

New York State Thruway Authority
Board Meeting
January 15, 2025

Joanne Mahoney: Good afternoon, I am Joanne Mahoney, and welcome to the January 15th, 2025, meeting of the Thruway Authority Board members. I am attending the meeting from the SUNY College of Environmental Science and Forestry in Syracuse. In Albany at the Thruway headquarters, correct me if I'm wrong, but I'm expecting Bob Megna, Dr. Veras, Joan McDonald and the Thruway staff is there in Albany. Paul Tokasz I can see if joining this meeting virtually, and it's noted that Heather Briccetti-Mulligan and Norman Jones cannot be with us today, but I understand because of my public location and the folks in the Board Room in Albany, we do have a quorum for this meeting. So, today we will start with the Finance Committee and Bob Megna is Chair of that Committee, also serving is Dr. Veras and I ex-officio. So, Bob I'll turn it over to you to start the Finance Committee please.

Bob Megna: Thank you, Chair. First order of business is approval of the minutes for the Committee meeting #79. Are there any questions on the minutes? If not, can I have a motion to pass to approve the minutes.

Dr. Veras: So moved.

Joanne Mahoney: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Any opposed? The motion is approved. Second order of business is review and approval of the October 2024 financial reports, and Keith will present for us.

Keith Fragomeni: Thank you, and good afternoon. This item seeks the Committee's approval to advance to the full board the monthly financial report for October 2024. Through October, passenger traffic was up 1.8% and commercial traffic was flat as compared to October of 2023. This is right in line with our traffic engineer's revised forecast for 2024. Looking beyond October, the Authority ended 2024 with passenger traffic up 1.4% vs. a revised forecast of 1.6% and commercial traffic down .5%, which matched the revised forecast exactly.

As we discussed previously, the results well exceeded the original traffic forecast which called for passenger traffic to be down 1.5% and commercial traffic to be down 4.8%. Total Operating Revenues through October 2024 were \$946 million consisting of \$924 million of tolls and related fees, \$15 million in lease revenues, and \$7 million in other miscellaneous revenues. This was a year-to-date increase of \$187 million or 25% as compared to 2023, driven primarily by the toll adjustments that went into effect on January 1st of this year. Specifically, passenger toll revenue increased \$110 million or 29% and commercial toll revenue increased \$69 million or 23%. We also reported nonoperating revenues of \$65 million through October of 2024 consisting primarily of interest earned on investments. In comparison to our revised 2024 budget, overall revenues are 3% above our forecast resulting from traffic and interest rates exceeding forecasted levels.

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Switching over to the expenses, Thruway operating expenses through October 2024, were \$335 million an increase of \$30 million or 10% compared to 2023. There are a number of reasons for the increase including highway and bridge maintenance costs increasing by \$7.1 million. There is also a timing component to the increase as some expenses for 2023 bridge inspections and highway striping were an expense in 2024. Cashless tolling administration and system maintenance costs increased \$6.7 million, personal service costs increased \$4.4 million as a result of cost of living adjustments to salaries, health insurance costs increased \$3.8 million to a rate increase implemented at the start of 2024, fiberoptic marketing fees and system maintenance costs increased \$2.5 million, primarily due to new fiberoptic user agreements executed in 2024, pension costs increased \$1.6 million, and insurance premiums increased \$1 million.

Year to date operating costs through October 2024, are approximately \$12 million or 3.5% below our revised spending plan for the year. There are a few reasons for this; first, as noted earlier, the timing of invoices is a factor. We have approximately \$7 million of outstanding invoices for fiberoptic maintenance, bridge/highway maintenance costs, and work zone safety costs that will be charged to our 2024 budget. Second, costs associated with implementing the cashless tolling system are under budget by approximately \$3 million, based on the go-live date being moved to 2025. And third, salt and fuel combined are \$3.2 million under budget through October 2024, and although it's preliminary, we believe we will end the year well under budget in this category. We anticipate by the end of 2024; our actual costs will ally closer to our revised spending plan. And I'd be happy and willing to answer any questions the Committee may have to the best of my ability.

Bob Megna: Well, I'm always happy when expenses are lower and revenue is higher, that's always a good thing. I guess there was a lot of timing on the spending side it sounds like. Any other questions for Keith?

Joanne Mahoney: It was pretty straightforward, nice to have it listed like that because you anticipated all of our questions and hit them up front.

