

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

HELD AT RIP VAN WINKLE BRIDGE, CATSKILL, N.Y. ON
June 16, 2005

Business agenda documents/reports are mailed to the Board Members and General Counsel one week prior to the meeting.

IN ATTENDANCE:

BOARD MEMBERS:

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

Whitbeck, Carl G., Jr., Esq., Counsel

OFFICERS:

Sinnott, George C., Secretary
Bresnan, James J., Assistant Secretary
Sewell, John R., Treasurer

Chairman Sproat called the regular meeting of the Authority to order at 3:00 P.M. and stated that the first order of business was the minutes from the previous meeting and if there were no comments he would like to call for a motion to adopt the minutes of the annual and regular meetings of May 19, 2005. On motion of Vice Chairman Dressel, seconded by Commissioner Paradies, the minutes of the May 19, 2005 annual meeting were adopted unanimously. On motion of Commissioner Teator, seconded by Vice Chairman Dressel, the minutes of the May 19, 2005 regular meeting were adopted unanimously. Chairman Sproat greeted Mr. Russo, the Director of Administration, and asked him to proceed.

ADMINISTRATION:

1) IAG Operating Agreement Amendment

Mr. Russo stated that the IAG has drafted an amendment to the Operating Agreement to re-define its membership categories to provide for the inclusion of private toll operators. This was brought about by the application of Chicago Skyway, a private operator, to apply for membership to be able to process E-ZPass transactions and participate in reciprocity with the other member agencies. Mr. Russo further stated that this operator would work with Illinois State Toll Highway Authority, an IAG member agency, to process its toll transactions and that the IAG Executive Committee has discussed this issue at great length and agrees that a sponsored affiliate membership is necessary to accommodate this private operator. As such, this membership category would require the private operator to be sponsored by an existing full member agency for its E-ZPass reader equipment purchases and customer service transactions. An annual membership fee would be paid to the IAG in addition to its transactional processing fee to the sponsored agency. However, the private operator would have no vote or input into IAG policy or decision making. Mr. Russo stated that the IAG expects to present this amendment for a vote at its next Executive Committee meeting to be held on June 23, 2005 and asked the Board for authorization, as this committee representative, to vote in favor of this amendment. Commissioner Paradies referred to Mr. Russo's memorandum that stated, "this amendment if drafted and presented *substantially* as I have outlined it in this memo" and Mr. Russo stated that since the mailing, Ms. Chale, of the legal committee and the author of the amendment, submitted it to his office and the outline of the amendment did not change from what he had just presented to the Board. The Board

further discussed this matter with General Counsel and Mr. Russo. Mr. Sinnott commented that the IAG was ever growing and that he visualized E-ZPass from coast-to-coast and into Canada in the near future. Chairman Sproat made a motion to approve the resolution for the amendment as presented, if the Board had no further questions, which was seconded by Commissioner Paradies, and approved unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-064

Resolution Date: June 16, 2005

WHEREAS, the parties to the E-ZPass Interagency Operating Agreement have determined it to be necessary and in the best interest of the parties to amend the Agreement to provide for a new sponsored affiliate membership category; and

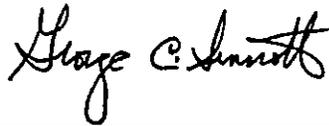
WHEREAS, the Board has reviewed the memo provided by its IAG Executive Committee representative describing the substantive terms of the proposed amendment; now therefore

BE IT RESOLVED that the Executive Director or the Chairman is hereby authorized to execute, acknowledge and deliver the Amendment as presented by the IAG Executive Committee. The execution of the Second Amendment by any such officer shall be conclusive evidence of approval. The officers, agents and employees of the Authority are

hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms of this resolution.

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 16th day of June 2005.



George C. Sinnott, Secretary

2) IAG Executive Committee Meeting Participation

Mr. Russo referred the Board to the report he had just presented relative to the "amendment" for private sector membership and stated that he was seeking travel authorization for himself and Mr. Mickle, the E-ZPass Manager and the Authority's policy representative, to attend the IAG Executive Committee meeting to be held at the Maine Turnpike on June 23, 2005. Mr. Russo further stated that Ms. Chale, the Authority's legal committee member and an associate of General Counsel's office would attend the meeting as well. Ms. Chale has been the Authority's representative on this committee since the start of the Authority's IAG membership and has a historic and comprehensive understanding of the issues specific to the Operating Agreement being discussed. Chairman Sproat called for a motion to grant this travel authorization and on motion of Commissioner Paradies, seconded by Vice Chairman Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-065

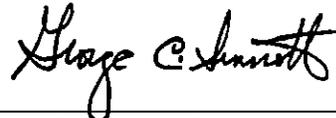
Resolution Date: June 16, 2005

WHEREAS, the Board has received and reviewed a request for overnight travel to attend an Interagency Group (IAG) Executive Committee Meeting being held at the Maine Turnpike offices in Portland, Me on June 23, 2005; now therefore

BE IT RESOLVED that authorization is granted to Bob Russo and Barry Mickle as the Authority's IAG Executive and Policy Committee members, respectively, to attend the identified meeting as the representatives for the Authority; 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 16th day of June 2005.



