

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

HELD AT HEADQUARTERS, HIGHLAND, N.Y. ON
November 17, 2011

Business agenda documents/reports are mailed to the Board Members and General Counsel one week prior to the meeting. Board meetings are web cast and copy of the web cast is kept as part of the Board meeting files.

IN ATTENDANCE:

BOARD MEMBERS:

Vecellio, Francis N., Chairman
Dressel, Roderick O., Commissioner
Lashua, C. Vane, Commissioner
Ramaglia, Joseph, Commissioner

Whitbeck, Carl G., Counsel

OFFICERS:

Ruggiero, Joseph, Secretary
Bushek, Brian, Treasurer

ABSENT:

Gerentine, Richard A., Vice Chairman
Higgins, Roger P., Commissioner

Chairman Vecellio called the meeting to order at 3:00 PM and called for a motion to adopt the minutes of the October 20, 2011 Regular meeting. On motion of Commissioner Dressel, seconded by Commissioner Ramaglia, the minutes of the October 20, 2011 Regular Meeting were adopted unanimously.

ENGINEERING:

1) KRB Pavement Monitoring System – Bid Result

Mr. Moreau mentioned to the Board that after advertising the Kingston-Rhinecliff Bridge Pavement Monitoring project in the NYS Contract Reporter, the Authority received two requests for bid packages but only one bid. Mr. Moreau indicated that Vaisala submitted their proposal for a total of \$27,995.00 which was consistent with the Board's previous authorization. No action was required by the Board.

2) Jobs in Progress Monthly Report

Mr. Moreau presented the Engineering Jobs in Progress Report for the month of October. He stated that the paint project at Newburgh-Beacon Bridge is completed and the painters are demobilizing. Mr. Moreau also added that NYSBA was very pleased with the work of Allied Paint. Chairman Vecellio called for a motion. On motion of Commissioner Ramaglia, seconded by Commissioner Lashua, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 011-082

Resolution Date: November 17, 2011

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 17th day of November 2011.

Joseph Ruggiero, Secretary

FINANCIAL:

1) Investment Transaction Report

Mr. Bushek reviewed the Investment Report for the month of October noting investment returns yielded positive returns and also noting interest rates improved slightly. Chairman Vecellio called for a motion. On a motion of Commissioner Dressel, seconded by Commissioner Lashua, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 011-083

Resolution Date: November 17, 2011

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 October 20, 2011; 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 purpose 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 17th day of November 2011.

Joseph Ruggiero, Secretary

2) Budget and Financial Plan

Mr. Bushek indicated to the Board that pursuant to the authority vested by Section 5 of Article 10 of the New York State Constitution, Article 9 of the Public Authorities Law and Section 8 (14) of the State Finance Law, the State Comptroller adopted Regulation 2 NYCRR Part 203, "Budget and Financial Plan Format, Supporting Documentation and Monitoring – Public Authorities." The Authority's Budget and Financial Plan 2012-2015 (the Plan) required by this regulation included: Budget and Financial Plan 2012-2015 including text, condensed budgeted revenues, expenditures and changes in current net assets 2012 – 2015, actual financial performance for 2010 and the change in estimates for the previously approved 2011 budget, debt Schedule 2012 – 2015, Capital Improvement Program 2012 – 2016. Mr. Bushek further indicated that the documents were provided to Audit and Finance Committee members and other Board members at the meeting on September 29th. Both committees approved sending the budget to the full Board for approval and no changes were made. Mr. Bushek added that as of November 17th, the Plan has been available for public inspection and comment at all of our facilities for the thirty days required by the regulation. It has also been made available to the public on the Authority's website. Mr. Bushek noted that there has been no public comment and this Budget and Financial Plan anticipates the toll increase. Chairman Vecellio called for a motion. On a motion of Commissioner Dressel, seconded by Commissioner Lashua, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 011-084

Resolution Date: November 17, 2011

WHEREAS, Office of the State Comptroller Regulation 2 NYCRR Part 203 requires that Bridge Authority budget and financial plan information for fiscal years 2012 through 2015 be prepared, approved and forwarded in report form to the Comptroller; now therefore

BE IT RESOLVED, that the Authority hereby approves the proposed budget and financial plan information; 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 17th day of November 2011.

