

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

HELD AT HEADQUARTERS, HIGHLAND, N.Y. ON  
JUNE 22, 2006

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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 W., Esq., Counsel

OFFICERS:

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

Absent:

Madison, Thomas J., Commissioner

Chairman Sproat called the regular meeting of the Authority to order at 3:00 P.M. Chairman Sproat stated that if there were no questions or changes to the May 18, 2006 minutes, he would like to call for a motion to adopt the minutes of the May 18, 2006 Annual and Regular meetings. On motion of Commissioner Paradies, seconded by Commissioner Teator, the minutes of the May 18, 2006 Annual and Regular meetings were adopted unanimously.

The first item on the agenda to be considered was for Administration and Chairman Sproat stated that Mr. Russo would be presenting the E-ZPass IAG Resolutions for the Board's final review and consideration for adoption.

ADMINISTRATION:

1) E-ZPass IAG Resolution

Mr. Russo informed the Board that he attended a meeting of the Executive Committee of the E-ZPass Inter-Agency Group (IAG) on June 15th in Boston. The meeting was held to vote on two resolutions that were amendments to the IAG Operating Agreement. Both resolutions were passed and now required formal approval by the Authority's Board.

The first resolution was to formally adopt Reciprocity II which is the provision for permitting the use of E-ZPass at public parking facilities, known as E-ZPass Plus.

The second resolution was to formally adopt a similar parking program for privately operated parking facilities. The program is identified as the E-ZPass IAG Private Parking Services Program Agreement and commonly referred to as Reciprocity III. Mr. Russo went on to explain that the terms and provisions of Reciprocity III were similar to Reciprocity II with the significant distinction being that Reciprocity III provides for the sharing of surplus funds or profits among member agencies in the geographic area of the privately operated parking facility.

Commissioner Paradies asked if there were any risks of loss to the Authority. Mr. Russo stated that there were not and General Counsel concurred stating that there were security mechanisms in place. Mr. Russo further stated that both resolutions had been reviewed by the Authority's legal representative to the IAG Legal Committee and he recommended adoption of the two resolutions.

Chairman Sproat asked if there were any questions or comments and, if not, called for a motion. On motion of Commissioner Dressel, seconded by Commissioner Paradies, the following resolutions were unanimously adopted:

**NEW YORK STATE BRIDGE AUTHORITY**

**BOARD RESOLUTION**

Resolution No.: 06-061

Resolution Date: June 22, 2006

WHEREAS, the parties to the E-ZPass Reciprocity II Interagency Agreement dated as of April 5, 2001 ("Reciprocity II") and amended as of October 27, 2004 desire to extend the term of the E-ZPass Plus Public Parking Program; and

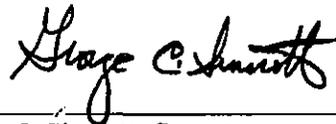
WHEREAS, the Parties are now desirous of making the term of the Reciprocity II Agreement permanent; and

WHEREAS, the Board has reviewed the Third Amendment to the Reciprocity II Agreement; now therefore

BE IT RESOLVED that the Executive Director or the Chairman is hereby authorized to execute, acknowledge and deliver the Third Amendment. The execution of the Third 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 22<sup>nd</sup> day of June, 2006.



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George C Sinnott, Secretary

**NEW YORK STATE BRIDGE AUTHORITY****BOARD RESOLUTION**Resolution No.: 06-062Resolution Date: June 22, 2006

WHEREAS, the member agencies of the E-ZPass Interagency Group have permanently adopted an E-ZPass Plus Private Parking Services Agreement (Reciprocity II); and

WHEREAS, the Parties are now desirous of authorizing the use of E-ZPass Plus at private parking facilities; and

WHEREAS, the Parties have defined the provisions of such an Agreement and identified it as the Private Parking Services Agreement (Reciprocity III); and

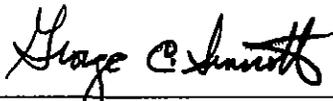
WHEREAS, the Board has reviewed the Reciprocity III Agreement and its Addendums; now therefore

BE IT RESOLVED that the Executive Director or the Chairman is hereby authorized to execute, acknowledge and deliver the Reciprocity III Agreement. The execution of the Reciprocity III Agreement 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 22<sup>nd</sup> day of June, 2006.

