

**New York State Thruway Authority Board Meeting Transcript
April 23, 2025**

Joanne Mahoney: All right, thank you. Good afternoon. I am Joanie Mahoney. Welcome to the April 23rd, 2025, meeting of the Thruway Authority Board of Directors. I am attending the meeting from a public location at the State University of New York College of Environmental Science and Forestry in Syracuse, New York. At the Thruway Headquarters in Albany, I think it's Bob Magna. Yes. Dr. Veras and Heather Briccetti-Mulligan, and I also see Norman Jones and Joan McDonald have joined us virtually. And I will note for the record that Paul Tokasz is not able to join us today.

And we're going to start with the Audit Committee and Dr. Veras, you are the Chair of that Committee. Also serving is Joan McDonald, Heather Briccetti-Mulligan, and I serve ex officio.

So Dr. Veras, I will turn it over to you and ask you to start the Audit Committee for us.

Dr. Holguin Veras: Thank you, Chair Mahoney.

The first item is the approval of minutes of the Audit Committee Meeting number 65. May I have a motion to advance and discuss this item?

Heather
Briccetti-Mulligan: I'll move.

Dr. Holguin Veras: Second?

Joan McDonald: Second.

Dr. Holguin Veras: Any further discussion?

All in favor?

Heather
Briccetti-Mulligan: Aye.

Joanne Mahoney: Aye.

Dr. Holguin Veras: Any opposed?

The motion is approved.

The next item on the agenda is this report on the audit for the Authority financial time statements. Single audit report. Report on the compliance with investment guidance and require communications to the Authority Board.

Dave Malone.

Dave Malone: Good afternoon. This item seeks the committee's approval to advance to the full Board, BST's audit reports for our fiscal year ended December 31st, 2024.

Included in the reports, as Dr. Veras mentioned, is BST's report of our annual financial statements, a single audit report as required as a recipient of federal grants, a report on compliance with investment guidelines, and required communication with the Authority Board.

Jonathan Gibbs from BST is here and he's going to present their audit results.

Jonathan Gibbs: Thank you folks very much for having me today. I have a PowerPoint that I'm going to plug in here, prepared. Should be awesome.

Great.

So thank you very much again for having me. My name is Jonathan Gibbs. I'm a partner at BST. We are the independent auditing firm that are engaged by you folks as a member of the board to perform the Authority's financial statement audit, single audit, as well as professional compliance report.

I have a quick table of contents here and I'm going to run through the 13 slides. Feel free to interrupt with any questions that you may have during this presentation. But I'm going to have a quick executive summary followed by a financial statement discussion. We'll talk about the adoptions or change of accounting policies of the Authority during the year ended 2024.

The federal single audit will touch on as well as the investment compliance report and the required communications.

Finally, we'll discuss accounting standards that are not yet implemented that are coming down and will be impacting the Authority in future areas.

So to give an executive summary, we began our audit work back in December of 2024 and today is the day that the financial statements will be finalized. They're currently in draft form, but upon approval from the Authority's board, we'll issue final financial statements for the public to view.

We have a basic financial statement. We issue our independent auditor's report over those financial statements. The Authority prepares the financial statements as well as all trial balances that we've audited, and we basically stand by our letter of approval onto that. And we issue an unmodified opinion, which is the highest level of assurance that we're able to provide importance with generally accepted auditing standards.

We also have a report in internal control that is a required component over audits that are performed in Government Auditing Standards. We have a report on compliance for each big major federal program. Given the Authority receives over \$750,000 of federal funding during the year, we were required to perform a single audit. Finally, we have the investment compliance report that is required by New York State.

So to give a summary of the reports that we issued over the financial statements, excuse me, we issued an unmodified opinion. Again, that is the highest level of assurance that we're able to provide. Over the report over GAS, the Government Auditing Standards, we found no material weaknesses or significant deficiencies within that report.

The single audit report, we had unmodified opinions, no material weaknesses were identified. There was one significant deficiency that was identified that we'll be discussing later on. The significant deficiency is less severe than a material weakness. We'll quickly discuss that in a later slide.

