



MINUTES

NEW YORK STATE THRUWAY AUTHORITY

BOARD MEETING NO. 686

May 18, 2011

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 Office, 4 Executive Boulevard, Suffern, New York.

The meeting began at 11:14 a.m.

There were present:

Chairman John L. Buono

Donna J. Luh, Vice Chair

J. Donald Rice, Jr., Board Member

Richard N. Simberg, Board Member

Brandon R. Sall, Board Member, via video conference

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

E. Virgil Conway and Jose Holguin-Veras, Ph.D., were not present at this meeting and did not vote on any of the Items.

In addition, there were present the following staff personnel:

Michael R. Fleischer, Executive Director
John 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
Brian Stratton, Director, Canal Corporation
Major Robert Meyers, Troop T
Thomas Ryan, Chief of Staff
Ted Nadratowski, Chief Engineer
Thomas Pericak, Division Director, Buffalo Division
Michael Loftus, Acting Division Director, Albany Division
Patrick Hoehn, Acting Division Director, Syracuse Division
Stephen Grabowski, Acting New York Division Director
John Callaghan, Deputy Director, Canal Corporation
Catherine Sheridan, Acting Deputy Director for Canal Maintenance, Operations & Engineering
Wendy Allen, Director, Management and Planning
Anthony Kirby, Director, Real Property Management
Doraine Steele, Director, Fiscal Audit and Budget
Harry Lennon, Senior Investigator, Audit and Management Services
Tracie Sandell, Assistant Director, Audit and Management Services
Jonathan Gunther, Assistant Counsel
Lawrence Norville, Chief Compliance Officer
Michael Sikule, Director, Investments and Asset Management
Jill B. Warner, Board Administrator
Douglas Elson, Information Technology

Also in attendance:

John Armstrong, New York Network
Pierre Vilain, Ph.D., Vice President, Henningson, Durham & Richardson
John Puig, Managing Director, RBC Capital Markets

Stanley Kramer, Partner, Hawkins Delafield & Wood LLP
Joseph Reid, Principal, Law Offices of Joseph C. Reid, P.A.
Steven Kantor, Managing Director, First Southwest Company
Angela Rodell, Senior Vice President, First Southwest Company
Robert Walsh, Managing Director, Loop Capital Markets

Chairman Buono noted that he, Ms. Luh, Mr. Rice, Mr. Simberg 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).

Item 1 by Board Secretary (Appendix A)
Approval of Minutes of Meeting No. 685

On the motion of Mr. Simberg, seconded by Ms. Luh, without any objections, the Board approved the minutes of Meeting No. 685 held on March 23, 2011, which were made available to the Board Members as part of the Agenda.

Report by Audit Committee Chair

As Chair of the Audit Committee, Mr. Rice reported on the recent actions taken by the Committee. The Committee reviewed and discussed the Annual Audit Committee Charter Assessment and Committee Self Evaluation. The members reviewed and accepted the 2010-11 Internal Control Report and periodic reports sent to the New York State Office of the Inspector General.

The items were unanimously approved by the Audit Committee.

Report by Finance Committee Chair

In the absence of the Chair of the Finance Committee, Chairman Buono reported on the recent actions taken by the Committee. The Committee reviewed and approved the Authority's Financial Reports for February and March 2011, the Report of Investments for the Quarter Ending March 31, 2011, and an Amendment to the Thirteenth Supplemental Resolution Authorizing the Issuance of General Revenue Bonds, Series I and the General Revenue Bond Anticipation Notes, Series 2011A.

The items were unanimously approved by the Finance Committee to be sent to the full Board for consideration at today's meeting.

Item 2 by Mr. Bryan (Appendix B) **Financial Reports – February and March 2011**

Mr. Bryan stated that the Finance Committee considered this Item at their May 2011 meeting and recommended that this item be presented to the full Board for consideration.

Mr. Bryan reported that total travel for the first quarter of the year was discouraging. Combined passenger and commercial traffic counts were down 1.4 percent for the first three months of the year predominantly due to significant weather events that were state-wide and frequent and the impact rising fuel prices had on travel.

Commercial traffic continued to show some growth through the first three months, growing by almost 2 percent. However, that gain was more than off-set by passenger traffic dropping 1.7 percent. Through the end of March, the Authority collected \$135 million in tolls which was \$1.4 million lower than the level collected in the same period of last year representing a decline of about 1 percent. Other revenue sources, including concession revenues, interest earnings and sundry revenues were all down as well. As a result, revenues from all sources decreased by \$1.8 million or 1.2 percent in the first three months over the first quarter of last year. Compared to staff's forecast, total revenues were \$4.2 million lower than planned.

