



MINUTES

NEW YORK STATE THRUWAY AUTHORITY

BOARD MEETING NO. 692

May 30, 2012

Minutes of a meeting of the New York State Thruway Authority, held in the Authority's New York Division Office, 4 Executive Boulevard, Suffern, NY 10901 and via video conference from the Authority's Buffalo Division Office, 455 Cayuga Road, Suite 800, Cheektowaga, NY 14225.

The meetings of the New York State Thruway Authority and Canal Corporation Boards opened in joint session for the consideration of various matters. These minutes reflect only those items considered by the New York State Thruway Authority Board. The meeting began at 3:06 p.m.

There were present:

Chairman Howard P. Milstein

Donna J. Luh, Vice Chairperson, via video conference

E. Virgil Conway, Board Member

Richard N. Simberg, Board Member

Brandon R. Sall, Board Member

J. Donald Rice, Jr., Board Member

Jose Holguin-Veras, Ph.D., Board Member, via video conference

Constituting all of the members of the Thruway Authority Board.

In addition, there were present the following staff personnel:

Thomas J. Madison, Jr., Executive Director

John Bryan, Chief Financial Officer and Treasurer

William Estes, General Counsel

Brian Stratton, Director, Canal Corporation

Ted Nadratowski, Interim Tappan Zee Project Director

Jill B. Warner, Board Administrator and Secretary

Jonathan Ehrlich, Special Assistant to the Chairman

Thomas J. Ryan, Chief of Staff

Jerry Yomoah, Director of Governmental Affairs

Andrew O'Rourke, Director, Tappan Zee Bridge Project Information Office

Major Robert Meyers, Troop T

Karen Wilson, Information Technology Specialist III

Shane Mahar, Acting Director of Public Information

Also in attendance:

Murray Bodin, public

Alex Taylor, Reporter, *Journal News*

John Armstrong, New York Network

Aimee Vargas, Mid-Hudson Regional Director for Empire State Development Corporation

Allan Paull, Senior Vice President, Tishman Construction Corporation

Richard Gobeille, National Program Manager, Jacobs Engineering

Jeffrey Parker, Jeffrey A. Parker & Associates

Dan Cohen, Senior Manager, Citigroup

Bart Livolsi, Managing Director Public Finance, Citigroup

Stanley Kramer, Partner, Hawkins Delafield & Wood LLP

Chairman Milstein noted that he, Ms. Luh, Mr. Conway, Mr. Rice, Mr. Simberg, Mr. Sall and Dr. Veras had received and reviewed the Agenda submitted for consideration at this meeting and were prepared to act on each of the Items.

Chairman Milstein called the meetings of the Thruway Authority and Canal Corporation Boards to order. (36:31)

Ms. Warner recorded the minutes as contained herein (public notice of the meeting had been given).

Item 1 by Ms. Warner (Appendix A)
Approval of Minutes of Meeting No. 691 (36:31)

On the motion of Mr. Conway, seconded by Mr. Sall, without any objections, the Board approved the minutes of Meeting No. 691 held on April 30, 2012, which were made available to the Board Members as part of the Agenda.

Item 2 by Mr. Madison (Appendix B)
Report on Procurement Contracts and Other Agreements Up to \$150,000 Executed by the Executive Director During the Period January 1, 2012 Through March 31, 2012 (36:31)

Mr. Madison submitted as Exhibit I a listing containing Personal Service Contracts up to \$150,000 for the period January 1, 2012 through March 31, 2012.

On the motion of Mr. Conway, seconded by Mr. Sall, without any objections, the Board accepted Mr. Madison's quarterly report.

Item 3 by Mr. Bryan (Appendix C)
Financial Report – March 2012 (36:31)

This Item was advanced to the Board at the recommendation of the Finance Committee.

On the motion of Mr. Conway, seconded by Mr. Sall, without any objections, the Board accepted the Financial Report for the month of March 2012.

Item 4 by Mr. Bryan (Appendix D)
Investment Transactions – First Quarter 2012 (36:31)

This Item was advanced to the Board at the recommendation of the Finance Committee.