George C. Sinnott, Secretary

ENGINEERING:1) Mid-Hudson/Newburgh-Beacon and Bear Mountain Bridges Fencing and Paving Repairs

Mr. Moreau presented the project report and stated that in-house documents were prepared and advertisement in the New York State Contract Reporter resulted in three bidders providing cost proposals and recommended I. & O.A. Slutzky, Inc., as the low bidder at a cost not-to-exceed \$258,652.00. Mr. Moreau further stated that this contract consisted of new security fencing along the perimeter of the Mid-Hudson and Newburgh-Beacon bridges as shown in the contract documents and the Bear Mountain Bridge work involves rutted plaza approach pavement. Commissioner Paradies asked if it was necessary to put the fence and paving projects together and Mr. Moreau stated that the Authority had sought bids for the repaving project alone and had received no responses and so combined the two projects to get a bidder. As part of Engineering's documents submitted for this project, a costs analysis was presented showing the three bids received and the costs proposed by the bidders. After a review of this report, Chairman Sproat called for a motion. 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.: 05-066Resolution Date: June 16, 2005

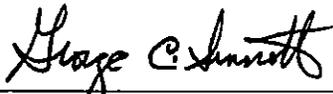
WHEREAS, bids were solicited through the New York State Contract Reporter for the contract entitled Mid-Hudson, Newburgh-Beacon, Bear Mountain Bridges "Fencing Replacement and Paving Repairs" (BA2005-RE-106-CM) and three (3) bids were received on June 6, 2005, the low bidder being the firm of I. & O.A. Slutzky, Inc. at a bid of \$258,652.00; and

WHEREAS, I. & O.A. Slutzky, Inc. has previously completed several contracts with the Authority and after further review of the cost proposal by the Engineering Department, it is recommended that a contract be awarded to the firm of I. & O.A. Slutzky, Inc.; now therefore

BE IT RESOLVED that a contract be awarded to I. & O.A. Slutzky, Inc. of Hunter, New York in the amount of \$258,652.00 pending the filing of proper certifications, and the receipt of bonding and insurance requirements; 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 16th day of June 2005



George C. Smott, Secretary

2) Systemwide Emergency Bridge and Highway Repairs

Mr. Moreau stated that five bidders provided cost proposals in response to the project advertisement. The low proposer was the firm of D.A. Collins Construction Co., Inc. at a cost not-to-exceed \$148,000.00. The purpose of the contract is to have a 24-hour standby readiness in order to take action, at the Chief engineer's directive, to protect property and public safety by repairing portions of and preventing further degradation to Authority facilities as the need arises. Mr. Moreau further stated that the Thruway has a similar procedure. The Board members asked what bid items were included in the contract; Mr. Moreau stated overhead and profit only and that there was no work assignment now and costs would only be applied when the need emerged. Chairman Sproat moved to adopt the resolution, which was seconded by Vice Chairman Dressel, and approved unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-067

Resolution Date: June 16, 2005

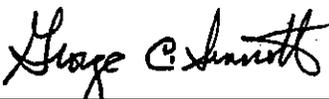
WHEREAS, bids were solicited through the New York State Contract Reporter for the contract entitled Systemwide "Emergency Bridge and Highway Repairs" (BA2005-RE-107-CM) and five (5) bids were received on June 7, 2005, the low bidder being the firm of D.A. Collins Construction Co., Inc. at a bid of \$148,000.00; and

WHEREAS, after further review of the cost proposal by the Engineering Department, it is recommended that a contract be awarded to the firm of D.A. Collins Construction Co., Inc.; now therefore

BE IT RESOLVED that a contract be awarded to D.A. Collins Construction Co., Inc. of Mechanicville, New York in the amount not-to-exceed \$148,000.00 pending the filing of proper certifications, and the receipt of bonding and insurance requirements; 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 16th day of June 2005



George C. Sinnott, Secretary

3) Security Assessment and Vulnerability Study Meeting Summary

Mr. Moreau provided the Board with a memorandum which summarized the consensus of opinion arrived at during a meeting held with senior staff and stated that he thought it appropriate to bring to the Board's attention the meeting summary regarding the recommendations and mitigating measures from the Modjeski and Masters, Inc. (M&M) report. Accordingly, the Authority prioritized the M&M recommendations into three categories.

- (A) Measures that have a good return on investment at a low threat level.
- (B) Measures with costs difficult to justify at current threat level.
- (C) Measures that are costly and are only justified if the current threat level increases.