On the expense side, despite an active snow and ice season, operating expenses for both the Authority and the Corporation through September were up by only 2.5 percent from the same period in 2010. The Authority was about \$1 million dollars below the budget forecast. The dailies for March are more disappointing than what staff saw in the first quarter of the year as both commercial and passenger traffic have now turned negative. High gas prices, which are causing lingering uneasiness, along with the state of the national/world economy are affecting people's travel patterns.

Mr. Simberg inquired as to whether or not the Authority's traffic engineer was in attendance. Mr. Bryan indicated that he was and that staff recently updated the Authority's traffic forecast for the year because staff is going to market on a Bond Anticipation Note sale and have to provide the marketplace with new information. Staff is thinking about a \$6.5 million dollar decrease in this year's overall estimate of toll revenues; however, staff has been off-setting that decrease with operational changes.

Mr. Sall asked about the operating revenue line item entitled "unpaid tolls." Mr. Bryan explained that those figures refer to collections from people that did not pay their tolls that then submitted the amount owed either because of letters the Authority sent them or were collected by the Authority's collection agent. Mr. Sall noted that it appears the Authority is doing a better job at collecting those funds based on the percentage change from 2010. Mr. Bryan responded that thanks to the Authority's collection agent the Authority has been more successful in collecting those unpaid tolls. The collection agent is paid a percentage of what they recover. To date, a little over \$5 million has been collected.

Mr. Rice inquired as to the percentage the collection agent receives as well as the average transaction size they are trying to collect on. Mr. Bell responded that the percentage is somewhere between 14 and 17 percent. The transactions range from \$20 to in the thousands. Mr. Bryan stated that the amount depends on whether it is a passenger vehicle or a commercial vehicle. Mr. Bell added that often the violation fees outweigh the total tolls owed if it is a repeat offender.

After full discussion, on the motion of Mr. Rice, seconded by Mr. Sall, without any objections, the Board accepted the Financial Reports for the months of February and March 2011.

Item 3 by Mr. Bryan (Appendix C)
Investment Transactions – First Quarter 2011

Mr. Bryan stated that the Finance Committee considered this Item at their May 2011 meeting and recommended that this item be presented to the full Board for consideration.

Guidelines established by the Office of the State Comptroller require the Authority provide a Quarterly Report on all investments made by the Authority. The report details, by fund, the investments made and yield obtained for each investment.

In the first quarter of 2011, the Authority made nearly \$1.5 billion dollars in investments yielding an average yield of .17 percent. At the end of March the Authority had \$562.7 million invested in a variety of instruments that are authorized under its governing statute and Board adopted investment policy. Of the amount of investments the Authority had at the end of December, 63 percent was invested in Federal Agency Securities, 35 percent in commercial paper, 2 percent in various Certificates of Deposit, 0.0 percent in Treasuries and repurchase agreements.

Mr. Rice inquired as to whether or not staff has noticed any changes in the character of the investments this quarter versus the prior quarter, and the character of the interest earnings. Mr. Bryan responded that the yields from the two quarterly reports are nearly identical. There is also not a lot of movement in the earnings rates. Mr. Sikule added that at the end of March the Federal Treasury numbers were below zero, with almost negative interest.

After full discussion, on the motion of Mr. Sall, seconded by Mr. Rice, without any objections, the Board accepted the Investment Transactions – First Quarter 2011 Report.

Item 4 by Mr. Bryan (Appendix D)

Authorizing the Executive Director to Execute an Agreement with New York Network/SUNY to Provide the Thruway with Webcasting Services

Mr. Bryan reported that the Thruway Authority and Canal Corporation are required to comply with the Open Meetings Law including those meetings covered under Executive Order 3 which requires state agencies and public authorities to broadcast open meetings via the internet. New York Network/SUNY is the incumbent providing these services and received the highest rated score in the competitive Request for Proposals process that was recently completed. The proposed agreement with New York Network/SUNY will be for five years with a maximum payable of \$175,201.48.

Chairman Buono inquired as to how many people watch the meetings via the internet. Mr. Bryan stated that he would get the numbers for the Board but that his belief was that the majority of those watching were internal staff members.

