



MINUTES

NEW YORK STATE THRUWAY AUTHORITY

BOARD MEETING NO. 682

September 22, 2010

Minutes of a meeting of the New York State Thruway Authority, held in the Board Room at Administrative Headquarters, 200 Southern Boulevard, Albany, New York 12209.

The meeting began at 11:30 a.m.

There were present:

Chairman John L. Buono
E. Virgil Conway, Board Member
Dr. Jose Holguin-Veras, Board Member
Donna J. Luh, Vice Chair
J. Donald Rice, Board Member
Brandon R. Sall, Board Member
Richard N. Simberg, Board Member

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

In addition, there were present the following staff personnel:

Michael R. Fleischer, Executive Director
John Barr, Director, Administrative Services

Donald Bell, Director, Operations and Maintenance
John Bryan, Chief Financial Officer
William Estes, General Counsel
J. Marc Hannibal, Director, Audit and Management Services
Carmella Mantello, Director of Canal Corporation
Captain Michael Eaton, Troop T
Thomas Ryan, Director, Office of Public Affairs
Thomas Gemmiti, Director, Office of Design
Richard Garrabrant, Division Director, Syracuse Division
Ted Nadratowski, Division Director, New York Division
Thomas Pericak, Division Director, Buffalo Division
Michael Loftus, Deputy Division Director, Albany Division
Catherine Sheridan, Acting Deputy Director of Canal Maintenance & Operations
Wendy Allen, Deputy Chief of Staff
Anthony Kirby, Director, Real Property Management
Michael Sikule, Director, Investments and Asset Management
Dorraine Steele, Director, Fiscal Audit and Budget
Katherine McCartney, Deputy Counsel
Kevin Allen, Director of Purchasing
Harry Lennon, Senior Investigator
Tracie Sandell, Assistant Director, Audit and Management Services
Jonathan Gunther, Assistant Counsel
Lawrence Norville, Supervisor, Compliance Unit
Judy Jeffers-Taylor, MWBE Program Liaison
Wendy Clark, Purchasing Officer 1
Judy Gallagher, Assistant Secretary

Also in attendance:

John Armstrong, New York Network
Murray Bodin, Concerned Member of the Public
Daniel Gilbert, retired Chief of Staff

Steven J. Kantor, Managing Director, First Southwest Company
Stanley Kramer, Partner, Hawkins Delafield & Wood, LLP
Melissa Pangburn, Senior Budget Analyst, NYS Division of Budget
Joanne Riddett, retired Director of Information Technology
William Rinaldi, retired Albany Division Director
Angela M. Rodell, Senior Vice President, First Southwest Company
Christopher Waite, retired Chief Engineer
Tom Wood, Assistant Chief Examiner, NYS Division of Budget

Chairman Buono noted that he, Mr. Conway, Dr. Holguin-Veras, Ms. Luh, Mr. Rice, Mr. Sall and Mr. Simberg 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. Gallagher recorded the minutes as contained herein (public notice of the meeting had been given).

Report by Finance Committee Chair

As Chair of the Finance Committee, Mr. Conway reported on the recent actions taken by the Committee:

The Finance Committee met earlier this morning and approved for advancement to the Board an Emergency Suspension of Toll Collection Policy. This policy provides definitive guidance and delegation of authority to Authority management to allow designated officers to respond to operational emergencies where temporary suspension of toll collection on the Thruway System may be warranted and justified.

The Committee also approved for advancement to the Board authorization for an authorized officer to execute any documents necessary or desirable to facilitate the sale of Series 2010 Refunding Bonds issued by the Dormitory Authority of the State of New York to refund

outstanding Thruway Authority CHIPs Bonds consistent with existing statutes, policies procedures and other existing obligations and covenants.

Both items will be presented at today's Board Meeting.

Item 1 by Board Secretary (Appendix A)
Minutes of Meeting No. 681

On the motion of Mr. Sall, seconded by Ms. Luh, without any objections, the Board approved the minutes of Meeting No. 681 held on July 21, 2010, 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 April 1, 2010 through June 30, 2010

Mr. Fleischer submitted as Exhibit I a listing containing Personal Service Contracts up to \$150,000 for the period April 1, 2010 through June 30, 2010.

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

Item 3 by Mr. Bryan (Appendix C)
Financial Reports – June and July 2010

This item seeks the Board's acceptance of the financial report for June and July 2010.

Report by Mr. Bryan: Total traffic for the first 7 months of the year was up by 0.5 percent. As reported throughout the year, the traffic trends established on the Thruway System have closely followed those that FHWA has reported for other major highways and interstates across the nation.

