

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

HELD AT HEADQUARTERS, HIGHLAND, N.Y. ON
JULY 19, 2007

Business agenda documents/reports are mailed to the Board Members and General Counsel one week prior to the meeting. Web casting of Board meetings is effective as of the July 19, 2007 meeting. A copy of the web cast will be kept as part of the Board meeting files.

IN ATTENDANCE:

BOARD MEMBERS:

Dressel, Roderick O., Vice Chairman
Carter, Robert P., Commissioner
Gerentine, Richard A., Commissioner
Paradies, Walter A., Commissioner

Whitbeck, Carl G., Esq., Counsel

OFFICERS:

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

Absent:

Sproat, James P., Chairman
Madison, Thomas J., Commissioner
Teator, David A., Commissioner

Audit Committee Meeting:

The Audit Committee Meeting was called to order at 3:00 P.M. and adjourned at 3:05 P.M. General Counsel recorded the minutes for this meeting.

Regular Meeting:

Vice Chairman Dressel called the meeting to order at 3:10 P.M. and stated the first order of business was to adopt the Minutes of the Authority's June 21, 2007 meeting. Commissioner Paradies referred to the State Comptroller's Report (P.32) and stated, for future reference, perhaps Chairman Sproat's verbatim comments should be placed in quotes. Vice Chairman Dressel called for a motion if there were no further comments. On motion of Commissioner Carter, seconded by Commissioner Paradies, the Minutes of the June 21, 2007 regular meeting was adopted unanimously.

ENGINEERING AND MAINTENANCE:

1) Toll Plaza Sweeping Services and Systemwide Sweeping Services

Mr. Moreau stated two sweeping service contracts were awarded in 2006: one for sweeping the plazas at the Mid-Hudson Bridge and the Newburgh-Beacon Bridge and the other for systemwide street sweeping. At the time, the Authority reserved the right to extend the term for these contracts two additional years on a one-year basis. Mr. Moreau indicated that the contractor had performed very well this past year and accordingly, Engineering would like to recommend an extension of the contracts for another year; one for the Toll Plaza Sweeping at \$27,342.00 and one for the Systemwide Sweeping at \$35,550.00. Commissioner Carter asked if the services were assigned because the Authority does not have the equipment and

Mr. Moreau stated yes because of the large equipment used. Commissioner Carter asked if it was less expensive to contract the work out and Mr. Moreau stated yes. Commissioner Gerentine asked for a brief explanation of the costs noted in the resolution, which were different from the memo. Mr. Moreau stated that the figures in the resolution were the total amounts for 2006 and 2007 whereas the memo reflected costs for one year. Commissioner Carter made a motion to approve the 2007 contracts. Vice Chairman Dressel asked if the Board would adopt both resolutions at the same time. Commissioner Carter recommended that the Board approve both at the same time provided it was legal. General Counsel stated yes, the Board could adopt both resolutions at the same time. On motion of Commissioner Carter, seconded by Commissioner Paradies, the following resolutions were adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 007-089

Resolution Date: July 19, 2007

WHEREAS, the New York State Bridge Authority (NYSBA) has determined that it is in the public interest to issue a purchase order extension to Community Custom Services for the purchase of Toll Plaza Sweeping Services (BA-2006-OE-008-OT) at the Mid-Hudson and Newburgh-Beacon bridge locations; 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 two additional years;
and

BE IT RESOLVED that the current purchase order #17267 be extended another year to Community Custom Services for Toll Plaza Sweeping Services for a price increase of \$27,342.00 with a total purchase order not to exceed amount of \$53,878; 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 19th day of July 2007.

George C. Sinnott, Secretary

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 007-090

Resolution Date: July 19, 2007

WHEREAS, the New York State Bridge Authority (NYSBA) has determined that it is in the public interest to issue a purchase order extension to Community Custom Services for the purchase of Systemwide Sweeping Services (BA-2006-OE-009-OT) for all NYSBA locations; 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 two additional years; and

BE IT RESOLVED that the current purchase order #17268 be extended another year to Community Custom Services for Systemwide Sweeping Services for a price increase of \$35,550.00 with at total purchase order not to exceed amount of \$70,020.00; 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 19th day of July 2007.