On the motion of Mr. Conway, seconded by Mr. Sall, without any objections, the Board accepted the Investment Transactions – First Quarter 2012 Report.

Item 5 by Mr. Bryan (Appendix E)
Report of Navigant Capital Advisors (36:31)

This Item was advanced to the Board at the recommendation of the Finance Committee.

On the motion of Mr. Conway, seconded by Mr. Sall, without any objections, the Board approved the report of Navigant Capital Advisors, which was made available to the Board Members as part of the Agenda.

Item 6 by Mr. Madison As Amended (Appendix F)
Authorizing the Executive Director to Proceed with Necessary Actions to Implement Toll Rate Adjustments and an Operational Streamlining Program (36:31)

This Item was advanced to the Board at the recommendation of the Finance Committee.

On the motion of Chairman Milstein seconded by Ms. Luh, without any objections, the Board unanimously adopted the following resolution as amended:

RESOLUTION NO. 5926
**AUTHORIZING THE EXECUTIVE DIRECTOR TO
PROCEED WITH NECESSARY ACTIONS TO
IMPLEMENT TOLL RATE ADJUSTMENTS AND
DEVELOP AN OPERATIONAL STREAMLINING
PROGRAM**

RESOLVED, that the Executive Director, or his designee, be, and hereby is, authorized to take all steps necessary to evaluate and propose to the Board those actions that require Board approval in order to reduce Thruway and Canal operating expenses to enhance operational efficiency; and be it further

RESOLVED, that the Executive Director, or his designee, be, and hereby is, authorized to take all actions necessary for the implementation of the toll adjustments and that such actions shall conform with the General Revenue Bond Resolution and the applicable statutory procedures outlined in the Public Authorities Law, the Executive Law, the State Administrative Procedure Act, and the State Environmental Quality Review Act; and be it further

RESOLVED, that the financial documents satisfying the financial reporting requirements of Public Authorities Law Section 2804 be completed; and be it further

RESOLVED, that after the necessary actions have been taken, the Executive Director shall present a recommendation to the Board regarding a specific schedule for the toll adjustments necessary to meet the requirements of 2 NYCRR Part 203, the General Revenue Bond Resolution, the Authority's Fiscal Management Guidelines and determining the environmental significance of any such actions; and be it further

RESOLVED, that the recommendation regarding the environmental significance of this action authorizing the Executive Director to perform and distribute studies, conduct preliminary planning and hearings and file the documents necessary to formulate a proposal for action be, and hereby is, approved; and be it further

RESOLVED, that under the New York State Public Authorities Law, the Authority has the definitive and unfettered ability to independently fix and collect fees for use of the Thruway system, as it deems necessary, to produce sufficient revenues to cover expenses and fulfill obligations to its bondholders; and be it further

RESOLVED, that under New York State and Federal law, the State of New York has expressly pledged to Authority

bondholders that it will not limit or alter the rights vested in the Authority to fix and collect fees for use of the Thruway system; and be it further

RESOLVED, that the Authority Board recognizes that future action to fund the Tappan Zee Hudson River Crossing Project shall be required once a build alternative is selected and upon completion of the NEPA/SEQRA environmental review process; and be it further

RESOLVED, that the Authority Board is committed to the advancement of the Tappan Zee Hudson River Crossing Project and the funding necessary to complete it; and be it further

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

Item 7 by Mr. Estes and Mr. Bryan (Appendix G)

Approving an Amendment to the Thirteenth Supplemental Resolution, Authorizing the Issuance of General Revenue Bonds, Series I, Approving the Forms of Certain Related Documents and Authorizing the Execution of Any Other Necessary Documents Thereto (36:31)

This Item was advanced to the Board at the recommendation of the Finance Committee.