Commercial traffic continued its partial come back from the large losses experienced in 2009, growing by 2.4 percent in the first 7 months. Over the same period, passenger traffic has remained flat, growing by only 0.3 percent.

Through the end of July, the Authority collected \$364 million in tolls, which was \$18.3 million higher than the level collected in the same period of 2009, representing an increase of 5.3

percent. Other revenue sources, which include concession, interest and sundry revenues, were up slightly. As a result, revenues from all sources increased by \$18.9 million or 5.2 percent in the first 7 months of the year. Compared to our budget forecast, total revenues came in about \$4.5 million or a little over 1 percent higher than expected.

On the expense side, as we have reported over the past 5 years, cost containment continues to produce results. Operating expenses for both the Thruway and the Canal through April were up by only 2.4 percent from the same period in 2009. Compared with our budget, expenses were nearly \$12.8 million or 5.0 percent below our 2010 Budget forecast.

The Authority is moving through the year under budget and slightly over revenue. We hope this trend will continue for the rest of 2010 and end the year in reasonably good shape.

Following discussion regarding the financial condition of the Authority, on the motion of Mr. Sall, seconded by Dr. Holguin-Veras, without any objections, the Board accepted the Financial Reports for the months of June and July 2010.

Item 4 by Mr. Bryan (Appendix D)

Authorizing the Execution of Such Agreements, One or More Escrow Deposit Agreements and any Additional Documents Deemed Necessary or Desirable in Connection with the Dormitory Authority of the State of New York's Consolidated Service Contract Refunding Bonds Series 2010

Mr. Rice recused himself from any discussion relative to the CHIPs Refunding due to a potential appearance of conflict of interest with this matter which is currently pending with the Board and requested that no confidential information be shared with him.

- Mr. Rice exited the Board Room -

Report by Mr. Bryan: State Finance Law permits issuers of state-supported, appropriation-backed debt to refund or otherwise repay any appropriation-backed bonds or notes that were originally issued by another entity. The logic behind this law was to allow an authority to refund obligations from multiple credits en masse and take advantage of related economies of scale and achieve an overall lower cost of issuance.

The Dormitory Authority of the State of New York has notified the Authority that the New York State Division of the Budget has requested that they refund outstanding Consolidated Local Street and Highway Improvement Program bonds (a.k.a. "CHIPs bonds"). If you recall, CHIPs

bonds were issued by the Authority on behalf of the State prior to the creation of the PIT credit and provided funding for local highway, bridge and multi-modal projects.

The CHIPs bonds that are currently targeted for refunding were originally issued by the Authority in 2000 and 2001. The amount of CHIPs bonds expected to be refunded is approximately \$20 million and will be part of a \$190 million transaction involving over a dozen different credits.

Assuming market conditions remain that make a CHIPs refunding viable, the Authority will have to provide certain necessary documents and take other actions through its Trustee and/or Paying Agent and Bond Counsel to affect the bonds' redemption.

This item requests the Board's approval for such items and actions and was approved by the Finance Committee at its meeting this morning. Stanley Kramer from Hawkins Delafield and Tom Wood and Melissa Pangburn from the Division of the Budget are here to help staff answer any questions that you may have on this item.

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

RESOLUTION NO. 5849

AUTHORIZING THE EXECUTION OF SUCH AGREEMENTS, ONE OR MORE ESCROW DEPOSIT AGREEMENTS AND ANY ADDITIONAL DOCUMENTS DEEMED NECESSARY OR DESIRABLE IN CONNECTION WITH THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK'S CONSOLIDATED SERVICE CONTRACT REFUNDING BONDS SERIES 2010

RESOLVED, that an Authorized Officer is authorized to execute any agreements, including but not limited to one or more escrow deposit agreements, or other documents necessary or desirable to facilitate the sale of the Series 2010 Refunding Bonds issued by the Dormitory Authority of the State of New York to refund outstanding CHIPs bonds, such other agreements and documents to be consistent with existing statutes, policies, procedures and other existing obligations and covenants, and be it further

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

- Mr. Rice re-entered the Board Room -

Item 5 by Mr. Bryan (Appendix E)
Review and Approval of the Authority's Emergency Suspension of Toll Collection Policy

This resolution seeks the Board's approval to adopt a formal policy in which tolls may be temporarily waived.

Report by Mr. Bryan: In accordance with current covenants set forth in the Authority's Bond Resolution, the Authority is required to maintain and collect tolls on the Thruway System and the Authority has consistently complied with this fiduciary responsibility. However, the Authority recognizes that situations can arise where it would be necessary or advisable to temporarily suspend the collection of tolls on all or a portion of the Thruway System to avoid or ameliorate a hazard to our patrons.