Bob Megna: If not, then can I have a motion to advance the item.

Dr. Veras: So moved.

Joanne Mahoney: Second.

Bob Megna: All in favor?

All: Aye.

Bob Megna: Any opposed? The motion is approved. Is there any other business for this committee? If not, I would move that we adjourn.

Joanne Mahoney: Second.

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Bob Megna: All in favor?

All: Aye.

Bob Megna: We are adjourned.

Joanne Mahoney: Thank you very much, Bob. Next up is the Audit Committee which is chaired by Dr. Jose Veras, also serving on the Committee is Joan McDonald and I serve ex-officio. Dr. Veras, will you please convene the meeting of the Audit Committee.

Dr. Veras: Thank you, chair Mahoney. The first item is approval of the minutes of the Audit Committee Meeting #64. May I have a motion to advance this item.

Joan McDonald: So moved.

Joanne Mahoney: Second.

Dr. Veras: Any further discussion? All in favor?

All: Aye.

Dr. Veras: Any opposed? The motion is approved. The next item on the agenda is the 2025 fiscal audit plan and Keith Fragomeni will present.

Keith Fragomeni: Thank you, and good afternoon again. This item requests the Audit Committees acceptance of the Department of Finance and Accounts Audit plan for 2025. Annually, audit staff from the Department of Finance and Accounts conducts a significant number of risk based audits and reviews focusing on 5 key areas; revenues, financial report, contract compliance and billing, asset related equipment and inventory audits, and payroll and employee benefits. This plan detailing the specific audits we expect to perform in 2025 is included in your materials. I would be happy to answer any questions.

Dr. Veras: Any questions? May I have a motion to advance this item?

Joan McDonald: So moved.

Joanne Mahoney: Second.

Dr. Veras: All in favor?

All: Aye.

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Dr. Veras: Any opposed? The motion is approved. Is there any other business for discussion? There being no further business, may I have a motion to adjourn today's meeting of the Audit Committee?

Joan McDonald: So moved.

Joanne Mahoney: Second.

Dr. Veras: All in favor?

All: Aye.

Dr. Veras: That will conclude the business of the Audit Committee, and the Audit Committee Meeting is adjourned.

Joanne Mahoney: Thank you, Dr. Veras. At this time, I would like to call to order the Board Meeting of the New York State Thruway Authority number 767. This scheduled meeting has been duly noticed as required by the Open Meetings Law. May I please have a motion to enter the Board Meeting?

Bob Megna: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: We are now in the full meeting of the Board. And the first order of business is the public comment period for speakers to address items on today's agenda. Julie, has anyone signed up to provide comments or sent in any written comments for this portion?

Julie Miskinis: No, we do have any comments.

Joanne Mahoney: Okay, and that concludes the public comment period on today's agenda. And the next order of business is the approval of the consent items. May have a motion to approve consent items #1 and 2 please?

Joan McDonald: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

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All: Aye.

Joanne Mahoney: Hearing no opposition, consent items and resolutions are approved, and we can now move into the action items and Kevin Wisely will present item #3. Hello, Kevin.

Kevin Wisely: Good afternoon, Directors. This item seeks authorization for the Executive Director to execute an amendment to our agreement with Mission Critical Partners for continued support of our computer aided dispatch and records management system which is utilized by our Thruway statewide operations center.

Joanne Mahoney: Okay, does anybody have, well, I'll entertain a motion first, and then we'll have some discussion. Is there a motion to advance and discuss this item?

Bob Megna: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Alright, does anybody have any questions for Kevin regarding this agenda item?

Bob Megna: Maybe Kevin, just a little bit more on what these contracts are covering.

Kevin Wisely: So, Mission Critical Partners is our vendor that we entered a contract 4 years ago with to support our computer aided dispatch. It's the system that's utilized by the TSOC downstairs to coordinate all of the work that's going on in the field and the communications that go out in the field. So, we've amended the contract each of the last 4 years. In anticipation, we will be upgrading CAD once the State Police updates their computer aided dispatch. So, this is our stop gap until we get to that point so that we can continue and maintain the system that we have.

Bob Megna: Great.

Joanne Mahoney: Okay, so any other questions for Mr. Wisely? We have a motion and a second, all in favor of agenda item...

All: Aye.

