIONAL FUNDING FOR THE
AWARD OF TANY 08-21B (D213657), TAPPAN ZEE
BRIDGE PHASE II STEEL REPAIRS, EAST DECK
TRUSS, IN THE NEW YORK DIVISION**

**RESOLVED, that additional funding for award of
TANY 08-21B (D213657), Tappan Zee Bridge Phase II Steel
Repairs, East Deck Truss, in the New York Division, to
Skanska Koch Inc. for their low bid of \$29,172,331.60 be,
and the same hereby is authorized, and be it further**



Item 19 by Mr. Waite (Appendix S)

Authorizing Additional Funding for the Award of TANY 08-21B (D213657), Tappan Zee Bridge Phase II Steel Repairs, East Deck Truss, in the New York Division (Continued)

RESOLVED, that an additional sum of \$5,174,642.56 be, and the same hereby is, allocated toward contract TANY 08-21B (D213657) from funding in the 2009 Contracts Program, 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 20 by Mr. Waite (Appendix T)

Authorizing Negotiation and Execution of Engineering Agreement D213769 with Prudent Engineering, LLP for Construction Inspection Services Relative to TAS 08-18, Highway Resurfacing from M.P. 304.5 to M.P. 313.8 in the Syracuse 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. 5715

AUTHORIZING NEGOTIATION AND EXECUTION OF ENGINEERING AGREEMENT D213769 WITH PRUDENT ENGINEERING, LLP FOR CONSTRUCTION INSPECTION SERVICES RELATIVE TO HIGHWAY RESURFACING FROM M.P. 304.5 TO M.P. 313.8 IN THE SYRACUSE DIVISION

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering agreement D213769 with Prudent Engineering, LLP, 6390



Item 20 by Mr. Waite (Appendix T)

Authorizing Negotiation and Execution of Engineering Agreement D213769 with Prudent Engineering, LLP for Construction Inspection Services Relative to TAS 08-18, Highway Resurfacing from M.P. 304.5 to M.P. 313.8 in the Syracuse Division (Continued)

Fly Road, East Syracuse, New York 13057, for construction inspection services relative to Highway Resurfacing from M.P. 304.5 to M.P. 313.8 in the Syracuse Division, provided that the Maximum Amount Payable does not exceed \$900,000 which is currently provided through the 2009 Contracts Program (Item H511.1), 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 the provisions of the agreement consistent with the terms of this item and in accordance with the 2009 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 21 by Mr. Waite (Appendix U)

Authorizing Negotiation and Execution of Engineering Agreement D213812 with Dewberry Goodkind, Inc. for Construction Inspection Services Relative to TANY 08-40, Pavement Resurfacing and Safety Upgrades from M.P. 0.0 to M.P. 11.3 in the New York Division

Mr. Sall inquired as to the specific services that are provided by Dewberry Goodkind, Inc. Mr. Waite responded that they are on the job with the contractor, helping interpret the plans, measuring the quantities of the work that is done,



Item 21 by Mr. Waite (Appendix U)

Authorizing Negotiation and Execution of Engineering Agreement D213812 with Dewberry Goodkind, Inc. for Construction Inspection Services Relative to TANY 08-40, Pavement Resurfacing and Safety Upgrades from M.P. 0.0 to M.P. 11.3 in the New York Division (Continued)

preparing the estimates so that the contractor can get paid and answering questions should there be something that needs interpretation. Mr. Sall asked if the work was done on an hourly basis or on a percentage of the cost of the project. Mr. Waite responded that it is done on an hourly basis but that staff generally estimates the cost of the work to be 10 percent of the total cost of the project. If the contractor finishes early, the Authority will save money on the inspection. If the project runs long, it costs more.