As a result, staff is recommending that the Authority Board adopt a policy providing guidance and delegation to officers to respond to such an emergency – with the authority limited in scope and application to minimize any adverse impact on revenues of the Authority (and therefore protect the covenants we have with our bond holders). Attached to the Board item is a proposed policy statement.

This policy would provide staff with the clear guidance and the delegation of authority necessary to temporarily suspend toll collection on all or a portion of the Thruway System in the event of an emergency.

It is important to note that this policy was drafted with consultation with the Authority's Legal Department and outside Bond Counsel and Stanley Kramer is here to help staff with any questions you may have. The Finance Committee reviewed this item at its meeting this morning and recommended it be submitted to the Board for consideration today.

After full discussion on the purpose, conditions and locations of toll suspensions, on the motion of Mr. Conway, seconded by Mr. Simberg, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 5850
**REVIEW AND APPROVAL OF THE AUTHORITY'S
EMERGENCY SUSPENSION OF TOLL COLLECTION
POLICY**

RESOLVED, that the Authority's Emergency Suspension of Toll Collection Policy in the form attached hereto as Exhibit A has been reviewed and hereby is approved, and be it further

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

Item 6 by Mr. Bryan (Appendix F)
Approving Revisions to Procurement Contracts Policy 25-5-01

This resolution seeks the Board's approval to amend the Authority's procurement policy regarding purchases of: (i) goods and services from small businesses and minority and women-owned businesses; and (ii) goods that are recycled or remanufactured.

Report by Mr. Bryan: Under the current Public Authorities Law, a procurement contract at the Thruway and Canal is defined as any written agreement for the acquisition of goods or services in an amount of \$15,000 or more. Further, it has been determined that current law requires that any procurement equal to or over \$15,000 be pursued via a competitive process.

Chapter 174 of the Laws of 2010, which was signed by Governor Paterson this past July, amends the law to allow the Thruway and Canal to purchase goods or services from small business enterprises (SBE) and certified minority and women-owned business enterprises (MWBE), or goods or technology that are recycled or remanufactured, in an amount that does not exceed \$200,000 without pursuing a competitive process.

This new law further expands the list of elements that must be included in an authority's procurement guidelines. Both changes will result in an increase in the participation of SBEs and MWBEs in authority procurements and will aid in our goal to utilize more environmentally friendly products.

This item seeks the Boards approval to revise the Authority's Procurement Contracts Policy to bring the Policy into compliance with Chapter 174 and to expand existing delegations necessary to effectuate the same.

In addition to an increase in the discretionary procurement limit for SBEs, MWBEs and for recycled and remanufactured goods, the law requires the following:

- Requiring that the Authority provide notice to professional and other organizations that serve MWBEs providing the types of services procured by the Authority;
- Requiring that the Authority maintain and regularly update lists of qualified, certified MWBEs that have expressed an interest in doing business with the Authority;
- Requiring that the Authority establish appropriate goals for participation by MWBEs in procurement contracts awarded by the Authority;
- Conducting procurements in a manner that will enable the Authority to achieve the maximum feasible portion of its established goals and that eliminate barriers to participation by MWBEs in Authority procurements; and
- Delegating to the Executive Director the authority to appoint one or more senior staff to oversee the Authority's programs established to promote and assist the participation and utilization of certified MWBEs in the Authority's procurement opportunities.

Staff has already convened a multi-department working group to effectuate all of the new requirements to ensure that we are ready when the new law takes effect in October. In fact, many of the tasks the statute will require were already part of our procurement practices and the rest are well on their way to completion. I am confident that everything will be in good order when the new statute takes effect next month.

The Governance Committee considered these changes to the Procurement Contracts Policy at its meeting this morning and recommended it be presented to the board for its formal approval today.

After full discussion, on the motion of Ms. Luh, seconded by Dr. Holguin-Veras, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 5851
APPROVING REVISIONS TO PROCUREMENT
CONTRACTS POLICY 25-5-01

RESOLVED, that the revised Procurement Contracts Policy (25-5-01) attached hereto as Exhibit B be, and the same hereby is, approved, and be it further

RESOLVED, that the revised Policy shall take effect on October 15, 2010, and be it further

RESOLVED, that the Executive Director be, and he hereby is, authorized to, in consultation with the Chief Financial Officer and the General Counsel, develop or modify operational and/or administrative procedures as necessary to implement the revised Policy, and be it further

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

Item 7 by Mr. Bryan (Appendix G)
Approving the Selection of an Insurance Broker for the Authority's Insurance Program

This resolution seeks the Board's approval to execute a contract to provide the Authority with insurance brokerage and risk protection consulting services.