Joseph Ruggiero, Secretary

3) Quarterly Operations Report

Mr. Bushek reported to the Board that the traffic decline of 1.76% for the first nine months of 2011 was the result of decrease in both commercial and passenger traffic. He also indicated that revenue decreased 1.81%. Low interests rates on treasury obligations continued as interest income decreased by 6% and federal grant reimbursement increased. Operating expenses show an increase which was a net change based on salaries, which declined, the majority which is related to the 2010 Retirement Incentive Employee Benefits and higher taxes. Professional fees were higher due to increased legal costs and some expenditures which are expected to be deferred into bond issuance costs. Depreciation increased primarily from equipment purchased through the Federal Grant and equipment purchases increased. Worker's Compensation Insurance increased due to a change in rates, Commercial insurance increased due to Walkway Over the Hudson. Maintenance and repairs increased due to significantly higher expenditures for salt and fuel. Operating expenses were budgeted for \$26.9 million for 2011, which included \$2.1 million for accrual post-employment benefits to be booked at year end. Mr. Bushek noted as of September 30th 61% of this total has been spent and budgeted capital improvement costs for the year are \$20.9 million. Chairman Vecellio added that even with the Authority cutting expenses and requesting for a toll increase it does not change the fact that revenue is still down and that the bridges still need to be maintained. No action was required by the Board.

4) Annual Invoice for the New York State Employees Retirement System

Mr. Bushek indicated to the Board that annually, as a participating employer, the Bridge Authority is billed by the State Employees Retirement System for its share of the yearly expense for the future pension benefits of its employees. The cost for the fiscal year ending March 31, 2012 is \$2,234,373 for the Authority's 156 employees currently in the system. This includes \$979,737 for the lump sum payment of the 2010 Retirement Incentive. The individual employers' cost vary from year to year based upon salaries, as well as contribution rates which rise and fall predicated upon investment results of the Retirement Fund. Mr. Bushek indicated that this year's cost, adjusted for the retirement incentive, is an increase of \$81,300, or 6.8% which is due to a significant decline in salaries with a small increase in rates as a result of the market recovering somewhat from the collapse of 2008. Chairman Vecellio noted that it has been twelve years since the Authority had its last toll increase and costs with the retirement system have increased through those years. Chairman Vecellio called for a motion. On a motion of Commissioner Ramaglia, seconded by Commissioner Lashua, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 011-085

Resolution Date: November 17, 2011

WHEREAS the Board has reviewed the report relative to the payment of the annual invoice to the New York State Employees' Retirement System; now therefore

BE IT RESOLVED, the New York State Bridge Authority does hereby approve the payment of \$2,234,373 to the New York State and Local Retirement System for pension costs incurred for the year ending March 31, 2012; 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 17th day of November 2011.

Joseph Ruggiero, Secretary

INFORMATION TECHNOLOGY:

1) Port Security Monthly Procurement Report

Mr. Herd indicated to the Board that the total funding available for procurement for the ITS Project is \$1,700,000.00. Expenses this month totaled \$1,491.89 and the total spent to date is \$1,451,380.23 which leaves a balance of \$306,075.77. No action was required by the Board.

2) Jobs in Progress for IT

Mr. Herd informed the Board of the project that the Information Technology Team is currently working on. The camera procurement was received and deployment is being planned. Chairman Vecellio called for a motion. On a motion of Commissioner Dressel, seconded by Commissioner Ramaglia, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 011-086

Resolution Date: November 17, 2011

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

BE IT RESOLVED that the Information Technology 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 17th day of November 2011.

Joseph Ruggiero, Secretary

REPORTS TO BOARD:

1) Monthly Activity Report of the Executive Director

The Monthly Activity Report was submitted by Executive Director Joseph Ruggiero noting no expenditures in the month of October.