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

RESOLUTION NO. 5716

**AUTHORIZING NEGOTIATION AND EXECUTION OF
ENGINEERING AGREEMENT D213812 WITH
DEWBERRY-GOODKIND, INC. FOR CONSTRUCTION
INSPECTION SERVICES RELATIVE TO TANY 08-40,
PAVEMENT RESURFACING AND SAFETY UPGRADES
FROM M.P. 0.0 TO M.P. 11.3 IN THE NEW YORK
DIVISION**

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering agreement D213812 with Dewberry-Goodkind, Inc., 15 East 26th Street, New York, New York 10010, for construction inspection services relative to TANY 08-40, Pavement Resurfacing and Safety Upgrades from M.P. 0.0 to M.P. 11.3 in the New York Division, provided that the Maximum Amount Payable does not exceed \$1,700,000 (as noted in Item H1002.1 of the 2009 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



Item 21 by Mr. Waite (Appendix U)

Authorizing Negotiation and Execution of Engineering Agreement D213812 with Dewberry Goodkind, Inc. for Construction Inspection Services Relative to TANY 08-40, Pavement Resurfacing and Safety Upgrades from M.P. 0.0 to M.P. 11.3 in the New York Division (Continued)

the provisions of the agreement consistent with the terms of this item and in accordance with the 2009 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 22 by Mr. Waite (Appendix V)

Authorizing Negotiation and Execution of Engineering Agreement D213823 with Dewberry-Goodkind, Inc. for Construction Inspection Services Relative to TAB 09-29I, Installation of a Fiber Optics Backbone along I-190 and Intelligent Transportation System (ITS) Devices Along I-90 and I-190 in the Buffalo Division

Mr. Sall inquired as to why the inspection work on these types of projects can't be done in-house. Mr. Waite responded that they could be done in-house if the Authority had sufficient staff. Between 5 and 10 percent of the Authority's construction projects are inspected internally because that is all the staff available, the other 90 percent has to be done by consultants. Mr. Sall stated that between the last two Items over \$2 million is being spent on inspections. He inquired as to how many additional staff would need to be hired to avoid outsourcing this work. Mr. Waite responded that on a project like this one there would often be three full-time staffers: an office engineer, a chief inspector and an assistant inspector. Every project would vary from between 2 to 7 full-time staff. Mr. Sall inquired if it would make sense for the Board to consider doing things in a different way and adding additional staff to do the inspections. He stated that it appears the Authority could add quite a few engineers on a full-time basis for the amount of money being spent to outsource. Mr. Bryan stated that adding staff becomes an issue in terms of operating capital. Mr.



Item 22 by Mr. Waite (Appendix V)

Authorizing Negotiation and Execution of Engineering Agreement D213823 with Dewberry-Goodkind, Inc. for Construction Inspection Services Relative to TAB 09-29I, Installation of a Fiber Optics Backbone along I-190 and Intelligent Transportation System (ITS) Devices Along I-90 and I-190 in the Buffalo Division (Continued)

Waite stated that based on an hourly cost it could save money to use our own people, but hiring staff means adding to the Authority's retirement and health care costs. Mr. Howard stated that there is also the seasonal nature of the work. A lot of the inspectors are DOT and Thruway retirees and there would be a limited pool of qualified individuals to choose from if looking to hire them full time. Mr. Waite concurred, adding that in the past the Authority did more in-house inspections but issues arose when trying to find work for those engineers in the winter months. Mr. Sall requested that staff consider this issue going forward, as more lettings take place there will be more outsourcing of work and more money being spent. Mr. Waite concurred. Chairman Buono inquired if he was agreeing that the Authority would save money by hiring more staff. Mr. Waite clarified that he agrees with Mr. Sall that the Authority is spending a lot of money for consultants. Chairman Buono stated that it remains to be seen whether or not the Board should expand the bureaucracy to help Mr. Waite out. Mr. Howard requested that Mr. Waite provide an analysis to the Board detailing the cost differential for outsourcing inspection work versus hiring additional full-time staff.