Report by Mr. Bryan: The Thruway Authority and Canal Corporation currently place all of their insurance policies, with the exception of workers' compensation insurance, through an insurance broker. While the Authority is predominately self-insured and is protected by a self-financed indemnification reserve, we do take out several important insurance policies:

- property damage and revenue protection policy for the Tappan Zee and other bridges;
- property damage insurance on building and contents at our HQ building;
- liability insurance on all of our property and right of way; and
- use and occupancy coverage on all of our facilities.

The current brokerage services are provided under a competitively bid contract which expires on December 31, 2010.

Earlier this year, the Authority issued an RFP that was drafted in accordance with the recommendations made by the Executive Order No. 10 Task Force on Minority and Women-Owned Business Enterprises (MWBE). The RFP was sent to nearly 90 potential contractors and

38 copies were also downloaded from the Authority's website. By the due date at the end of May, the Authority received seven proposals.

After the responses were evaluated it was determined that the firm that received the highest weighted score was Rose & Kiernan, Inc, which is the firm that currently serves as the Authority's broker. Rose and Kiernan has done a very good job over the term of the current contract, is located here in Capital Region, is ranked among the top 50 brokerage firms in the nation and is owned by its 200 employees through an ESOP. Also, over 40% of its stock is owned by women and minorities and over 30% of its corporate officers are women and minorities.

The Authority is seeking the Board's approval to enter into a contract with Rose and Kiernan for a one-year period, with an option to extend the contract for two additional one-year periods. The cost of services under this contract will be \$100,000 per year.

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

RESOLUTION NO. 5852
**APPROVING THE SELECTION OF AN INSURANCE
BROKER FOR THE AUTHORITY'S INSURANCE
PROGRAM**

RESOLVED, that the Executive Director be, and hereby is, authorized to execute an agreement with Rose & Kiernan, Inc. to provide insurance brokerage services for the Thruway Authority and Canal Corporation ("Agreement"), and be it further

RESOLVED, that the Agreement shall be for an initial term of one year with options to extend the contract for two additional one-year periods. The cost of these services is anticipated to be approximately \$100,000 for each year of the contract term, for a maximum amount payable of \$300,000 for the initial three-year term, exclusive of the insurance premiums for the purchased policies, 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 and Chief Financial Officer, determines to be in the best interests of the Authority/Corporation, and be it further

RESOLVED, that the Executive Director be, and hereby is, authorized to exercise the option to renew the contract for the two additional one-year periods, on the terms and conditions deemed to be in the best interest of the Authority/Corporation for an amount not to exceed \$100,000 for the first one-year additional term and \$100,000 for the second one-year additional term, with a maximum amount payable of \$300,000 over the entire three-year period, and be it further

RESOLVED, that the Executive Director or his designee shall have the authority to exercise all powers reserved to the Authority/Corporation under the provisions of the Agreement, to 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/Corporation, 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 8 by Mr. Bryan (Appendix H)
Authorizing the Waiver of the Competitive Procedure for the Purchase of Electricity from an Alternate Energy Supplier as Offered by the Municipal Electric and Gas Alliance (MEGA) by Contracting with Integrys Energy Services of New York, Inc.

This resolution seeks the Board's approval to waive competition and enter into a contract to provide the Authority with low-cost electricity.

Report by Mr. Bryan: As stated in the item, deregulation in the electric and natural gas industries has made it possible for the Authority to utilize non-traditional energy providers. In 2006, the Authority pursued a competitive commodities procurement seeking a provider of lower cost energy. Through this competitive process, the Authority selected Municipal Electric and Gas Alliance ("MEGA"), which is a New York not-for-profit corporation that is an aggregator of energy and subsequently initiated a pilot program for several of our largest energy using facilities and accounts.

As an aggregator, MEGA does not buy and sell electricity or natural gas but rather bulks up the energy needs of all of its customers, goes to the open market to buy the energy and ultimately is able to obtain prices that are lower than individual customers could achieve by purchasing these commodities on their own. MEGA is made up of thousands of participants including counties, cities, towns, villages, school districts, municipalities and others including business and residential customers.

Through a competitive selection process that conformed with public procurement rules, regulations and statutes, MEGA awarded a contract to the lowest cost provider of electricity which the participating members contract with. The contractor MEGA selected was Integrys Energy Services of New York.

Staff has found that over the 3-year period of the pilot program with MEGA and Integrys, the Authority realized a savings estimated at \$283,000 which is 9 percent of our electricity costs. (46 million KWh).