Mitigation measures were also prioritized among the five facilities programming the higher risk and more critical facilities first. The measures proposed total just over \$6 million; \$2 million has been classified as a category (C) measure and a majority of the balance of the work has already been included in the long range capital plan. The recommendations for surveillance cameras, intrusion detection and security lighting are reasonable practical measures that should be implemented as time and funding permit. Integrating these security improvements with the Authority's traffic management system will keep costs incremental in nature and within the capital program budget. Chairman Sproat stated that the 5-Year Plan should be reviewed to reflect the measures. Mr. Sinnott stated that the Authority has made a comparison of the vulnerability plan and the 5-Year Plan and a third of the planning costs have already been incorporated into the 5-Year Plan. The Board thanked Mr. Moreau and senior staff for the information provided

and asked that the Board be kept apprised of future developments. No action on the part of the Board was required at this time.

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4) Rip Van Winkle Bridge Cab and Chassis for Aerial Lift Truck Purchase

Mr. Moreau stated that last month approval by the Board was given to purchase an aerial lift device to be installed on a supplied cab and chassis. At that time the Board asked if Engineering would be requesting the purchase of a Cab and Chassis for this lift and Mr. Moreau state yes. Mr. Moreau asked the Board to approve the purchase of the cab and chassis from an OGS contract in an amount of \$56,919.25. This truck replaced a thirty-one year old truck and the acquisition has been budgeted in the Authority's "2005 Equipment Purchase." On motion of Commissioner Paradies, seconded by Commissioner Teator, the following resolution was approved unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-068

Resolution Date: June 16, 2005

WHEREAS, the New York State Bridge Authority has determined that it is in the public interest to issue a purchase order to International Truck & Engine Corporation for the purchase of one (1) Aerial Lift Device Cab and Chassis; and

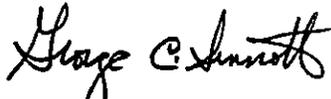
WHEREAS, the Authority has determined that International Truck & Engine Corporation has the OGS contract award; and

WHEREAS, the Authority's Engineering Department has reviewed and approved this cost proposal; now therefore

BE IT RESOLVED that a purchase order be issued to International Truck & Engine Corporation for the purchase of one (1) Aerial Lift Device Cab and Chassis for the price of \$56,919.25; 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 16th day of June 2005.



George C. Simnett, Secretary

5) UB60 Under Bridge Inspection Truck Purchase

Mr. Moreau referred the Board to a memorandum submitted to them in their Board package which stated the new deck at the Kingston-Rhinecliff Bridge is providing a safer crossing for our patrons especially during maintenance and construction activities. The deck is wider and allows for full two-way traffic and a 10 ft. wide work zone. Previously we had to flag one-way traffic around our work zones. The wider deck and enhancements to the safety barrier have made our old maintenance access procedures ineffective. To improve this situation, Mr. Moreau and his staff have been looking at temporary scaffold systems and permanent access travelers. None of the schemes studied provide full access to all the high maintenance areas at reasonable costs. Accordingly, Engineering recently looked to the truck mounted portable access equipment commonly used by our inspection engineers with Modjeski and Masters, Inc. (M&M), the Authority's General Engineering Consultant. The UB60 Bridge Inspection Unit is one of the units utilized by M&M each year during the Authority's annual inspections. M&M rents this unit and operator for \$2,300.00/day each year and the last three-year average daily use has been 50 days. This correlates to an annual cost of \$115,000.00. The traditional procedure for accessing the deck and fascia elements at the Kingston Bridge is to rig temporary work platforms and scaffold out from the existing catwalk to the worksite. This means two days rigging, one day performing the bridge repair, and two days to take down the scaffolding when performing repairs in difficult access areas. Using the UB60 the Authority can improve production of bridge repair work tremendously. The NYSDOT is currently under contract to purchase two of the UB60 under bridge inspection units. The manufacturer will honor their price negotiated with

New York State for this purchase. Craig is familiar with this equipment and does **not** recommend visiting the factory as the DOT is doing, saving us over \$2,000 on the purchase price. In summary, Mr. Moreau stated that the Authority has an opportunity to purchase a highly specialized maintenance access and inspection unit, identical to the NYSDOT purchase, for \$2,000 less than they are paying. We can expect an average annual savings of \$115,000/year from our General Consultant contract. The purchase price of the unit is \$491,633.43 and the useful life expectancy is 12 years. The current capital program budget for vehicles can support this purchase and accordingly, Mr. Moreau recommends the Authority move forward and procures this Bridge Inspection Unit to improve our productivity and cost conscious preventive maintenance program. Mr. Moreau at this time asked the Treasurer to comment. Mr. Sewell stated that he performed a cost analysis to support the purchase of this piece of equipment. He indicated that based upon the current 50 days average annual use, at the \$2,530 per day rental price of a UB60, the Authority would save \$58,451 annually and the truck would, in time, pay for itself. Chairman Sproat asked if the Board had any questions and Commissioner Paradies stated that Mr. Sewell had answered his question. 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.: 05-069

Resolution Date: June 16, 2005

WHEREAS, the New York State Bridge Authority has determined that it is in the public interest to issue a purchase order to Aspen Aerials, Inc. for the purchase of one (1) model UB60 Under Bridge Inspection Unit as further discussed in a memo from Bill Moreau to George Sinnott dated June 7, 2005; and

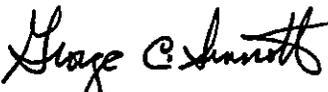
WHEREAS, the Authority has determined that Aspen Aerials, Inc. was selected by the NYS DOT for an identical purchase; and

WHEREAS, Aspen Aerials, Inc. has agreed to honor their price previously negotiated with the State of New York; now therefore

BE IT RESOLVED that a purchase order be issued to Aspen Aerials, Inc. for the purchase of one (1) model UB 60 Under Bridge Inspection Unit for the price of \$491,633.43; 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 16th day of June 2005.



