



MINUTES

NEW YORK STATE THRUWAY AUTHORITY

BOARD MEETING NO. 673

April 15, 2009

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 11:15 a.m.

There were present:

**Chairman John L. Buono
Frederick M. Howard, Board Member
Donna J. Luh, Board Member
Brandon R. Sall, Board Member, via video conference
E. Virgil Conway, Board Member**

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

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

In addition, there were present the following staff personnel:

**Michael R. Fleischer, Executive Director
Sharon O'Connor, General Counsel
John Bryan, Chief Financial Officer
Jill Warner, Secretary and Board Administrator
Christopher Waite, Chief Engineer
Betsy Graham, Acting Director, Office of Public Affairs
William Rinaldi, Division Director, Albany Division
Ted Nadratowski, Division Director, New York Division**

Richard Garrabrant, Division Director, Syracuse 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
Major Robert Meyers, Troop T
Wendy Allen, Deputy Chief of Staff
Michael Sikule, Director, Office of Investments and Asset Management
Katherine McCartney, Deputy Counsel
Richard Harris, Deputy Director, Office of Community Development & Land Management
Douglas Elson, Information Technology
Dorraine Steele, Director, Office of Fiscal Audit and Budget
Tony Kirby, Director, Office of Real Property Management
Also in attendance:
John Armstrong, Assistant Television Engineer, NYN
Tom Benware, Staff, Senator Dilan's Office
Jay Gallagher, Reporter, Gannett News Service
Angela Rodell, Senior Vice President, First Southwest Company
Steven Kantor, Managing Director, First Southwest Company
Cathy Woodruff, Reporter, Albany Times Union

Chairman Buono noted that he, Mr. Howard, Ms. Luh, Mr. Conway 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.

Chairman Buono called the meeting to order.

Ms. Warner recorded the minutes as contained herein.

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

Item 1 Ms. Warner (Appendix A)
Minutes of Meeting No. 672

On the motion of Mr. Howard, seconded by Ms. Luh, without any objections, the Board approved the minutes of Meeting No. 672 held on March 18, 2009, which were made available to the Board Members as part of the Agenda.

Ms. Luh asked that the Minutes reflect that Ms. Crotty is on maternity leave and as such, has not been available to attend the last two Board Meetings.



Report by the Chair of the Audit and Finance Committee

Mr. Conway reported to the Board on the actions taken by the Audit and Finance Committee at Meeting No. 13, held on April 9, 2009. The Committee approved the Minutes of Meeting No. 12. They accepted the 2008 Authority Financial Statements as presented by Mr. Kahn from UHY. The opinion issued by UHY is “unqualified”, that is to say, the statements fairly presented the financial condition of the Authority as of December 31, 2008. The Committee also reviewed Significant Accounting and Reporting Policies with UHY. The two new ones required to be put on the statement are GASB49 Pollution Remediation Obligations(2008) and GASB45 Post Employment Benefits (2007). No material weaknesses or reportable conditions were found and the report indicated that the Authority’s financial statements are in good order. The Committee approved the solicitation of and RFP for professional accounting and auditing services. Staff will present options and benefits of procurement via state contract versus issuing a Request for Proposals at the next committee meeting. The Committee approved the Authority’s fourth quarter and annual Investment Reports for Board Action; accepted reports submitted to and received from the Office of the State Inspector General; and reviewed and discussed the Audit and Finance Committee’s Functions and Performance and found nothing to change in the Charter.