Since there was so much success with the pilot phase of this program, if the Board approves this item today we would likely seek to expand our energy purchases to include natural gas and expand the list of Authority and Corporation facilities that receive energy from Integrys.

The Authority's contract with Integrys has expired, so staff is recommending the Board approve a new contract with Integrys, with a term that extends through November 30, 2011. This termination date coincides with Integrys' contract with MEGA and if we decided to continue to purchase energy from an alternative source such as MEGA then we would rebid at that time. The estimated yearly value of this contract is \$1,100,000.

We are further seeking the Board waive competition and are allowed to do so in there is a historical relationship, the continuation of which is in the best interests of the Authority.

Mr. Simberg complimented Mr. Bryan and his staff for their hard work in looking into saving money on these types of contracts.

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

RESOLUTION NO. 5853

AUTHORIZING THE WAIVER OF THE COMPETITIVE PROCEDURE FOR THE PURCHASE OF ELECTRICITY FROM AN ALTERNATE ENERGY SUPPLIER AS OFFERED BY THE MUNICIPAL ELECTRIC AND GAS ALLIANCE (MEGA) BY CONTRACTING WITH INTEGRYS ENERGY SERVICES OF NEW YORK, INC.

RESOLVED, that the Board authorizes the purchase of electricity from an alternate energy supplier as offered by the Municipal Electric and Gas Alliance (MEGA) by contracting with Integrys Energy Services of New York, Inc., and be it further

RESOLVED, that this contract be for a term commencing upon contract approval by the New York State Office of the State Comptroller and ending November 30, 2011, and be it further

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

Item 9 by Mr. Bryan (Appendix I)
Authorizing Renewal and Amendment of a Lease of Office Space at Empire Executive Office Park, Suffern, New York

This resolution seeks the Board's approval to extend a lease for office space that currently houses the NY Division's central offices.

Report by Mr. Bryan: In May 2000, the Authority Board authorized a ten-year lease of approximately 17,906 square feet of office space at 4 Executive Boulevard, in Suffern. The Lease commenced June 1, 2001 and ends May 31, 2011 and contains two five-year renewal options, with both renewal rents to be set by negotiation.

Given that there is a continued long-term need to lease real property in the New York Division and this space is in a great location, is priced fairly and will allow us to avoid very expensive moving costs, staff has tentatively settled with the Landlord for a *single* ten-year renewal term, rather than two five-year renewals.

The negotiated rental rate for the first five years of the renewal period would be \$22.00 per square foot which is the same rate the Authority pays presently and equals the appraised value of the space. In addition, this rate is competitive with, or less than, the present rental rate for commercial property of similar quality that staff looked at in Rockland County.

In year six, the rental rate would increase approximately 7 percent, which is significantly less than the increase in the consumer price index for a typical given five-year period. Further, the independent appraiser indicated that such increase would be relatively modest in consideration of a probable rise in market rates during the final half of the term and the risk that the Authority could incur substantial relocation costs if the lease was not renewed.

We are requesting the Board authorize the Authority to enter into an Agreement with the Landlord according to the aforementioned rental schedule and authorize the Executive Director or his designee to execute the Agreement on behalf of the Authority.

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

RESOLUTION NO. 5854
**AUTHORIZING RENEWAL AND AMENDMENT OF A
LEASE OF OFFICE SPACE AT EMPIRE EXECUTIVE
OFFICE PARK, SUFFERN, NEW YORK**

RESOLVED, that the Authority has a continued need for office space in New York Division, and be it further

RESOLVED, that a lease-renewal and amendment agreement (“Agreement”) with Executive Associates North IV, LLC of approximately 17,906 square feet of office space, on the terms contained in this agenda item, and on such other terms as may be deemed to be in the best interest of the Authority and consistent with this item as determined by the Executive Director, be, and the same hereby is, authorized, and be it further,

RESOLVED, that the Executive Director, or his designee, be, and the same hereby is, authorized to execute the Agreement, along with all other documents necessary to effectuate such execution in accordance with the terms authorized during this meeting, 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 terms of this item and other applicable Board authorizations, and be it further

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

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

Item 10 by Mr. Bryan (Appendix J)
Declaring Real Property Reference No. 528 Not Presently Necessary for the Authority's Corporate Purposes and Authorizing Its Lease to the City of New Rochelle

This resolution seeks the Board's approval to extend, for one year, the authorization for the Authority to lease property under the I-95 viaduct to the City of New Rochelle.

Report by Mr. Bryan: The property in question is a graded and paved irregularly shaped 43,000 square foot parcel situated beneath the highway. The City proposes to lease the property from the Authority for market value, including annual escalations of 5% or CPI – whichever is greater.

