

**New York State Thruway Authority  
Board Meeting  
September 12, 2016**

Madam Chairman: 2016 meeting of the Thruway Authority and Canal Corporation Board of Directors. And I would like to welcome our two newest board members, Senator Stephen Saland. Welcome, thank you for joining us. And we have a familiar face Bob Megna, Bob we're happy to have you but don't, you know you're a new board member, don't go acting like you know everything okay.

Bob Megna: You'll only hear it, yeah, you won't.

Madam Chairman: Please, please I am just teasing you. Here in Albany we have our Vice Chair Donna Luh and Directors Richard Simberg and Dr. Veras. Welcome everybody. Director Rice is located in New York City at the MTA headquarters. He can hear us we can hear him. And if we don't see him we won't ask him to vote but he's fully participating other than that. I want to welcome the staff here and thank you for all of your work.

And we're going to start with the finance committee and the entire board will be participating in voting and I'm going to chair the committee and the first agenda item for the finance committee is the approval of the minutes of the last meeting. Do I have a motion to approve the minutes?

Donna: So moved.

Madam Chairman: Do I have a second?

Richard: Second.

Madam Chairman: Was there any discussion about the meeting minutes? Hearing none, all in favor?

[Chorus of ayes]. And no opposition; the motion is approved. And we will get a review of the financial reports, Matt Pollard's up.

Matt: Through July total traffic was up by 3.3% above the prior year. This increase was spread evenly between commercial and passenger traffic. This corresponds to total revenue receipts of 401.5 million. Representing growth of 3.4% which is 13.2 million above the prior year. It includes commercial tolls, growing by 4.7% and passenger toll revenues growing by 2.56%.

In total the Thruway has collected 422 million through July. This is comprised of 401.5 in toll revenues, 7.9 in concession revenues, and 12.8 million in sundry revenue, special hauling permits, and interest on investments.

Through July operating expenses totaled roughly 200 million, which is 9.5 million or 4.9% above last year. The big factor in this year to year change is a \$22 million increase in operating expenses that is directly the result of, this is in general charges, that is tied to the transfer of the Canal Corporation to the Power Authority. And that, a portion of that transition included the elimination of a state operating subsidy that the Thruway has received for the last three years. So

due to the fact that the state isn't providing us with that subsidy anymore our operating expenses go up accordingly to reflect that. Last year we received 21 and a half million from the state that we are not receiving this year. So this is consistent with the budget that was enacted and the plan that we had in place and again it's really largely the impact of the fact that that subsidy isn't there.

For Canals operating expenses total 32.8 million through July, which is 1.7 million or 4.9% below the prior year. And I would note that a significant portion of that \$32 million is subject to a reimbursement agreement that the Thruway Authority has with the Power Authority. Again, consistent with the transfer that was enacted in April.

Finally, year to date the Thruway budget includes roughly \$18 million in costs associated with the State Police Troop T patrolling of our system, and that is the third piece of the transfer of the Canal Corporation. Which again, there's a few moving pieces that we continue to work through as a result of that. Again, through July our budget incorporates roughly \$18 million for those costs.

So in total our overall revenues are about 3 percent above what we had planned for. And on the expense side, taking into account these changes, we're pretty much on track with what we have anticipated. In fact, we're actually 0.6% below what we had anticipated on the spending side. So we're basically right where we were projecting we would be. And you know, that is the overview of where we stand for July.

Madam Chairman: Okay. Thank you very much. Don we can hear you. I don't think he's talking to us though. Can I have a motion to approve the financial reports?

Richard: Can I ask a question please?

Madam Chairman: Oh, yes.

Richard: Would I be correct in assuming that the increase in the revenue part is primarily due to the increase in traffic, which is primarily due to gas, falling gas prices?

Matt: Yes that's absolutely correct.

Madam Chairman: Excuse me Richard. I'm supposed to, I suppose, formally introduce it and have a second and then have discussion.

Richard: Oh, I'm sorry.

Madam Chairman: So just give me a quick motion.

Richard: So moved to.