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

RESOLUTION NO. 5890

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH NEW YORK NETWORK/SUNY TO PROVIDE THE THRUWAY AUTHORITY WITH WEBCASTING SERVICES

RESOLVED, that the Executive Director or his designee be, and hereby is, authorized to execute an Agreement with New York Network/SUNY, Suite 146 Empire State Plaza, Albany NY 12223 for webcasting services, and be it further

RESOLVED, that the Agreement shall be for a term of 5 (five) years, shall have a maximum amount payable of \$175,201.48 and shall be on such other terms and conditions as the Executive Director or his designee determine to be in the best interests of the Authority, and be it further

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

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

Item 5 by Mr. Estes (Appendix E)

Approving an Amendment to the Thirteenth Supplemental Resolution, Authorizing the Issuance of General Revenue Bonds, Series I, Approving the Resolution for the General Revenue Bond Anticipation Notes, Series 2011A, Approving the Form of the Bond Anticipation Note Purchase Agreement for the Series 2011A Notes, Approving the Form of and Authorizing the Preparation, Execution and Delivery of the Preliminary Offering Memorandum and Approving the Form of the Final Offering Memorandum and Authorizing the Execution of One or More Continuing Disclosure Agreements, Authorizing the Execution of Any Other Documents Necessary for the Sale, Issuance and Delivery of the Series I Bonds or the Series 2011A Notes and Authorizing the Selection of Certain Consultants and Agents Related to the Issuance of the Series I Bonds or the Series 2011A Notes

Mr. Estes reported that this item seeks the Board's approval to issue an amount, not to exceed \$1.25 billion dollars in General Revenue Bond Anticipation Notes in anticipation of the issuance of Series I General Revenue Bonds. Funds generated from this proposed transaction will be used to help finance the Authority's highway and bridge program over the next twelve months. It is currently estimated that an additional funding of up to \$250 million is required for the Authority's Capital Program through the middle of 2012.

Short term rates are at near historical lows and staff believes that issuing short term obligations to fund a portion of the Authority's Capital Program is a prudent financial decision. If issued today, the Authority's Underwriters estimate that the Bonds would have a yield of .65 percent. On March 23, 2011 Standard and Poors (S&P) affirmed its A+ long-term rating on the Authority's outstanding General Revenue Bonds and affirmed the S&P 1+ rating on the

Authority's General Revenue Bond Anticipation Notes. After the Authority meets with S&P and Moody's in early June, those agencies will assign ratings to the Bond Anticipation Notes to be issued in July.

Board approval is needed to adopt, execute or deliver various documents to effectuate the financing plan. These documents include an amendment to the 13th Supplemental Revenue Bond Resolution, the Bond Anticipation Note Resolution, the Preliminary Offering Memorandum, the Bond Anticipation Note Purchase Agreement and the Continuing Disclosure Agreement. This Resolution also seeks approval for an amendment to the General Revenue Bond resolution and would begin to secure bondholder's consents to expand the Authority's ability to enter into a lease or franchise contract whereby the Authority would continue to own and bear long term responsibility for a facility but contract with the firm or consortium to operate, maintain and/or rebuild that facility.

The Finance Committee considered and approved this Item at its May 18, 2011 meeting and authorized Authority staff to present this item to the Authority Board. Mr. Estes advised that Stan Kramer, bond counsel from Hawkins Delafield and Wood; John Puig, underwriter from RBC Capital Markets; Joe Reed from the Law Office of Joe Reed, who is underwriters counsel for this transaction; Steve Kantor and Angela Rodel from First Southwest, financial advisors for this transaction; Robert Walsh from Blue Capital Markets as well as transportation consultant, Pierre Vilain from Henningson, Durham & Richardson were present to answer any questions the Board may have.

Mr. Sall thanked the members of the Authority's public finance team for attending the meeting.

Mr. Simberg asked for an assurance that this is an authorization to spend this amount in bonds. It is not a mandate to do every penny of it. Mr. Bryan concurred.

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

RESOLUTION NO. 5891

APPROVING AN AMENDMENT TO THE THIRTEENTH SUPPLEMENTAL RESOLUTION, AUTHORIZING THE ISSUANCE OF GENERAL REVENUE BONDS, SERIES I, APPROVING THE RESOLUTION FOR THE GENERAL REVENUE BOND ANTICIPATION NOTES, SERIES 2011A, APPROVING THE FORM OF THE BOND ANTICIPATION NOTE PURCHASE AGREEMENT FOR THE SERIES 2011A NOTES, APPROVING THE FORM OF AND AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF THE PRELIMINARY OFFERING MEMORANDUM AND APPROVING THE FORM OF THE FINAL OFFERING MEMORANDUM AND AUTHORIZING THE EXECUTION OF ONE OR MORE CONTINUING DISCLOSURE AGREEMENTS, AUTHORIZING THE EXECUTION OF ANY OTHER DOCUMENTS NECESSARY FOR THE SALE, ISSUANCE AND DELIVERY OF THE SERIES I BONDS OR THE SERIES 2011A NOTES AND AUTHORIZING THE SELECTION OF CERTAIN CONSULTANTS AND AGENTS RELATED TO THE ISSUANCE OF THE SERIES I BONDS OR THE SERIES 2011A NOTES