The City is moving its current public works operations to make land available for the development of Echo Bay and needs the property under the viaduct to park its public works vehicles and equipment and to store non-hazardous materials.

Staff is seeking approval from the Board to extend the authorization for another year so that we can complete the transaction. Staff has reviewed the transaction and has determined that it complies with all applicable provisions of law relating to the disposal of real property, including the PAAA and PARA, and complies with the Thruway's Real Property Management Policy.

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

RESOLUTION NO. 5855
**DECLARING REAL PROPERTY REFERENCE NO. 528
NOT PRESENTLY NECESSARY FOR THE
AUTHORITY'S CORPORATE PURPOSES AND
AUTHORIZING ITS LEASE TO THE CITY OF NEW
ROCHELLE**

RESOLVED, that the Authority Board hereby finds and determines that Real Property Reference No. 528 (hereinafter, "Property"), as delineated on Exhibit I attached hereto and made a part hereof, is hereby declared not presently necessary for the Authority's corporate purposes, and be it further

RESOLVED, that the recommendation regarding the environmental significance of this Board action (hereinafter the "Recommendation"), pursuant to the State Environmental

Quality Review Act (hereinafter, "SEQRA"), be, and the same hereby is, approved, and be it further

RESOLVED, that the Authority's Contracting Officer determined that the Property may be leased to the City of New Rochelle (hereinafter, "Applicant") by negotiation without public advertising pursuant to Public Authorities Law (hereinafter, "PAL") §2897 (6) (c) (iv) and Thruway Real Property Management Policy (hereinafter, "Policy") §IV. H., and that the leasing of the Property, on the terms recommended in the agenda item, complies with all other applicable provisions of law relating to the disposal of real property, including, PAL article 9, title 5-A, and with the Policy, and be it further

RESOLVED, that a lease of the Property to the Applicant: (1) for a period of thirty years, (2) for annual rent in the amount of \$50,100 for the first year, escalated at five percent per annum or in accordance with the change in the U.S. Department of Labor's Consumer-Price Index for NY/Northeastern NJ from the previous year, whichever is higher, for years two through thirty, and (3) in accordance with the terms described and recommended in this agenda item, be, and the same hereby is, authorized, subject to such other terms as may be deemed by the Executive Director, the Chief Engineer, the Chief Financial Officer, and the General Counsel to be in the best interest of the Authority, and that are consistent with the substance and intent of this agenda item, provided, however, that if any adverse comments are received in response to the Explanatory Statement, this matter must be re-submitted to the Authority Board for further consideration, and be it further

RESOLVED, that the Executive Director, or his designee, be, and the same hereby is, authorized to execute a lease agreement (“Agreement”), along with all other documents necessary to effectuate the leasing of the Property in accordance with the terms described and recommended in this agenda item, 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 agenda item and other applicable Board authorizations, and suspend or terminate the Agreement as he deems to be in the best interests of the Authority, and be it further

RESOLVED, that the Chief Engineer, or his designee, be, and the same hereby is, authorized to execute the SEQRA Short Environmental Assessment Form and SEQRA Negative Declaration, and to distribute any required documents on behalf of the Board relative to such adoption, 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 this resolution be incorporated in the minutes of this meeting.

Item 11 by Mr. Estes and Mr. Bryan (Appendix K)
Declaring Personal Property on I-84 not Necessary for the Authority’s Corporate Purposes and Authorizing the Disposal of Such Property to the State

Mr. Estes requested Board approval for Personal Property on I-84 no longer necessary to the Authority to be disposed of to the State (NYSDOT and NY State Police) at fair market value,

due to the assumption of I-84 maintenance and operation by the NYS Department of Transportation on October 11, 2010.

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

RESOLUTION NO. 5856
DECLARING PERSONAL PROPERTY ON I-84 NOT NECESSARY FOR THE AUTHORITY'S CORPORATE PURPOSES AND AUTHORIZING THE DISPOSAL OF SUCH PROPERTY TO THE STATE

RESOLVED, that due to the assumption of maintenance and operation duties on Interstate 84 ("I-84") by the New York State Department of Transportation ("NYSDOT") on October 11, 2010, the Authority's New York Division, Office of Real Property Management, Director of Maintenance & Operations and Contracting Officer have identified personal property on I-84 which is no longer necessary for the Authority's corporate purposes, and be it further

RESOLVED, that the Authority's Contracting Officer has determined that the personal property may be sold by negotiation without public advertising because the property will be disposed of at fair market value to the State pursuant to Public Authorities Law ("PAL") §2897(6)(c)(iv) and the Authority will receive cash or credit for such personal property pursuant to PAL §2897(3), and, pursuant to PAL §2897(5), the Authority will execute a bill or bills of sale or other instruments transferring title in the personal property, and be it further