George C. Sinnott, Secretary

6) Monthly Engineering Progress Report

Mr. Moreau presented a cost summary report for jobs in progress for the period ending May 2005. This report, which is mailed to the Board prior to the meeting, reflects all ongoing projects for all facilities reporting original awards, revised contract amounts and contract balances and contract status. Mr. Moreau asked if the Board had any concerns based on the report submitted. Mr. Moreau further stated that the concrete pouring at the Newburgh Bridge was on schedule. A lengthy discussion ensued relative to the Tappan Zee Bridge and the recent news coverage it had received. Upon conclusion of this discussion Chairman Sproat asked for a motion to accept the report as presented, which was seconded by Commissioner Dressel, and approved unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-070

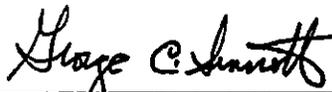
Resolution Date: June 16, 2005

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 May 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 16th day of June 2005.



George C. Simdott, Secretary

FINANCIAL:

1) Investment Report

The Treasurer presented the Investment Report for the month of May 2005 and stated that the report contained investments made in the bond resolution designated funds held by the Bank of New York and in certificates of deposit in the Operating Fund held by the Bank of America. He indicated interest rates continued to climb steadily. Vice Chairman Dressel moved to accept the report as presented, which was seconded by Commissioner Teator, and approved unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 005-071

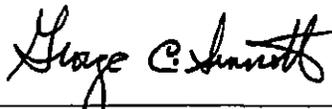
Resolution Date: June 16, 2005

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 May 19, 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 16th day of June
2005.



George C. Sinnott, Secretary

2) Maintenance Reserve Fund Balance Determination

The Treasurer stated that Section 5.03 of the General Revenue Bond Resolution requires the balance in the Maintenance Reserve Fund to equal an amount set forth in a certificate, filed annually with the Trustee, of an Authorized Officer of the Authority. This amount, determined by resolution, is the amount necessary to enable the Authority to comply with Section 7.12 of the Bond Resolution. In addition, the amount determined by the Authority shall not be less than the amount recommended by the Consulting Engineer in an accompanying Professional Certificate. Given the current condition of the bridges and the current anticipated revenues, the Consulting Engineer recommends a three-year drawdown of the Maintenance Reserve Fund as an adequate balance. This amount is \$51,701,000 which is the total of the 2005 through 2007 estimated expenditures for capital improvements as described in the five-year program projection. The Treasurer noted a copy of the Consulting Engineer's Professional Certificate submitted to the Board and a proposed resolution for adoption, if the Authority Board determines this to be the amount necessary to comply with Section 7.12 (A) of the Bond Resolution. Commissioner Paradies asked Mr. Sewell to explain what a three-year drawdown meant. Mr. Sewell stated that each year the Board approves a five-year capital improvement plan and that Modjeski and Masters, P.C., our consulting engineers, feels that a balance in the Maintenance Reserve Fund covering the estimated expenses for the first three years of the capital improvement plan is sufficient to keep the bridges in good condition. Having no further questions, Chairman Sproat called for a motion to comply with Section 5.03 of the General Revenue Bond Resolution and adopt the resolution as recommended by the

Treasurer. 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.: 005-072

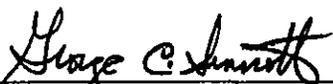
Resolution Date: June 16, 2005

WHEREAS, the Board has reviewed the report relative to determining the adequate balance in the Maintenance Reserve Fund; now therefore

BE IT RESOLVED that the balance shall be \$51,701,000 as recommended by the Consulting Engineers, Modjeski and Masters, P.C.; 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 16th day of June 2005.



George C. Sinnott, Secretary

HUMAN RESOURCES:

1) Annual Department of Transportation (DOT) and Bridge Climbers Physicals

The Director of Human Resources presented a memorandum and resolution for the Board's consideration which stated that all employees having a Commercial Drivers License must have the DOT physical and all employees designated as climbers must have the climbing physical. Currently, The Workplace in Poughkeepsie manages all aspects of these physicals for the Authority. This year, these services were sent under one bill totaling \$21,264.25 and as such require the Board to approve payment. Further noted in the memorandum was the fact that there will be a new contract for these services next year and a Request for Proposal (RFP) was being prepared at this time. It was noted by the Chairman that these physicals were a part of the safety measures to protect our maintenance employees and called for a motion to pay The Workplace invoice in the amount of \$21,264.25. On motion of Commissioner Teator, seconded by Vice Chairman Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 005-073

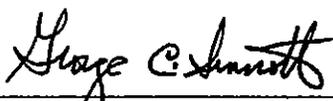
Resolution Date: June 16, 2005

WHEREAS, the Board has reviewed the recommendation from the Director of Human Resources relative to the annual physicals performed by The Workplace; and

WHEREAS, the current billing for such physicals is \$21,264.25; and

BE IT 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 16th day of June 2005.