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

RESOLUTION NO. 5717

**AUTHORIZING NEGOTIATION AND EXECUTION OF
ENGINEERING AGREEMENT D213823 WITH
DEWBERRY-GOODKIND, INC. FOR CONSTRUCTION
INSPECTION SERVICES RELATIVE TO TAB 08-29I,
INSTALLATION OF A FIBER OPTICS BACKBONE
ALONG I-190 AND INTELLIGENT TRANSPORTATION
SYSTEM (ITS) DEVICES ALONG I-90 AND I-190 IN THE
BUFFALO DIVISION**

**RESOLVED, that the Chief Engineer be, and hereby
is, authorized to negotiate and execute engineering
agreement D213823 with Dewberry-Goodkind, Inc., 700
Alliance Building, 183 East Main Street, Rochester, New**



Item 22 by Mr. Waite (Appendix V)

Authorizing Negotiation and Execution of Engineering Agreement D213823 with Dewberry-Goodkind, Inc. for Construction Inspection Services Relative to TAB 09-29I, Installation of a Fiber Optics Backbone along I-190 and Intelligent Transportation System (ITS) Devices Along I-90 and I-190 in the Buffalo Division (Continued)

York 14604, for construction inspection services relative to TAB 08-29I, Installation of a Fiber Optics Backbone along I-190 and Intelligent Transportation System (ITS) Devices along I-90 and I-190 in the Buffalo Division, provided that the Maximum Amount Payable does not exceed \$1,100,000 (as noted in Item I99.1 of the 2009 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 2009 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 23 by Mr. Waite (Appendix W)
Authorizing Negotiation and Execution of Engineering Term Agreement D213814 with URS Corporation-New York for Construction Inspection Support Services for the Albany Division

Mr. Plunkett inquired if URS is paid only once the work is completed. Mr. Waite concurred, stating that there would be a number of small projects. Ms. Luh inquired as to how, when adding the total cost of the last three Items and the additional ones to come, this could possibly work out to be less money than hiring staff. Chairman Buono responded that per his conversation with counsel these questions will be addressed as part of the Volpe study. They will look at these types of issues and report back to the Board.

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

RESOLUTION NO. 5718

**AUTHORIZING NEGOTIATION AND EXECUTION OF
ENGINEERING TERM AGREEMENT D213814 WITH
URS CORPORATION - NEW YORK FOR
CONSTRUCTION INSPECTION SUPPORT SERVICES
FOR ALBANY DIVISION**

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering term agreement D213814 with URS Corporation-New York, 28 Corporate Drive, Clifton Park, New York, 12065, for construction inspection support services for Albany Division, provided that the Maximum Amount Payable does not exceed \$1,000,000 which is currently provided through the 2009 Contracts Program (Item HS597.1), 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 the provisions of the agreement consistent with the terms of this Item and in accordance with the 2009 Contracts Program Resolution and other Board authorizations, and



Item 23 by Mr. Waite (Appendix W)
Authorizing Negotiation and Execution of Engineering Term Agreement D213814 with URS Corporation-New York for Construction Inspection Support Services for the Albany Division (Continued)

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 24 by Mr. Waite (Appendix X)
Authorizing Negotiation and Execution of Engineering Agreement D213706 with KTA-Tator Engineering Services, P.C. for Construction Inspection Services Relative to TAS 08-33BP, Painting of Seven Bridges in the Syracuse Division

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

RESOLUTION NO. 5719

AUTHORIZING NEGOTIATION AND EXECUTION OF ENGINEERING AGREEMENT D213706 WITH KTA-TATOR ENGINEERING SERVICES, P.C. FOR CONSTRUCTION INSPECTION SERVICES RELATIVE TO TAS 08-33BP, PAINTING OF SEVEN BRIDGES IN THE SYRACUSE DIVISION

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering agreement D213706 with KTA-Tator Engineering Services, P.C., 115 Technology Drive, Pittsburgh, Pennsylvania 15275, for construction inspection services relative to TAS 08-33BP, Painting of Seven Bridges in the Syracuse Division, provided that the Maximum Amount Payable does not exceed \$275,000 (as noted in Item B929.1 of the 2009 Contracts Program), and be it further



Item 24 by Mr. Waite (Appendix X)