Madam Chairman: And a second to Donna. And the discussion, so Matt if you want to answer that question.

Matt: The question that Mr. Sandberg directed to me, he's absolutely correct that the increase in revenue is directly related to our traffic growth numbers that really trend with what we're seeing in the economy as a whole, and lower gas prices and all of those things contribute to that.

Richard: And it's another burden for you to advance the 2017 budget because you have to figure out how that will affect us in the future.

Matt: That's right.

Bob: But it's positive, so that's a good thing, if I'm hearing you right, Matt.

Matt: Yes.

Madam Chairman: Is there any other discussion? All in favor of the motion to approve?

[Chorus of ayes]. Opposed? Hearing none, the motion is approved. And then Matt, you want to move into our investment transactions please?

Matt: This item seeks approval of our reporting on investment transactions of the Thruway for the second quarter of 2016. These transactions include the purchase of authorized securities and repurchase agreements and securities of deposit. There's an attachment, Exhibit A, that presents the detail of all investments purchased during the end of the quarter, which ended on June 30<sup>th</sup>, as well as a second attachment that details all the investments held at the end of the quarter.

For the second quarter we made 1.8 billion in investments that comprised off 1.8 billion in Thruway Authority and Canal Corporation funds. I think a significant portion of that was reflective of the bond transaction that we closed on in May, as well as 75.9 million in trust fund bond program investments that we made.

The average yield was 0.44% with average maturity of 177 days. And that in a nutshell is the components of the investment report that is submitted with the agenda.

Madam Chairman: Can I have a motion to advance and discuss the item? So moved.

Male: Second.

Madam Chairman: Second? Donna. Any discussion on the investment? Report, yes.

Richard: Just one small thing. I presume that I detect that the yields are substantially higher, in relation to the last one? They're still not substantial, but if you do it by percentages they're up quite a bit.

Matt: Yeah, that's right. you know I guess when you're starting from zero any move upward is a good thing.

Madam Chairman: [Inaudible].

Richard: About how much, can you quantify that at all?

Matt: Yeah I think the first quarter we were around like 0.2% so we went from .2 to roughly .4% on a sort of average interest yield.

Richard: Yeah. Okay.

Matt: So percentage wise it is a big number.

Madam Chairman: Real dollars not so much. Any other discussion? All in favor?

[Chorus of ayes]. Hearing no opposition, the motion is approved.

I'm going to pull agenda item number four for consideration at our next meeting. Is there any other business for the Finance Committee? Hearing none can I have a motion to adjourn?

Male: So moved.

Madam Chairman: All in favor?

[Chorus of ayes]. The meeting is adjourned.

And I will now call to order the Board Meeting of the New York State Thruway Authority and the Canal Corporation. This scheduled meeting has been duly noticed by the Open Meetings Law and I am calling the meeting to order.

Can I have a motion to enter the Board Meeting?

Bob: So moved.

Madam Chairman: Bob, second?

Male: Second.

Madam Chairman: Thank you. All in favor?

[Chorus of ayes]. We are now in the full meeting of the board.

Our first order of business is the public comment period for speakers who want to address items that are on today's agenda. Kathy has anyone signed up to speak for this portion? So that will conclude the public comment period on today's agenda. And we're going to start with staff reports to the board. Jamey Barbas on the New NY Bridge update.

Jamey: Good morning.

Madam Chairman: Hello, good morning.

Jamey: For the New NY Bridge update I am pleased to report that the bridge is on budget and that the work is progressing as expected. If you've been out there you can see a lot of progress has been happening.

A couple of points, I would say, and that's without downing too many statistics, but 90% of all the approached steel has been fabricated. And if you look at the North Bridge in particular, a good portion of that is installed, except for one or two units. So that's great progress there.

When we talked about the main span we can see over a dozen cable stays already installed and continuing to do so. So when I was last here I reported that in July you would start the cable stay installation, that happened, and we're progressing. And of course the first few take a learning curve but we're starting to increase that production.

So without going through too much detail we did update our time lapse video and I'd rather show you that way the progress.

