

MINUTES OF THE REGULAR MEETING OF THE
NEW YORK STATE BRIDGE AUTHORITY

HELD AT HEADQUARTERS, HIGHLAND, N.Y. ON
February 10, 2005

IN ATTENDANCE:

BOARD MEMBERS:

Sproat, James P., Chairman
Dressel, Roderick O., Vice Chairman
Paradies, Walter A., Commissioner
Teator, David A., Commissioner

Chris Chale, Esq., Counsel (Attended in Mr. Whitbeck's absence)

OFFICERS:

Sinnott, George C., Secretary
Sewell, John R., Treasurer

Absent:

Bresnan, James J., Assistant Secretary
Whitbeck, Carl G., Jr., Esq., Counsel

Chairman Sproat called the regular meeting of the Authority to order at 3:05 P.M. and called for a motion to adopt the minutes of the January 27, 2005 meeting. On motion of Commissioner Paradies, seconded by Vice Chairman Dressel, the minutes of the January 27, 2005 meeting were adopted unanimously. Chairman Sproat stated the first order of business would be for Engineering and asked the Chief Engineer, Mr. Moreau, to present these matters to the Board.

ENGINEERING:

1) Rip Van Winkle Bridge Tack Well Removal and Structural Steel Repairs

Mr. Moreau, the Authority's Chief Engineer, presented the Engineering Report for this project and stated that the consultant's tack weld analysis report identified numerous fracture critical members that have potential detrimental tack welds. These welds are recommended to be removed to alleviate the possible development of base metal cracking. Mr. Moreau further stated that Parsons Brinckerhoff Quade & Douglas, Inc., as the Engineer of record for the tack weld investigation, is uniquely qualified for the design. Accordingly, Mr. Moreau recommended awarding a professional design services agreement to Parsons, Brinckerhoff Quade & Douglas, Inc. in an amount not-to-exceed \$100,196.00. Questions by the Board members regarding rust, bidding process and overhead costs were further discussed and Mr. Moreau addressed these questions to the satisfaction of the Board. Chairman Sproat called for a motion to award this professional design services agreement and on motion of Vice Chairman Dressel, seconded by Commissioner Paradies, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-014

Resolution Date: February 10, 2005

WHEREAS, the New York State Bridge Authority has determined that it is in the public interest to award a professional design services agreement in connection with the Rip

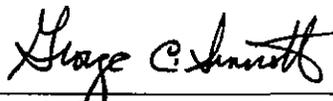
Van Winkle Bridge "Tack Weld Removal and Structural Steel Repairs" project to be designated (BA2004-RE-101-DE); and

WHEREAS, the Authority's Engineering Department has reviewed the cost proposal and recommend Parsons Brinckerhoff Quade & Douglas, Inc. as uniquely qualified for this assignment as they are the Engineer of record for the analysis/investigation task for this project; now therefore

BE IT RESOLVED that a Supplemental Agreement be awarded to Parsons Brinckerhoff Quade & Douglas, Inc. of New York, New York to provide professional services at a not-to-exceed cost of \$100,196.00; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Sinnott, Secretary

2) 2005 In-House Capital Improvement Program

Mr. Moreau presented an enhancement report to the capital improvement program recommending that certain projects be performed in-house by the Authority's maintenance crews instead of putting out to contracts. Mr. Moreau further stated that the Comptroller's office and good accounting practice requires Board approval for capital improvement projects totaling in excess of \$10,000.00 and as such Mr. Moreau put forward Engineering's recommendation. Mr. Moreau handed out a list of various projects that could be done in-house asking for a budget of \$130,000.00. These projects were estimated at a construction cost of \$1,184,000.00 and the potential savings to the Authority would be \$1,054,000.00 if performed by the Authority's maintenance staff.