Authorizing Negotiation and Execution of Engineering Agreement D213706 with KTA-Tator Engineering Services, P.C. for Construction Inspection Services Relative to TAS 08-33BP, Painting of Seven Bridges in the Syracuse Division (Continued)

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 2009 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 25 by Mr. Waite (Appendix Y)

Authorizing Negotiation and Execution of Engineering Term Agreement D213788 with M.J. Engineering and Land Surveying, P.C. for Surveying Services for the New York Division

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

RESOLUTION NO. 5720

**AUTHORIZING NEGOTIATION AND EXECUTION OF
ENGINEERING TERM AGREEMENT D213788 WITH
M.J. ENGINEERING AND LAND SURVEYING, P.C. FOR
SURVEYING SERVICES FOR NEW YORK DIVISION**

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering term agreement D213788 with M.J. Engineering and Land



Item 25 by Mr. Waite (Appendix Y)

Authorizing Negotiation and Execution of Engineering Term Agreement D213788 with M.J. Engineering and Land Surveying, P.C. for Surveying Services for the New York Division (Continued)

Surveying, P.C., 1533 Crescent Road, Clifton Park, New York 12065, for surveying services for New York Division, provided that the Maximum Amount Payable does not exceed \$300,000 which is currently provided through the 2009 Contracts Program (Item HS586.1), 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 the provisions of the agreement consistent with the terms of this Item and in accordance with the 2009 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 26 by Mr. Waite (Appendix Z)

Approving Supplemental Agreement No. 10 to D211647 with PB Americas, Inc. for Design and Construction Support Services Relative to the Construction of a New Interchange to Connect I-87 and I-84 in Newburgh in the New York Division

Ms. Crotty inquired if the additional \$435,000 would be enough to see the project through to completion. Mr. Waite responded that he cannot say that for sure but it will get us close. Mr. Plunkett stated that he has concerns with the fact that PB Americas did the original design and now there appear to be design issues that the Authority is paying them to work with the contractor to correct. He inquired if the design problems were unanticipated or something that a firm with the reputation of



Item 26 by Mr. Waite (Appendix Z)

Approving Supplemental Agreement No. 10 to D211647 with PB Americas, Inc. for Design and Construction Support Services Relative to the Construction of a New Interchange to Connect I-87 and I-84 in Newburgh in the New York Division (Continued)

PB Americas should have known. Mr. Waite stated that there are times when the contractor insists on doing things differently than planned on the original design, the Authority then has to have those ideas analyzed by a designer to see if it will work, it becomes an issue because doing that work takes a lot of hours. Mr. Waite stated that generally the firm doing the design is not the same as the firm doing the inspection but in complex cases, such as this one, the designer is kept around to answer any questions that arise. Mr. Plunkett inquired if there is another set of eyes on this project besides PB Americas. Mr. Waite responded affirmatively, stating that Jacobs Engineering is the construction inspection firm on this project and that they sign-off on the additional work before it comes to the Board.

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

RESOLUTION NO. 5721

**APPROVING SUPPLEMENTAL AGREEMENT NO. 10
TO D211647 WITH PB AMERICAS, INC. FOR DESIGN
AND CONSTRUCTION SUPPORT SERVICES
RELATIVE TO THE CONSTRUCTION OF A NEW
INTERCHANGE TO CONNECT I-87 AND I-84 IN
NEWBURGH IN THE NEW YORK DIVISION**

RESOLVED, that the proposed Supplemental Agreement No. 10 to D211647 with PB Americas, Inc., One Penn Plaza, 250 West 34th Street, New York, New York 10119, for an additional sum of \$435,000, be, and the same hereby is, approved, and be it further

RESOLVED, that Supplemental Agreement No. 10 to D211647 be funded with Thruway monies which are provided through Items H308.1 and A344.1 of the 2009 Contracts Program, and be it further



Item 26 by Mr. Waite (Appendix Z)

Approving Supplemental Agreement No. 10 to D211647 with PB Americas, Inc. for Design and Construction Support Services Relative to the Construction of a New Interchange to Connect I-87 and I-84 in Newburgh in the New York Division (Continued)