George C. Sunott, Secretary

INFORMATION TECHNOLOGY:

1) Microsoft License Renewal

Mr. Cavallino referred the Board to a memorandum presented to them relative to the annual cost of the software licenses for the Authority's operating systems and programs installed stating that with the deployment of server class systems and personal computers at the Authority it is necessary to license the software operating systems and programs installed on these devices. The Authority has participated in the NYS Statewide Microsoft Licensing program since 2002 and at this time recommends approval for final payment of the current contract in an amount not-to-exceed \$25,000.00. Commissioner Teator inquired why an estimated amount not-to-exceed and Mr. Cavallino stated that the invoice had not been received but based on previous licensing costs and the analysis made for the software licenses, the amount should not exceed \$25,000.00. Mr. Cavallino continued, further stating that the benefits of this program include the ability to operate the current versions of the Microsoft Operating System, the Microsoft Office Suite and older versions of these programs as needed. Additional benefits include price protection and predictable budgetary amounts. The licensing contract with OGS has recently been awarded to Hewlett Packard and they will act as the reseller of these software services. The annual cost of this program is approximately \$25,000.00 and this amount is identified in the approved Operating Budget of the Department of Information Technology. On motion of Commissioner Paradies, seconded by Commissioner Teator, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 005-074

Resolution Date: June 16, 2005

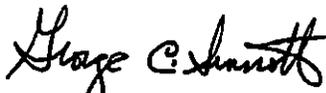
WHEREAS, the Board of Commissioners has reviewed the memorandum describing the need to procure Microsoft software licenses for the Authority's electronic computer systems; and

WHEREAS, the Authority will purchase these licenses through the NYS OGS Statewide Contract #PT61408; now therefore

BE IT RESOLVED that the annual purchase of software licenses for the period beginning July 1, 2005 is hereby approved at a cost not to exceed \$25,000; 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 16th day of June, 2005.



George C. Sinnott, Secretary

OPERATIONS:

1) New York State Thruway Authority E-ZPass Transactions First Quarter 2005 Invoice

Mr. Ferguson presented to the Board a report and invoice from the New York State Thruway Authority for the period January 1, 2005 through March 31, 2005 for E-ZPass credit card and transaction fee expenses in the amount of \$570,593.94. This amount also includes Authority tag costs, which are billed in the first quarter of every year. This portion of the billing came to \$92,904. Vice Chairman Dressel noted that this quarterly invoice was the cost of having electronic tolling and not something the Authority could negotiate (except for the accuracy of the billing) and moved to accept the resolution to pay this invoice, which was seconded by Chairman Sproat, and approved unanimously. As such the following resolution was adopted by a unanimous vote.

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-075

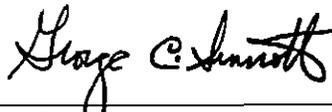
Resolution Date: June 16, 2005

WHEREAS, the New York State Bridge Authority has reviewed the report relative to the payment to the New York State Thruway Authority for credit card fees and transaction fees in the amount of \$570,593.94 for the first quarter of 2005; now therefore

BE IT RESOLVED that this payment is hereby approved at a cost not-to-exceed \$570,593.94; 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 16th day of June 2005.



George C. Shinnott, Secretary

REPORTS TO THE BOARD:

1. Monthly Activity Report of the Executive Director

The Monthly Activity Report for May 2005 was submitted by the Executive Director, Mr. Sinnott, who stated there were no expenses to report.

2. Audit Committee Report

Chairman Sproat stated that the next business item of today's meeting was the Internal Audit Committee Report. Chairman Sproat commended Commissioner Paradies and the committee members for their work. Mr. Whitbeck, General Counsel, stated that the Committee had formulated recommendations for action by the Board as follows:

- A. A five (5) year EDP plan be prepared and adopted by the Board to enable the Board to better evaluate capital and other proposed expenditures by the EDP Department.
- B. The Chairman should be authorized to appoint a governance committee.
- C. The Board should consider appointing a long-range planning committee and possibly a building committee.
- D. The Board should adopt the attached Charter for the Audit Committee.
- E. The Board should resolve to amend the Policy and Procedures Manual to reflect Mr. Bucci's recommendations.
- F. The Board should receive the Internal Auditor's reports and take any action recommended. Copies of Mr. Mickle's reports are already included in your Board packet.