Speaker: Our new Tappan Zee Bridge is an exciting symbol of what we can accomplish. A bridge that other administrations couldn't even begin is now moving forward. It's rising from the Hudson like our aspirations rising for this state.

Madam Chairman: That's great. Thank you.

Female: [Inaudible]

Jamey: Sure, I also brought a magazine, the latest issue.

Female: Thank you.

Madam Chairman: thank you. Does anybody have any questions for Jamie before we move on? Thank you. At that rate they'll be done this afternoon.

So we have the Canal Director Brian Stratton to give us the Canal Transfer update. Welcome Brian.

Brian: Madam Chair, thank you. I think Gordon is going to go first with a update on the reimbursement process between the Canal Corporation and NYPA and I will provide a general update after that if that's okay.

Madam Chairman: Okay, sure.

Gordon: Alright, and as I think the board is aware by Chapter 54 of the Laws of 2016 provided for the transfer of the Canal Corporation to the New York Power Authority effective January 1<sup>st</sup>, 2017. The statute also authorized the Thruway Authority to enter into an agreement with NYPA to reimburse the Thruway Authority monthly for any and all operating and capital costs for the operation and maintenance of the Canal system and the operation of the Canal Corporation for the period beginning April 1<sup>st</sup>, 2016 through January 1<sup>st</sup>, 2017.

The Authority has entered into a Canal reimbursement agreement with NYPA that was entered on June 6<sup>th</sup>, 2016. The Authority will maintain and operate the Canal System and operate the Canal Corporation during the transition period of April 1<sup>st</sup> through January 1<sup>st</sup>, 2017.

Following the standards and practices that we currently maintain the Authority is required to give NYPA a monthly report of all reimbursable costs related to the Canal Corporation and the Canal System and provide access to all necessary financial records. Reimbursable costs include salary and fringe benefit costs, costs for materials, supplies, communication equipment, utilities, and direct costs. Fuel maintenance equipment assigned exclusively for Canal use, third party costs expended by the Thruway, which are lease space, etcetera. Costs for capitol expenditures for the Canal System. And cost renew equipment which has been determined by the Thruway to be necessary for the operation or the maintenance of the Canal. And obviously new equipment we expect to transfer to either NYPA or the Canal Corporation 90 days after January 1<sup>st</sup>, 2017, anything that we buy new.

NYPA is going to make payments to the Thruway Authority for these items within a monthly invoice and they have been doing it. NYPA, this has worked out pretty well, there's a dispute resolution process, I don't believe we've had any disputes with NYPA of any in regard to any of the bills that we have submitted.

During the transition period the Thruway Authority and the Canal Corporation will not undertake any significant transaction without NYPA's prior written consent. We consult with NYPA constantly on all the Canal expenses. That has worked out just fine. We have a system where they authorize expenses that we utilize in maintaining the Canal and that has functioned just fine.

The Canal Authority and Thruway will consult with each other regarding staff adjustments during the transition period. We've also agreed to meet regularly with NYPA staff to talk about how the transition is going and we do, in fact the executive staff do meet regularly with NYPA to keep the transition going smoothly.

In addition, Matt will tell you, that the Thruway Authority has collaborated with NYPA in development of the fiscal planning for the Canal Corporation, for the budget of 2017. The agreement will terminate upon receipt of final payment by the Thruway Authority and the resolution of any disputes. And as I'm telling you right now, currently we have had no disputes with the Canal Corporation has actually the agreement has been going very well. With that I can, unless there's any questions, I can turn it over to Brian to talk about the.

Madam Chairman: Does anyone have any questions for Gordon? Richard.

Richard: How do we handle overhead with this? Overhead course like your legal assistance.

Gordon: Yeah we're not charging, we don't charge the Canal Corporation for my legal assistance.

Richard: Okay.

Gordon: Or NYPA for my legal assistance because obviously this is a joint requirement of the statute and I'm doing my job as a Thruway employee and we don't charge them for that. Yes.

Male: What of emergency repairs? Let's say that during the winter season something bad happened.

Gordon: Right and as a matter of fact we have had an emergency repair situation with the Canal Corporation. We will bill, we do bill NYPA for that.