George C. Sinnott, Secretary

2) Eastern Snow Expo, Columbus, Ohio (August 29-30, 2007) and the Rhode Island Authority (August 6, 2007)

Mr. Moreau stated that Craig Gardner would like to attend the Eastern Snow Expo to be held in Columbus, Ohio this August 29-30. The Federal Highway Administration (FHWA) initiated these symposiums to highlight new snow removal technologies and as a venue for sharing knowledge. Mr. Gardner plans to drive and estimates hotel expenses to be approximately \$218.00 for a two-night accommodation plus the cost of meals. A Bridge Authority vehicle and fuel card will be used. In addition, the Rhode Island Bridge Authority is currently underway with a cable inspection and analysis study similar to the Bear Mountain project, using the same contractor, Piasecki Steel, and the same consultant, Ammann & Whitney, for the inspection and the contractor has proposed purchasing wire splice kits from the Rhode Island Authority for use on the Bear Mountain project. Mr. Moreau would like to visit the Newport Bridge during its cable inspection and review the condition of the wire splice kits. The Chief Engineer of Rhode Island has extended an invitation to Mr. Moreau for the week of August 6th. Mr. Sinnott stated that since Mr. Moreau had only been informed of this meeting and inspection; this request was not included in the mailing. Mr. Sinnott recommended an amendment to the resolution to include this overnight travel to the Rhode Island Authority. Vice Chairman Dressel called for a motion on the amended resolution. On motion of Commissioner Gerentine, seconded by Commissioner Carter, the following resolution was adopted unanimously, as amended:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 007-091

Resolution Date: July 19, 2007

WHEREAS, the Board has reviewed the request for Craig Gardner to attend the 12th Annual Eastern Snow Expo hosted by the Federal Highway Administration to be held in Columbus, Ohio August 29 through 30, 2007 and Mr. Moreau's request to attend the cable inspection of the Newport Bridge in Rhode Island on August 6, 2007 ; now therefore

BE IT RESOLVED that attendance at these activities is authorized in accordance with Mr. Moreau's travel request memos for hotel accommodations plus the cost of meals; 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 19th day of July 2007.

George C. Sinnott, Secretary

3) Monthly Jobs In Progress Report - May

Mr. Moreau referred the Board to the Engineering Jobs in Progress report for June stating the painting project at the Rip Van Winkle was going exceptionally well. Paving will start next week for the River Road Intersection Widening project at the Kingston Rhinecliff Bridge facility. Progress is going well at the Mid-Hudson Bridge for the water and sewer project. Everything is going according to plan, with perhaps extra work, which was not foreseeable, on the excavation of rock. As such, the contractor will seek a change order for added cost to excavate rock. Mr. Moreau stated that Engineering would have more details for the Board next month. Commissioner Carter and Mr. Moreau briefly discussed the purpose of the containment over the superstructure relative to debris and traffic flow. Vice Chairman Dressel commented that the pictures of the project were very helpful. Commissioner Paradies asked about the excavation costs on the sewer and water project at the Mid Hudson Bridge. Mr. Moreau stated that there was a proviso in the contract stating there would be an anticipated 20% of excavation work in rock by the contractor. Commissioner Paradies asked if the change order was being requested because it would be more than the anticipated 20% and Mr. Moreau stated yes that the Authority would have to see what the contractor was looking for and negotiate the claim. Commissioner Paradies asked if there was a unit price for rock in the contract and Mr. Moreau stated there was not, however, records have been kept on a time and material basis for this extra effort. Vice Chairman Dressel asked if there were no more questions on the report he would like to call for motion. On motion of Commissioner Paradies, seconded by Commissioner Gerentine, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 007-092

Resolution Date: July 19, 2007

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

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 19th day of July 2007.

George C. Sinnott, Secretary

FINANCIAL:

1) Investment Report

Mr. Sewell reviewed with the Board the Investment Report for the month of June noting that interest rates have remained relatively constant throughout the year. Vice Chairman Dressel stated if there were no questions he would call for a motion. On motion of Commissioner Gerentine, seconded by Commissioner Carter, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 007-093

Resolution Date: July 19, 2007

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 June 21, 2007; 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 19th day of July 2007.

