



**MINUTES OF THE JOINT MEETING
OF THE FINANCE COMMITTEE
May 15, 2023**

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Minutes of the joint meeting of the New York Power Authority and Canal Corporation's Finance Committee held via videoconference at approximately 9:00 a.m.

Members of the Finance Committee present were:

Tracy B. McKibben - Chair
Michael Balboni
Dennis Trainor
Bethaida González

John R. Koelmel - Excused

Also in attendance were:

Justin E. Driscoll	Acting President and Chief Executive Officer
Philip Toia	President – NYPA Development
Adam Barsky	Executive Vice President and Chief Financial Officer
Karina Saslow	Interim Vice President Human Resources
Lori Alesio	Interim Executive Vice President & General Counsel – Legal Affairs
Daniella Piper	Regional Manager and Senior Vice President – Niagara Project
Yves Noel	Senior Vice President and Chief Strategy Officer
Robert Piascik	Senior Vice President and Chief Information & Technology
Joseph Leary	Senior Vice President & Senior Advisor
David Mellen	Senior Vice President and Regional Manager
Karen Delince	Vice Present and Corporate Secretary
John Canale	Vice President – Strategic Supply Management
Jesse Scott	Interim Chief of Staff, Policy, Communications & Chief of
Christopher Vitale	Financial Performance & Reporting Manager
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Senior Associate Corporate Secretary
Michele Stockwell	Assistant Corporate Secretary

Chairperson Tracy McKibben presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairperson Tracy McKibben welcomed committee members and the Authority's senior staff to the meeting. She said that the meeting has been duly noticed as required by New York State's Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Finance Committee Charter.

1. Adoption of the May 15, 2023 Proposed Meeting Agenda

On motion made by Member Michael Balboni and seconded by Member Dennis Trainor, the agenda for the meeting was adopted.

Conflicts of Interest

Chairperson McKibben and Members Koelme, Balboni, Trainor, and González declared no conflicts of interest based on the list of entities previously provided for their review.

2. Motion to Conduct an Executive Session

On motion made by Member Michael Balboni and seconded by Member Bethaida González an Executive Session was held to discuss the financial and credit history of a particular corporation pursuant to §105(f) of the New York State Public Officers Law.

3. Motion to Resume Meeting in Open Session

On motion made by Member Michael Balboni and seconded by Member Dennis Trainor, the meeting resumed in open session.

Chairperson McKibben stated that no votes were taken during the Executive Session.

4. DISCUSSION AGENDA:

a. Financial Operations

i. Chief Financial Officer Report

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided an update on the report to the members.

Year-to-Date Actuals through April 30, 2023

The Authority experienced some shortages in Generation Revenues due to the warm winter and energy prices going down significantly from the first of the year. Projections to the end of the year indicate that this trend will change.

Non-Operating Income with respect to Interest Income and the Securities Portfolio performed better than planned.

Overall, the Authority is on track with the performance of its Budget Plan through the first four months of the year.

2023 Year-End Projection

Net Income

Net Income year-end projection is approximately \$95 million. The year-end projection is in the range of \$80 million to \$100 million. Indications are that the Net Income will remain very close to the Budget Plan.

Some of the factors that have offset the energy revenues going down include the Authority's Hedging program which helped to mitigate the effect of lower energy revenues and the generation from its hydro plants based on increased precipitation at the Great Lakes as well as the warmer winter which had the effect of less ice jams that would affect transmission generation.

Transmission revenues are slightly above the projections; this is because of the hedging program related to HTP.

Non-Operating revenues are also within the projections.

ii. First Quarter 2023 Investment Portfolio Review

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided an update of the report to the members.

Investment Portfolio Profile

NYPA invests approximately \$1B to meet its liquidity needs, minimize interest rate risks and receive the best yield from its investments.

NYPA's Portfolio's goals are to preserve safety, liquidity, and minimize risk, while optimizing yield. During the pandemic, NYPA liquidated its entire portfolio with money market funds and short-term treasuries. The rates have now gone up significantly; therefore, NYPA started investing again, within its parameters, making sure that it is well-positioned if rates were to go up or down.