Male: Okay.

Maria: And just to add, when we had those situations we've actually worked very closely in concert both for a solution and the implementation of the solution in a couple instances over the summer.

Madam Chairman: Any other questions for Gordon? Okay, Brian, you're up.

Brian: Thank you, Madam Chair. As Gordon has already touched upon, we continue to make excellent progress on the transition issues working with our partners at NYPA. We have spent the past several months identifying existing entanglements between the Canals and the Thruway Authority and developing operating strategies for day one of the new construct under the Power Authority which will be effective January 1<sup>st</sup>, 2017.

Since April and over the course of the past several months our partners at the Power Authority have spent a great deal of time out on the Canal developing a sense of the Canal's current condition, its challenges and its opportunities for the future. We continue to work with NYPA to finalize details on office locations, organizational structure, budgetary issues going forward.

We are also in the process of identifying areas where we will, as the governor's legislation and vision, to continue to receive assistance from the Thruway in limited areas for a period of time as those functions will ultimately transfer fully over to NYPA.

We are also focused on communicating frequently and accurately with our work force on issues pertaining to the transfer of any effects on current employees. To that end we recently sent a message to all Canal employees with an email link for questions and concerns and a plan to follow up with them on a regular basis as we go forward.

Overall I am pleased to report to the board that we are right on track to successfully implement and transfer effectively, efficiently, and successfully by January 1<sup>st</sup>. and I think what has become most apparent to both Canals and NYPA through the transition period is the inherent synergy which exists between our two organizations. We believe that this will be an excellent fit for both Canals and for NYPA and we are excited to embark upon this third century of operation under NYPA's oversight.

Madam Chair, I will also point out that John Callaghan has been working directly to lead our day to day transfer. John is here also and he is available to answer questions either now or after the board meeting. Thank you Madam Chairman.

Madam Chairman: Okay thank you, excellent. Anybody have any questions for Brian or John Callaghan? Richard.

Richard: Are we still proceeding with real estate transfers and sales?

Brian: Under the present circumstance NYPA has asked that we hold on real estate transactions or at least consider them on a case by case basis. Want to add to that John?

John: No, that says it all.

Brian: Okay.

Richard: And we haven't had too many complaints about that from people who want to sell or buy property?

Brian: We're committed to doing this the way that it's going to work for both organizations. There's always complaints, as we know, in every organization.

Madam Chairman: That is an understatement, Brian. Any other questions? Thank you very much for that update and then we will move on to an update on asset management from Tom who's sitting next to you. Welcome.

Tom: Thank you Madam Chair. At the June board meeting Cathy Sheridan had given a detailed presentation on the history of asset management and how we got to where we are today. And as Cathy had noted we developed a very robust payment asset management system that's being used on a regular basis. We have been working on the bridge component and have made some progress since the last board meeting and I just want to give you an update on where we are.

There was a question and concern regarding how quickly we can move on that. I'm happy to say we now have a consultant working on the first phase of that project which is the bridge deck condition forecasting model which we use to estimate the remaining service lives of our bridge decks. They'll be using a sample of over 400 Thruway bridges to develop this model. The goal is to have the model completed by the end of this year and if that effort is successful the scope will be expanded to other bridge elements.

We've also begun a review to determine the expected service lives of various bridge rehabilitation treatments. The first phase is focusing on deck rehabilitation treatments and we will then move on to other rehabilitation treatments of other bridge components. Our goal is still to be able to produce bridge investment scenarios later next year just as we have been doing with the payment management system. And with that if there's any questions I'd be happy to answer.

Richard: From the last meeting I know that some of us were quite concerned that we have data available for management assets of the capital program that we could evaluate the capitol program as a whole and reflect it into the future. You know, that's the real pay dirt from this whole process. And something that puts us out ahead of the rest of the country, I think. How are we doing?

Tom: Well again until we fully develop the investment scenarios, that will be completed later next year. But with all the data that we've compiled, we've compiled work history on all of our 809 structures. And as we program projects, for example this year's new program update where

we added a fifth year, we did use that data to help us identify, as a first phase to identify which bridges would be in need of replacement and or rehabilitation. We've also used the data to help us develop some design build candidate projects.