Report by Mr. Howard Re. VOLPE Update

Mr. Howard stated that he and Ms. Luh participate in monthly teleconferences with the VOLPE Group and receive reports on how they’re progressing. To date, they’ve completed their data collection phase, they’ve done re-testing of the information they’ve procured, verifying original conclusions of information and refining it based on their second round of interviews and discussions. He believes that VOLPE will be ready to report to the full Board in May, at least that’s the expectation, but VOLPE is more concerned with getting it right than getting it fast. Mr. Howard added that he and Ms. Luh are impressed with the depth of the investigation that VOLPE is doing. He stated that from his standpoint there will be some significant observations that will be of interest to the Board. One of the primary ones will be that the Authority increase the length of the window used for strategic capital planning so that the Board knows well into the future about the things that are necessary for maintenance and a good state of repair of the Authority’s facilities and highways and bridges. Strategically, a twenty-year period with smaller increments coming down to a three-year work plan, ten-year master plan and so forth, will be a part of VOLPE’s recommendation. They will also suggest that the Board be actively involved in developing a more concise strategic vision for what it is the Authority is trying to do. This will help in communications with all the constituency groups,



Report by Mr. Howard Re. VOLPE Update (Continued)

elected officials, the public, employees and executive staff. It will also give the Board something to test actions and directions against as the Authority goes forward. VOLPE has also made the observation that the Canal Corporation is going to be a part of the Authority for the long haul, at least that's the way that it appears right now, and perhaps the Authority should look at ways of having a more integrated operation than what presently exists.

Chairman Buono thanked Mr. Howard and Ms. Luh for the extra time they have put into this project. Mr. Howard stated that it is enjoyable working with such a competent group made up of nationally recognized professionals. Chairman Buono concurred, adding that the Authority has a new, objective set of eyes looking at things.

Item 2 by John Bryan (Appendix B)
Financial Reports – January and February 2009

Mr. Bryan reported that for the first two months of 2009, overall traffic was down approximately 5.5 percent over the level experienced in the first two months of 2008. However, due to the leap year there was an extra day in February 2008. After adjusting for this, underlying traffic was down 3.6 percent in the first 2 months, with passenger traffic down 2.4 percent and commercial traffic down 12.9 percent.

According to the un-audited daily traffic counts, total traffic was down 2.8 percent in March and so far in April it is down only 1 percent. While commercial traffic is still down significantly (between 10 and 15 percent), passenger traffic is showing signs of improvement. Through the end of February, the Authority collected \$88.3 million in revenue, which was \$5.8 million higher than the level collected in the same period of 2008, representing an increase of 7.1 percent.

Despite the reduction in traffic, concession revenues, which are dependent on the level of fuel and food sales at the Authority's Travel Plazas, increased slightly over the first two months of 2008. Last year at this time there were a number of food concessions that were closed for capital upgrades and the introduction of new venues, which have since reopened and are generating revenue.

As previously reported, interest earnings are way down, as yields earned on the Authority's investments drop with declining market rates. Yesterday, a four week T-Bill paid only 0.13 percent and staff expects this low rate environment to continue for some time.



Item 2 by John Bryan (Appendix B)
Financial Reports – January and February 2009 (Continued)

On the operating side, cost containment continues to produce excellent results. Despite a very bad January due to the number and breadth of winter storms, operating expenses for both the Thruway and the Canal through February are down 1.2 percent from 2008. From a financial position the Authority is weathering the current economic downturn reasonably well and hopefully can continue this good track record as it faces continued economic uncertainty this year.

Ms. Luh thanked Mr. Bryan for the thoroughness of his monthly reports.

Following discussion regarding the financial condition of the Authority, on the motion of Ms. Luh, seconded by Mr. Howard, without any objections, the Board accepted the Financial Reports for the months of January and February 2009.

Item 3 by Mr. Bryan (Appendix C)
Authorizing the Designation of a Firm to Perform Government Banking Services for the Authority's General Banking Services and Authorizing the Executive Director to Enter Into a Contract with the Designated Firm for Government Banking Services

Ms O'Connor asked that the following statement be included in the record: As the Board knows, during the March 18 meeting Mr. Plunkett voted in favor of Authority and Corporation items designating J.P. Morgan Chase Bank, N.A. ("J.P. Morgan") to perform government banking services for the Authority and Corporation. Promptly thereafter, Mr. Plunkett notified me that his daughter is employed by J.P. Morgan as an entry level analyst. While Mr. Plunkett's daughter has no direct contact with the Authority or Canal Corporation as part of her duties with J.P. Morgan, and Mr. Plunkett had no role in preparing the request for proposals ("RFP"), evaluating the proposals received in response to the RFP or selecting the firm that staff recommended to the Board, in order to avoid any concern that there is an appearance of a conflict of interest Mr. Plunkett advised me that he is withdrawing his previous vote on these items. In light of the fact that there were only 4 members of the Board in attendance at the March meeting, withdrawal of Mr. Plunkett's vote on these items requires that they be resubmitted to the Board at this meeting.