  
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George C Sinnott, Secretary

ENGINEERING:1) Newburgh-Beacon Bridge Deck Repairs and Approach Paving Award

Mr. Moreau reported to the Board that after removing the deck joint repair work from this project a re-bid for the Newburgh-Beacon Bridge Deck and Approach Paving was solicited through the New York State Contract Reporter and that two bids were received on June 6, 2006. Mr. Moreau advised the Board that Argenio Brothers, Inc. submitted the low bid and after review by the Engineering Department, he was recommending award. On motion by Commissioner Teator, seconded by Commissioner Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITYBOARD RESOLUTIONResolution No.: 06-063Resolution Date: June 22, 2006

WHEREAS, a re-bid was solicited through the New York State Contract Reporter for the contract entitled Newburgh-Beacon Bridge "Paving and Deck Repairs" (BA2006-RE-101-CM) and two (2) bids were received on June 6, 2006, the low bidder being the firm of Argenio Brothers, Inc at a bid of \$1,674,966.00; and

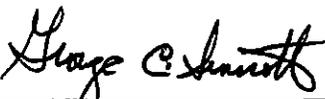
WHEREAS, an environmental review of this project has determined there is no significant negative impact; and

WHEREAS, Argenio Brothers, Inc. has previously completed a contract 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 Argenio Brothers, Inc.; now therefore

BE IT RESOLVED that a contract be awarded to Argenio Brothers, Inc. of Newburgh, New York in the amount not-to-exceed \$1,674,966.00 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 22nd day of June, 2006.

  
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George C. Sinnott, Secretary

2) Bear Mountain Bridge Electrical System Upgrade

Mr. Moreau presented the results of the proposals received for the design assignment of a new electrical system at the Bear Mountain Bridge. Six responses were received following an advertisement in the New York State Contract Reporter. Greenman-Pedersen, Inc. called to withdraw their proposal citing a mistake in their cost. Of the five remaining consultants, Lockwood, Kessler & Bartlett (LKB) submitted the best overall proposal and accordingly was recommended for award. Chairman Sproat asked why Associated Engineering was not selected since their cost was nearly \$20,000.00 below LKB. Mr. Moreau reviewed the technical aspects of the selection process with the Board emphasizing that a low cost was not the primary selection criteria. A lengthy discussion ensued over the opportunity to save money on a design assignment. Mr. Moreau reminded the Board a design assignment produces bid/construction documents that must be properly prepared to protect the Authority's investment in construction. Flawed documents or vague specifications typically create costly change orders or contractor claims during the construction process. Selecting the best overall proposal includes an evaluation of the consultant's understanding of the project scope, their corporate experience, their personnel experience, their technical breakdown of the tasks involved and their cost. Chairman Sproat again questioned why Associated was not good enough because their scores did not signify an unqualified submission. Mr. Moreau went on to explain that Associated Engineering is not an electrical engineering firm and although they feel they are qualified for this assignment, it was the opinion of the Engineering Department that LKB had significantly more electrical engineering experience. LKB successfully completed the new electrical system on the Kingston-Rhinecliff Bridge, nearly ten years ago. The cost discrepancy between Associated

Engineering's proposal and the rest of the Consultants raises serious doubts that the low cost is a realistic budget for this assignment.

The assignment at Bear Mountain is particularly complicated in that over eighty years of modifications have been overlaid on the existing 1924 electrical system. Since Mr. Moreau has a strong background in Civil Engineering, not electrical, it is imperative to retain a knowledgeable electrical engineer to prepare this contract.

Commissioner Teator reiterated his desire to save \$20,000.00 by selecting the low cost proposal. Chairman Sproat voiced his displeasure with the numeric rating system and stated that he would prefer a narrative explaining all that was discussed. Commissioner Paradies stated that he prefers the numeric rating system and that we should not change a thing. He went on to make a motion to accept the Chief Engineer's recommendation and award this contract to LKB. Vice Chairman Dressel seconded the motion. Commissioner Teator reminded everyone that we needed a unanimous decision to pass the motion. Carl Whitbeck pointed out that Mr. Moreau's professional opinion should be strongly considered. The motion was passed and the following resolution was adopted unanimously:

**NEW YORK STATE BRIDGE AUTHORITY**

**BOARD RESOLUTION**

Resolution No.: 06-064

Resolution Date: June 22, 2006

WHEREAS, the New York State Bridge Authority has determined that it is in the public interest to award a contract for professional design services in connection with the Bear Mountain Bridge "Electrical System Upgrade" to be designated (BA2006-RE-106-DE); and

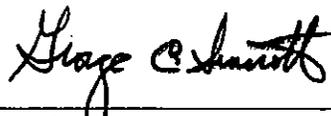
WHEREAS, the Authority's Engineering Department reviewed the proposals and determined that Lockwood Kessler & Bartlett (LKB) is best qualified to provide the required professional services; and

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

BE IT RESOLVED that a professional service agreement be awarded to Lockwood Kessler & Bartlett (LKB) of Syosset, New York in an amount not to exceed \$82,880.27.

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 22nd day of June 2006.



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George C. Sinnott, Secretary

3) Municipal Water and Sewer Agreements for the Mid-Hudson Bridge

At the last meeting, Mr. Moreau presented to the Board for consideration municipal service agreements for water and sewer services at the Mid-Hudson Bridge; and the question came up whether the Town of Lloyd would consider one service without the other. To clarify the Board's options, Mr. Moreau contacted the Town of Lloyd Water and Sewer Administrator and he stated the service agreements were drafted individually and the Town will enter into a single service agreement at the Authority's discretion. The cost of on-site sewage disposal is comparable to entering into a service agreement with the Town of Lloyd. Both options will require a sewage pump station and the on-site option requires extensive clearing, filling and re-grading of the septic area, while the municipal option requires expensive trenching and pipe laying.

The water options have a much more significant cost difference. While the alternative of continuing to use six on-site wells versus the alternative of municipal water was presented at the last meeting in combination with the sewage disposal, it was broken down for this meeting. The cost for the on-site water option was assumed to be zero and the cost for the municipal water option is \$283,000.

We had a well failure last week and the cost for a new pump and plumber totaled \$1,100. Replacing well pumps and hydro pneumatic storage tanks was estimated, on a 20 year cycle, at a cost of \$4,000 per location. In his May memo, Mr. Moreau discussed the advantages of potable water versus the known contaminated water sources currently being used and although Mr. Sewell feels that any advantage of having fire hydrants for fire protection is

greatly outweighed by the initial cost of the project and the \$8,000 per year in service fees, Mr. Moreau strongly disagrees.

For these reasons, Mr. Moreau recommends the Authority enter into both the water and sewer agreements with the Town of Lloyd for a long term solution to health and environmentally significant issues. Chairman Sproat recommended that we go ahead with the sewer only and on motion of Commissioner Paradies, seconded by Commissioner Teator, the following resolution was adopted unanimously. It is noted for the record that the Board agreed the resolution would be modified to delete the water agreement and proceed with the sewer agreement only.

**NEW YORK STATE BRIDGE AUTHORITY**

**BOARD RESOLUTION**

Resolution No.: 06-065

Resolution Date: June 22, 2006

WHEREAS, the Board has reviewed the needs for water and sewer at the Mid-Hudson Bridge campus; and

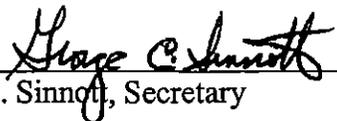
WHEREAS, Carl Whitbeck has drafted two independent municipal agreements with the Town of Lloyd to provide water and/or sewer services; and

WHEREAS, the Authority's Engineering Department has reviewed and approved the agreements; now therefore

BE IT RESOLVED that the Bridge Authority will enter into the municipal sewer agreement only, with the Town of Lloyd to provide municipal sewer service; and

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

IN WITNESS WHEREOF, this resolution has been duly adopted this 22<sup>nd</sup> day of June 2006.

  
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George C. Sinnott, Secretary

4) Monthly Jobs In Progress Report – June 2006

Mr. Moreau presented the monthly jobs in progress report for May 2006. He reported that the Mid-Hudson Bridge west approach rehabilitation project was on schedule and that the concrete deck will be ready to be poured in July. Mr. Moreau also stated that the Bear Mountain Bridge main cable backstay was progressing and that Piasecki Steel Construction installed the tower top connection plates with minimal interruption to traffic. Mr. Moreau further stated that the Newburgh-Beacon Bridge paving repairs would be starting in early July.