After further discussions the Board took action as follows:

ITEM A. – 5-YEAR EDP PLAN

On motion of Vice Chairman Dressel, seconded by Commissioner Teator, the following EDP Plan resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-076

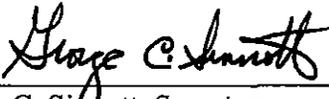
Resolution Date: June 16, 2005

WHEREAS, the Internal Audit Committee has recommended the adoption of an Electronic Data Processing (“EDP”) Plan; now therefore

BE IT RESOLVED that Mr. Cavallino, the Director of Information Technology and Dr. Mankovich, the Authority’s EDP Consultant, should collaborate to prepare a five (5) year EDP Plan and take such other steps concerning same as may be directed by the Internal Audit Committee.

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 16th day of June 2005.



George C. Sinnott, Secretary

ITEM B. – GOVERNANCE COMMITTEE

This recommendation was tabled for further deliberations.

ITEM C. – LONG RANGE PLANNING COMMITTEE AND BUILDING COMMITTEE

This recommendation was tabled for further deliberations.

ITEM D. – CHARTER FOR THE AUDIT COMMITTEE

**NEW YORK STATE BRIDGE AUTHORITY
AUDIT COMMITTEE CHARTER**

PREAMBLE

Pursuant to Section 528 of the Public Authorities Law, the Board known as the “New York State Bridge Authority” (hereinafter “the Authority”), is a body corporate and politic, that consists of five (5) members who are appointed by the Governor by and with the advice and consent of the Senate.

PURPOSE

To advise and assist the governing Board of the Authority in fulfilling its obligations of overseeing the Authority’s system of internal control.

AUTHORITY

The Authority’s Audit Committee (“the Committee”) has the authority to oversee the various operations and systems of control within the Authority that have been instituted to determine adherence to the Authority’s policies and procedures; compliance with applicable laws, rules and regulations; efficient use of resources; and accomplishment of planned missions and objectives. The Committee shall be empowered to:

- Recommend to the full Board appointment, replacement and compensation of all public accounting firms, including outside auditors (outside consultants). The Committee shall oversee the work of the outside auditors and the outside auditors shall report directly to the Committee.
- Obtain advice or assistance from outside consultants, as the Committee deems necessary or appropriate, with full Board approval.

Seek any information it requires from Authority officers or employees, all of whom are directed to fully cooperate with all Committee requests, as well as external parties.

The Authority shall ensure that the Committee has access to sufficient resources to carry out its responsibilities as hereinafter defined.

COMPOSITION

The Committee shall consist of one member of the Authority Board who is appointed by a majority vote of the full Board. A member shall be independent and should have some background in finance. A member shall be deemed "independent" if he or she is: (a) not employed by the Authority; (b) not employed by a state or local government; and (c) not employed by an entity, public or private, that is doing, or is likely to do, business with the Authority. The term of any Committee member shall be at the discretion of the Board.

MEETINGS

The Committee shall meet at least quarterly or more frequently, as necessary. The Committee shall fix its own time and place of meetings and shall prescribe its own rules of procedure. All Committee members are expected to attend each meeting. The Committee will invite Board officers, employees, independent counsel, auditors, accountants, consultants and/or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes of all meetings will be prepared.

RESPONSIBILITIES

The Committee will carry out the following responsibilities:

Oversight of the Authority's Public Accounting Firms:

Review and evaluate the independence, qualifications, and performance of the outside auditors and accountants, including (a) discussing with the outside auditors and accountants any disclosed relationships or services that may impact their objectivity and independence, (b) reviewing, at least annually, the outside audit and accounting quality control procedures; and (c) recommending retention of accountants and outside auditors.

Review and recommend to the Board the results of such evaluation of accountants and outside auditors and take any action the Committee deems appropriate based on the evaluation.

Review and act upon the scope of accountants' and outside auditors' reports.

Oversight of the Authority's Internal Audit Function:

Oversee the Authority's internal controls and compliance systems.

Review the adequacy and direction of the Authority's internal audit function, including whether there are the necessary segregation of duties and clear chain of command procedures in place to maintain proper checks and balances.

Approve the Authority's annual internal audit work plan and direct the activities of the internal control officer and internal auditor.

Review the adequacy and direction of the internal controls of the Authority in consultation with the outside auditors and the internal auditor.

Obtain and review management reports on internal controls.

Financial Statements and Disclosure Matters:

Discuss with the Board and appropriate Executives and Senior Staff of the Authority any significant financial reporting, accounting, and audit issues and judgments pertinent to the preparation and approval of the Authority's Financial Statements.

Consider major changes and other major questions of choice respecting the appropriate auditing and accounting principles and practices to be used in preparing the Financial Statements.

Compliance Oversight Responsibilities:

Resolve disagreements with respect to, and oversee compliance with, accounting policies and principles.

Serve as a channel of communication among the internal auditor, accountants, outside auditors and the members of the Board.

Report regularly to the full Board on the Committee's deliberations and recommend to the Board any action the Committee deems appropriate with respect to any issues that arise concerning the quality or integrity of the Financial Statements, compliance with legal or regulatory requirements, performance and independence of the outside auditors, or performance of the internal auditors.