RESOLVED, in accordance with the New York State Thruway Act, Title 9 of Article 2 of the New York State Public Authorities Law, as amended (the "Act"), the Authority is authorized to issue its bonds, in such principal amount as, in the opinion of the Authority, shall be necessary to provide sufficient monies for achieving the corporate purposes of the Authority, and be it further

RESOLVED, that the Act authorizes the Authority to adopt bond and note resolutions establishing the contract with its bond and note holders, and be it further

RESOLVED, that there has been approved by the Board, on August 3, 1992, a General Revenue Bond Resolution (as amended and supplemented, the "Resolution") which, consistent with the Act, authorizes bonds of the Authority, designated as "General Revenue Bonds", as direct and general obligations of the

Authority in accordance with the terms thereof to finance all or a portion of the costs of various corporate purposes of the Authority, and be it further

RESOLVED, that Section 202 of the Resolution requires that the issuance of General Revenue Bonds by the Authority shall be authorized by a supplemental resolution or resolutions of the Authority adopted at or prior to the time of issuance, and be it further

RESOLVED, that Section 207 of the Resolution provides that whenever the Authority shall by Supplemental Resolution have authorized the issuance of a Series of Bonds, the Authority may by resolution authorize the issuance of Bond Anticipation Notes in anticipation of the issuance of the Series of Bonds, in a principal amount not exceeding the principal amount of the Bonds of such series so authorized, and be it further

RESOLVED, that there has been prepared and submitted to the Board an amended form of Thirteenth Supplemental Revenue Bond Resolution Authorizing General Revenue Bonds, Series I (the "Series I Supplemental Resolution"), to provide funds to pay the principal of and interest on General Revenue Bond Anticipation Notes, Series 2011A ("Series 2011A Notes") or Costs related thereto; to pay Project Costs, including funds as may be advisable for deposit in the Reserve Maintenance Fund; to pay Costs of Issuance relating to the Series I Bonds; and, if necessary, to make a deposit to the Senior Debt Service Reserve Fund equal to the Senior Debt Service Reserve Fund Requirement, upon the issuance of the Series I Bonds, and be it further

RESOLVED, that there has been prepared and submitted to the Board a form of Resolution authorizing up to \$1,025,000,000 General Revenue Bond Anticipation Notes, Series 2011A (the "Series 2011A Notes Resolution"), to provide sufficient funds to

pay the Costs of Issuance relating to the Series 2011A Notes, to fund Project Costs constituting a portion of the cost of the Authority's Multi-year Capital Plan, and to provide sufficient funds, together with any other necessary and available Authority funds, to pay the principal and interest due at the maturity of the Authority's General Revenue Bond Anticipation Notes, Series 2009A, and be it further

RESOLVED, that pursuant to the Resolution and the Series I Supplemental Resolution, the Authority intends to authorize the issuance of its General Revenue Bonds, Series I (the "Series I Bonds"), and be it further

RESOLVED, that pursuant to the Series 2011A Notes Resolution and in accordance with Section 207 of the Resolution, the Authority intends to issue its Series 2011A Notes and to sell its Series 2011A Notes to the Underwriters pursuant to a Bond Anticipation Note Purchase Agreement, the form of which Bond Anticipation Note Purchase Agreement has been set before the Board, and be it further

RESOLVED, that the Board approves the amended form of the Series I Supplemental Resolution as submitted with this item and made a part of this resolution as though set forth in full herein, and authorizes an Authorized Officer (as defined in the Resolution) to approve and execute such changes to the Series I Supplemental Resolution as may be deemed necessary or convenient to effectuate the purposes thereof, and be it further

RESOLVED, that the Board approves the form of the Series 2011A Notes Resolution as submitted with this item and made a part of this resolution as though set forth in full herein, and authorizes an Authorized Officer to approve and execute such changes to the Series 2011A Notes Resolution as may be deemed

necessary or convenient to effectuate the purposes thereof, and be it further

RESOLVED, that in connection with the sale of the Series I Bonds, the Board approves the form of the proposed amendment to the Resolution described in Section 601 of the Series I Supplemental Resolution as submitted with this item and made a part of this resolution as though set forth in full herein. It is understood that such amendment, in each case to the extent necessary under the terms of the Resolution, would be effective only upon receipt of the consent of the holders of at least a majority in principal amount of the Bonds Outstanding and through the adoption of a Supplemental Resolution implementing such changes at a future date, and be it further;

RESOLVED, that the Board approves the Bond Anticipation Note Purchase Agreement in substantially the form submitted with this item and made a part of this resolution as though set forth in full herein, in the manner set forth in Section 301 of the Series 2011A Notes Resolution and authorizes an Authorized Officer to execute and deliver such Bond Anticipation Note Purchase Agreement and to approve and execute such changes to such Bond Anticipation Note Purchase Agreement as may be deemed necessary or convenient to effectuate the purposes thereof, and be it further

