

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

HELD AT HEADQUARTERS, HIGHLAND, N.Y. ON
September 20, 2012

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
Gerentine, Richard A., Vice Chairman
Dressel, Roderick O., Commissioner
Higgins, Roger P., Commissioner
Lashua, C. Vane, Commissioner - Via Teleconference
Ramaglia, Joseph, Commissioner

Whitbeck, Carl G., Counsel

OFFICERS:

Ruggiero, Joseph, Secretary
Bushek, Brian, Treasurer

Chairman Vecellio called the meeting to order at 3:13 pm and called for a motion to adopt the minutes of the August 16, 2012 Regular Meeting. On motion of Commissioner Higgins, seconded by Commissioner Ramaglia, the minutes of the August 16, 2012 Regular Meeting were adopted unanimously.

ADMINISTRATION:

1) IBM/Hardware Software Maintenance Renewal

Mr. Russo presented the Board with the maintenance proposal for the renewal of the Authority's hardware and software maintenance agreements for the IBM servers and tape drive that host the JD Edwards software. The maintenance agreements are offered by IBM through its NYS OGS approved reseller, Sirius Computer Solutions (SCS). IBM has offered a 3-year renewal price of \$29,864.71 if pre-paid, which will provide hardware and software maintenance for the period 8/21/2012 through 8/20/2015. The Authority has historically renewed this contract in 3-year cycles. Mr. Russo indicated that this renewal quote is comparable to the 3-year renewal in 2006 for \$30,879.84, which ended in 2009. The entire system was replaced in the first quarter of 2010 and the initial maintenance period was covered in the overall purchase cost which is why we are comparing to the prior period. A brief discussion followed about the service it provides. Chairman Vecellio called for a motion. On a motion of Commissioner Ramaglia, seconded by Commissioner Higgins, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 012-095

Resolution Date: September 20, 2012

WHEREAS, the Board has received a quotation for a 3-year renewal of its hardware and software maintenance agreement for its IBM iSeries computer system which runs its business applications; and

WHEREAS, the Board has reviewed its staff memo indicating that the quotation in the amount of \$29,864.71 is provided by Sirius Computer Solution (SCS), a NYS Office of General Services authorized IBM reseller; and

WHEREAS, the Board has determined it to be in the public interest to procure such maintenance protection to insure the full functioning of its business computing systems; now

BE IT RESOLVED that a purchase order be issued to Sirius Computer Solutions for the maintenance agreement as quoted for the three-year period ending August 20,2015 in the amount of \$29,864.71; 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 20th day of September, 2012.

Joseph Ruggiero, Secretary

ENGINEERING:

1) 2013-2017 Capital Plan

Mr. Moreau briefed the Board regarding the Capital Improvement Program which takes into account seven Hudson River crossings the Authority is now responsible for. Mr. Moreau explained that the work on replacing the deck at the Newburgh-Beacon Bridge facility is set to begin in 2013. This fall the Authority will put out to bid the redecking project, accounting for nearly 50% of the total 5 year plan amount. Chairman Vecellio called for a motion. On a motion of Commissioner Higgins, seconded by Commissioner Ramaglia, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-096

Resolution Date: September 20, 2012

WHEREAS, the Board has reviewed the 2013 – 2017 Capital Program for scope and cost; and;

WHEREAS, the Authority Directors and Executive Office have prepared this plan upon recommendations from our General Consultant, Modjeski & Masters; now therefore

BE IT RESOLVED that the 2013 – 2017 Capital Program in the amount of \$164,673,000 be approved; and

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

IN WITNESS WHEREOF, this resolution has been duly adopted this 20th day of September, 2012.