Review all reports and draft reports delivered by the Office of the State Comptroller to the Authority, and recommend to the Board any action the Committee deems appropriate based on the scope of such reports.

Establish procedures for the receipt, retention, investigation, and/or referral to the New York State Inspector General of complaints received by the Authority regarding accounting, internal controls, and auditing.

Review all reports and draft reports delivered by the State Inspector General to the Authority, and serve as a point of contact with such Inspector General.

Investigate compliance with the Authority's policies and/or referring instances of non-compliance to the State Inspector General for investigation.

Other Responsibilities:

Review and reassess annually the adequacy of this charter and request Board approval for proposed changes.

Confirm annually that all responsibilities outlined in this charter have been carried out.

Institute and oversee special investigations as needed.

Perform such other duties as the Committee considers appropriate.

LIMITATION OF COMMITTEE'S ROLE

The Committee is responsible for the duties and functions set forth in this charter, but, the Committee's role is oversight and therefore it is not responsible for either the preparation of the Authority's Financial Statements or the auditing of the Authority's Financial Statements. The Board members of the Committee are not employees of the Authority and are not accountants or auditors by profession. The Executives and Senior Staff of the Authority have the responsibility of preparing the Financial Statements and implementing internal controls, and the outside auditor has the responsibility of auditing the Financial Statements and monitoring the effectiveness of the internal controls, subject, in each case, to the oversight of the Committee described in this charter. The review of the Financial Statements by the Committee is not of the character or quality as the audit performed by the outside auditor. The oversight exercised by the Committee is not a guarantee that the Financial Statements will be free from mistake or fraud. In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible in order to best react to a changing environment.

On motion of Chairman Sproat, seconded by Vice Chairman Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-077

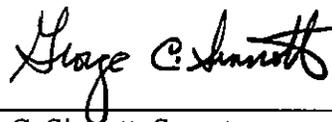
Resolution Date: June 16, 2005

WHEREAS, the Internal Audit Committee has recommended the approval of a Charter by which the committee can continue to act as a committee of the Board; now therefore,

BE IT RESOLVED that the Charter of the Internal Audit Committee as presented, with the report of Walter A. Paradies, Board Member, is hereby adopted.

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 16th day of June 2005.



George C. Sinnott, Secretary

ITEM E. – POLICY AND PROCEDURES MANUAL

PATTISON, KOSKEY, HOWE & BUCCI, CPAs, P.C.
502 UNION STREET, HUDSON, NEW YORK 12534

PHONE: (518)-828-1565

FAX: (518)-828-2672

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Reginald H. Pattison, CPA (1910-2002)
 Richard P. Koskey, CPA, PFS
 Jon Rath, CPA (Retired)
 Ned Howe, CPA*, PFS
 A. Michael Bucci, CPA
 Carol Olsta, CPA
 Suzanne E. Muldoon, CPA
 Nancy K. Patzwahl, CPA **
 Brad Cummings, CPA, CVA
 Susan L. True, CPA

 Catherine S. Gomm, CPA
 Jean Howe Lossi
 Melissa W. Wishon
 Betsy Cullen

Members:

American Institute Of
 Certified Public Accountants

New York State Society Of
 Certified Public Accountants

* Also Licensed In Connecticut

**Also Licensed In Vermont

June 1, 2005

To the Audit Committee of
 New York State Bridge Authority
 Chairman Walter Paradies
 PO Box 1010
 Highland, NY 12528

Dear Sirs:

I have reviewed the responses to my Internal Control Systems Review report and provide to you below my comments regarding such responses. For the most part, the Authority staff that created the responses has agreed with my findings and agrees to implement the recommended changes as listed. Below is a summary of some of the comments, or lack of comments, that were presented by staff. My response is to support or agree to their reasoning for not implementing the suggestion, if any, and also to ask for additional clarification to some of the response.

Mr. Russo – Director of Administration

Mr. Russo's response basically agrees to implement all recommendations. I suggest building the template as soon as possible to allow the Directors to begin their organization of the information. My comments on the cell phone usage policy were not addressed.

Mr. Sewell – Treasurer (Internal Control Officer)

Mr. Sewell's response also agrees to implement most recommendations. The items that were omitted I believe will be left up to the Audit Committee to decide on a direction. Those items are the structure of the internal audit work to be performed, by whom and whether more internal EDP auditing will be completed in the future.

Also, since Mr. Sewell is the Internal Control Officer, I will list all of the items for which no response was received. For example, an item not specifically addressed by anyone was the code of ethics section, however I believe the Authority Board had already implemented such a policy.

Training and Cross-training were also not specifically addressed by the responses. I, again, strongly recommend, as part of each department's procedures, a section on training, backup and cross-training be included.

Mr. Ferguson – Manager of Bridge Operations – Operations

Mr. Ferguson also agrees to implement a formal documentation of the items listed in my report. The only item I did not find any response to was gate operations. In the tone of Mr. Ferguson's response however it seems that this will also be documented as part of the review of that section of the manual.