Richard: So in the 2017 capital budget we'll have some discussion about deterioration and construction and how we're doing, as far as how we will be doing under that budget, as far as solving our long term problem?

Tom: Yes.

Richard: Okay, so I wait with anticipation.

Madam Chairman: Any other questions for Tom? Thank you for the report and Bill Finch has given us, it's in the book under agenda item four, a list of dates for meetings for 2017. If you all want to take a look at it and let Kathy LeFave know if you have any issues with any of those dates.

And we'll move on to our fifth report from Kevin Allen for procurement of contracts and other agreements. Welcome.

Kevin: Chair, Board Members, Major Executive Management, the item in front of you has a table attached to it that has 12 contracts executed by the executive director for the second quarter of 2016. Seven of those contracts are under extensions and three are Marine patrol grants.

Richard: Excuse me I lost my place. Where are we in the book?

Madam Chairman: Number five. The third page is the list of contracts.

Richard: Okay, thank you.

Kevin Allen: Twelve contracts, in total seven are underwriter contracts and three are marine patrol grants from 2016. If you have any questions I will try to answer those.

Madam Chairman: Anybody have any questions? Okay, hearing none, thank you very much for that very quick report.

The next order of business is the consent agenda and I will make a motion to amend that by removing agenda item number nine. Can I have a second? All in favor?

[Chorus of ayes]. Hearing no opposition, the consent agenda now includes items six, seven, and eight. Can I have a motion to approve those items, please? Donna. Second? Bob, thank you. All in favor?

[Chorus of ayes]. Hearing no opposition, the consent agenda as amended has been approved. The next order of business is the action agenda and Maria Lehman is up first. Welcome.

Maria: Thank you, Madam Chair. I think what you're hearing in a repeated motion today is collaboration with other agencies. This item is another one of those. The Thruway has partnered

with DOT on a competitive procurement process for the purchase of electricity using basically a DBOM, Design, Build, Operate, and Maintain model, with contractors that then will produce this photovoltaic energy. The procurement process is still underway. It is being led by DOT, we'd like to thank them for taking the lead.

We basically, prior to the procurement, both the Thruway and the DOT did a thorough review of our highway rights of way to come up with suitable locations for solar PV locations. We have eight locations along the Thruway in the package and DOT has 43 locations.

Our intent is that we will not put Thruway funds into the design, build, the construction, or the operation and maintenance. The contractor will do that all through even decommissioning of the facility. The provider will then sell the electrical output to us through purchasing agreements. The agreements shall be entered for a period of no less than fifteen years with up to five additional two term renewal terms. And all of this is subject to the approval of the State Controller. The whole idea is to have it at worst case, revenue neutral, to the Thruway.

Once the facilities are operational we think that the green energy will be providing about 25 to 30% of the total Thruway electricity. When you combine that with what we have with the wind turbines in Western New York we will be at 35 to 40 % of all Thruway electricity being provided by green energy.

Which puts us well on track for the governor's 50% by 2030. We will be about 15% away from that. So we'll be in great shape. Our hope is that this will be up and running by sometime early next year.

Madam Chairman: That is incredible. That's great news. Thank you very much for doing that. 50% by 2030 and you'll be 40% at the full implementation off this?

Maria: Next year.

Madam Chairman: That's terrific. Can I have a motion to approve this item?

Male: So moved.

Madam Chairman: And second? Donna, oh Bob. And is there discussion, any questions for Maria about this?

Richard: Yeah I got a little bit confused on that item as far as the credits that we get back from, I guess, the public sector, the electric companies as a result of this. Is there a possibility of net revenues coming in?

Maria: No, because they're owning the capital facilities we're doing a purchasing agreement. That's all we're doing. We are reevaluating that over a period of time so we are going to, there is potential for small upside for us. But the idea was that we're not sharing in the risk of putting them in place and we're buying electricity like we buy it today.

Richard: I didn't see any of our expenses going out.