RESOLVED, that the Authority's Contracting Officer has determined that the disposal complies with all applicable laws and the Authority's Personal Property Disposal Policy, and be it further

RESOLVED, that following a complete inventory and staff appraisal of such personal property, the Executive Director, or his designee, be, and hereby is, authorized to negotiate the sale of such personal property to the State, as represented by the NYSDOT and the New York State Division of State Police (“NYSDSP”), for fair market value and compensation in the form of cash or credit, such as a credit toward the money owed to the State by the Authority pursuant to PAL §2975 and/or a reduction in the quarterly billings the Authority receives from the NYSDSP for NYSDSP costs in providing services on the Thruway to be negotiated with the State, and be it further

RESOLVED, that the Executive Director, or his designee, be, and hereby is, authorized to complete an explanatory statement of this personal property disposal as required by PAL §2897(6)(d), transmit such statement to the New York State Comptroller, the New York State Director of the Budget, the New York State Commissioner of General Services and the New York State Legislature and preserve a copy of such explanatory statement in the files of the Authority, and be it further

RESOLVED, that the Executive Director, or his designee, be, and hereby is, authorized to execute a contract of sale for such personal property, and all other documents necessary for the closing of title, all as may be consistent with the agenda item and upon such other terms and conditions as the Executive Director and the General Counsel determine to be in the best interests of the Authority, and be it further

RESOLVED, that the Executive Director, or his designee, be, and hereby is, authorized to determine if it is in the best interest of the Authority to issue a permit to DOT to

use some or all of the personal property pending disposal, and if the Executive Director or his designee, determines that it is in the Authority's best interests, the Executive Director, be, and hereby is, authorized to execute such permit upon such terms and conditions as the Executive Director and the General Counsel determine to be appropriate and in the best interest 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 such permit and the aforesaid contract, manage and administer such permit and contract, amend the provisions of such permit and contract consistent with the terms of this agenda item and other applicable Board authorizations, and suspend or terminate such permit and contract as he deems to be in the best interests of the Authority, and be it further

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

Item 12 by Mr. Hannibal (Appendix L)
Approving Revisions to Whistleblower Policy (25-2-26)

Mr. Hannibal requested Board approval to adopt a revised Whistleblower Policy to include statutory language in conformance with the Public Authorities Reform Act of 2009.

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

RESOLUTION NO. 5857
APPROVING REVISIONS TO WHISTLEBLOWER
POLICY (25-2-26)

RESOLVED, that the Whistleblower Policy (25-2-26), attached hereto as Exhibit B be, and hereby is, approved, and be it further

RESOLVED, that such Policy shall take effect immediately, and be it further

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

Item 13 by Mr. Gemmiti (Appendix M)
Report on the Capital Program

Mr. Gemmiti requested Board approval to adopt the Authority's Capital Program Report for the months of July and August 2010.

On the motion of Mr. Sall, seconded by Ms. Luh, without any objections, the Board accepted the Capital Program Report for the months of July and August 2010.

Item 14 by Mr. Gemmiti (Appendix N)
Authorizing an Amendment to the 2010 Contracts Program for B965.1, Paint Six Buffalo Division Bridges

Mr. Gemmiti requested Board approval to amend the 2010 Contracts Program to include an additional \$5,750,000 toward accelerated Project B965.1, Painting Six Bridges in the Buffalo Division, through bid savings and adjustments in the Capital Program.

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

RESOLUTION NO. 5858
**AUTHORIZING AN AMENDMENT TO THE 2010
CONTRACTS PROGRAM FOR B965.1, PAINT SIX
BUFFALO DIVISION BRIDGES**

RESOLVED, that the 2010 Contracts Program be amended in order to let B965.1, Paint Six Buffalo Division Bridges (total construction and construction inspection cost of \$5,750,000), in 2010, be, and the same hereby is, approved, and be it further

RESOLVED, that the 2010 Contracts Program be amended to account for the additional \$5,750,000 in Thruway

funds, and the same hereby is, allocated towards B965.1 from bid savings and adjustments to the 2010 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 15 by Mr. Gemmiti (Appendix O)

Approving Supplemental Agreement No. 3 to D213345 with Watts Architecture & Engineering, P.C. for Design Services Relative to the Rehabilitation of I-90, East of Westfield (MP 483.0) to the Pennsylvania State Line (MP 496.0) Eastbound in the Buffalo Division

Mr. Gemmiti requested Board approval for a Supplemental Agreement to D213345 in the amount of \$150,000 stating there is bid savings and sufficient funds.