The following table outlines these projects:

2005 IN-HOUSE CAPITAL IMPROVEMENT PROGRAM			
<i>Facility</i>	<i>Project Description</i>	<i>In-House Est. Material Cost</i>	<i>Outside Est. Construction Cost</i>
<u>Systemwide</u> BA2005-RE-102-CM.1	Plug Joint Repairs	25,000.00	120,000.00
<u>Rip Van Winkle Bridge</u> BA2005-RE-102-CM.2	Stringer Hold Downs	25,000.00	300,000.00
BA2005-RE-102-CM.3	Dock System	15,000.00	50,000.00
BA2005-RE-102-CM.4	Storage Building	11,000.00	50,000.00
BA2005-RE-102-CM.5	Building Re-pointing Repairs	7,000.00	14,000.00
<u>Mid-Hudson Bridge</u> BA2005-RE-102-CM.6	Cable Band Bolts	10,000.00	500,000.00
BA2005-RE-102-CM.7	Tower Lights	7,000.00	50,000.00
<u>Newburgh-Beacon Bridge</u> BA2005-RE-102-CM.8	Blank Out Signs	20,000.00	45,000.00
<u>Bear Mountain Bridge</u> BA2005-RE-102-CM.9	Salt Storage Bin	10,000.00	55,000.00
Total		\$130,000.00	1,184,000.00
Realized Net Savings			\$1,054,000.00

Chairman Sproat asked Mr. Moreau if Engineering could provide a report that tracked the progress and cost of these projects and include it in the monthly Engineering Progress Report but separate it from the facility projects and have it stand alone under "In-House" and Mr. Moreau stated that was perfectly feasible. Chairman Sproat and the Commissioners commended Mr. Moreau and his staff and Chairman Sproat called for a motion to accept this enhancement to the Capital Improvement Program to perform these projects in-house at a cost not-to-exceed \$130,000.00. On motion of Commissioner Teator, seconded by Chairman Sproat, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-015

Resolution Date: February 10, 2005

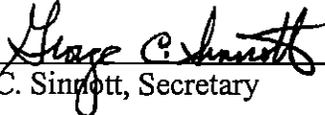
WHEREAS, the New York State Bridge Authority has determined that it is in the public interest to maintain an aggressive capital improvement program; and

WHEREAS, the Authority Board has reviewed the Chief Engineer's memo of February 1st, outlining the cost of the program for 2005; now therefore

BE IT RESOLVED that a budget of \$130,000.00 is approved for the projects listed in the aforementioned memo; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Sinnott, Secretary

3) Monthly Engineering Progress Report

For the Board's review, Mr. Moreau submitted a cost summary report for jobs in progress for the period ending January 2005. Mr. Moreau stated that there were no variable concerns that needed to be brought to the Board's attention and after the board reviewed the report, Chairman Sproat called for a motion to accept the report as presented. On motion of Vice Chairman Dressel, seconded by Commissioner Paradies, the report was accepted and the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-016

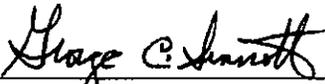
Resolution Date: February 10, 2005

WHEREAS, the Board has reviewed the monthly Engineering Progress Report on the Capital Project Status; now therefore

BE IT RESOLVED that the Engineering Progress Report for January 2005 is accepted as an instrument documenting the Board's briefing of the Capital Construction activities; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Sinnott, Secretary

4) FHWA Pooled Research Funding

Mr. Moreau stated that the FHWA is looking for a consortium of bridge owners to contribute \$100,000 each towards a \$1 million budget project in funding a Blast Study for suspension bridge towers. Mr. Moreau further stated that NYS DOT was willing to co-sponsor a half-share on this project if the Authority was willing to do so as well. Further, Mr. Moreau continued, based upon the Authority's general engineering consultants, Modjeski and Masters' recent vulnerability assessment, the towers of the Authority's suspension bridges are one of the Authority's most vulnerable structural components and a \$50,000.00 investment in research specifically tailored to provide details on blast protection and strengthening suspension bridge towers is an excellent value and a timely opportunity. Mr. Sinnott asked if this would have an affect on the Authority's insurance in a positive way and Mr. Moreau stated that it would probably not since insurance brokers have no technical experience and as such would not consider a study of this nature as part of their evaluating process when providing insurance estimates. Commissioner Paradies felt that this study would be a worthwhile endeavor. Chairman Sproat asked how long would the study take and Mr. Moreau stated it would be completed in a year. Also questioned was the number of participants, to date, that have monetarily committed and Mr. Moreau stated that according to an email received from the FHWA that, besides FHWA, Wisconsin, Washington and Texas were participating. Mr. Moreau further stated that the Port Authority was going to contribute \$100,000.00. Mr. Moreau stated the Board could think about the information at hand and that the Authority did not have to render a decision immediately and perhaps after further deliberations and information received from FHWA, the Board would have a better

standpoint. Mr. Moreau will revisit this with the Board after he has received further information from FHWA as to whether or not other participants would be joining in. There was no action required by the Board at this time.