As of March 31st, the Portfolio had an unrealized gain of approximately \$5 million.

Portfolio Sector Breakdown is as follows:

Money Market - (37.5%)
Treasury - (27.7%)
Agencies (Fannie Mae and Freddie Mac) - (24.3%)
Agency Mortgage-backed Securities (MBS) - (8.2%)
Municipal Securities - (2.2%)

The duration of the Portfolio is 1 ½ - 2 years.

Investment Portfolio Gain/Loss Sensitivity Analysis

Ninety-nine percent of NYPA's portfolio is rated AA or better with U.S-backed government securities, highly rated municipal securities, or AAA-rated money market funds which is made up of highly rated treasuries and agencies.

The portfolio remains within acceptable price volatility parameters. As of March 31, 2023, a 200 basis point increase in interest rates would result in a \$31.4 million decrease in portfolio market value.

Investment Portfolio Trade Activity

Since 2022, over 50% of trades have been executed with Minority/Women-Owned Business Enterprise ("W/MBE") and Service-Disabled Veteran-Owned Small Business ("SDVOSB") broker dealers.

b. Utility Operations

i. Canal Corporation Share of NYSDOT Project for Erie Canal Lift Bridge Rehabilitations on State Route 19 in Brockport, NY and on State Route 98 in Albion, NY

Mr. David Mellen, Senior Vice President and Regional Manager Site Administration – Canals, provided an update on staff's recommendation to the members. He said that the request is for the approval of the expenditure of capital funds to reimburse New York State Department of Transportation ("DOT") for the rehabilitation of the Erie Canal lift bridges on State Route 19 in the Village of Brockport, and on Route 98 in the Village of Albion, for a two-year term, in the estimated amount of \$27.3 million.

He continued that in 2015, an agreement was put into place between the New York State DOT and the Thruway Authority/Canal Corporation that defined the responsibilities for the 19 lift bridges across the system. In 2017, that agreement was assigned to the New York Power Authority.

The agreement requires that capital improvements of all lifting and movement components and mechanisms of the lift bridges are owned by the Canal Corporation/Power Authority and the rest of the required work by the DOT. Canal Corporation remains responsible for maintenance and operation of all lifting components and mechanisms of the bridges. Both bridges were built in 1914 and are approximately 109 years old. There are severe deficiencies in both bridges.

The DOT has a program that inspects the bridges every two years. Canals and DOT staff work closely in terms of understanding the condition and the risks. In 2022, NYPA reimbursed DOT for Canal's share of the rehabilitation of the two bridges.

The design of the work started in 2018. The contract was awarded to Crane-Hogan and Structural Systems and, in early 2022, work started on the project. NYPA/Canals' share related to the lifting mechanisms and components is 68% percent which equates to \$27.3 million.

The overall scope-of-work will eliminate all the deficiencies that have been identified, extend the service life by 30 years, and restore load-carrying capacity. Construction work started in November 2022 and includes design and construction support and inspection.

He ended that the request is for the approval of the expenditure of these funds.

On motion made by member Dennis Trainor and seconded by member Bethaida González, the following resolution, as recommended by the Acting President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Executive Vice President & Chief Operating Officer be, and hereby is, authorized on behalf of the Authority to expend capital funds to reimburse NYSDOT for the rehabilitation of the Erie Canal Lift Bridges on State Route 19 in the Village of Brockport and on State Route 98 in the Village of Albion, for a two-year term and in the estimated amount of \$27,281,342.44 as described in the report of the Acting President and Chief Executive Officer, and subject to approval of the Interim Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the Vice Chair, the Acting President and Chief Executive Officer, and all other officers, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

c. Executive Office

i. Collective Bargaining Agreement between the Authority and Local 1-2 of the Utility Workers Union of America, AFL-CIO

Mr. Eric Firnstein, Director of Labor Relations, provided an update on staff's recommendation to the members. He said that the term of the contract below is January 1, 2023 to April 30, 2028 and the wage increases would start at 3-1/2%, retroactive to January 1st; then 3.25% for the remainder of the contract.