Joseph Ruggiero, Secretary

2) Systemwide Street Sweeping Contract Extension – Third Extension

Mr. Moreau informed the Board that the contract for Systemwide Street Sweeping service expired on August 31st, 2012. Mr. Moreau received a price quote for an extension of the contract to provide the same services for the period September 1, 2012 through August 31, 2013. This would be the third extension of the Systemwide Street Sweeping contract. A price of \$946.00 per day, up from \$930.00 per day, was put before the Board. The increase was due to the growth of prevailing wage rates. Mr. Moreau went on to say that this is still well below the second lowest price of \$1,100.00 per day when the contract was bid in 2009. Mr. Moreau recommended the Authority extend Community Custom Services' contract an additional year, encompassing forty-five (45) days of service with a total contract cost of \$42,570.00. Chairman Vecellio called for a motion. On a motion of Commissioner Higgins, seconded by Commissioner Ramaglia, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-097

Resolution Date: September 20, 2012

WHEREAS, the New York State Bridge Authority has determined that it is in the public interest to issue a purchase order extension to Community Custom Services for the purchase of System-wide Sweeping Services (BA-2009-OE-012-OT); and

WHEREAS, the Authority's Engineering Department had advertised the opportunity for this service in the Contract Reporter with the right to extend the term for up to three (3) additional years; and

BE IT RESOLVED that the existing contract BA-2009-OE-012-OT be extended another year to Community Custom Services for System-wide Sweeping Services with a total purchase order not to exceed amount of \$42,570.00; and

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

IN WITNESS WHEREOF, this resolution has been duly adopted this 20th day of September, 2012.

Joseph Ruggiero, Secretary

3) KRB Overlay Repairs

Mr. Moreau informed the Board that he met with the Gorman Group regarding repairs to portions of the overlay at the KRB. The overlay is “Novachip” and is available through state contract. Mr. Moreau noted that the Gorman Group is the state contract vendor and he requested an approval of the proposal for \$16,330.00. Mr. Moreau went on to say that a Bridge Authority crew will provide maintenance and protection of traffic and any repairs to the deck below the overlay. Chairman Vecellio called for a motion. On a motion of Commissioner Higgins, seconded by Commissioner Ramaglia, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-098

Resolution Date: September 20, 2012

WHEREAS, the Board has established that it is necessary to repair portions of the deck overlay at the Kingston-Rhinecliff Bridge, and

WHEREAS, the Authority has the opportunity to participate in the use of contracts negotiated by the NYS Office of General Services (OGS) for the procurement of “Novachip,” paver placed surface treatment at bulk quantity rates for all agencies and authorities; now therefore

BE IT RESOLVED that the Authority hereby adopts the NYS OGS Paver Placed Surface Treatment contract with The Gorman Group, utilizing the terms and conditions defined therein for the procurement of such materials in the following amount: \$16,330.00.

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 20th of September 2012.

Joseph Ruggiero, Secretary

4) Jobs in Progress Monthly Report

Mr. Moreau reported on the Engineering Jobs in Progress Report for the month of August, noting that the Newburgh-Beacon painting project is making good progress. The Overlay Project at the Mid-Hudson Bridge is wrapping up and everything is on track. Chairman Vecellio called for a motion. On a motion of Commissioner Higgins, seconded by Commissioner Ramaglia, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-099

Resolution Date: September 20, 2012

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 20th day of September 2012.

Joseph Ruggiero, Secretary

FINANCIAL:

1) Investment Transaction Report

Mr. Bushek reviewed the Investment Report for the month of August noting four investments for the month. Mr. Bushek mentioned the interest income and yield remains relatively flat. Chairman Vecellio called for a motion. On a motion of Commissioner Ramaglia, seconded by Commissioner Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-100

Resolution Date: September 20, 2012

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 August 16, 2012; 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 20th day of September 2012.