Ms. Haywood – Human Resources

Ms. Haywood addressed most of the recommendations with agreement to implement their requirements. I do however disagree or request additional information with the responses to a few of the recommendations. They are as follows:

She states that staffing levels should not be in the manual. I would ask why not? I believe that a list of all staff be presented with their grade levels, job titles and civil service designations. Also, a reference should be made in the manual as to where a detailed job description exists for all positions. There should also be a plan put into place to develop a staffing request or evaluation procedure. This will include such things as development of a need, a formal job description, and approval by related departments, civil service approval procedures and board approval processes.

Retirement counseling is a function of the Comptrollers office but the Human Resources department should have a working knowledge of the options available for employees, people to call for information, a calendar of upcoming seminars that people may be interested in, etc.

A standard forms package should be included in the manual and someone designated in Human Resources to assist employees in filing them.

For employee benefits (such as Retirement as well as others) a standard document listing should be present in the manual to alert employees of all benefits available to them and the options they can sign up for; from Deferred Compensation, to dental and vision benefits, to any other benefit available for each employee. Standard handouts on benefits should be available or made available to employees. At a minimum, a listing of all benefits and how to enroll for each should be present in the document.

As for performance reviews, we did not mean to imply that they should perform them. We attempted to recommend that Human Resources be responsible for training personnel on proper procedure, assisting operations and the Executive Function in creating such procedure and developing specialized review forms for each situation, if appropriate. These are typical tasks of a Human Resources department. Department personnel should visit other agencies and critique their review processes. They could look for training outside the Authority to assist in Employee evaluation, etc.

For workers compensation and disability procedures, if detailed procedures are addressed in the Authority's labor contract then simply a reference to the contract as direction to follow such procedures are sufficient. If not sufficient, additional clarification should be included in the manual.

Mr. Cavallino -- Director of Information Technology

Mr. Cavallino and his staff provided a detailed response addressing most all recommendations and I don't have any disagreements with those responses. I look forward to reviewing the finished product. Below are some items that were not specifically addressed or could use a bit more information. With the nature of Mr. Cavallino's response I have no doubt he will address each item below.

However, neither Mr. Cavallino, nor Mr. Herd's response discussed a system for controlling software version usage, instruction manuals, license control, etc. We are assuming that this will be covered under the full documentation of all networks. I also did not see a response concerning the security audit importance or relevance. Again, it may be part of their response to the Executive Order 123 or the disaster recovery response.

Mr. Mazzella's response, although impressive, does not comment as to this analysis he speaks of, being part of the manual. The results of his six years of failure analysis should be documented for each component part and redundancy plans for each discussed. Minimum downtime on components should be determined as well as an action plan for their replacement, hot spare swapping procedure or other plan of action detailed as part of this analysis. I also assume, by his response that Mr. Morgese will be responsible for the final development of this.

Mr. Morgese's response addressed most of the salient points of my recommendations. Downtime statistics reports and reaction to such reports were not specifically addressed. Also, unused commuter trip auditing was not discussed.

I again want to thank the Authority for the opportunity to assist them in more effectively documenting their systems of Internal Control. I will be happy to assist Authority staff in any way possible in their attempt to properly and efficiently document their internal systems.

Sincerely,

PATTISON, KOSKEY, HOWE & BUCCI, CPAs, PC

Michael Bucci, CPA
Shareholder

On motion of Commissioner Teator, seconded by Vice Chairman Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 05-078

Resolution Date: June 16, 2005

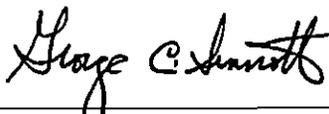
WHEREAS, the Internal Audit Committee has recommended that the Board authorize the amendment of the Policy and Procedures Manual to reflect the recommendations of Michael Bucci, the Internal Audit Committee's outside audit consultant; now therefore

BE IT RESOLVED that the Board authorize the amendment of the Policy and Procedures Manual to reflect the recommendations of Michael Bucci, the Internal Audit

Committee's outside audit consultant, and to bring such amendments to the Board for approval.

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 16th day of June 2005.



George C. Sinnott, Secretary

ITEM F. – INTERNAL AUDIT REPORTS

Chairman Sproat stated that action should be taken on the recommendations made in the Internal Auditor's reports. The audits performed were for the period of January 1, 2004 through December 31, 2004 and are as follows:

- Payroll Function
- Toll Revenue Function
- Construction Contract – Administrative Function
- Cash and Investment Functions
- Purchasing/Cash Disbursements Function
- Employee Travel/Expense Reimbursement

The reports are available through the Internal Auditor's office.

Chairman Sproat announced that this concluded the business agenda of the regular meeting and that the Board would adjourn to the Executive and Attorney/Client Privilege Session. The regular meeting was officially adjourned on motion of Chairman Sproat, seconded by Vice Chairman Dressel and approved unanimously at 4:30 P.M. Following the meeting the Board members were given a tour of the Rip Van Winkle Bridge facility and various construction projects.

The next regular meeting is scheduled for July 21, 2005 at 3:00 P. M at Headquarters.