FINANCIAL:

1) Investment Report

The Treasurer submitted the Investment Report for the month of January 2005. After a review of the report, Chairman Sproat noted the interest rates continued to increase and asked for a motion to accept the Investment Report. On motion of Chairman Sproat, seconded by Commissioner Teator, the report was accepted and the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 005-017

Resolution Date: February 10, 2005

WHEREAS, the investment control procedures for the New York State Bridge Authority provide that the Board shall review and approve the report of investment transactions completed since the meeting of the Board on January 27, 2005; now therefore

BE IT RESOLVED the New York State Bridge Authority does hereby concur with and approve the investment report as filed with this body on this date for the purposes noted; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Sijmott, Secretary

2) Bridge Property Damage and Loss of Revenue Insurance Policy Award

At the January 27th Board Meeting, the Treasurer informed the Board that ten Request for Proposals (RFP) were sent out as a result of the advertisement for the subject insurance in the November 15th edition of the NYS Contract Reporter. The Authority qualified five brokers who responded to the RFP and designated insurance carriers for each based upon their submissions. Proposals were due by February 4th and, as such, the February Board meeting was scheduled for February 10th so that a recommendation could be made before the inception date of Monday, February 14th. The Treasurer submitted a report and stated that the placement of this specialty insurance has always involved solicitations in what is an extremely limited market. In the four years since the events of September 11, 2001, the Authority received viable quotes only from the St. Paul Insurance Company and the consortium that currently provides the coverage. At the current annual cost of \$798,500, the subject insurance covers property damage from abutment to abutment on the Authority's six superstructures, as well as ancillary bridges or overpasses at the Mid-Hudson and Newburgh-Beacon facilities. Also under the \$380 million coverage is two years loss of revenue as a result of any bridge damage. The Authority's property values and revenues combined to increase 7.5 percent and will total \$1.19 billion for the new policy.

The Authority received but one quote, that being through Risk Strategies, Inc. from its current carriers. The proposal, which mirrors current coverage, with one exception, includes terrorism coverage but provides the option of deleting it. The cost is \$846,872 with terrorism and \$756,047 without it. The one difference, with the current policy, deals

with terrorism coverage which, under the excess layer, is only provided through December 31, 2005, or 44 days short of the full policy year. According to the companies, this is due to the expiration of the Federal Terrorism Risk Insurance Act (TRIA), which was enacted in 2002 to provide a backstop to insurance company losses in the event of a terrorist act. Some companies will not accept the additional risk and, as such, will not provide coverage beyond year end. If the government extends the law, it is expected that coverage will become available.

If the Authority was to consider lowering its expense, the options are limited to reducing the amount of coverage or deleting terrorism insurance. If the Authority was to consider insurance sufficient to cover any one bridge, it would be based upon the replacement cost of the most valuable structure, the south span at Newburgh-Beacon. The Authority would need about \$223 million in coverage (80% of replacement value plus 50% revenue loss for 2 years), which would be approximately \$710,000. With regard to the deletion of terrorism coverage, potential savings would aggregate \$90,825 for both layers and \$14,728 if it was not purchased with the excess layer.

While the Authority has never made a claim on this policy, and it is unlikely that it would make one in the next year, there are reasons the Authority needs to purchase the full limits and the terrorism coverage. The Authority has a fiduciary responsibility to the public and to its bondholders to protect the facilities entrusted to it. Further, the Authority has covenanted with the bondholders to purchase insurance, if reasonably obtainable, covering physical loss or damage, for the full insurable value of the bridges.