Joseph Ruggiero, Secretary

2) Operating Budget

Mr. Bushek indicated to the Board that as required by §2801 of the Public Authorities Law, the Authority must submit its Operating Budget to certain government officials. Toll revenues in 2012 are projected at \$52.0 million, up \$14.8 million or 40% over prior year. This increase is attributable to the toll increase that took effect on January 30, 2012. The toll increase is generating revenues consistent with the expectation derived from the recent report of the traffic consultant completed in 2011. Traffic for year-to-date June was higher for all facilities at an average of 3.04%. Bear Mountain had the highest increase of 7.83% and Kingston Rhinecliff had the lowest at 2.04%. In 2013 the Authority projects revenues of \$52.7 million. Mr. Bushek stated that the increase is attributed to the toll schedule being in place for the full calendar year, while in 2012 it was only in place for approximately 11 months.

Mr. Bushek went on to say that Interest income on investments will increase in 2012 as the Authority currently holds the proceeds from the 2012 series bonds. Income on those funds is projected to be low due to the Country's economic situation that continues to keep rates on interest bearing bank accounts, as well as U.S. Treasuries, at historic lows. Income on investments forecasted at \$440,000 in 2012, is expected to fall \$140,000 in 2013 as the Authority expends proceeds from the 2012 series bonds.

In 2010, the Authority was awarded a \$3.45 million Port Security Grant from the Federal Department of Homeland Security to reimburse expenditures for security systems and traffic cameras at the Bear Mountain, Kingston-Rhinecliff and Rip Van Winkle bridges. The Authority matches 25%, or \$1.150 million, on a \$4.6 million contract. The Authority expects to receive the balance due (\$0.6 million) of \$3.1 million in 2012. Mr. Bushek further indicated that the Authority is also forecasting an additional grant in 2012 for \$1.2 million which the Authority must match 25%. In 2013 the Authority is expecting the receipt of a \$475 thousand Federal Grant to provide for navigation lights and other work on the Walkway Over the Hudson.

The Authority implemented two programs to generate non-toll revenue under Miscellaneous Income. It began a program to advertise on its facilities in 2011. The Authority also invested in dark fiber and began leasing excess capacity. It is currently working to expand both opportunities to their full potential. Only revenues under contract are considered in the budget.

The results combined mean total operating revenues in 2012 increase by \$13.8 million, or 34% compared to 2011 and decline by \$0.5 million, or 0.9% in 2013 as a result of the reduction in grant programs.

Mr. Bushek explained that the Authority's overall operating expenses, which were \$27.4 million in 2011, are expected to rise 6.6%, or \$1.8 million, and total \$29.2 million in 2012. In 2013, the Authority projects costs of \$30.3 million, an increase of \$1.1 million, or 3.8%

Mr. Bushek also explained some of the more significant outlays or increases in operating expenditures in 2012-2013.

Salaries:

Accounting for \$10.5 million, or 36%, of the total 2012 operating expense, salaries are expected to increase \$404 thousand this year. This results from the pay increases under

the collective bargaining agreement that took place in Q2 2011 being in place for the full year in 2012, step and longevity increases, and a projected reduction of in-house labor used for capital of \$80 thousand. Salaries are expected to rise \$80 thousand in 2013 as a net result of similar contractual pay increases and anticipated savings from staffing changes.

Employee Retirement:

Rate increases resulted in 2012 increasing by \$429 thousand compared to 2011. In 2013 costs are expected to rise an additional \$192 thousand, or 15.8%., based on the 2012-2013 estimate by the New York State and Local Retirement System. This is a result of the loss from investments in the pension system being recovered from employers normalized over 5 years.

Health Insurance:

2012 expenses are projected to show a \$125 thousand increase and total \$4.8 million, which is 16.4% of total operating expenses. Modest rate increases resulted in the small increase. As mandated in 2007 by new accounting standards, the Authority accrues expenses annually recognizing the future health insurance costs for both current and retired employees. Those expenses, currently unfunded, are \$2.3 million in 2012 and \$2.3 million in 2013. The total liability, which is being amortized over 30 years, is \$44.6 million as of January 2011. In 2013, the Department of Civil Service estimates a 9.6% rate increase and the Authority's cost rises by \$318 thousand, to \$5.1 million.