RESOLVED, that in connection with the sale of the Series 2011A Notes, the Board approves the form of the Preliminary Offering Memorandum as submitted with this item and made a part of this resolution as though set forth in full herein, and authorizes an Authorized Officer to approve and execute such changes as may be deemed necessary or convenient to effectuate the purposes thereof, and be it further

RESOLVED, that the Board authorizes the distribution of the Preliminary Offering Memorandum relating to the Series 2011A Notes by an Authorized Officer, in substantially the same form submitted with this item with such changes, insertions and omissions to the Preliminary Offering Memorandum as may be approved by an Authorized Officer, said distribution being conclusive evidence of such approval, and any amendments or supplements thereto which may be necessary or desirable, and be it further

RESOLVED, that the Board authorizes an Authorized Officer to confirm that the Preliminary Offering Memorandum related to the Series 2011A Notes is deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for certain permitted omissions and information not required under said Rule to be included therein, and be it further

RESOLVED, that the Board authorizes an Authorized Officer to execute or deliver, on behalf of the Authority, a final Offering Memorandum relating to the Series 2011A Notes in substantially the form of the Preliminary Offering Memorandum submitted with this item, with such changes, insertions and omissions as may be approved by an Authorized Officer, said execution or delivery being conclusive evidence of such approval, and any amendments or supplements thereto which may be necessary or desirable. Any material changes from the Preliminary Offering Memorandum approved pursuant to this resolution to be made in the final Offering Memorandum which are not made pursuant to matters which are authorized to be determined pursuant to a Certificate of Determination (as defined in the Resolution) shall be distributed to members of the Board for comments, if any, prior to final printing. After execution, if appropriate, an Authorized Officer is hereby authorized to deliver to the

purchasers of the Series 2011A Notes an executed copy or copies of such final Offering Memorandum and any further amendments or supplements thereto, and be it further

RESOLVED, that prior to applying the proceeds of the Series 2011A Notes to any Facility (as defined in the Resolution), the Authority, with respect to such Facility, shall have complied with any applicable requirements of the State Environmental Quality Review Act (Article 8 of the Environmental Conservation Law) and any other applicable environmental laws or regulations, and be it further

RESOLVED, that the Authority intends to finance, on an interim basis, a portion of the costs of its capital program for the Thruway System and the other transportation projects authorized by law which costs are reasonably expected to be paid or reimbursed with the proceeds of debt to be incurred by the Authority, in the maximum principal amount of \$250,000,000 pursuant to the issuance of the Series 2011A Notes. Such costs include, but are not limited to, highway and bridge construction, reconstruction, rehabilitation, widening, relocation and incidental extensions. This resolution is a declaration of official intent adopted pursuant to the requirements of applicable Treasury Regulations, and be it further

RESOLVED, that the Board authorizes an Authorized Officer to execute upon such terms and conditions as are determined to be in the best interests of the Authority and are consistent with the provisions of the Series I Supplemental Resolution: one or more Continuing Disclosure Agreements in substantially the form submitted with this item and any additional agreements or other documents necessary to facilitate the sale of the Series 2011A Notes and to do and cause to be done any and all

acts and things necessary or proper for carrying out the transactions contemplated by this resolution, and be it further

RESOLVED, that the Board confirms and ratifies the continuation and selection of The Bank of New York Mellon, New York, New York as Trustee and Paying Agent, and be it further

RESOLVED, that an Authorized Officer is authorized to make any determinations or selections and/or appointments of any necessary or convenient consultants or agents and to execute any additional certificates, agreements or other documents necessary to facilitate the authorization, sale, issuance and delivery of the Series 2011A Notes and the Series I Bonds and to achieve the other purposes of this Resolution, including but not limited to agreements with securities depositories and documents relating to credit enhancement, and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by this Resolution, and be it further

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

Item 6 by Mr. Bell (Appendix F)

Authorizing the Executive Director to Execute an Extension of Agreement C100125 with Mark IV Industries, Inc., Kapsch TrafficCom IVHS Corp., and Kapsch TrafficCom IVHS, Inc.

Mr. Bell reported that this contract would be for the provision of E-ZPass tags and E-ZPass equipment. The current contract expires on August 16, 2011. Staff are at the tail end of a very long procurement process with the E-ZPass Interagency Group (“IAG”) and anticipate having a selection this summer. Mr. Bryan noted that Mr. Bell was recently appointed Chairman of the IAG.