Joanne Mahoney: Thank you, the motion is approved. Agenda item #4 will be presented again by Keith, welcome.

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Keith Fragomeni: Thank you. This item seeks the Board's authorization to amend existing contract C010632 with Public Resources Advisory Group for financial advisory services. This contract was originally approved with a maximum amount payable of \$900,000 and a term of 3 years with 2 one-year renewal options. The original term of the contract began in July of 2021, and one of the optional renewals was previously exercised, bringing the current contract end date to July of 2025. The amendment being sought today would exercise the second optional renewal extending the term of the contract to July of 2026 and would increase the contract's maximum amount payable by \$790,000 to \$1.69 million. The additional funds are needed primarily for issuances of state supported debt. When the RFP of this contract was originally issued in 2020, the Authority had issued state supported debt since 2013, so we did not incorporate costs for these services in the original contract value. The state reimburses the Authority for issuance of costs on state supported debt. So, the majority of the additional funds being sought on this contract will not result in increased costs to the Thruway. And with that I can answer any questions the Board may have.

Bob Megna: So, I'm assuming our friends at DOB who are actually doing some of these issuances, this is okay with them, right?

Keith Fragomeni: Yeah, it's just par for the course, the costs of these invoices would be paid through bond proceeds with each debt issuances, so it wouldn't be coming out of the Thruway's pocket. We do use PRAG for some general services, but it's just a fraction of the contract value. Really the significant cost increase is related to the debt issuances that we started doing in 2021. And we have to build in the potential for future issuances as well under this contract.

Joanne Mahoney: Any other questions for Keith? Alright, hearing none, may I please have a motion to approve agenda item #4?

Dr. Veras: So moved.

Joan McDonald: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Hearing no opposition, that motion is also approved. And Sandra Rivera will you please present agenda item #5?

Sandra Rivera: Good afternoon, Chair. Good afternoon, Board Members. This item seems the Board approval for the disposal of property in the Town of New Paltz. Previously, this Board had approved the disposal of this property which is located off of exit 18. It was a public auction. We held the public auction, and we did not receive the minimum bid. Since that time, we've been contacted by the Town of New Paltz for the transfer of this property to the Town of New Paltz. The Town has indicated that they would intend to use the parcel for either a conservancy or a

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public park. So, we would transfer this property subject to, if they did not use it for public purposes, it would revert back to the Authority. So that is the request that it would be disposed to the Town of New Paltz.

Joanne Mahoney: Okay, any further questions for Sandra on this? It sounds like a good outcome. May I have a motion to approve?

Joan McDonald: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: That is unanimous. The motion is approved, thank you very much. And the last item on the action agenda will be presented by Brent Howard.

Brent Howard: Thank you, good afternoon. This item authorizes the addition of Project B111.1 the 2025 Capital Program. This project will address superstructure repairs on 2 bridges between exit 20 and 21 on I87. The project is intended to be let in the 4th quarter of 2025 with a budget of \$55 million. Funding for this project is intended to be achieved through program in 2026 and 2027. I would be happy to answer any questions.

Joanne Mahoney: Any questions? May I please have a motion to approve?

Bob Megna: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: That motion is approved. So, thank you very much. And before we move onto the staff reports, I just want to say thank you to the men and women that are handling this onslaught of snow and these incredibly cold weather conditions. I'm looking out the window right now and it looks like you have even more, but we would be remiss to have a meeting right now on the heels of all the snow we've had without acknowledging work of the Thruway Authority staff. So, thank you very much. And with that, I would like to turn it over to you Frank for your report.

Frank Hoare: Thank you, Chair, members of the board. Just briefly, yesterday the official legislative season kicked off with the Governor's presentation of her State of the State. Some of you were there as I was, and just the Governor touched on some themes and certainly our themes