Maria: Right.

Richard: But I did see the one thing coming in which was those credits to be applied, I presume, to our electric bill, which to me would be a revenue.

Bob: Well, can I ask a question?

Maria: Sure.

Bob: As a new member? So they're going to be earning significant tax credits in buying this equipment and installing it, right?

Maria: Correct.

Bob: And so I'm assuming, maybe to Richard's question, that gets reflected in the purchase agreement pricing that we're paying?

Maria: Right. Correct, and it's reviewable on a regular basis. And so again, we're not going to have the risk, we're not paying the capitol, and we're going to do as well as we're doing now or better.

Madam Chairman: Financially, and then we're switching to green.

Maria: Yes.

Madam Chairman: Any other questions for Maria? There is a motion to approve, all in favor?

[Chorus of ayes]. Any opposition? Hearing none the motion is approved. And Tom is back up again for agenda item number eleven, please.

Tom: Yes thank you, Madam Chair. For this item I am requesting the board's authorization of additional funds to award contract D214493. This project includes bridge joint replacement and substructure and facial repairs and various Buffalo division bridges.

Two bids were received on June 8<sup>th</sup>, with a low bid exceeding the engineer's estimate by 27%. After a bid analysis it was indicated that a significant portion of the overbid is related to the work zone traffic control item. Both bidders stated that their prices were partially based on the fact that the 23 bridge sites in the contract are spread over a 95-mile segment.

In addition, many of these sites include multiple stages and or daily lane closures, and in some case a need for multiple crews to potentially deal with temporary steel plates in order to reopen lanes in time for morning commute. The authority's pricing did not reflect the complexity of the site of the work nor the distance between the sites.

Another 20% of the overbid is associated with the rapid set concrete item which is used to ensure that the travel lanes can be reopened for the morning commute.

This item is very labor intensive and the Authority and NYSUT have very limited bid history on it. Both of these factors should be evaluated when comparing an engineer's estimates and we're trying to become more accurate.

Please note that in 2015 and 2016 year to date the Authority has let 55 projects and 75% of the bids have come in at or below the engineer's estimate. The other 25% have come in over the engineer's estimate and out of those 13% required board action for additional funds. In addition, our total bid savings over this period of time has been about 10% on all of our projects. Funding for this item is available through bid savings and adjustments to the 2016 contracts program. And I am recommending the board adopt this resolution to approve the additional funds needed to award this contract.

Madam Chairman: Thank you, can I have a motion to consider this? So moved, second?

Bob: Second.

Madam Chairman: Second, from Bob, thank you. Are there questions?

I'd just like to start. Overall numbers are impressive but in specific to this one, the rapid set concrete I understand is new for the engineer, but how about the traffic control? How did we miss that?

Tom: Well I think just, again, it's spread over a 95-mile segment, various bridges, and so setting up and mobilizing at each work site is a greater expense. Something that we should consider, in fact on these types of projects the elements of specific projects, we had three projects, one in New York, one in Syracuse, and this one in Buffalo that were put out to bid within a six-week period. And all three of them have come to the board. The other two had come at the previous board meeting. And work zone traffic control was an item that we really missed. And now knowing that and looking at the distances between the bridges and maybe trying to cluster them more geographically we can do better on that dead item. But that's an issue that's been identified and we will address that in the future.

Madam Chairman: And so somebody's working on that?

Tom: Yes.

Madam Chairman: Okay, thank you. Any other questions?

Bob: You know I think overall, again, that's an old job I used to have so I would see this one quite often and it would, quite honestly, drive me a little bit to distraction because we were coming to the board with significant cost overages. So, but I think overall people are doing a good job on bids but this is one that we need to work on a little bit.

Madam Chairman: There's room for improvement?

Bob: Yeah.

Richard: And I trust there will be a record in our engineering that you are going to learn from this episode and we don't get any new ones of the exact same. Which includes by the way the early set concrete which I think is traditionally done by bag rather than by truck. And it wasn't a brand new thing to you.

Tom: Yes, it's not delivery, it's very labor intensive mixing small amounts at a time.

