

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

HELD AT HEADQUARTERS, HIGHLAND, N.Y. ON
February 21, 2013

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:

Gerentine, Richard A., Acting Chairman
Dressel, Roderick O., Commissioner
Higgins, Roger P., Commissioner
Lashua, C. Vane, Commissioner
Ramaglia, Joseph, Commissioner

Whitbeck, Carl G., Counsel

OFFICERS:

Ruggiero, Joseph, Secretary
Bushek, Brian, Treasurer

Acting Chairman Gerentine called the meeting to order at 3:13 pm and called for a motion to adopt the minutes of the January 31, 2013 regular meeting. On motion of Commissioner Lashua, seconded by Commissioner Dressel, the minutes of the January 31, 2013 Regular Meeting were adopted unanimously.

ENGINEERING:

1) 2013 In-House Capital Program

Mr. Moreau reported that based upon the most recent inspections, the Maintenance and engineering department, along with General Consultant, have developed both an update to the 5-year Capital Plan and a series of in-house capital improvements. These in-house projects are necessary and can be accomplished with our own forces. Mr. Moreau indicated that significant savings will be generated by performing these tasks in-house versus by contract; the projected savings is \$1,018,659.00. Mr. Moreau recommended the Board to authorize \$999,861.00 for the 2013 In-House Capital Improvement Program. Acting Chairman Gerentine 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.: 013-015

Resolution Date: February 21, 2013

WHEREAS, the New York State Bridge Authority has determined that it is in the public interest to authorize the in-house capital projects as recommended by the Authority's Consulting Engineer; and

WHEREAS, the Authority continues to invest in cost saving measures utilizing our in-house maintenance skills wherever practical; the projected savings generated by performing these tasks in-house versus by contract is \$1,018,659.00; and

WHEREAS, the scope of work for these projects has been developed by the Engineering Department and determined to be necessary for the continued safe and efficient operation of the bridges by the General Consultant; now therefore

BE IT RESOLVED that this Board authorizes the 2013 In-House Capital Projects in the amount of \$999,861,000.

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 21st day of February 2013.

Joseph Ruggiero, Secretary

2) Amman & Whitney – Design Support Services

Mr. Moreau reported that the Authority selected Amman and Whitney to design the deck replacement project for the south span of the NBB last year. The original RFP also asked for a staffing table and costs associated with the construction phase of the project. Mr. Moreau indicated that while this work was not awarded in the original contract, it was budgeted for in anticipation that construction would proceed. Mr. Moreau explained that industry standard and Authority practice is to retain the Design Consultant during construction to provide technical services, including attendance at job progress meetings, review of shop drawings and fabrication details for consistency with the design, review Contractor proposed changes to the design scheme, review of Contractor proposed procedures, e.g. demo plans, crane pick plans, temporary work platforms, etc., review of the construction sequencing and traffic plans, review of catalog cuts for any pre-manufactured components to ensure compliance with the contract specifications, and attendance at the final inspection and acceptance meeting. Mr. Moreau recommended the award of a Supplemental Agreement to A&W's original contract for these design services during the three year construction. The original budget for this work in their proposal is \$1,072,466.00, bringing the combined total to \$2,361,366.00. Acting Chairman Gerentine 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.: 013-016

Resolution Date: February 21, 2013

WHEREAS, the Authority has determined it is in the public interest to extend the design services of Amman & Whitney to serve as the Authority's consultant on the construction phase of the Newburgh-Beacon Bridge South Span Deck Replacement (BA-2012-RE-101-DS); and

WHEREAS, the staffing table and costs associated with said services were included in Amman & Whitney's original bid; now therefore

BE IT RESOLVED that a Supplemental Agreement be issued to Amman & Whitney of New York, NY in the not to exceed amount of \$1,072,466.00 for design support services relating to the South Span deck replacement at the Newburgh-Beacon Bridge; 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 21st day of February 2013.

Joseph Ruggiero, Secretary

3) Jobs in Progress Monthly Report

Mr. Moreau advised the Board regarding the Engineering Jobs in Progress Report for the month of January, noting that due to ice, both the Walkway Over the Hudson project as well as the Newburgh-Beacon projects have been shut down until the weather breaks. Acting Chairman Gerentine 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.: 013-017

Resolution Date: February 21, 2013

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 21st day of February 2013.

Joseph Ruggiero, Secretary

FINANCIAL:

1) Investment Transaction Report

Mr. Bushek reviewed the Investment Report for the month of January noting seven investments for the month. Mr. Bushek mentioned the interest income yields remain overall fairly stable. Acting Chairman Gerentine 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.: 013-018

Resolution Date: February 21, 2013

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 January 31, 2013; 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 21st day of February 2013.