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



Item 3 by Mr. Bryan (Appendix C)

Authorizing the Designation of a Firm to Perform Government Banking Services for the Authority's General Banking Services and Authorizing the Executive Director to Enter Into a Contract with the Designated Firm for Government Banking Services (Continued)

RESOLUTION NO. 5744

AUTHORIZING THE DESIGNATION OF A FIRM TO PERFORM GOVERNMENT BANKING SERVICES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH THE DESIGNATED FIRM FOR GOVERNMENT BANKING SERVICES

RESOLVED, that the Board authorizes the designation of J.P. Morgan Chase Bank, N.A. ("J.P. Morgan") to perform government banking services for the Authority and Canal Corporation for all funds deposited and disbursed (via check and electronic transfer), to monitor and report on the deposit and disbursement of such funds, and to provide electronic-cash management system services and the same is hereby approved, and be it further

RESOLVED, that the Executive Director is authorized to enter into a contract with J.P. Morgan to perform government banking services for the Authority related to the funds deposited and disbursed 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 five years commencing upon contract approval by the NYS Office of the State Comptroller, and ending five years thereafter, for a maximum amount payable of \$850,000, and be it further

RESOLVED, that the costs of such services will be funded via a compensating balance arrangement or by direct payment, at the Authority's option, and that the funding of such costs be, and the same hereby is approved, and be it further



Item 3 by Mr. Bryan (Appendix C)

Authorizing the Designation of a Firm to Perform Government Banking Services for the Authority's General Banking Services and Authorizing the Executive Director to Enter Into a Contract with the Designated Firm for Government Banking Services (Continued)

RESOLVED, that the Chief Financial Officer or his designee is authorized to compensate the bank for services rendered under such agreement via compensating balance arrangement, or by direct payment, 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 4 by Mr. Bryan (Appendix D)

Investment Transactions

Mr. Bryan stated that this Item is being submitted at the recommendation of the Audit and Finance Committee. He reported that in the fourth quarter of 2008 the Authority invested a total of \$750 million, earning an average yield of approximately 1.7 percent.

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



Item 5 by Mr. Bryan (Appendix E)
Report of UHY, LLP Examination of the Authority's Financial Statements and Report on Compliance with Investment Guidelines

Mr. Bryan stated that as reported to the Audit and Finance Committee, the audit found that the Authority's financial statements present fairly, in all material respects, the financial condition of the Authority and are in conformity with auditing standards generally accepted in the United States. Further, the audit tested the Authority's internal controls related to financial reporting and its compliance with certain laws, rules, regulations and the Authority's investment guidelines to ensure that the Authority's financial statements are free of material misstatements. These tests found that no issues of noncompliance, no material weaknesses nor any reportable conditions exist.

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

Item 6 by Mr. Bryan (Appendix F)
Review and Approval of the Authority's Annual Investment Report

Mr. Bryan stated that the Audit and Finance Committee approved the advancement of this item to the full Board. The Public Authorities Law requires the Authority prepare, approve and submit this report to the Division of the Budget each year. The report includes the Authority's policies for making investments, the results of the annual independent audit, investment and investment income information and all fees charged by firms rendering investment services to the Authority.

In total, the Authority made \$7.9 billion in investments in 2008, earned \$33.1 million in earnings, which was substantially less than what was reported in 2007.