Richard: Yeah.

Tom: And I think the fact that we only had two bidders is a further reflection of the complexity and the labor intensity of this type of work.

Richard: Yeah.

Madam Chairman: Any other discussion? We have a motion, all in favor?

[Chorus of ayes]. Opposed? Hearing none, the motion is approved. And Tom, number twelve please.

Tom: Thank you Madam Chair. For this item I am requesting the board's authorization to execute two engineering agreements listed in Exhibit A of the Resolution.

D214500 is a term agreement for design services on the mail system. T.Y. Lin International Engineering, Architecture, and Land Surveying from Rochester was selected from 11 firms who submitted proposals. The maximum amount payable is \$3 million over a four-year term with the option for the Authority to extend for one additional one-year term. The New York Power Authority concurs with the execution of this agreement.

D214502 is a term agreement for design services for highway resurfacing, restoration, and rehabilitation projects in the Albany, Syracuse, and Buffalo divisions. Stantec Consulting Services from Albany was selected from 19 firms who submitted proposals. The maximum amount payable is \$3.5 million over a four-year term with the option for the Authority to extend for one additional one-year term.

Information regarding these agreements will be included in the Chief Engineer's quarterly reports to the board on the contracts program. I recommend that the board adopt this resolution for the execution of these two agreements.

Madam Chairman: Thank you very much. Can I have a motion to discuss this? So moved, Donna. Second? Seconded, any questions on this agenda item number twelve? Hearing none we have a motion to approve, all in favor?

[Chorus of ayes]. Hearing no opposition, the motion is approved. And the last one, Tom, for you, number 13.

Tom: Thank you Madam Chair. For this item I am requesting the board's authorization to amend the 2016 Canal Contracts Program to add item C275.1 for the rehabilitation of Culvert 70 in Hulberton, Orleans County.

In early June 2016 Canal Corporations staff observed significant leakage around Culvert 70 and sink holes forming on the embankment. The Buffalo division on demand contract was used to make the repairs. Repairs were done in a manner to minimize the duration of the closure of the Canal System.

Permanent repairs to the culvert and embankment are now required and Canal Corporation staff recommends that a contract be let in October 2016 so that the work can be completed during the winter shut down period.

The design work is being completed by Authority staff. The estimated cost of construction is \$1,100,000 and construction, inspection, and supports services are estimated at \$110,000. The New York Power Authority concurs at this request.

Due to adjustments to the 2016 Canal Contracts Program there is sufficient funding for this project. This project will be implemented in accordance with the 2016 Canal Contracts Program Resolution. In October 2016 letting is anticipated. I recommend the board adopt this resolution to add item C275.1 to the 2016 Canal Contracts Program and allocate \$1,210,000 to the rehabilitation of Culvert 70 in Hulberton.

Madam Chairman: Can I have a motion please? Bob, thank you. A second?

Richard: Second.

Madam Chairman: Second, Richard. Any questions on this? It's my understanding based on the earlier that NYPA would be part of this already and they know this is coming and this will be something that we invoice to NYPA?

Tom: Yes, yes since we're letting it before the end of the year, the Thruway, we will administer construction and NYPA will reimburse for the expenses.

Madam Chairman: Thank you. Does anybody else have any questions? Can I have a vote on the motion to approve? All in favor?

[Chorus of ayes]. Hearing no opposition, the motion is approved. And the last item on the action agenda will be presented by Matt Pollard.

Matt: This item provides for the continuation of approval that the board provided roughly a year ago related to an easement swap between the Thruway Authority and the Department of Transportation that related to work that was necessary as part of the reconstruction of the Cross-Westchester Expressway. As a function of that project that occurred a couple of years ago there was a gas pipeline in existence that had to be moved and as a result this transaction will allow for the swap of easements between DOT and the Thruway to be completed.

Madam Chairman: Thank you very much. Can I have a motion please to discuss? So moved Richard. Second? Thank you. Anybody have any questions for Matt?

Richard: I just want to make sure, this is basically a DOT contract and the swap's necessary to go and we haven't done anything twice.