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

RESOLUTION NO. 5892

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN EXTENSION OF AGREEMENT C100125 WITH MARK IV INDUSTRIES, INC., KAPSCH TRAFFICCOM IVHS CORP., AND KAPSCH TRAFFICCOM IVHS INC.

RESOLVED, that the Executive Director be, and he hereby is, authorized to execute an extension of the current Irrevocable Offer (C100125) with Mark IV Industries, Inc., Kapsch TrafficCom IVHS Corp. and Kapsch TrafficCom IVHS Inc., to ensure that the Authority has access to tags, readers and other equipment integral to the E-ZPass system (“Extension”), and be it further

RESOLVED, that such Extension shall be for a term of six months, with the option to renew for two additional three-month periods, and shall include a provision that would allow the Authority to terminate the Irrevocable Offer for convenience upon 30-days notice, and be it further

RESOLVED, that the Authority’s Chief Financial Officer be, and hereby is, authorized to charge expenditures for goods and services provided pursuant to such Extension 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 Extension, manage and administer the Extension, amend the provisions of the Extension consistent with the terms of this item and other Board authorizations and suspend or terminate the Extension 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 7 by Mr. Grabowski (Appendix G)

Authorizing the Executive Director to Execute an Agreement with the National Multiple Sclerosis Society: New York City – Southern New York Chapter to Conduct “The 2011 TZ Bike Tour for MS” and Undertake Such Other Measures as May be Required to Facilitate the Event

Mr. Grabowski reported that this Item seeks approval to authorize the Executive Director to enter into an agreement with the National Multiple Sclerosis Society for the New York City – Southern New York Chapter to conduct “The 2011 TZ Bike Tour for MS.” This will be the 15th year of the bike tour and would be the 14th year that the MS Society has been the sponsor. The bike tour is scheduled for Sunday, September 25, 2011 and will begin at 7:45 a.m. and end at 11:00 a.m. Bicyclists will use the Thruway between Exit 9 and Exit 11 crossing the Tappan Zee Bridge in the northbound direction. All Authority and State Police staff will be reimbursed by the MS Society an estimated \$44,000 this year. Over the past 14 years the MS Society has raised over \$3.4 million to support research for a cure for MS through this event.

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

RESOLUTION NO. 5893

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH THE NATIONAL MULTIPLE SCLEROSIS SOCIETY: NEW YORK CITY-SOUTHERN NEW YORK CHAPTER TO CONDUCT “THE 2011 TZ BIKE TOUR FOR MS” AND UNDERTAKE SUCH OTHER MEASURES AS MAY BE REQUIRED TO FACILITATE THE EVENT

RESOLVED, that the Executive Director be, and he hereby is, authorized to execute an agreement with the National Multiple Sclerosis Society: New York City-Southern New York Chapter (“MS Society”) to conduct “The 2011 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 \$44,000 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 8 by Mr. Nadratowski(Appendix H)
Report on the 2011 Capital Program

Mr. Nadratowski reported that through April, nine contracts were let with low bids totalling \$25.1 million compared to the engineers estimates of \$35.8 million. Cash flow for all active projects through March total \$69.4 million. If all of the 2011 contracts are let, Authority staff expects that all of the \$390 million in Board approved cash flow will be expended. 2011 is the final year of the \$2 billion dollar Capital Program that began in 2005. Authority staff is in the process of developing the next multi-year Capital Program balancing the needs of the system with projected funding. When completed, the draft Capital Program will be presented to the Board for consideration.

Mr. Sall inquired as to what involvement the Thruway Authority has in the recent investigation on cost overruns for the I-287 project. Mr. Nadratowski responded that it is primarily a Department of Transportation (DOT) issue, most of the contracts that were let under

DOT's guidance. Mr. Fleischer added that under the I -287 agreement, the Authority has operating responsibility but DOT has full responsibility for capital.

After full discussion, on the motion of Mr. Simberg, seconded by Ms. Luh, without any objections, the Board accepted the March and April monthly status reports on the combined Thruway Authority and Canal Corporation 2011 Capital Program.

Item 9 by Mr. Nadratowski (Appendix I)
Authorizing Negotiation and Execution of Engineering Term Agreement D214063 with Dembling + Dembling Architects, P.C. for Architectural Design Support Services Statewide

Mr. Nadratowski stated that Dembling + Dembling Architects, P.C. has been designed to provide Thruway-wide architectural design support services for a period of three years with an option to extend the agreement for an additional year at the Authority's discretion. This is an on-call agreement which lends itself to small assignments and assignments that require quick turnaround. Many assignments may include waste water treatment systems, HVA systems, mechanical systems, site and landscape designs and other assignments as needed.