Staff are recommending changes to the investment policy that change dollar limitations for certain types of investments from dollar limits to percentages and several minor clarifications dealing with the type of banks we can place a time and demand deposits with and allowing banks to substitute a security under a repurchase agreement without forming a new agreement. These changes are based on a recommendation by the Authority's financial advisor First Southwest. Angela Rodell, Senior Vice President with First Southwest added that it would benefit the Thruway to go to percentages over the dollar amounts used in the past. Chairman Buono inquired as to why. She responded that the way it was written in the past the



Item 6 by Mr. Bryan (Appendix F)

Review and Approval of the Authority's Annual Investment Report (Continued)

Authority could have ended up with all its money invested in one type of security, whereas the percentages require that the Authority keep a diversified portfolio.

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

RESOLUTION NO. 5745

**REVIEW AND APPROVAL OF THE AUTHORITY'S
ANNUAL INVESTMENT REPORT**

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

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

Item 7 by Ms. O'Connor (Appendix G)

Authorizing the Executive Director to Execute a First Amendment to the Agreement with Holland & Knight, LLP (C100839) for Legal Services to Increase the Monetary Cap

Ms. O'Connor stated that Holland and Knight is one of several firms retained by the Authority pursuant to a competitive process in 2007 to provide legal services on an as needed basis. Holland and Knight has most recently been assisting the Authority and the Corporation with applications before the Public Service Commission ("PSC") for two electronic transmission lines, in one case the Thruway was suggested for siting by an entity opposed to the application of Con Edison and in another case parts of both the Thruway and Canal were potentially impacted by the New York Regional Interconnect's proposal and the Thruway was also proposed as an alternative route by one of the entities opposed to the application. The firm has assisted with the preparation and submission of testimony in both cases. The Con Ed proposal in the downstate area was concluded without any siting on the Thruway. The NYRI proposal which could have impacted both Thruway and Canal property was recently suspended by NYRI.



Item 7 by Ms. O’Conor (Appendix G)

Authorizing the Executive Director to Execute a First Amendment to the Agreement with Holland & Knight, LLP (C100839) for Legal Services to Increase the Monetary Cap (Continued)

As a result of this and other work, billings for services are approaching the cap and therefore an increase in the cap is requested in case there is a need for future use of the firm on these or other issues.

Mr. Sall inquired as to whether or not the Authority is reimbursed for legal expenses incurred when outside entities request easements. Ms. O’Conor responded that in this particular case the Authority has not requested reimbursement but it has in the past. The Authority received reimbursement for its outside counsel fees from General Electric when doing the siting for the Hudson River dredging and the transfer of property there. The Authority does try to get reimbursed when appropriate and when staff believes it can make a convincing argument for it. Mr. Sall stated that when an entity comes to the Authority and requests staff to do something, wouldn’t that be the kind of thing we would want to be reimbursed for. Ms. O’Conor concurred but stated that in this particular instance the entities weren’t coming to the Authority, the entities were going to the PSC and initiating a proceeding where people were putting alternative routes before the PSC. This would put the PSC in the position to make determinations as to the appropriateness of the Thruway as an alternative route. If the Thruway Authority wanted to be heard on that issue it had to appear before the PSC and explain the engineering and other issues associated with the siting of some sort of line along the Thruway.

Mr. Sall requested clarification of what was going before the PSC and what people were asking the PSC to do. Ms. O’Conor responded that there were two different cases. In one case, Con Edison went before the PSC and requested a route coming down from Yonkers into New York City for an electric transmission line. A group opposed to the siting of the Con Ed line proposed to the PSC that the Thruway should be investigated as an alternative route. The Authority submitted testimony showing what the magnitude of the impact would be on the Thruway if there was going to be an effort to construct a power line down the Thruway in the southern portion of the Thruway region from Yonkers down into the Major Deegan and then into the City. In the other case, the New York Regional Interconnect company proposed siting a new transmission route from Marcy in Upstate New York, down through the center of the state and down into New York City. In that instance the route that they originally proposed impacted both the Thruway and Canal in the sense that they weren’t going to run longitudinally along the Thruway and Canal but their proposed route was going to cross the Thruway and Canal at different locations.