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going forward, and I started meeting with some legislators already, what we'll be looking to do here to advance the interests and facilitate the mission of the Thruway is to talk about, #1 safety. And the Governor has a number of proposals in her budget, but we are always looking to enhance the safety and protection, certainly of the dedicated and professional men and women who work at the Thruway, but also the safety of those who use the Thruway and travel on the Thruway. So, our work zone enforcement program that began 2 years ago as a pilot program, the Governor has proposed that that will be a permanent fixture and permanent tool to transportation entities. Again, that is a system where we have set up on a weekly basis at 10 work sites cameras to enforce the work zone rules that are always in place, which mainly entails slowing down, and being careful in those work zones. Since that pilot went into effect 2 years ago, incredibly we've had 130,000 violations in the 10 Thruway work zones that are set up on a weekly basis. That doesn't count the over 200,000 violations on DOT state Department of Transportation roadways. So, we see people out there speeding, not paying attention. We think that the program has been successful even though those great numbers of people of continuous speed through, we've seen more positive impacts and that is why the Governor has proposed to make this a permanent fixture, and we think it will be a great tool to help us with safety. There are a number of other proposals in the Governor's State of the State that will be reflected in the budget, that comes out next week, state budget next week, and we'll see that the protections again, for transportation personnel, highway workers and the like.

Bob Megna: Frank, can I ask a question? I hate being the revenue person all the time, but how much money did those infractions raise for say the State police or whatever, do we know?

Frank Hoare: For the Thruway that has generated \$5 million in penalties. That's not all profit, we pay a vendor to operate the cameras and process that and to send out the violation notices, but we are approximately like \$2 million that we will be receiving. The legislation provides that that money be poured back into safety measures. So, that is permitted the Thruway in the past year to offer more trainings to our staff, it's enabled us to buy equipment to enhance safety at work zones, and we are constantly reviewing new developing technologies to make our work zones safer. So, that money per the legislation is poured right back into enhancing safety.

Bob Megna: Great.

Joan McDonald: And it's standalone legislation, or it's part of the budget?

Frank Hoare: It will be part of the budget. So, that's our safety theme. The second theme that we will be looking at and the Governor talked about yesterday was enforcement. Again, enforcement is done you know to help us keep the road safe, convenient and affordable. So, Enforcement will be in several ways; certainly, in terms of ensuring that folks that use the Thruway pay their fair share because again, if we don't receive our tolls, we can't keep the road safe and convenient and affordable for everybody else. It is really a customer service provision for us to ensure that everyone pays. So, we will be working on that, this session. And finally, the Governor announced yesterday, continuing efforts to expand out the broadband network, extend that network throughout the State. The Thruway will be right in the middle of that using the 570 miles of Thruway as an

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essence to spine that system to bring it from New York City all the way to Buffalo and then down to the Erie Pennsylvania line, and then have it just be part of it, and our other partners in this will be expanding on that into other communities off the Thruway, north, south, east, and west of the Thruway. So, you will be hearing more of that effort and the work that we've already done on that but to bring and extend that broadband network and make it affordable for people of the state. So, those are the bigger themes that we'll be working with the legislature on and working with the Governor on, and you'll be hearing more of that as we progress into the legislative season. And finally, just echo the Chair's words, my thanks always to tremendously hard working staff on the Thruway, their dedication to keeping the Thruway open and running regardless of weather. So again, we're always in their debt. Thank you very much Chair, Directors, and that concludes my report subject to your questions.

Joanne Mahoney: Any questions for Frank?

Dr. Veras: Frank, very, very interesting and important. Do you have any potential partners to increase the coverage of the network?

Frank Hoare: Yes, we do. We've been working for months and months on that.

Joanne Mahoney: Okay, more to come. Any other questions for Frank? Alright, thank you very much. And that brings us to the second comment period for general Thruway Authority matters. Individuals who wish to make a public comment may sign up in advance and do so from the meeting location in Albany. And they may also submit comments electronically to boardadmin@Thruway.ny.gov, it's actually thruway.ny.gov. Julie has anybody signed up for this portion of the comment period?

Julie: No, Chair.

Joanne Mahoney: Okay, then that concludes the public comment period and the formal agenda for the January 15th, 2025, Board of Directors meeting, and I'd like to move to other business. Does anybody have any other business they'd like to bring before the board? Alright with no other business, may I please have a motion to adjourn today's meeting?

Joan McDonald: So moved.

Dr. Veras: Second.

Joanne Mahoney: All in favor?

All: Aye.

Joanne Mahoney: Aye. Any opposition to adjourning our meeting today? We're spending a lot less time together, if anybody wants to object to us calling it quits early, speak now. Alright, the meeting is adjourned, and our next scheduled meeting is Tuesday, March 25th, at 1:00 p.m. I want

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to thank everybody who's in attendance today and a special thank you for the extra effort to make it possible for me to do this remotely and keep this cold away from all of you. So, thank you.