Matt: We haven't done anything twice.

Richard: Okay, it's hard to tell.

Matt: Yeah, it's a DOT contract consistent with their responsibility to do capital improvements on the Cross-Westchester.

Madam Chairman: Any other question? Alright, we have a motion, all in favor?

[Chorus of ayes]. Hearing no opposition, the motion is approved.

That concludes the formal agenda for the 2016 board meeting and we're going to enter the second public comment period where members of the public can comment on general Thruway Authority matters. And I understand Kathy that we have a speaker signed up.

Kathy: Yes, we do, Karen Wilson.

Madam Chairman: Is that CSEA President Karen Wilson?

Kathy: That is correct.

Madam Chairman: Welcome, hello welcome. Welcome.

Karen?

Karen: Yes.

Madam Chairman: You're up.

Karen: Good afternoon.

Madam Chairman: Good afternoon.

Karen: Chair, board members, thank you very much for this opportunity. I wanted to thank Donna for extending an invitation for me to speak at today's meeting. I'm here with Ron Briggs and Brian Miller from our CICA Capitol Region along with a small representative of our concerned members.

I am the local CICA President representing over 500 employees in Thruway Unit two. We are your professional, supervisory, and technical employees. We are your maintenance supervisors, toll supervisors, engineers, accountants, traffic supervisors, senior dispatchers, and information technology programmers and analysts, just to name a few.

Our workforce possesses valuable experience unique to the Authority. We take pride in our work. Our dedication, experience, and commitment are central to the success of the Authority.

We have endured the layoffs of our friends and Thruway family. We are consistently asked to do more with less. We have been without a contract since June 30<sup>th</sup> of 2012. We have taken five zeros while consultants and contractors continue to receive annual raises.

As a union leader I can tell you that it is becoming increasingly difficult to explain to members why it is taking so long to reach an agreement. Everyday employees share with me stories of frustration, anger, and disbelief, along with a desire to bring the negotiations to the next level.

As I am sure you are aware, the cost of living has increased noticeably in the last five years. Even on a decent middle class salary it is getting harder and harder for families to make ends meet let alone have anything left over for emergencies.

Through all of this we still work hard for you. And because of all of us working together the Thruway is one of the safest roads in the nation.

I've come here today to ask that you prioritize these negotiations and pledge to bring them to a quick close. Thruway employees deserve it. We ask no more than what has been extended to the consultants with whom we work side by side every day.

Tomorrow morning marks another in a long line of meetings with your negotiating team. I am asking you on behalf of the 500 CICA Thruway families to please help us put an end to this negotiation so we can all get back to the important work of the Authority. Thank you for your time.

Madam Chairman: Thank you. Well said, thank you very much. Thank you for your work.

Any other speakers Kathy? That concludes the public comment period and I don't believe there's any more business before the board. Is there?

I am going to ask for a motion to go into Executive Session to discuss a legal matter and then we're going to adjourn this meeting from Executive Session if that's okay with everybody. So may I please have a motion to enter into Executive Session?

Donna: I'll make the motion.

Male: Second.

Madam Chairman: All in favor?

[Chorus of ayes]. Hearing no opposition, we will move into Executive Session but I will also ask for a motion to adjourn from there.

Jimmy Vielkind: Is there a reason why? What technical reason for the executive session?

Madam Chairman: We have a legal matter to consider.

Jimmy Vielkind: So it's pending litigation, or?

Gordon: Pending litigation.

Madam Chairman: Pending litigation, Jimmy. Thank you.

Gordon: And we've got to come back on the record and adjourn.

Madam Chairman: Okay, and Gordon's telling me we have to come back on the record to adjourn. I'll tell you at night though we used to, we'd go.

Gordon: You have to go back on the record to adjourn.

Madam Chairman: Yeah, yeah. Alright, we will come back to adjourn.

We are now out of Executive Session and I would like a motion to adjourn the meeting.

Richard: So moved.

Male: Second.

Madam Chairman: Second. All in favor?

[Chorus of ayes]. We are adjourned. Thank you very much.

Gordon: Alright, good job.