Workers Compensation:

Workers compensation costs were \$222 thousand in 2011. Through a combination of increase in claims losses in the recent past and industry wide premium increases, these costs are expected to grow 20% in 2012 to \$267 thousand. In 2013 the costs are expected to rise to \$337 thousand.

Commercial Insurance:

Insurance costs of \$1.2 million are down \$118 thousand, primarily as a result of the bridge property coverage renewal in 2012. 2013 expenses are projected at \$1.3 million, reflecting small increases compared to 2012.

Professional Services:

Administration costs will decrease \$159 thousand to \$308 thousand this year, as General Counsel Services fell as a result of preparation for the toll increase, labor issues and E-ZPass procurement in 2011. In 2013, these costs remain static.

Engineering and Maintenance costs will rise \$31 thousand in 2012 and fall \$8 thousand in 2013. This is the result of costs for the maintenance inspections on the bridges. Costs are normally lower in the odd years when Rip Van Winkle and the smaller suspension spans at Mid-Hudson and Bear Mountain are subject to these inspections.

Maintenance and Repairs:

Operations costs increased by \$82 thousand due to an increase in maintenance costs of security equipment and higher rate of Treadle failures than anticipated. In 2013 the increase of \$270 thousand is attributed to primarily to maintenance on security equipment of \$142 thousand and a reclassification of expenditures from the Engineering and Maintenance budget of \$165 thousand related to NY State Police traffic control and Transcom.

Engineering and Maintenance costs increased in 2012 by \$121 thousand primarily as a

result of a net reduction of the equipment utilized for capital programs of \$42 thousand and traffic control costs of \$33 thousand. In 2013 costs fall \$59 thousand primarily from the reclassification of the \$165 thousand of NY State Police traffic control and Transcom.

Equipment Depreciation:

Items of equipment costing under \$5 thousand are shown under equipment while items over \$5 thousand are depreciated over a certain number of years determined to be their useful life. Operations expense for equipment increases to \$368 thousand in 2012 and then falls to \$309 thousand in 2013. At the same time, depreciation increases to \$2.7 million in 2012 and is projected to remain relatively static in 2013. These increases result from the purchases related to the Command Center.

Note that there are significant differences between the budget filed under Public Authorities Law and the document filed with the Trustee, which shows expenses as per provisions of the General Revenue Bond Resolution. The Trustee budget does not indicate either the cost of equipment or depreciation. Equipment is defined as items costing between \$100 and \$5,000. Included in depreciation are the cost of buildings depreciated over a 30-year period and all pieces of equipment costing over \$5,000.

In addition, the Bond Resolution's definition of operating expenses, in speaking to expenses for pension, retirement, group life insurance, health and hospitalization or other employee benefit funds, defines this expense specifically as the payment to these funds. After discussions with our bond counsel, it was determined that this definition was not intended to include accruals in these expenses, such as the one we make for the future health insurance benefits of our current and future retirees. The reasoning behind this is that the budget would more closely portray the actual cash flow to determine whether there were sufficient net revenues to meet our requirement of 1.75 times the debt service for the year. As such, the Trustee's budgeted numbers do not include this accrued expense. Chairman Vecellio called for a motion. On a motion of Commissioner Higgins, seconded by Commissionr Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-101

Resolution Date: September 20, 2012

WHEREAS, §2801 of the Public Authorities Law requires that budget information for fiscal years 2012 and 2013 shall be prepared, adopted, and forwarded in report form to the offices cited in §2801, Public Authorities Law; now therefore

BE IT RESOLVED, that the Authority hereby adopts the proposed 2012 and 2013 budgets; 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 20th day of September 2012.