Item 7 by Ms. O’Conor (Appendix G)

Authorizing the Executive Director to Execute a First Amendment to the Agreement with Holland & Knight, LLP (C100839) for Legal Services to Increase the Monetary Cap (Continued)

There were different concerns raised by both Authority and Corporation staff about the potential locations of some of those crossings. In addition, another group called CARI (Citizens Against the Regional Interconnect) had two alternative proposals they put in front of the PSC. One was to site the entire line on the Thruway coming down from the middle of the State, across Albany and then south. There were engineering issues associated with siting, in addition to Federal issues associated with the provision of longitudinal occupancies that the Authority needed to put before the Commission for them to be able to fully consider the impact on the Thruway of that potential siting. Staff’s concern was that if the Authority did not submit testimony related to both cases that the Commission might wrongly assume that there was no impact at all in accessing the Thruway or the Canal.

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

RESOLUTION NO. 5746

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH HOLLAND & KNIGHT, LLP (C100839) FOR LEGAL SERVICES TO INCREASE THE MONETARY CAP

RESOLVED, that the Executive Director be, and he hereby is, authorized to execute a First Amendment to the Agreement (C100839) with Holland & Knight, LLP (“Agreement”) for legal services, and be it further

RESOLVED, that such First Amendment shall increase the maximum amount payable under such Agreement by \$150,000, from the current monetary cap of \$150,000 to a new monetary cap of \$300,000, and be on such other terms and conditions as the Executive Director and General Counsel determined to be in the best interests of the Authority, and be it further



Item 7 by Ms. O’Conor (Appendix G)

Authorizing the Executive Director to Execute a First Amendment to the Agreement with Holland & Knight, LLP (C100839) for Legal Services to Increase the Monetary Cap (Continued)

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

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

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

Item 8 by Mr. Nadratowski (Appendix H)

Authorizing the Executive Director to Execute an Agreement with the National Multiple Sclerosis Society-Southern New York Chapter to Conduct “The 2009 TZ Bike Tour for MS” and Undertake such Other Measures as may be Required to Facilitate the Event

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

RESOLUTION NO. 5747

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH THE NATIONAL MULTIPLE SCLEROSIS SOCIETY - SOUTHERN NEW YORK CHAPTER TO CONDUCT “THE 2009 GREAT TZ BIKE TOUR FOR MS” AND UNDERTAKE SUCH OTHER MEASURES AS MAY BE REQUIRED TO FACILITATE THE EVENT



Item 8 by Mr. Nadratowski (Appendix H)

Authorizing the Executive Director to Execute an Agreement with the National Multiple Sclerosis Society-Southern New York Chapter to Conduct “The 2009 TZ Bike Tour for MS” and Undertake such Other Measures as may be Required to Facilitate the Event (Continued)

RESOLVED, that the Executive Director be, and he hereby is, authorized to execute an agreement with the National Multiple Sclerosis Society- Southern New York Chapter (“MS Society”) to hold a bicycling Event – “The 2009 TZ Bike Tour for MS” (“Event”) – under such terms and conditions as the Executive Director, in consultation with the General Counsel, determines to be in the best interest of the Authority, and be it further

RESOLVED, that the agreement will require that the MS Society remit \$27,000 to the Authority to offset the cost of assisting with the Event, and be it further

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

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

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



Item 9 by Mr. Waite (Appendix I)

Authorizing Negotiation and Execution of Engineering Term Agreement D213843 with Watts Architecture & Engineering, P.C. for Architectural Design Support Services Statewide

Mr. Waite stated that design assignments will be made on an as-needed basis and may include, but not be limited to the following: water and sewer treatment system rehabilitations, architectural and structural designs, upgrade/replacement of electrical, plumbing and HVAC systems, and lead paint and asbestos abatement designs. Mr. Howard inquired if this firm would be involved in the resolution adoption for Item 10. Mr. Waite responded that it would not.