He continued that there were some minor modifications to the Dental and Disability benefits. Military Leave coverage was standardized, making it the same as it is for management. The retiring medical was brought in line with the IBEW contract for employees who retire under the contract or become eligible for Medicare, transition to NYPA's Medicare Advantage PPO Plan and the associated Prescription Drug Plan. There were other minor enhancements for the meal allowance, midnight premium, and the station engineer license. He ended that Juneteenth was formally added to the Holiday Schedule in the contract.

“March 9, 2022

2023 LABOR AGREEMENT NEGOTIATIONS
Between
POWER AUTHORITY OF THE STATE OF NEW YORK
And
LOCAL 1 - 2
of the
UTILITY WORKERS UNION OF AMERICA
A.F.L. - C.I.O

The Power Authority of the State of New York (the “Employer”) and Local 1-2 of the Utility Workers Union of America (“the Union), having engaged in good faith negotiations, have agreed upon a comprehensive tentative agreement for a successor labor agreement (the “Tentative Agreement”) that fully resolves the matters addressed in these negotiations. The terms and conditions for this Tentative Agreement are set forth below. (The Employer and the Union are referred to collectively as the “Parties”).

1. Term of the Agreement:

The successor labor agreement will have a sixty-four (64) month term covering the period January 1, 2023 through April 30, 2028.

2. General Wage Increases:

- a. 3.5% general wage increase retroactive to January 1, 2023, following ratification of this Tentative Agreement by the Union membership and approval by the Employer's Board of Trustees.
- b. 3.25% general wage increase effective January 1, 2024.
- c. 3.25% general wage increase effective January 1, 2025.
- d. 3.25% general wage increase effective January 1, 2026.
- e. 3.25% general wage increase effective January 1, 2027.

3. Military Leave:

The existing contract language was updated to align union employees with leave of absence provisions afforded to management employees related to ordered military duty.

4. Diversity, Equity, and Inclusion:

NYPA and UWUA Local 1-2 share a commitment to building and maintaining a diverse, equitable and inclusive culture. To achieve a truly diverse workforce, we strive to achieve the values of diversity, equity and inclusion in all aspects of our work and our working environment.

5. Probationary Period:

An employee is probationary for a period of six months after the date of employment. The probationary period may be extended for an additional three months by mutual agreement between the Authority and the Union. If discharged during such probationary periods, employees shall have no recourse. None of the provisions of this Agreement relative to benefits to employees on termination of employment shall be applicable to a probationary employee. It is understood that probationary employees are to be enrolled in the Pension, Welfare, and Other Benefit plans starting on their first day of employment.

6. Holidays Observed:

The following days shall be deemed to be holidays:

- New Year's Day (January 1st)
- Martin Luther King Jr.'s Birthday (third Monday in January)
- Lincoln's Birthday (February 12th)
- Washington's Birthday (third Monday in February)
- Memorial Day (last Monday in May)
- Add Juneteenth
- Independence Day (July 4th)
- Labor Day (first Monday in September)
- Columbus Day (second Monday in October)
- Veterans Day (November 11th)
- Thanksgiving Day as proclaimed by The Governor of the State of NY
- Friday following Thanksgiving Day
- Christmas Day (December 25th)

7. Medicare Advantage:

Similar to the IBEW contract NYPA settled, employees who are, or become, eligible for Medicare will transition to NYPA's Medicare Advantage PPO Plan and associated Prescription Drug Plan as the sole plan option, as soon as administratively possible, with no monthly premium contribution for Medicare Advantage coverage for the retired employee, including retirees hired on or after September 23, 2016.

For any married retirees who are both enrolled in NYPA medical plans, double-coverage will be eliminated and the spouses will be covered under one plan (birthday rule to determine which spouse becomes the primary coverage).

If Medicare Advantage is no longer available, retired employees who are Medicare eligible will be covered under the NYPA plan offered to retirees who are Medicare eligible that replaces Medicare Advantage, which may be a NYPA Medicare plan or other NYPA plan.