RESOLVED, that the revised Maximum Amount Payable for this Agreement (D211647) be \$13,700,000, 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 2009 Contracts Program Resolution 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 27 by Mr. Waite (Appendix AA)

Authorizing Additional Funding for the Award of TANY 08-7B (D213756), Rehabilitation of Mountain View Avenue Bridge Over the Thruway, M.P. 17.93, in the New York Division

Mr. Sall inquired as to what the cost would be to replace the bridge. Mr. Waite responded that the cost of a total replacement would be between \$5 and \$6 million, this project will cost approximately \$2 million to repair the deck and the substructure. Mr. Howard stated that the primary reason for the bid exceeding the engineer's estimate was the result of unanticipated traffic pattern issues in the Authority's analysis. He questioned if there was any way to re-bid the project and legitimately get a lower price. Mr. Waite responded negatively, adding that the volume of traffic is too heavy to allow for lane closures and there is a narrow window for completion of the work. There doesn't appear to be any re-working of the detours on the Authority's part that would allow for a different outcome by re-bidding the project.



Item 27 by Mr. Waite (Appendix AA)

Authorizing Additional Funding for the Award of TANY 08-7B (D213756), Rehabilitation of Mountain View Avenue Bridge Over the Thruway, M.P. 17.93, in the New York Division (Continued)

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

RESOLUTION NO. 5722

AUTHORIZING ADDITIONAL FUNDING FOR THE AWARD OF TANY 08-7B (D213756), REHABILITATION OF MOUNTAIN VIEW AVENUE BRIDGE OVER THE THRUWAY, M.P. 17.93, IN THE NEW YORK DIVISION

RESOLVED, that additional funding for award of TANY 08-7B (D213756), Rehabilitation of Mountain View Avenue Bridge over the Thruway, M.P. 17.93, in the New York Division, to Eastern States Construction, Inc. for their low bid of \$1,989,000 be, and the same hereby is authorized, and be it further

RESOLVED, that an additional sum of \$789,000 be, and the same hereby is, allocated toward contract TANY 08-7B (D213756) from funding in the 2009 Contracts Program, 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 28 by Michael Anderson (DOT) (Appendix BB)
Authorizing Additional Funding for Supplemental Agreement No. 5 to D213122 with DMJM+Harris, Inc. for the Tappan Zee Bridge/I-287 Corridor Environmental Review

Mr. Anderson stated that last November the steering committee voted to adopt a process change to advance the project. This allowed the project to be tiered with respect to the transit development, which in turn allows the highway and bridge work to be advanced years before the implementation of transit and will save many hundreds of millions of dollars. DOT is in the process of collecting comments from the public meetings held in October and will continue to do so until December 1, 2008. They are finalizing the tiering methodology that will be applied to the EIS, Tier 1 and Tier 2 analysis and are working closely with their federal partners. DOT is also working on the regulatory work plan that will allow for a permitable project. Finally, with the announcement of the recommendation to replace the bridge, DOT is identifying the final alternatives to be studied in the DEIS. The next major step with these three items will be a close review with legal counsel and to continue to engage with the federal partners and to implement these three very important phases of the project. The money requested in this Item will carry DMJM+Harris through March 2009.

Mr. Plunkett stated that this is asking for the Authority's one-third of \$5.5 million and down the line the Authority will also be paying for one-third of an additional \$12.6 million. Mr. Plunkett requested that the Board continually be updated on the status of the environmental process going forward to make sure it's as legally sustainable as possible, and to make sure the Board is comfortable with the tiering or segmenting process as well. Mr. Fleischer responded that he has spoken to the DOT Commissioner about the Board wanting a more formal role for the legal analysis but the exact parameters have not yet been established. Mr. Plunkett stated that it is not his intention to spend more money on lawyers but he feels it is an important issue. Ms. Crotty stated that it's the exact reason why the Authority has attorneys under contract for this project.