Joseph Ruggiero, Secretary

3) Bridge System Net Revenues

Mr. Bushek indicated to the Board that as required by §7.13 of the Bond Resolution, the Authority must submit its bridge system net revenues to the Trustee for the bondholders. The summarized documents are the same as the Operating Budget except for noted differences, which shows expenses as per provisions of the General Revenue Bond Resolution. The Trustee budget does not indicate either the cost of equipment or depreciation. Equipment is defined as items costing between \$100 and \$5,000. Included in depreciation are the cost of buildings depreciated over a 30-year period and all pieces of equipment costing over \$5,000.

Mr. Bushek noted the Estimated 2012 and 2013 Bridge System Net Revenues that the net revenue requirement is \$17.345 million in 2012 and \$19.736 million in 2013. This is determined by multiplying the total debt service (principal and interest on outstanding bonds) for the year by 1.75. In our Bond Resolution, the Authority has covenanted that, upon annual review, our current and next succeeding year's net revenues (revenues less operating expenses) will provide for the net revenue requirement. Mr. Bushek explained if the net revenue requirement is not met, the Authority is obligated to engage a traffic consultant to propose a schedule of tolls that will provide sufficient revenues in the following year to comply with the requirement. This new schedule of tolls must be in place by April 1st of the next year.

The Authority projected excess over the net revenue requirement. The excess, \$13.115 million and \$9.175 million in 2012 and 2013, respectively. Chairman Vecellio called for a motion. On a motion of Commissioner Ramaglia, seconded by Commissioner Higgins, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-102

Resolution Date: September 20, 2012

WHEREAS, §713(c) of the Bridge System Revenue Bond Resolution adopted December 19, 1996, requires a review of the financial condition of the New York State Bridge Authority for the purpose of estimating whether the Net Revenues less investment earnings on amounts held in the General Fund and the Construction Fund for each year and for the next succeeding year will be sufficient to provide all the payments specified in subsection (b) of §713; now therefore

BE IT RESOLVED, that the Authority has completed such a review and has determined the Net Revenues less investment earnings on amounts held in the General Fund and the Construction Fund for the years 2012 and 2013 will be sufficient to provide all of the payments specified by subsection (b) of §713; and

BE IT FURTHER RESOLVED that the Secretary is directed to provide the Trustee with a certified copy of this resolution together with a certificate setting forth a reasonably detailed statement of actual and estimated Revenues and Operating Expenses and other pertinent information upon which such determination was made.

IN WITNESS WHEREOF, this resolution has been duly adopted this 20th day of September 2012.

Joseph Ruggiero, Secretary

INFORMATION TECHNOLOGY:

1) Microsoft Licensing Services

Mr. Herd explained to the Board that it is necessary to license the Microsoft operating systems and programs installed on the computers in use at the Authority. To maintain license integrity and to allow the use of multiple versions of the Microsoft Suite of products, the Authority participates in the NYS Statewide Microsoft Licensing Program (Software Assurance). Mr. Herd noted that the benefits of this program include price protection, predictable budgetary amounts and software licensing flexibility over the period of the agreement. Mr. Herd recommended the purchase of the licensing program at a cost of \$27,240.89. The licensing agreement through the NYS Office of General Services has been awarded to Dell, and they are the reseller of these services. Chairman Vecellio called for a motion. On a motion of Commissioner Ramaglia, seconded by Commissioner Higgins, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-103

Resolution Date: September 20, 2012

WHEREAS the Board of Commissioners has reviewed the memorandum describing the need to license the Microsoft software products in use on the Authority's electronic computer systems; and

WHEREAS, the Authority will participate in this licensing program through the NYS OGS Statewide Contract #PT65196; now therefore

BE IT RESOLVED that the purchase of software licensing services for the one-year period is hereby approved at a cost of \$27,240.89; 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 20th day of September, 2012.