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

RESOLUTION NO. 5894
AUTHORIZING NEGOTIATION AND EXECUTION OF ENGINEERING TERM AGREEMENT D214063 WITH DEMBLING + DEMBLING ARCHITECTS, 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 D214063 with Dembling + Dembling Architects, P.C., 307 Washington Avenue, Albany, New York, 12206, for architectural design support services statewide, provided that the Maximum Amount Payable does not exceed \$750,000 which is currently

provided through the 2011 Contracts Program (Items AS799.1 and HS1068.1), 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 2011 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 10 by Mr. Nadratowski (Appendix J)

Approving Engineering Agreement D214039 with Chas. H. Sells, Inc. for Design Services Relative to the Pavement Rehabilitation of I-95 (New England Thruway) from Pelham Parkway (MP NE0.17, Exit 8B) to Port Chester (MP NE14.1, Exit 22) in the New York Division

Mr. Nadratowski stated that in January 2011 the Authority designated Chas. H. Sells, Inc., to complete preliminary design for a 14-mile pavement rehabilitation project on the New England Thruway I-95 between the Pelham Parkway at Exit 8B through to Port Chester at Exit 22 in the New York Division. Work under this agreement will include accident analysis, pavement evaluation, life cycle analysis alternatives, environmental studies and environmental permit requirements, as well as the preparation and submission of preliminary plans. In accordance with the established Thruway Policy and Procedure Guidelines the Maximum Amount Payment for this agreement is \$1,650,000 which is approximately 4 percent of the estimated construction cost.

Mr. Sall stated that the area involved in this Item is one he travels regularly and is greatly in need of this work. Mr. Simberg inquired if the 4 percent includes all the work expended in design to date by the consultant. Mr. Nadratowski responded that the 4 percent will be the total amount expended by the consultant through the preliminary design phase but not the final design.

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

RESOLUTION NO. 5895
**APPROVING ENGINEERING AGREEMENT D214039
WITH CHAS. H. SELLS, INC. FOR DESIGN SERVICES
RELATIVE TO THE PAVEMENT REHABILITATION OF
I-95 (NEW ENGLAND THRUWAY) FROM PELHAM
PARKWAY (MP NE0.17, EXIT 8B) TO PORT CHESTER
(MP NE14.1, EXIT 22) IN THE NEW YORK DIVISION**

RESOLVED, that the proposed engineering agreement D214039 with Chas. H. Sells, Inc., 555 Pleasantville Road, P.O. Box 2650, Briarcliff Manor, New York 10510 for design services relative to the pavement rehabilitation of I-95 (New England Thruway) from Pelham Parkway (MP NE0.17, Exit 8B) to Port Chester (MP NE14.1, Exit 22) in the New York Division, for a Maximum Amount Payable of \$1,650,000, which is provided through the 2011 Contracts Program (Items H853.1 and H1124.1), be, and the same hereby is, approved, and be it further

RESOLVED, that the Chief Engineer or his designees shall have the authority to exercise all powers reserved to the Authority under the provisions of the agreement, manage and administer the agreement, amend the provisions of the agreement consistent with the terms of this Item and in accordance with the 2011 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 this resolution be incorporated in the
minutes of this meeting

Item 11 by Mr. Nadratowski (Appendix K)

Authorizing Negotiation and Execution of Three Engineering Agreements (D214071, D214075, D214076) with Three Firms for Construction Inspection Services Relative to TANE 11-5BP, TANY 11-15, TAB 11-39 and TAB 11-10

Mr. Nadratowski explained that the Berger, Lehman Associates, P.C. agreement has been designated to provide construction services relative to bridge painting and steel repairs of the New England Viaduct in the New York Division. Included in this assignment are the identification of structural deficiencies and the preparation of plans for the steel repairs to be completed by the contractor. In February of this year the Authority received a low bid from Ahern Painting Contractors in the amount of \$2,654,000 to paint and complete steel repairs for this project. The cost to inspect that work is estimated at \$800,000 which is 30 percent of the construction cost. In comparison, the engineer's estimate of \$7,000,000 for the construction contract, the construction inspection costs are approximately 11.4 percent. Although the bid was \$5,000,000 lower than anticipated, the scope of the work has not changed and the extent of inspection services remains the same. Staffing for the project is based on two construction seasons. However, given the aggressive bid by the contractor they may be seeking to complete the project in a single season, at which point the resultant construction inspection costs would be significantly less. In addition, there is a need for specialized staff, such as a licensed engineer, to complete structural inspections which led to the estimate being a bit above average. Finally, the work over the Metro North Railroad will be completed at night which will require additional staff resources.