2) Traffic Classification Report

Chairman Vecellio reported on the Traffic Classification Comparison report for the year to date and October 2011. This report shows the traffic count on each bridge, as well as the associated revenue. Year to date, New York State Bridge Authority's revenues are \$560,245.00 below last year's receipts. No action was required by the Board.

NEW BUSINESS:

1) Dark Fiber Marketing Agreement

Mr. Ruggiero presented the Board with the agreement between NYSBA and Glen Chalmers for the purpose of providing Dark Fiber leasing opportunities. Mr. Ruggiero noted that he is a sole source provider and will not be paid by NYSBA. Mr. Chalmers will be compensated by the entity leasing dark fiber after they reach an agreement with NYSBA. Chairman Vecellio called for a motion. On a motion by Commissioner Dressel, seconded by Commissioner Ramaglia, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 011-087

Resolution Date: November 17, 2011

WHEREAS, the Bridge Authority seeks to retain Glenn Chalmers as a sole source “finder” for future dark fiber contracts with the Bridge Authority; and

WHEREAS, the attached agreement sets forth the terms and conditions of his retention as an independent contractor; and

WHEREAS, the Bridge Authority has determined that this service is a sole source and cannot be obtained through the normal procurement process of the Bridge Authority.

NOW THEREFORE,

BE IT RESOLVED, that Glenn Chalmers is a sole source “finder” for dark fiber users; and

BE IT FURTHER RESOLVED, that the Bridge Authority authorizes and directs Joseph Ruggiero, as Executive Director, to sign the annexed finders agreement which requires any potential lessee to pay his commission of 5%.

IN WITNESS WHEREOF, this resolution has been duly adopted this 17th day of November, 2011.

Joseph Ruggiero, Secretary

2) December Board Meeting Date Change

Chairman Vecellio stated that the Board of Commissioners found it necessary to change the date of the previously scheduled December 2011 meeting. This change of date will line up with the statutory time line for the toll increase and the 22nd would be the first day to take action. Chairman Vecellio called for a motion. On a motion of Commissioner Lashua, seconded by Commissioner Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 011-088

Resolution Date: November 17, 2011

WHEREAS, the Board of Commissioners finds it appropriate to change the date of the previously scheduled December 2011 meeting;

BE IT RESOLVED that the Board changes the date of the December meeting from December 15, 2011 to December 22, 2011 at 3:00 pm at the Authority's Headquarters in Highland, NY; 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 17th day of November, 2011.

Joseph Ruggiero, Secretary

OLD BUSINESS:

Reapprove Standards for the Use, Award Monitoring, and Reporting of Procurement

Mr. Bushek presented NYSBA's policy regarding Standards for the Use, Award, Monitoring and Reporting of Procurement Contracts. Mr. Bushek noted that no changes have been made to the procurement policy and that it had been reviewed by the Board as well as the Authority's Bond Counsel and asked the Board to reaffirm the policy. Chairman Vecellio called for a motion. On a motion of Commissioner Lashua, seconded by Commissioner Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 011-088

Resolution Date: November 17, 2011

WHEREAS, the Bridge Authority has heretofore adopted standards for the use, award monitoring and reporting of procurement contracts which was last amended as of August 19, 2010; and

WHEREAS, the guidelines recommend that they be reviewed and confirmed by the Board annually; and

WHEREAS, there are no recommendations for changes to the standards.

NOW THEREFORE, BE IT RESOLVED, that the Bridge Authority confirms the standards effective August 19, 2011.

IN WITNESS WHEREOF, this resolution has been duly adopted this 17th day of November, 2011.

Joseph Ruggiero, Secretary

This concluded the regular meeting. Chairman Vecellio asked for a motion to adjourn the meeting. On motion of Commissioner Dressel, seconded by Commissioner Lashua and approved unanimously, the regular meeting adjourned at 3:25 P.M.

The next regular meeting is scheduled for December 22, 2011 at 3:00 P.M. at Headquarters.