Joseph Ruggiero, Secretary

2) Mid-Hudson Bridge – Necklace Lights

Mr. Herd indicated to the Board that the necklace light system at the Mid-Hudson Bridge facility is now 10 years old. The LED platter which provides the light source for the fixture has reached the end of its life cycle and the model platter used is no longer available. Mr. Herd further indicated that Color Kinetics, the original manufacturer of the LEDs has an upgraded replacement part that is designed specifically for the fixtures on the Mid-Hudson Bridge. Mr. Herd went on to say that due to the proprietary nature of the system, Color Kinetics is the only company to manufacture a direct replacement part. This part is being made available to the Authority through the Production Resource Group (PRG). The price received for the replacement of the LED platters is \$35,056.00 for 200 units. Mr. Herd noted that in addition to the failing LED platters, the communications cable connected from fixture to fixture had deteriorated over the past 10 years. The replacement cable is available through Anixter via the NYS OGS bid list. The cost of the cabling will be \$11,905.95 for 142 cables. There was a brief discussion regarding the function of the necklace lightening. Chairman Vecellio called for a motion. On a motion of Commissioner Ramaglia, seconded by Commissioner Gerentine, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-104

Resolution Date: September 20, 2012

WHEREAS the Board of Commissioners has reviewed the memorandum describing the need to replace the LED platters and cabling for the necklace lights at the Mid-Hudson Bridge Facility; and

WHEREAS, this project is identified within the 2012 Department of Information Technology Capital Improvement Program, ID# - SI-0003; now therefore

BE IT RESOLVED that the purchase of LED platters, cabling and miscellaneous supplies be at a not-to-exceed amount of \$48,000.00; and

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

IN WITNESS WHEREOF, this resolution has been duly adopted this 20th day of September, 2012.

Joseph Ruggiero, Secretary

OPERATIONS:

1) New York State Thruway Authority – 2nd Quarter 2012 E-ZPass Expenses

Mr. Bushek presented the invoice from the New York State Thruway Authority for 2nd quarter 2012 Bridge Authority E-ZPass expenses for the period April 1, 2012 through June 30, 2012. Mr. Ferguson and Mr. Savosky find them to be true and accurate and it was recommended that they be paid in the amount of \$817,046.28. Chairman Vecellio called for a motion. On a motion of Commissioner Gerentine, seconded by Commissioner Higgins, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-105

Resolution Date: September 20, 2012

WHEREAS, the Board has reviewed the report relative to the payment to the New York State Thruway Authority for 2nd Quarter 2012 Bridge Authority E-ZPass costs in the amount of \$817,046.28; now therefore

BE IT RESOLVED that this payment is hereby approved at a cost not to exceed \$817,046.28; 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 20th day of September 2012.

Joseph Ruggiero, Secretary

2) Project Assignment to Traffic Technologies Inc.

Mr. Bushek informed the Board that the Authority cancelled its Night Watch lane controller software agreement with TRMI on August 15, 2012. Traffic Technologies, Inc. (“TTI”) is currently under contract with the Authority to provide toll plaza/central maintenance through October, 2012. TTI is capable of performing the Night Watch lane controller software agreement in place of TRMI. It is recommended by the Authority’s General Counsel that the Board confirm the decision of the Executive Director to retain TTI on an emergency basis to undertake the tasks such as familiarize with the lane software build procedures, familiarize with the interfaces to the ATPM, JAI video enforcement system and plaza system (CORBA), review lane controller source code and develop a working knowledge of the lane controller software, its various processes and method(s) of inter-process communications. In addition, TTI was authorized to begin an investigation of the lane software crash issues related to the Night Watch agreement. It was recommended that the Board confirm the \$25,000 scope of work and payment for same as authorized by the Executive Director on an emergency basis to continue the implementation of the Night Watch system. Chairman Vecellio called for a motion. On a motion of Commissioner Ramaglia, seconded by Commissioner Higgins, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-106

Resolution Date: September 20, 2012

WHEREAS, on August 15, 2012, the Authority terminated the Agreement with TRMI for Project Night Watch (Contract No. BA-2011-RO-014-PS) as a result of unacceptable performance and failure to deliver timely after several extensions granted by the Authority; and

WHEREAS, Traffic Technologies, Inc. (hereinafter “TTI”) has expertise with the lane controller software and is capable of providing expertise with respect to the Night Watch lane controller software project and could complete the necessary work to implement Project Night Watch without additional training or orientation; and

WHEREAS, the lane controller software is critical to the implementation of the Night Watch system at the Kingston-Rhinecliff Bridge.