Mr. Sall stated that it is still his belief that internal staff should be able to inspect most of the Authority's paving and painting jobs. He added that while he understands the need for outside engineers to inspect paint jobs on bridges that may be difficult to get to, he is still concerned that the Authority is spending money on basic functions staff should be able to perform. Mr. Nadratowski responded that staff, along with the Authority's internal audit group,

is in the middle of a study to come up with a plan to better utilize construction inspection and design staff. At the present time the Authority's design and inspection staff are fully committed to projects in the Capital Program. Mr. Sall suggested that hiring a few additional staff would still present a cost savings compared to the millions being spent on outside construction inspections.

Mr. Nadratowski added that the real issue is balancing the size of the Capital Program with the size of the staff. Staff should be hired based on low program years so that the permanent hires always have work to do. If they are hired during a high program year, like the last two years have been, there would not be enough work during the low times. Mr. Sall suggested repositioning staff during those times when there isn't enough work in one area or working with the Department of Transportation (DOT) to contract with their resources when they are short on work, which would help DOT while saving the Authority money. Mr. Nadratowski advised that staff is looking into that option.

Mr. Nadratowski reported that Henningson, Durham and Richardson Architecture and Engineering, P.C. has been designated to provide construction inspection services relative to a contract to rehabilitate eight miles of pavement from the Newburgh Interchange to just south of New Paltz, including two miles of safety upgrades from south of New Paltz to the New Paltz interchange in the New York Division. This project is scheduled for a June 2011 letting with a completion date of October 2012. The estimated construction cost is \$40,900,000 and the cost to inspect the project is estimated to be \$4,200,000 which is 10.3 percent of the construction costs.

Finally, PB Americas, Inc. has been designated to provide construction inspection services relative to two contracts. The first contract provides for six miles of pavement resurfacing from the Williamsville Toll barrier to west of Williams Street as well as one mile of pavement resurfacing on I-190 north of Church Street to the Peace Bridge at Exit 9 in the Buffalo Division. The second contract is to provide safety improvements and other improvements along I-90 and the I-190 in the Buffalo Division. The cost to inspect both contracts is estimated at \$960,000 which is approximately 7 percent of the estimated construction costs.

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

RESOLUTION NO. 5896
**AUTHORIZING NEGOTIATION AND EXECUTION OF
THREE ENGINEERING AGREEMENTS (D214071, D214075
AND D214076) WITH THREE FIRMS FOR
CONSTRUCTION INSPECTION SERVICES RELATIVE
TO TANE 11-5BP, TANY 11-15, TAB 11-39 AND TAB 11-10**

RESOLVED, that the Chief Engineer be, and he hereby is, authorized to negotiate and execute engineering agreements (D214071, D214075 and D214076) for construction inspection services with the three (3) firms listed in Exhibit A, attached hereto, provided that sufficient funding has been identified to complete the projects to be inspected through this agreement, with the Maximum Amount Payable of each of these agreements not to exceed the amount shown in the attached Exhibit A, and be it further

RESOLVED, that the Chief Engineer or his designees shall have the authority to exercise all powers reserved to the Authority under the provisions of the agreements, manage and administer the agreements, amend the provisions of the agreements consistent with the terms of this Item and in accordance with the 2011 Contracts Program Resolution and other Board authorizations, and suspend or terminate the agreements in the best interests of the Authority, and be it further

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

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

Item 12 by Mr. Fleischer (Appendix L)

Authorization for the Executive Director to Defer Payment of the 2011 General Salary Increase, Step Advances and Longevity Payments for Managerial/Confidential (M/C) Employees of the 2008 M/C Salary Schedule

The Chairman stated that the Board expressed the same sentiments towards this Item as recorded in the Canal Corporation Board Minutes.

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

RESOLUTION NO. 5897

AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO DEFER PAYMENT OF THE 2011 GENERAL SALARY INCREASE, STEP ADVANCES AND LONGEVITY PAYMENTS FOR MANAGERIAL/CONFIDENTIAL (M/C) EMPLOYEES OF THE 2008 M/C SALARY SCHEDULE

RESOLVED, that the Executive Director be, and hereby is, authorized to defer payment of the general salary increase, step advances and longevity payments for M/C employees scheduled for the pay periods that include July 1, 2011 through June 30, 2012 and the commensurate 2011 adjustment of the M/C Salary Schedule until such time as he determines appropriate, and be it further

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

ADJOURNMENT

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

EXECUTIVE SESSION

Chairman Buono requested a motion to go into Executive Session to discuss pending contracts and the Spending and Government Efficiency Commission (also known as the SAGE Commission). Information will include subjects permitted to be discussed in Executive Session by section 105(1)(f) of the Open Meetings Law.

On the Motion of Mr. Rice, seconded by Ms. Luh the Board reconvened in Executive Session.

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 four months.