Chairman Sproat stated that if there were no questions or comments he would like to call for a motion. On motion of Commissioner Teator, seconded by Chairman Sproat the following resolution was adopted unanimously:

**NEW YORK STATE BRIDGE AUTHORITY**

**BOARD RESOLUTION**

Resolution No.: 06-066

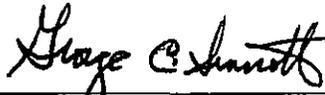
Resolution Date: June 22, 2006

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

BE IT RESOLVED that the Engineering Progress Report is accepted as an instrument documenting the Board's briefing of 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 22<sup>nd</sup> day of June 2006.



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George C. Sinnott, Secretary

FINANCIAL:1) Investment Report

Mr. Sewell presented the Investment Report for the month of May 2006 and indicated that interest rates were still showing an upward climb. After a brief discussion and on motion of Chairman Sproat, seconded by Vice Chairman Dressel, the following resolution was adopted unanimously:

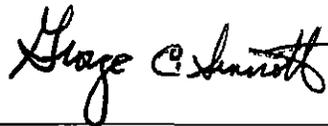
NEW YORK STATE BRIDGE AUTHORITYBOARD RESOLUTIONResolution No.: 006-067Resolution Date: June 22, 2006

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 18, 2006; 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 22<sup>nd</sup> day of June  
2006.



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George C. Sinnott, Secretary

2) Amendment to Investment Guidelines

In the Authority's independent accountants' management letter, associated with the audit of the 2005 financial statements, UHY suggested the Authority make changes to some outdated language in the investment guidelines. Specifically, Article II, Section 203 indicates the Trustee as being the United States Trust Company of New York. This should be changed to the Bank of New York. In addition, Article V, Section 502 states that "The Executive Director shall issue an internal memorandum setting forth in detail the required practices and procedures for carrying out these guidelines, including the responsibilities of the Financial Officer (now the Treasurer) whose duty it is to maintain direct contact with the Trustee, the depository banks, and the financial and investment community." Since this was done when the guidelines were instituted, UHY feels the Authority should eliminate this section. As such, a resolution was drawn up to effect these changes in the guidelines. Commissioner Paradies questioned if the Treasurer's duties were spelled out somewhere. Mr. Sewell said there was a description of his duties in the Policies and Procedures Manual, which is in the process of being revised. Mr. Whitbeck, General Counsel, said the policies would be reviewed. On motion of Commissioner Paradies, seconded by Commissioner Teator, the following resolution was adopted unanimously:

**NEW YORK STATE BRIDGE AUTHORITY**

**BOARD RESOLUTION**

Resolution No.: 006-068

Resolution Date: June 22, 2006

WHEREAS, Investment Policy Guidelines dated September 5, 1984 were adopted as the operating guidelines in this area for the New York State Bridge Authority; and

WHEREAS, Article VII of the Investment Policy Guidelines provides for the necessary amendment of said guidelines; now therefore

BE IT RESOLVED that as of June 22, 2006 Articles II and V of the Investment Policy Guidelines is amended as follows:

**Article II – Investment Policy**

203. All the Bridge Authority Funds authorized in Section 5.02 of the Bond Resolution are available for the production of investment income. These Funds are all, except for the Operating Fund, administered and invested by [the United States Trust Company of New York] The Bank of New York , as Trustee for the Bondholders (hereafter “the Trustee”).

**Article V – Practice and Procedures**

[502. The Executive Director shall issue an internal memorandum setting forth in detail the required practices and procedures for carrying out these guidelines, including the responsibilities of the Financial Officer (now the Treasurer) whose duty it is to maintain direct contact with the Trustee, the depository banks, and the financial and investment community.]

[503] 502. The Authority Board shall review these Investment Policy Guidelines periodically (at least annually) and revise them as necessary to reflect changes in available investment opportunities and market conditions or as result of any recommendations from the periodic evaluation of the performance of the investment program or any audits of the investment program.

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 22<sup>nd</sup> day of June 2006.