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

RESOLUTION NO. 5748

**AUTHORIZING NEGOTIATION AND EXECUTION OF
ENGINEERING TERM AGREEMENT D213843 WITH
WATTS ARCHITECTURE & ENGINEERING, P.C. FOR
ARCHITECTURAL DESIGN SUPPORT SERVICES
STATEWIDE**

RESOLVED, that the Chief Engineer be, and hereby is, authorized to negotiate and execute engineering term agreement D213843 with Watts Architecture & Engineering, P.C., 3826 Main Street, Buffalo, New York, 14226, for architectural design support services statewide, provided that the Maximum Amount Payable does not exceed \$500,000 which is currently provided through the 2009 Contracts Program (Item AS795.1), 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



Item 9 by Mr. Waite (Appendix I)

Authorizing Negotiation and Execution of Engineering Term Agreement D213843 with Watts Architecture & Engineering, P.C. for Architectural Design Support Services Statewide (Continued)

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 10 by Mr. Waite (Appendix J)

Authorizing an Amendment to the 2009 Contracts Program for an Administrative Headquarters Building Energy Conservation Project

Mr. Waite stated that the headquarters building is currently heated and cooled using electric based systems. This Item would approve the installation of new natural gas HVAC equipment, resulting in savings. Working with the New York Power Authority, it has been estimated that this project will result in an annual energy savings of over 28,000 MMBtu's. Based upon the 2007/2008 usage of 50,300 MMBtu's, this is a reduction of over 50 percent for the headquarters building. The estimated cost for this project is \$3,500,000, and it would have a payback period of 10.8 years. Further, this project is consistent with Executive Order No. 111 Green and Clean State Buildings and Vehicles.

Mr. Conway inquired as to who supplies the Authority's power. Mr. Bryan responded that National Grid supplies the power through an electricity based system but the Authority wants to convert to natural gas. The Power Authority has a program where they work as an intermediary between the contractors and the Authority. They get good bid prices and offer good financing terms, they've been extremely helpful in putting together this program. Mr. Howard inquired if the Power Authority takes care of the design as well as the bidding. Mr. Bryan responded affirmatively, adding that the Power Authority will act as the Thruway Authority's agent working with Mr. Waite and Mr. Bell. Mr. Howard clarified that the \$3,500,000 is for the total package including design and implementation. Mr. Bryan concurred.

Mr. Conway inquired as to what the total savings would be. Mr. Bryan responded that it would be approximately \$350,000 a year in operating savings



Item 10 by Mr. Waite (Appendix J)

Authorizing an Amendment to the 2009 Contracts Program for an Administrative Headquarters Building Energy Conservation Project (Continued)

because the Authority would reduce its energy consumption by 50 percent so the return of investment is around 10 years. He added that the current system in the headquarters building is archaic and requires a lot of upkeep so he imagines there will be savings on that end too, not just power savings but maintenance and repair savings.

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

RESOLUTION NO. 5749

**AUTHORIZING AN AMENDMENT TO THE 2009
CONTRACTS PROGRAM FOR AN ADMINISTRATIVE
HEADQUARTERS BUILDING ENERGY
CONSERVATION PROJECT**

RESOLVED, that the 2009 Contracts Program be, and the same hereby is, amended in order to progress an Administrative Headquarters Building energy conservation project in 2009, and be it further

RESOLVED, that the 2009 Contracts Program be, the same hereby is, amended to allocate \$3,500,000 in Authority funds for the Administrative Headquarters Building Energy Conservation project from bid savings and other adjustments made to 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



Item 10 by Mr. Waite (Appendix J)
Authorizing an Amendment to the 2009 Contracts Program for an Administrative Headquarters Building Energy Conservation Project (Continued)

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

Executive Session

On the motion of Ms. Luh, seconded by Mr. Howard, the Board voted to convene to Executive Session to discuss the valuation of real property.

Adjournment

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

Jill B. Warner
Secretary