Joseph Ruggiero, Secretary

2) Annual Payment to Department of Civil Service

Mr. Bushek reported to the Board that Section 11 of the Civil Service Law allows that Department to charge public authorities, among other entities, for their fractional share of the expenses for the administration of the Civil Service Department. The Bridge Authority's expense for these services is \$25,803.87 for the year ended March 31, 2012. This is based on a rate of \$200.03 per position multiplied by the 129 permanently filled positions reported by the Authority on its October 2011 payroll. This is a 19.7% reduction from prior year billing of \$32,120.72, a 6% decrease in the Civil Service Department's overall expenses which is further multiplied by the 22 (14.6%) fewer Authority positions. Acting Chairman Gerentine 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.: 013-019

Resolution Date: February 21, 2013

WHEREAS the Board has reviewed the report relative to the payment of the Authority's share of the charges for the administration of the Department of Civil Service as mandated by the Civil Service Law, now therefore

BE IT RESOLVED, the New York State Bridge Authority does hereby approve the payment of \$25,803.87 to the Department of Civil Service for the Bridge Authority's share of these costs 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 21st day of February 2013.

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 January.

2) January 2013 Traffic and Revenue Analysis

Mr. Ruggiero presented an analysis of the Traffic and Revenue reports for 2012, noting there were certain trends that were noteworthy. There has been an increase in revenue every month this year. Mr. Ruggiero reported that the Authority is meeting its goal of a 40% increase in revenue per month since the toll adjustment. There was some snow during January that may have impacted travel in the area leading to lower traffic numbers in January 2013 as compared to what was seen in January 2012. No action was required by the Board.

3) January 2013 E-ZPass Sales Analysis

Mr. Ruggiero also reviewed an E-ZPass Sales report which shows the total sales of E-ZPass tags at New York State Bridge Authority locations. The Authority sold 456 tags in January, 351 more tags than was sold in January of 2012. The amount of tags sold in January 2013 is 68% of all tags sold in 2012 and 79% of all tags sold in 2011. The Authority began selling E-ZPass tags in the full service lanes at the Kingston-Rhinecliff Bridge on Monday, December 17, 2012. The remaining bridges started selling tags in the full service lanes in January 2013 (Rip Van Winkle Bridge on January 11th, Bear Mountain Bridge on January 14th, Mid-Hudson Bridge on January 21st, and Newburgh-Beacon Bridge on January 28th). There have been 502 E-ZPass Tags sold in full service lanes during the two months that tags have been available for sale. During this same time there have been 34 tags sold in Headquarters. The Authority discontinued the sale of tags in the Headquarters Building on January 15, 2013 due to the success of sales in the lanes. The Mid-Hudson Bridge sold 105 tags in 11 days while Headquarters sold 16 E-ZPass tags in 15 days. A brief discussion ensued regarding the length of time it takes to purchase e-zpass in the toll booth. No action was required by the Board.

4) Status Report on Non-Toll Revenue Opportunities

Mr. Bellucci reported that in 2010, the Authority needed to reinvest in its own fiber optic network. While implementing these changes, the opportunity to leverage additional investment to generate revenue for the Authority became apparent. The new approach would be to lease actual dark fiber strands which would be owned and maintained by the Authority, rather than grant a right-of-way for outside entities to install their infrastructure on NYSBA property. Not only would this change in the system generate revenue for the Authority, it also insured that infrastructure installed on NYSBA facilities would be properly maintained to NYSBA standards. In 2010 the Authority authorized an expenditure of approximately \$180,000 to rehabilitate and upgrade the fiber optic network at the Mid-Hudson Bridge with the work completed in early 2011. In May of 2011, NYSBA entered a 10-year lease agreement with Time Warner Cable for \$48,000 per year. The initial investment will be paid back to NYSBA in less than four years, generating about \$300,000 in net revenue over the 10-year lease. NYSBA is currently in negotiations with three companies for dark fiber leases, any one of which will provide sufficient revenue to put this facility on a positive cash flow for the fiber optic system in under five years. NYSBA has also had discussions regarding the Kingston-Rhinecliff and the Rip Van Winkle bridges.

Mr. Bellucci then described the revenue generating advertising program. About 15 states have some form of advertising in and around toll facilities including Ohio, Florida, Massachusetts, Illinois, Kansas, Pennsylvania and others. NYSBA decided to pursue these opportunities in 2011 and, after an RFP process, executed an agreement with Travelers Marketing to provide this service to the Authority. All costs are covered by Travelers Marketing and NYSBA is to have no outlays for the program. The response to this effort has been extremely positive. In addition to industry support, NYSBA received editorial support throughout the Hudson Valley. While not everyone is pleased with advertising at bridge facilities, the overwhelming response has been positive and the fact that NYSBA is seeking to use all available resources to generate non-toll revenue is welcome. Currently, the majority of advertisers are local businesses based in the Hudson Valley. In the two years since the program's inception, NYSBA has received \$263K in net revenue. NYSBA is currently seeking to expand advertising opportunities, however it appears that the Authority can expect to receive a minimum of \$130,000 per year in net to NYSBA revenue with the current portfolio is maintained.

While non-toll revenue will never replace tolls as the principal source of revenue for the Authority, these non-toll revenue programs generate significant income and demonstrate willingness for the Authority to be both creative and entrepreneurial in fulfilling its mission.

This concluded the regular meeting. Acting Chairman Gerentine asked for a motion to adjourn the meeting. On a motion of Commissioner Higgins, seconded by Commissioner Lashua and approved unanimously, the regular meeting adjourned at 3:30 P.M.

The next regular meeting is scheduled for March 21, 2013 at 3:00 P.M. at Headquarters.