Though covering two bridges, instead of one for an additional \$137,000 is not inconsiderable, the Treasurer indicated the Authority could not argue that it is not reasonably obtainable. With regard to the cost of terrorism coverage, the \$91,000 is likewise significant. However, it is in line with last years cost of \$79,500 and though likely never to be used, the Treasurer believes the possibility is not any less than it was a year ago and as such recommends a provision for this coverage as well. Chairman Sproat and the Commissioners agreed with the Treasurer's recommendation and felt it prudent to continue terrorism coverage. Chairman Sproat asked for a motion to accept the Treasurer's recommendation and on motion of Vice Chairman Dressel, seconded by Chairman Sproat, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 005-018

Resolution Date: February 10, 2005

WHEREAS, the Board has reviewed the report relative to the February 14, 2005 purchase of Bridge Property Damage and Loss of Revenue Insurance; now therefore

BE IT RESOLVED that the insurance purchase for a one-year policy through Risk Strategies Company, Inc., is hereby approved at a cost not-to-exceed \$846,872; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Sinnott, Secretary

3) Public Authority Cost Recovery Charges

The Treasurer submitted correspondence received from the Department of Taxation and Finance billing the Authority for a 2004-2005 administrative services assessment, as per Public Authorities Law §2975, which establishes a cost recovery of central governmental services provided to various public authorities. This statute directs the Division of Budget (DOB) to determine, and the Taxation and Finance Department to collect, the amount assessed to each public authority. The Bridge Authority's share of this billing for the year ending March 31, 2005 is \$380,459.00. Chairman Sproat asked if there was a formula available from DOB on how this assessment was arrived at. Mr. Sewell stated that last year there was a formula involving a number of different factors but DOB would not provide the details of exactly how they arrived at the Authority's billing. The Treasurer indicated he would again seek DOB's methodology but that the law did not specify the need for a methodology for determining an authority's billing. On motion of Chairman Sproat, seconded by Commissioner Teator, the following resolution was adopted unanimously.

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-019

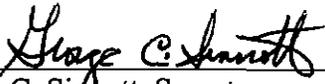
Resolution Date: February 10, 2005

WHEREAS, the Board has reviewed the report relative to the payment of public authority cost recovery charges for central government services as mandated by Public Authorities Law; now therefore

BE IT RESOLVED the New York State Bridge Authority does hereby approve the payment of \$380,459.00 to the Department of Taxation and Finance for the Bridge Authority's share of these costs for the year ending March 31, 2005; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Sinnott, Secretary

INFORMATION TECHNOLOGY:1) Electronic Toll Equipment Hardware Acquisition

Mr. Cavallino presented to the Board reports for the cost breakdown and description of equipment needed for the toll plaza enhancement projects at the Kingston-Rhinecliff Bridge and the Newburgh-Beacon Bridge (one new lane at Kingston-Rhinecliff and two new lanes at Newburgh-Beacon). Provided to the Board was the following equipment/cost breakdown estimates: (1) Six High Speed Gates (\$33,000.00), (2) Ten Treadles (\$35,000.00), (3) Three Mark IV E-ZPass Readers, Cabinets, Antennas and Lane Kits (\$24,088.00), (4) Lane Tuning (\$3,000.00), (5) Four Light curtains (\$22,000.00), (6) Three Lane Controllers (\$8,400.00), (7) Three touch Screens (\$2,700.00), (8) Three Aspect Traffic Lights (\$1,500.00), (9) Four Patron Fare Displays (\$11,600.00) and (10) Bulk Electronic and Communication Cable and Installation Hardware (\$7,000.00). Mr. Cavallino stated the estimated cost for the procurement would be \$148,288.00 with an estimated budget of \$154,000.00. Mr. Cavallino further stated that to reduce overall costs the equipment would be procured in-house rather than by the contractor. Thus, the Authority could realize a savings of approximately 15%, or \$23,000.00. Although their knowledge of this technology was limited, the Board members agreed that the equipment was necessary and that they felt confident that the Director of Information Technology, as the project manager, would oversee the Authority's needs to its best interest. Chairman Sproat called for a motion to accept this procurement and on motion of Commissioner Paradies, seconded by Vice Chairman Dressel, the following resolution was approved unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-020

Resolution Date: February 10, 2005

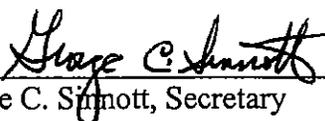
WHEREAS, the Board has reviewed the memorandum regarding the procurement of toll system hardware to outfit the new lane at the Kingston-Rhinecliff Bridge and the new lanes at the Newburgh-Beacon Bridge; and

WHEREAS, the Authority will realize significant savings through the direct procurement of this equipment in house; now therefore

BE IT RESOLVED that the procurement of toll system hardware for a not-to-exceed amount of \$154,000.00 is approved; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Simmott, Secretary