Finally, on the report of investment compliance, we concluded the Authority material comply with all requirements as provided by New York State's guidance.

So the basic financial statements, the form and content is largely consistent with prior years of what you have viewed. There were no significant auditing standards that impacted both the face of the statements, the numbers themselves, as well as disclosures within the notes of the financial statements, the reports that you are reviewing as draft.

Again, we outline here where the independent auditors' report is management discussions analysis as prepared by management of Authority, the financial statements themselves, as well as the notes. Again, these are going to be all very similar to what was used in prior years and the amounts thereto.

Significant transactions audit areas we are required in accordance with our generally accepted auditing standards to perform audit procedures over all material sections of the Authority's financial statements, from all of your assets and liabilities on the balance sheet to the revenues and expenses within the changes in deposition of the financial statements of the Authority. We perform significant testing that again takes from December all the way through today's date.

There too, we said that we are required to perform procedures over the internal controls of the Authority. And our conclusion there is that the process and controls are functioning properly. We have adequate support for all transactions that were requested. The management's judgments and estimates within the financial statements are not biased. Again, we have no significant difficulties in

working with members of management of the Authority, and we were able to receive the required audit documentation to support our audit opinion.

The one significant item that we'd like to highlight here would be a rather material change in estimate that was performed by the Authority during 2024. Given the experience that the Authority has with cashless tolling, dating back to the complete system-wide implementation in 2020, as well the toll barriers dating back to 2018, as well as the Mario M. Cuomo Bridge in 2016, the Authority performed a significant evaluation on the allowance for doubtful accounts associated with those toll-by-mail revenues.

And in November of 2024, the chief financial officer of the Authority approved a change in estimate accounting policy within those estimates, that was a material change. It ultimately resulted in the allowance being increased by about \$52 million based on the experience that the Authority has had with toll collections.

GASB 100, which is accounting changes in their corrections. This gives pretty clear guidance that this estimate is reported prospectively based on the new information that the Authority has evaluated. So there's no requirement for a prior period restatement. So this will be performed within the 2024 financial statements that's been implemented going forward.

We have EST performed significant procedures over management's estimate, working with the Authority to obtain the necessary documentation. And we are in agreement with management's change to the allowance method for these toll-by-mail revenues.

Moving on to the single audit, the Authority again had received over \$750,000 of federal funding. Interesting this year there's typically, we only have one major program. It worked out this year that we had three major programs, two of which were DOT, and one of which was a disaster grant from FEMA funding from a prior year. Within the highway planning construction as well as the FEMA funding, we found no errors, no significant deficiencies or material weaknesses.

There was one item within the SMART grants, which is another DOT program. As a result of the reassignment of certain core responsibilities within the Authority, there were certain quarterly financial reports that had not been submitted to the state. That has since then corrected by the Authority. The Authority has submitted those reports as well as implemented internal controls to ensure that this will be identified and not be considered an error going forward into the future.

So there were no other findings with the exception of that one item within the SMART Grant Program that came to our attention during the course of our audit.

Dr. Holguin Veras: Any discussion? May I have a motion to advance?

Bob Megna: I think we're still going.

Dr. Holguin Veras: Okay.

Jonathan Gibbs: I'll keep you moving. Sorry. Investment compliance report. Again [inaudible 00:10:01]-

Dr. Holguin Veras: I'm with you.

Jonathan Gibbs: And then finally, we have a required communication that we're required to do in accordance with our auditing standards, communicating to you folks as members of the Board, any unusual transactions, any disagreements with management, difficulties, audit adjustments or uncorrected statements that we identified or as well as consultations with other accountants. We identified not many of these items. There's a formalized letter that's addressed to you folks as members of the Board, outlining that, but there's really no matters that are required to be indicated.

Finally, my last slide here is I think we take a look going forward just to get an idea of what the Government Accounting Standards Board has in the future. There are three statements that are going to be adopted by the Authority in future years. Preliminarily, we've discussed these with management. There's not going to be a significant change like there has been in years past with the pension application as well as the OCEP, which did have a material change. These will likely be small disclosure changes and there's really nothing that we need to report to you folks that's going to be impacting the over future years.