George C. Sinnott, Secretary

2) Insurance Placements – August 1, 2007

Mr. Sewell stated that three insurance policies (Business Automobile, Commercial Package and Police Professional Liability), due to expire on August 1st, were advertised May 21st and 14 Request for Proposals (RFP) and specifications were sent to interested brokers. It was indicated the Authority would consider quotes with and without terrorism coverage and the cost would be carefully weighed with the benefit. Terrorism coverage added \$641 and \$269, respectively, to the low cost Automobile and Police Professional proposals. The lowest priced Commercial Package proposal included terrorism coverage. The Authority received proposals from seven brokers on the Automobile policy and from four brokers on the other two insurances, with savings over the previous year on all coverages. Mr. Sewell referred the Board to a synopsis of the results for each of the insurance placements and a graph of the premium expense over the last ten years. He indicated that if the recommendations are accepted for purchasing each of the low cost proposed insurances, the total cost will be \$103,894, a savings of \$53,449, or 34 percent, from the previous year. After a brief discussion among the Board members, General Counsel, the Executive Director and the Treasurer relative to the low cost proposals and terrorism coverage on the Police Professional Liability policy, it was recommended by Commissioner Paradies that the Authority include the terrorism coverage on the Police Professional Liability policy and amend the resolution accordingly. Vice Chairman Dressel called for a motion to act upon Commissioner Paradies' recommendation and adopt the resolution as amended. On motion of Commissioner Carter, seconded by Commissioner Gerentine, the following resolution was adopted unanimously, as amended:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 007-094

Resolution Date: July 19, 2007

WHEREAS, the Board has reviewed the report relative to the August 1, 2007 purchase of insurance policies covering business automobile, commercial package and police professional liability; now therefore

BE IT RESOLVED that the purchase of these insurances is hereby approved for a period of one year at the following not to exceed costs:

\$64,534, subject to audit, for Contract BA2007-OA007-IN Business Automobile with the Praetorian Insurance Company through Salerno Brokerage Corp.;

\$29,881, subject to audit, for Contract BA2007-OA008-IN Commercial Package with the Harleysville Insurance Company through Associates of Glens Falls Inc.;

\$9,248, for Contract BA2007-OA009-IN Police Professional Liability with the Praetorian Insurance Company through E.G. Bowman, Inc.; 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 19th day of July 2007.

George C. Sinnott, Secretary

3) Actuarial Services – Post Employment Benefits

Mr. Sewell stated the Governmental Accounting Standards Board (GASB) issued new accounting standards for U.S. public agencies in 2004 as a result of a growing concern that public agencies were not recognizing in their annual financial statements the total cost of promised post-employment health benefits for retired employees and thus not assessing the potential impact of these growing liabilities on future cash flow. GASB Statement No. 45 requires public agencies to conduct regular actuarial studies to determine the actuarial accrued liability for retiree health benefits, to determine the annual cost to the entity to fund this liability and to report the progress made in funding the liability. The Authority, as a component unit of New York State for financial reporting purposes, is required to comply with GASB 45 for the year ending December 31, 2007. As such, the Authority sent out 24 requests for proposals (RFP) to potential proposers and received eight proposals. Eight proposals were received which ranged from \$21,776 to \$159,116 to conduct an initial analysis of our current liability for post-employment benefits and to provide similar analyses in 2009 and 2011. While the low cost proposal was from Alliance Benefit Group (ABG) of Indianapolis, Indiana at a cost of \$21,776, Mr. Sewell recommended the next lowest cost proposal for \$24,500 from USI Consulting Group (USI) for the following reasons:

Alliance Benefit Group (ABG) appears to be a very small regional company and a subsidiary of the Nyhart Company Inc. which shows balance sheet assets of \$5.0 million of which \$2.3 million is goodwill.