Ms. Crotty asked Mr. Anderson to produce a budget for the Board that gets the Authority through to the EIS. She stated that she initially requested that information a year ago and that now DOT seems surer of the alternatives that will be a part of the EIS. It seems as if the budget keeps creeping higher with no end in sight. Mr. Anderson responded that after DOT has vetted the next three phases with counsel, including counsel from the DEC, over the next couple of months, the objective is to develop a budget that outlines exactly what remains to be done. Mr. Howard asked if that report could be expected to be presented to the Board by the



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end of March. Mr. Anderson responded that it may be possible sooner, dependent upon how well received by the federal partners as well as the larger circle of federal agencies. Mr. Howard inquired if it would be feasible if the Board were to say they would like a budget before going forward with any additional funding. Mr. Anderson responded that it would be reasonable and part of his obligation to the Board to present that information.

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

RESOLUTION NO. 5723

**AUTHORIZING ADDITIONAL FUNDING FOR
SUPPLEMENTAL AGREEMENT NO. 5 TO D213122
WITH DMJM+HARRIS, INC. FOR THE TAPPAN ZEE
BRIDGE/I-287 CORRIDOR ENVIRONMENTAL
REVIEW**

RESOLVED, that an additional \$1,850,000 in Authority funding be provided for the proposed Supplemental Agreement No. 5 to D213122 between the New York State Department of Transportation and DMJM+Harris, Inc., 605 Third Street, New York, New York 10158, for the Tappan Zee Bridge/I-287 Corridor Environmental Review, be, and the same hereby is, approved, and be it further

RESOLVED, that an additional \$1,850,000 in Authority funds is available for D213122 from Item BO537.1 of the 2009 Contracts Program, and be it further

RESOLVED, that the Executive Director, or his designee, be, and hereby are, authorized to make payment to the Office of the State Comptroller in the amount of \$1,850,000, and be it further



Item 28 by Michael Anderson (DOT) (Appendix BB)
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RESOLVED, that this resolution be incorporated in the minutes of this meeting

Other Business

As Chair of the Audit and Finance Committee, Mr. Conway reported on the Committee's recent activities, summarizing additional actions taken at the November 17, 2008 meeting. The Committee approved the scope of services for the 2008 financial statement audit, concessionaire review and a single audit to be performed by UHY, LLP. The Committee accepted reports submitted to the Office of the State Inspector General and the Committee discussed the following Items: Office of the State Comptroller audits; Audit and Finance Committee 2009 Draft Work Plan; as well as the status on legislative actions related to unpaid tolls and the status on legislative action related to the Canal Corporation

As Chair of the Governance Committee, Mr. Plunkett reported on the Committee's recent activities, summarizing the actions taken at the November 19, 2008 meeting. The Governance Committee met earlier this morning. It approved the following items and recommended that they be presented to the Board for further consideration at the January Board meeting: revised Freedom of Information Law regulations for the Thruway, which were updated to align with a number of statutory changes in the Freedom of Information Law as set forth in Article 6 of the New York State Public Officers Law, to clarify the regulations and to more accurately reflect current practice; adopted Freedom of Information Law regulations for the Canal Corporation that would mirror the Authority's rules and regulations; confirmed the transfer of FOIL responsibility from Secretary to the Board to a Records Access Officer to be designated by the Executive Director; revised Real Property Management Policies for the Thruway and Canal; revised Affirmative Action/Equal Employment Opportunity Policy that was modified to add language affirmatively stating that the Thruway Authority's and Canal Corporation's policies should be in accordance with Federal and State Equal Employment Opportunity and Affirmative Action laws, rules and regulations.

In addition, the Committee reviewed and approved the Real Property Standard Operating Procedures and Personal Property Disposal Policies for the Thruway and Canal. There were no revisions since they were last presented to the



Board in March 2008; however, in accordance with the Public Authorities Accountability Act the Committee is required to submit these documents to the Board annually, and will do so in January as well.

The Committee is also responsible for reviewing current best practices and trends in corporate governance. Scott Fein of Whiteman Osterman & Hanna LLP conducted an interesting and informative presentation on Governance Best Practices and Trends.

Adjournment

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

**Jill B. Warner
Secretary**