With that, happy to take any questions of you folks?

Dr. Holguin Veras: Any questions?

May I have a motion to advance this item?

Heather
Briccetti-Mulligan: I'll move.

Dr. Holguin Veras: Second.

Do we have all in favor?

Heather
Briccetti-Mulligan: Aye.

Dr. Holguin Veras: Any opposed?

The motion is approved.

And now we move to other business. Is there any other business for our discussion? There being no further business, may I have a motion to adjourn today's meeting of the audit committee?

Heather

Briccetti-Mulligan: I will move.

Joanie Mahoney: Second.

Dr. Holguin Veras: All in favor?

Joanne Mahoney: Aye.

Joan McDonald: Aye.

Dr. Holguin Veras: That concludes the basis of the audit committee and the meeting is adjourned.

Joanne Mahoney: Thank you very much, Dr. Veras, and thank you Jonathan for that report. At this time I'd like to call to order the board meeting of the New York State Three Way Authority number 769.

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.

Norman Jones: Second.

Joanne Mahoney: All in favor?

GROUP: Aye.

Joanne Mahoney: We are now in the full meeting of the Board and our 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 in-person comments or sent in written comments regarding today's agenda?

Julie Miskinis: No, Chair. Not today.

Joanne Mahoney: Okay. That concludes the public comment on today's agenda.

And the next order of business is the approval of the consent items. You'll see there on your agendas two consent items.

Can I please have a motion to approve the consent agenda?

Heather
Briccetti-Mulligan: I'll move.

Bob Megna: Second.

Joanne Mahoney: All in favor?

GROUP: Aye.

Joanne Mahoney: All right. Seeing no opposition, the consent items are approved.

And now we'll move to the action items. And Brent Howard, will you please present item number three?

Brent Howard: Yes. Thank you, Chair. Item three seeks authorization to execute contract C010764, which is an agreement to provide acoustic emissions monitoring services for the governor Mario M. Cuomo Bridge.

The bridge has an existing state-of-the-art structural health monitoring system, which continuously monitors the bridge through a series of sensors and environmental sensors. The system aims to proactively maintain bridge safety and longevity, potentially reducing maintenance costs and extending the bridge's lifespan.

The proposed acoustic monitoring system will add additional sensors for data collection and will seamlessly integrate into the existing structural health monitoring system on the bridge.

Three proposals were received through competitive procurement process. After evaluation of the proposals, Geocomp PC was the selected proposer. The contract is for three years with the option to renew for one five-year period. The maximum amount payable will not exceed \$999,744. And there is funding available in the Cuomo Bridge Project to cover this.

At this time, I'd be happy to answer any questions.

Joanne Mahoney: Any questions? Yes.

Dr. Holguin Veras: Can you tell me more about what type of measures are going to take as part of the monitoring this?

Brent Howard: For this particular element?

Dr. Holguin Veras: Correct?

Brent Howard: Sure. As we've gone through the inspection process, we've identified a few areas that we felt, in consultation with DOT, would benefit from some

additional sensors. In particular, these acoustic emission monitor sensors are going to be installed on the end floor beams of the of the main spans. Basically those are at the very end of the cable state spans, that are tied down to the piers.

And so, these will be used to monitor strain and potential deterioration of those beams.

Dr. Holguin Veras: Okay. That's all right.

Joanne Mahoney: Are there any other questions for Brent?

Hearing none. May I have a motion to approve agenda item number three?

Dr. Veras: So moved.

Bob Megna: Second.

Joanne Mahoney: All in favor?

GROUP: Aye.

Joanne Mahoney: Any opposition?

Seeing none, the motion is approved. And I will turn it over now to our executive director, Frank Hoare, for any report he would like to give us.

Frank Hoare: Thank you, Chair and members of the board.

My report for this meeting simply is to take note that as we meet, we are in the middle of National Work Zone Awareness Week. This is an effort to bring attention to the public of the importance of paying attention, slowing down, taking caution as you pass through work zones.