NOW, THEREFORE,

BE IT RESOLVED, that the Authority retain the services of TTI for contract BA-2012-OO-006-PS for the assumption of the Night Watch lane controller software project on an emergency basis; and

BE IT FURTHER RESOLVED, that the decision of the Executive Director to authorize immediate work by TTI at a lump sum cost of \$25,000 is confirmed.

IN WITNESS WHEREOF, this resolution has been duly adopted this 20th day of September, 2012.

Joseph Ruggiero, Secretary

3) Project Nightwatch – IT Consultant Additional Support

Mr. Bushek informed the Board that in July 2011 a contract was awarded to Dr. Theodore Mankovich to assist the Authority with the design, programming, and implementation of Project Nightwatch. Mr. Bushek explained that due to repeated failures by the project's vendor The Revenue Markets, Inc. (TRMI) to meet deadlines, the Authority anticipated the services of Dr. Mankovich to be required through August of this year and extended his contract as such. Mr. Bushek went on to say that it was then determined last month to end the contract with TRMI and assign additional tasks to in house staff and Dr. Mankovich in order to complete the project. Mr. Bushek noted that Dr. Mankovich's increased responsibilities include: directing staff to research and perform various tests related to the project work with the new vendor Toll Technologies, Inc. to isolate problems and debug the Nightwatch software directly work in the design, testing and deployment of project Nightwatch. The not-to-exceed estimate for the 640 additional hours of work required by Dr. Mankovich is \$80,000.00. Any excess funds can be applied toward the next two ATPM implementations. Mr. Bushek recommended the Board to approve a not-to-exceed supplement of \$80,000.00. Chairman Vecellio called for a motion. On a motion of Commissioner Dressel, seconded by Commissioner Higgins, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-107

Resolution Date: September 20, 2012

WHEREAS the Board has reviewed the memorandum recommending an additional enhancement to the IT Consultant for Project Nightwatch; and

WHEREAS, the Authority currently has a contract with Dr. Theodore Mankovich for this type of work; now therefore

BE IT RESOLVED that contract, BA-2011-RO-014-PS.1, be amended by an additional amount not-to-exceed \$80,000.00; and

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

IN WITNESS WHEREOF, this resolution has been duly adopted this 20th day of September, 2012.

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 August.

2) Traffic Classification Report

Mr. Ruggiero reported the Traffic Classification Comparison report for the year to date August 2012 numbers. 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 \$11,008,631.00 above last year's receipts. Mr. Ruggiero added that although the Authority is ahead of last years revenues the continuing rise in gas prices poses a negative affect on this year revenues. No action was required by the Board.

3) Travel Authorization

Mr. Ruggiero stated to the Board that requests to meet on official Authority business with various agencies, authorities, elected officials and staff of the Executive Chamber occur on a regular basis. While this travel is predominantly in the Albany area and is typically conducted within the same day, on occasion it has been necessary to travel overnight. Unfortunately, this type of travel usually does not come with enough advance notice to seek the Board's prior authorization. Mr. Ruggiero added that in August of 2010, the Board of Commissioners authorized the Executive Director in advance to receive reimbursement for travel, including overnight if necessary, to the Albany area for the purpose of conducting official Authority business. Mr. Ruggiero went on to say that requests for meetings which are in the interest of the Authority are taking place in New York City and other locations outside the Albany area. In order to provide the proper authorization, maintain compliance with travel guidelines and insure proper accounting of all expenses, Mr. Ruggiero requested the Boards advanced authorization for travel within the State of New York. Chairman Vecellio called for a motion. On a motion of Commissioner Higgins, seconded by Commissioner Ramaglia, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-108