USI Consulting Group is part of USI Holdings, a nationwide billion dollar insurance brokerage company. USI Consulting Group is headquartered in Glastonbury, CT with major offices in 7 cities, including, New York, Boston and Washington DC. The New York office was recently ranked fourth by Crain's New York Business in number of area professionals. This would provide us with more expertise with a firm which is 2 hours away rather than in Indiana. USI has completed, or is in the process of preparing, GASB 45 actuarial calculations for twenty-two government entities. This includes New York townships and cities, as well as the New York State Thruway. ABG did not list any New York clients. Having performed these calculations with New York entities would make USI familiar with the New York State Health Insurance Program (NYSHIP) which could be an advantage in performing our calculations. The USI proposal was more complete and tailored to the Authority's perceived needs as opposed to the ABG proposal, which was more of a "boilerplate" presentation. While ABG merely indicated they understood the scope of work requested and would meet or exceed those requirements, USI laid out the scope of work exactly as in the RFP and as such there is less likely to be a disagreement on what the final product will be. As such, Mr. Sewell asked the Board to approve this contract with USI Consulting Group at a cost of \$24,500 of which \$8,000 will be for the initial actuarial evaluation.

Commissioner Carter asked if the GASB was a federal standard or a state standard and Mr. Sewell stated the Governmental Accounting Standards Board covered all government entities in the country when it issued proclamations for accounting procedures. Commissioner Carter asked if the Authority shows this potential liability at the end of the year, would the annual

report show this factor. Mr. Sewell stated since the Authority is a component of New York State and the state has to show it as of March 31, 2008, the Authority would have to show it by year end. Commissioner Gerentine stated for the Board's information that Ulster County had these services performed last year at a cost of \$39,000, indicating the Authority was receiving a very good price. Commissioner Gerentine further stated that even though the Authority must show the liability in 2008, the actual funding would show in 2009, if government agencies accept this because of the large cost factor involved. Commissioner Paradies asked if the laws change and the Authority did not need these services for the last two years, what the contractual liability for the Authority. Mr. Sewell stated that it would be written into the agreement that the Authority can terminate the services. Mr. Sewell stated that once the evaluation was completed the firm would attend a regular meeting of the Board and give a report on its findings. Commissioner Paradies asked counsel about the legal aspect of hiring the second low cost bidder. Counsel stated that this is a professional services contract and as such the Authority is within its legal rights to hire the second low cost bidder since price is not the only consideration. Vice Chairman Dressel called for a motion if there were no further comments. On motion of Commissioner Paradies, seconded by Commissioner Gerentine, the following resolution was adopted unanimously:

NEW YORK STATE BRIDGE AUTHORITY

BOARD RESOLUTION

Resolution No.: 007-095

Resolution Date: July 19, 2007

WHEREAS, the Board has reviewed the report relative to Contract BA-2007-OA-010-PS Actuarial Consulting Services for Post-Employment Benefits; now therefore

BE IT RESOLVED that this contract providing for actuarial calculations in 2007, 2009 and 2011 be approved with USI Consulting Group Inc. at a not to exceed cost of \$24,500; 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 19th day of July 2007.

George C. Sinnott, Secretary

PUBLIC RELATIONS AND PLANNING:

Mr. Bellucci briefed the Board on the following:

- *Suicide Prevention Program Implementation* – Phones have been installed on all of the Authority’s bridges. It is expected that two phones on the Rip Van Winkle Bridge will be activated early next week which will be coordinated with law enforcement and mental health service providers. There is now a regular testing program in place and on the technical side, the IT Department has made improvements that have increased clarity and the effectiveness of the phones. Lastly, the Authority met with the Metropolitan Transportation Authority (MTA) who has expressed an interest in implementing the Authority’s system and requested all data available.
- *Bridge Music Project* – There will be more camera crews on the bridge next week as Reuters International TV wants to do a segment on “Bridge Music” and Mr. Bertolozzi, the composer. After the New York Times article this project has received some notoriety and this afternoon Swedish Radio will be here.

REPORTS TO THE BOARD:

Monthly Activity Report of the Executive Director

- The Monthly Activity Report for June was submitted by the Executive Director. Mr. Sinnott stated that there were no expenditures to report for the month of June.

Vice Chairman Dressel called for a motion if this concluded Authority business. On motion of Commissioner Carter, seconded by Commissioner Paradies, and approved unanimously, the regular meeting adjourned at 3:45 P.M.

The next regular meeting is scheduled for August 16, 2007 at 3:00 P.M. at Headquarters.