Our employees work in a very dangerous and risky environment when they're out on the Thruway. This was brought home to us last year, unfortunately tragically in 2024 when two employees of the Thruway Authority were killed out on the Thruway, and a third was seriously injured.

So we are working this week at the direction of Governor Hochul to and our partners and colleagues at other state transportation entities to bring attention to the public, to pay attention, to take notice of the important work that is taking place in those work zones.

Our employees are out there making the road safe and convenient and affordable for all. And we need people to slow down and pay attention because the consequences of not doing that are tragic, as we have seen.

And the point is that there is no casual or routine day out on a work zone. And the other point is that no matter how much we invest training and enhanced training, and equipment and personal protective equipment, and using technology to make the work zones as safe as possible, that we cannot do it without the cooperation and partnership of the public.

If they don't work with us to make those zones safe, there's only a limit that we can do for our employees. Our employees are our greatest asset, our most important asset. We have no greater duty as leaders here at the Authority, from the Board and the senior staff, to make sure that every one of our employees who reports to work each day, that they go home at the end of the day to their families. Because otherwise the consequences are tragic for our employees and impacts families for forever.

So again, we ask the public to partner with us, cooperate with us, collaborate with us in making those work zones and the entire system safe. So please slow down, pay attention, put the phones down, and take care and caution throughout the system, but in particular in a work zone.

So that is all I have for today, subject to your questions.

Bob Megna: Frank, whose idea was to do the display downstairs? I just wanted to compliment you guys on it.

Frank Hoare: As our staff here in our worker safety program, and it is a very moving display. It's a stark reminder and a sad reminder of what happens if you don't pay attention.

Director Megna is referring to display we have in our lobby that displays the protective equipment, the vest, and hard hat of our employees who have lost their lives. And we've had 22 who have lost their lives since 1960.

And that display will be on display all week here and then be moved next Tuesday when we have fallen worker memorial ceremony at the State Fairgrounds in Syracuse. And that display of our 22 workers will be added to display from the State Department of Transportation. Their display of their workers who have lost their lives over the years.

And it will be a very sad and somber day next Tuesday at the state Fairgrounds because we have two names from the Thruway family to add to that memorial.

So we will be there, our leadership will be there, colleagues of our fallen workers will be there and their families will be there to honor their memory and remember them for their sacrifice.

Joanne Mahoney: Thanks, Frank. And so my Board colleagues are aware I do plan to attend that Fallen Workers Memorial next Tuesday at the State Fairgrounds. And I will

represent the Board there, but any of you that is able to come is welcome to join us there. But I will be there on behalf of the Board.

Norman Jones: What time is it on Tuesday?

Joanne Mahoney: 10:00 AM. 10:00 AM at the New York State Fairgrounds.

Norman Jones: Thank you.

Joanne Mahoney: Any other questions for Frank?

Okay, hearing none. We can move to the second public comment period for general Thruway Authority matters. And I do want to say on this theme of commending Thruway staff, I have seen you, Frank, and I've seen a lot of press about this safety month. So hats off to the communications team.

And anecdotally, there's a lot of conversation this year about these construction zones and slowing down. And I know it's because of the tickets that are being issued. And people are really taking it seriously. So hoping that we won't have any more tragic accidents, but just from my perspective, there's just been great communication about it. So thank you.

Julie, have we had anybody signed up to make a public comment on any Thruway matters?

Julie Miskinis: No, we do not.

Joanne Mahoney: Okay.

So that concludes the second public comment period and the formal agenda for the April 23rd, Board of Directors' meeting. I will move to other business. If any of you have any other business to bring before the Board?

All right. With no other business, may I have a motion to adjourn our meeting?

Bob Megna: So moved.

Joan McDonald: Second.

Joanne Mahoney: All in favor?

GROUP: Aye.

Joanne Mahoney: Aye. That looks unanimous.

Our meeting is adjourned and our next meeting is scheduled for Tuesday, June 3rd, at 1:00 PM. And thank you to everybody who attended today, and thank you as always, especially to the Thruway staff.

See you all in June.

Heather

Briccetti-Mulligan: Thank you.