2) Electronic Toll Equipment Professional Software Services

Mr. Cavallino presented a job description and cost report to the Board. Mr. Cavallino stated that the pre-approved capital projects at the Kingston-Rhinecliff Bridge and the Newburgh-Beacon Bridge include the installation of three new toll collection lanes, one at the Kingston-Rhinecliff Bridge and two at the Newburgh-Beacon Bridge, which requires computer software development tasks to the central and plaza computer programs to ready the lanes for electronic toll collection and that the scope of work necessitates professional services. The following outlines these services:

- Traffic Technologies Inc. will analyze the Authority's needs and develop a plan which will include coding modification and testing in an amount not-to-exceed \$119,000.00.
- Caseta Technologies, Inc. will code the new lane software based on the recommendations from Traffic Technologies, Inc. The major change that needs to be made at the lane level is the lane ID number within the transactions in an amount not-to-exceed \$45,000.00.
- Dr. Mankovich will work closely with the project manager as a consultant and a small amount of time will be spent on the development of scripts. The programs will need to be modified to accept the additional toll lanes Dr. Mankovich will assist NYSBA staff with testing from the lane through the central levels of the toll system. It is

estimated that Dr. Mankovich's services will total an amount not-to-exceed \$30,000.00.

Mr. Cavallino further stated that the estimated total task cost will be an amount not-to-exceed \$194,000.00, which has been identified within the approved budgets for these projects. The Board reviewed the report at hand and Chairman Sproat stated that if there were no further questions he would like to call for a motion to accept this project and related costs as presented. On motion of Vice Chairman Dressel, seconded by Chairman Sproat, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-021

Resolution Date: February 10, 2005

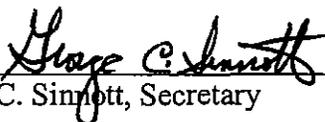
WHEREAS, the Board of Commissioners has reviewed the memorandum regarding the use of Professional Software Program Development Services for the installation of the new toll collection lanes at the Kingston-Rhinecliff Bridge and the Newburgh-Beacon Bridge; and

WHEREAS, the Authority has existing contracts for this type of professional services with Traffic Technologies Inc., Caseta Technologies Inc. and Dr. Mankovich; now therefore

BE IT RESOLVED that contract addendums be awarded to Traffic Technologies Inc., for a not-to-exceed amount of \$119,000, to Caseta Technologies Inc. for a not-to-exceed amount of \$45,000 and to Dr. Mankovich for a not-to-exceed amount of \$30,000 for this software program development task; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Simmott, Secretary

REPORTS TO THE BOARD:

- Monthly Activity Report of the Executive Director

The Monthly Activity Report for January 2005 was submitted and accepted by the Board. Mr. Sinnott stated there were no expenses to report.

This concluded the business agenda and Chairman Sproat asked the Board to adjourn to the Executive Session at 3:55 P.M. Chairman Sproat further stated that following the Executive Session the Board would go into a Privileged Attorney/Client meeting and at the conclusion of this meeting the regular meeting would reconvene.

The regular meeting reconvened at 4:55 P.M. and Chairman Sproat called for a motion to accept the following resolution: On motion of Commissioner Teator, seconded by Vice Chairman Dressel, the following resolution was approved unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-022

Resolution Date: February 10, 2005

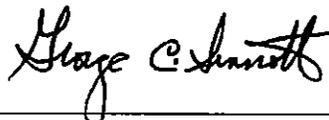
WHEREAS, the Board has reviewed and considered the report of staff regarding the final costs in connection with the project entitled Bear Mountain Bridge "Popolopen Creek

Footbridge" (BA-2001-RE-119-CM) and the recommendation of the Authority's Engineering Department, Financial Department and General Counsel; now therefore

BE IT RESOLVED that General Counsel is authorized to settle the Cleveland Bridge, Inc. claim on the terms specified to counsel in the staff's recommendation; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 10th day of February 2005.



George C. Sinnott, Secretary

Chairman Sproat called for adjournment of the regular meeting. On motion of Vice Chairman Dressel, seconded by Commissioner Teator, the regular meeting adjourned at 5:00 P.M.

The next meeting is scheduled for Thursday, March 17, 2005 at 3:00 P.M.