On the motion of Mr. Conway, seconded by Mr. Sall, without any objections, the Board unanimously adopted the following resolution:

RESOLUTION NO. 5927

APPROVING AN AMENDMENT TO THE THIRTEENTH SUPPLEMENTAL RESOLUTION, AUTHORIZING THE ISSUANCE OF GENERAL REVENUE BONDS, SERIES I, APPROVING THE FORM OF CERTAIN RELATED DOCUMENTS AND AUTHORIZING THE EXECUTION OF ANY OTHER NECESSARY DOCUMENTS RELATED THERETO

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, in the opinion of the Authority, as shall be necessary to provide sufficient moneys for achieving its corporate purposes, and be it further

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

RESOLVED, that the Board approved, 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 Sections 202, 204 and 205 of the Resolution require 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 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"), authorizing up to \$1,150,000,000 General Revenue Bonds, Series I ("Series I Bonds") to provide sufficient funds, together with other available funds of the Authority, to pay the principal of and interest due upon the maturity of the 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 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 I Supplemental Resolution and in accordance with Sections 202, 204 and 205 of the Resolution, the Authority intends to issue its Series I Bonds and to sell its Series I Bonds to the Underwriters pursuant to a Bond Purchase Agreement, the form of which Bond 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 Bond 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 I Supplemental Resolution and authorizes an Authorized Officer to execute and deliver such Bond Purchase Agreement and to approve and execute such changes to such Bond 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 I Bonds, the Board approves the form of the Preliminary

Official Statement 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 Official Statement relating to the Series I Bonds by an Authorized Officer, in substantially the same form submitted with this item with such changes, insertions and omissions to the Preliminary Official Statement 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 Official Statement related to the Series I Bonds is deemed final for purposes of Rule 15c2-12, promulgated under the Securities and Exchange Act of 1934 (“Rule 15c2-12”), 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 Official Statement relating to the Series I Bonds in substantially the form of the Preliminary Official Statement 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 Official Statement to be made in the final Official Statement 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 the Chairman 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 I Bonds an executed copy or copies of such final Official Statement and any further amendments or supplements thereto, and be it further

RESOLVED, that prior to applying the proceeds of the Series I Bonds 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 \$282,000,000 pursuant to the issuance of the Series I Bonds. 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 certificates, agreements or other documents necessary to facilitate the sale of the Series I Bonds 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 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 8 by Mr. Estes as Amended (Appendix H)
Approve for Board Action the Thruway Authority and Canal Corporation Whistleblower Policy (25-2-26) (36:31)

This Item was advanced to the Board at the recommendation of the Governance Committee. The Committee approved an amendment to Exhibit A to add the following language:

III. Reporting Wrongdoing

A. All employees who discover or have knowledge of wrongdoing shall promptly disclose information concerning such wrongdoing in a written or oral report to his/her immediate supervisor, intermediate supervisor, Administrative Officer, Department Head, Bureau of Labor Relations and Employee Safety, the Chief of Staff, the Executive Director, or, as outlined below, the Equal Opportunity Unit or the Department of Audit and Management Services:

On the motion of Mr. Conway, seconded by Mr. Sall, without any objections, the Board unanimously adopted the following resolution:

RESOLUTION NO. 5928
RESCINDING THE THRUWAY AUTHORITY WHISTLEBLOWER POLICY (25-2-26) AND THE CANAL CORPORATION WHISTLEBLOWER POLICY (25-2-26C) AND ADOPTING THE THRUWAY AUTHORITY/CANAL CORPORATION WHISTLEBLOWER POLICY (25-2-26)

RESOLVED, that the Thruway Authority Whistleblower Policy (25-2-26) and Canal Corporation Whistleblower Policy (25-2-26C), attached hereto as Exhibit B be, and hereby are, rescinded; and be it further

RESOLVED, that the Thruway Authority/Canal Corporation Whistleblower Policy (25-2-26), attached hereto, as amended, as Exhibit A be, and hereby is, adopted; and be it further

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

RESOLVED, that these resolutions be incorporated in the minutes of these meetings

OTHER BUSINESS (45:10)

PUBLIC COMMENT PERIOD

There was one public speaker who did not address items specific to the Authority agenda. Refer to the video recording of the meeting for the content of the speaker's statements.

Murray Bodin, public (47:08)

ADJOURNMENT

On the motion of Mr. Conway, seconded by Mr. Sall, the meeting was adjourned. (51:34)

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.