  
George C. Sinnott, Secretary

3) Maintenance Reserve Fund Balance Determination

Section 5.03 of the General Revenue Bond Resolution requires the balance of this Fund to equal an amount set forth in a certificate of an authorized officer of the Authority. This amount, determined by resolution, is that which is 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. Modjeski and Masters, P.C., the Consulting Engineers, recommend a three year drawdown of the Maintenance Reserve Fund as an adequate balance. As such, the certificate reflects an amount of \$39,300,000 which is the total of the 2006 through 2008 estimated expenditures for capital improvements as approved in the five-year capital program. On motion of Commissioner Paradies, seconded by Commissioner Teator, the following resolution was adopted unanimously:

**NEW YORK STATE BRIDGE AUTHORITY**

**BOARD RESOLUTION**

Resolution No.: 006-069

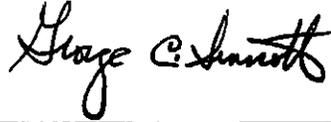
Resolution Date: June 22, 2006

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 \$39,300,000 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 22nd day of June 2006.



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George C. Sinnott, Secretary

HUMAN RESOURCES:

1) NYSPELRA Annual Training Conference

This conference for members of the New York State Public Employer Labor Relations Association will take place this year on July 23<sup>rd</sup> through July 25<sup>th</sup> in Saratoga Springs, New York. The attendees are comprised of public sector labor relations personnel and labor attorneys. The formal training sessions keep the Authority up to date with labor laws and allow for interaction and exchange of practices and policies as well as information on arbitrators. Of equal importance is the networking done with other professionals in the field of labor relations which has proven to be an invaluable resource in areas concerning grievances, employee discipline and negotiations. Ms. Haywood is recommending that Ms. Kristin Miller attend this year's conference instead of herself. On motion of Commissioner Teator, seconded by Commissioner Paradies, the following resolution was adopted unanimously:

**NEW YORK STATE BRIDGE AUTHORITY**

**BOARD RESOLUTION**

Resolution No.: 006-070

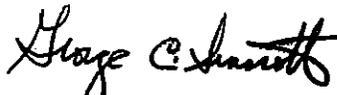
Resolution Date: June 22, 2006

WHEREAS, the Board has reviewed the request of Barbara Haywood for Kristin Miller to attend the New York State Public Employer Labor Relations Association, Inc. (NYSPELRA) Annual Training Conference July 23<sup>rd</sup> through July 25<sup>th</sup>; now therefore

BE IT RESOLVED that attendance of the conference by Kristin Miller is authorized by the New York State Bridge 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 22<sup>nd</sup> day of June 2006.



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George C. Sinnott, Secretary

OPERATIONS:

1) New York State Thruway Authority (NYSTA) Quarterly Invoice – E-ZPass Transaction Fees for the First Quarter of 2006

Mr. Ferguson presented to the Board a report and invoice from the New York State Thruway Authority for the period January 1, 2006 through March 31, 2006 for credit card and transaction fee expenses in the amount of \$591,458.52. After a review and audit of this expense, Mr. Ferguson is recommending that the Board approve this invoice for payment. After a brief discussion and review of the report, Chairman Sproat called for a motion to authorize the Authority, as a member of the E-ZPass New York Customer Service Center, to pay the required amount for the first quarter of 2006. 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.: 006-071

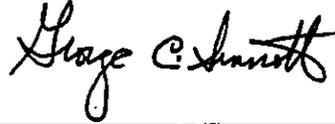
Resolution Date: June 22, 2006

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 \$591,458.52 for the first quarter of 2006; now therefore

BE IT RESOLVED that this payment is hereby approved at a cost not-to-exceed \$591,458.52; 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 22<sup>nd</sup> day of June 2006.



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George C. Sinnott, Secretary

REPORTS TO THE BOARD:

1) Monthly Activity Report of the Executive Director

The Monthly Activity Report for May 2006 was submitted by the Executive Director. Mr. Sinnott stated that there no expenses incurred this month that required the Board's attention.

Chairman Sproat requested an Attorney/Client Privilege Session to discuss litigation and personnel matters at 4:00 P.M. When the regular meeting reconvened, Chairman Sproat stated that this would conclude the meeting since there was no other issues to discuss and made a motion to adjourn the regular meeting, which was seconded by Vice Chairman Dressel, and approved unanimously. The Board concluded its regular meeting at 5:00 P.M.

The next regular meeting is scheduled for July 20, 2006 at 3:00 P.M. at Headquarters.