Resolution Date: September 20, 2012

WHEREAS, as Chief Operating Officer of the New York State Bridge Authority, the Executive Director is required to attend meetings and conduct Authority business with other state agencies and governmental entities; and

WHEREAS, the Executive Director's official work station is at the Authority's administrative offices in Highland, NY; now therefore

BE IT RESOLVED that Joseph Ruggiero, Executive Director is authorized to receive reimbursement for appropriate expenses, including overnight travel, incurred while traveling within the State of New York while on Authority official business. Reimbursement is authorized in accordance with the current New York State Bridge Authority Travel and Expense Guidelines and the Office of the State Comptroller's Travel Guidelines; and

BE IT FURTHER RESOLVED that this Authorization shall include travel requested by the Executive Chamber to New York City on August 1-2, 2012; and,

BE IT FURTHER RESOLVED that the Treasurer, 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 20th day of September, 2012.

Joseph Ruggiero, Secretary

OLD BUSINESS:

1) Updated Due Diligence Study for Newburgh-Beacon Bridge Rehabilitation Project

Mr. Bellucci indicated that the Board authorized the execution of a Project Labor Agreement (PLA) in 2011 for the Newburgh-Beacon Bridge Rehabilitation project based on a Due Diligence Study that concluded the PLA would save the Authority more than \$4 million or approximately eleven percent (11%) of the projected total labor costs, among other benefits. The Authority completed negotiations and executed a PLA with the Hudson Valley Construction Trades Council in November 2011. In order to insure that the most current information is utilized in bid documents, which serve as a basis for contract documents, the Board authorized Arace and Company to provide an update to the Due Diligence Study that served as a basis for the PLA at a cost of \$14,000.00. Mr. Bellucci noted that update has been completed and, after review by Counsel and NYSBA engineers, sufficient justification continues to exist for the utilization of the PLA on the Newburgh-Beacon Bridge project. Mr. Bellucci asked for the Board's consideration that both confirms the utilization of the PLA and, while the expenditure is below the threshold for Board approval, notes the expenditure in the interest of transparency. Chairman Vecellio called for a motion. On a motion of Commissioner Gerentine, seconded by Commissioner Dressel, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.: 012-109

Resolution Date: September 20, 2012

WHEREAS, the Board of Commissioners of the NYS Bridge Authority (NYSBA) authorized the execution of a Project Labor Agreement (PLA) on October 20, 2011 for the Newburgh-Beacon Bridge Rehabilitation project based on a Due Diligence Study delivered to the Authority on August 8, 2011 that concluded the PLA would be materially beneficial to both the NYSBA and public, principally in the promoting the timely completion of the project as well as making possible cost saving of approximately \$4.2 million amounting to approximately eleven percent (11%) of the projected total labor costs; and,

WHEREAS, the Authority executed a PLA with the Hudson Valley Construction Trades Council on November 14, 2011; and,

WHEREAS, the Authority desires to insure that the most current information is utilized in the development and execution of bid and contractual documents for the Newburgh-Beacon Bridge project and requested an update of the Due Diligence Study; now therefore

BE IT RESOLVED that, after review by Counsel and NYSBA engineers, sufficient justification continues to exist for the utilization of the PLA on the Newburgh-Beacon Bridge project and that the board of Commissioners confirms the decision to include these terms in the bid and contractual documents for the project and the expenditure of \$14,000.00 for the updated study under BA-2020-RE-111-ES; 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 20th day of September, 2012.

Joseph Ruggiero, Secretary

This concluded the regular meeting. Chairman Vecellio asked for a motion to adjourn the meeting. On a motion of Commissioner Ramaglia, seconded by Commissioner Lashua and approved unanimously, the regular meeting adjourned at 3:34 P.M.

The next regular meeting is scheduled for October 18, 2012 at 3:00 P.M. at Headquarters.