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

RESOLUTION NO. 5859

APPROVING SUPPLEMENTAL AGREEMENT NO. 3 TO D213345 WITH WATTS ARCHITECTURE & ENGINEERING, P.C. FOR DESIGN SERVICES RELATIVE TO THE REHABILITATION OF I-90, EAST OF WESTFIELD (MP 483.0) TO THE PENNSYLVANIA STATE LINE (MP 496.0) EASTBOUND IN THE BUFFALO DIVISION

RESOLVED, that the proposed Supplemental Agreement No. 3 to D213345 with Watts Architecture & Engineering, P.C., 95 Perry Street, Suite 300, Buffalo, New

York 14203, for an additional sum of \$150,000, be, and the same hereby is, approved, and be it further

RESOLVED, that the revised Maximum Amount Payable for this Agreement (D213345) be \$1,650,000, and be it further

RESOLVED, that an additional \$150,000 be allocated to Agreement D213345 through bid savings and other adjustments made to the 2010 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 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 2010 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 16 by Mr. Gemmiti (Appendix P)
Authorizing Additional Funding for the Award of TAN 10-40B (D213992), Structural Steel Repairs to the South and North Grand Island Bridges in the Buffalo Division

Mr. Gemmiti reported that two bids were received for this project and the bid came in over the Engineer's Estimate. Mr. Sall and Mr. Simberg raised concerns. Mr. Gemmiti explained that pricing was used from a similar previous larger project, but costs have increased. This is a project with very specialized work. He believes the bids are fair. Mr. Simberg asked about potential firms outside of this State. Mr. Gemmiti said the all projects are advertised. Mr. Pericak reported that there is currently an out-of-state firm working on a project in the Buffalo

Division. Mr. Simberg and Mr. Sall asked if re-bidding or delaying the project would pose a safety factor? Mr. Gemmiti responded that there would not be a safety factor involved; this project is scheduled for completion by a certain date and no money would be saved by re-letting the project.

After full discussion, on the motion of Ms. Luh, seconded by Mr. Rice, with the objection of Messrs. Sall and Simberg, the Board adopted the following resolution by a 5 to 2 vote:

RESOLUTION NO. 5860
**AUTHORIZING ADDITIONAL FUNDING FOR THE
AWARD OF TAN 10-40B (D213992), STRUCTURAL
STEEL REPAIRS TO THE SOUTH AND NORTH
GRAND ISLAND BRIDGES IN THE BUFFALO
DIVISION**

RESOLVED, that additional funding for the award of TAN 10-40B, Structural Steel Repairs to the South and North Grand Island Bridges in the Buffalo Division, to Piasecki Steel Construction Corporation for its low bid of \$5,986,160 be, and the same hereby is authorized, and be it further

RESOLVED, that an additional sum of \$1,486,160 be, and the same hereby is, allocated toward contract TAN 10-40B from bid savings and other adjustments made to the 2010 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 17 by Mr. Bell (Appendix Q)

Authorizing the Executive Director to Execute an Agreement with the Buffalo and Fort Erie Public Bridge Authority for the Provision of E-ZPass[®] Services

Mr. Bell requested Board approval for the provision of E-ZPass services with the Buffalo and Fort Erie Public Bridge Authority.

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

RESOLUTION NO. 5861

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH THE BUFFALO AND FORT ERIE PUBLIC BRIDGE AUTHORITY FOR THE PROVISION OF E-ZPASS SERVICES

RESOLVED, that the Executive Director be, and hereby is, authorized to execute an agreement with the Buffalo and Fort Erie Public Bridge Authority (“BFEPBA”) for the provision of E-ZPass services (“Agreement”), and be it further

RESOLVED, that such Agreement shall have a term that is coterminous with the term of the Authority’s June 12, 2007 agreement with ACS State & Local Solutions, Inc. for operation of the E-ZPass New York Customer Service Center, shall provide that BFEPBA reimburse the Authority for the operational and other costs associated with processing BFEPBA’s E-ZPass transactions, and 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 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.

Other Business

Murray Bodin, a concerned member of the public, made a short presentation relative to the importance of procedures and policies for mowing, landscaping, pavement markings, signing, etc. to enhance the safety and environment of the highway system and improve costs. He commended the Authority for its work.

Adjournment

There being no further business to come before the Board, without any objections, the meeting went in to Executive Session at 12:15 p.m.

Jill B. Warner
Secretary

Note: Webcasts, which include dialogue of Authority/Corporation Board Meetings, are available on the Thruway Authority website 48 hours after such meetings occur and remain on the website for a period of 4 months.