Retirement Benefits - Hire Prior to 9/23/2016 and Retire After 12/31/2019

(1) Retirees shall be subject to the same plan terms (deductibles, co-pays, out-of-pocket expenses, RX co-pays, etc.) as active employees until eligible for Medicare Advantage.

(2) Coverage for retiree, retiree's spouse and eligible dependents under benefit provisions in the contract will be continued by the Authority upon the retirement of an employee who has rendered ten (10) or more years of service.

(3) Current employees who retire after December 31, 2019 shall pay nothing for the NYPA Plan, but if enrolled in another plan, shall pay 50% of the difference between the NYPA plan and his/her other plan, until eligible for and enrolled in Medicare Advantage pursuant to Section 3a.

Retirement Benefits - Hire on or After 9/23/2016

(1) Coverage for retiree, retiree's spouse and eligible dependents under benefit provisions in the contract will be continued by the Authority upon the retirement of an employee who has rendered fifteen (15) or more years of service.

(2) Employees, upon retirement, shall be subject to the same plan terms (deductibles, co-pays, out-of-pocket expenses, RX co-pays, etc.) as active employees, until eligible for Medicare Advantage.

(3) Employees, upon retirement, shall pay 50% of the same premium contributions as active employees, until eligible for and enrolled in Medicare Advantage pursuant to Section 3a.

8. Short-Term Disability Benefits:

Weekly Accident and Sickness elected by the Authority. Benefits to conform to the New York State Disability Benefits Law, the weekly amount to be \$750.

9. Use of Bulletin Boards:

The parties agreed to take advantage of technology advancements and add the use of electronic devices located throughout the facility to post a variety of notices and

announcements that impact union employees to enhance the inter-office communicating system of the Authority.

10. Provisions for Safety of Employees:

The Authority shall make reasonable provisions for the safety and health of its employees during the hours of their employment. Protective devices, wearing apparel, and other equipment, necessary for the proper protection of employees from injury, shall be provided by the Authority and must be worn by the employee during work hours.

11. Dental Benefits:

Dental Plan for active employees and eligible dependents. Demonstration of student status not required. Coverage for eligible dependents up to age 26.

12. Uniforms, Tools and Licenses:

The Authority will provide for the acquisition and maintenance of all uniforms or other clothing, and for the acquisition and maintenance of tools, which employees are required by the Authority to wear or use to carry out their responsibilities. The Authority will also pay for all licenses and permits required to be maintained by employees to perform their assigned responsibilities, except basic vehicle operator licenses. Electronic devices (e.g., phone) issued to Employees must be turned on, carried and available for use during work hours.

13. Zeltmann 500MW Operations Department Experimental Positions MOU:

In the previous contract, the Authority and the Union mutually agreed to the implementation, on a trial basis, of experimental work classifications for Operations Department personnel. The trial period of Eighteen (18) Months was deemed to be effective and NYPA and the Union will agree to continue with these positions going forward. The job titles and rates of pay for these positions will be added to the new CBA.

14. Reprint of Contract:

The parties agreed to reprint the CBA incorporating all changes in terms and conditions from the current collective bargaining negotiations.

15. Meal Allowance:

Amend Article II, Section II by increasing the meal allowance as follows:

- As of 1/1/2023 – Meal allowance increased to \$23.00
- As of 1/1/2026 – Meal allowance increased to \$25.75

16. Midnight Premium:

Amend Article II, Section V Premiums:

- Increase midnight premium from 10% to 12%

17. Medical Plan Opt-Out:

Employees will receive \$2,000 on an annual basis for opting out of the medical coverage.

18. Safety Shoes:

An annual allowance of \$250 was agreed upon for safety shoes.

19. Wage Progression:

The Wage Progression Plan shall permit an employee whose performance is satisfactory to progress from the minimum rate of pay to the maximum rate of pay for the employee's job title. Wage progression increases shall be in the amount of ninety \$.90 per hour effective the first pay period of April & August of any given year.

20. Operation of the Facility:

NYPA recognizes that the field of power generation and transmission is evolving. The Company hereby states that while certain changes in methods, procedures, and operating practices may be made during the contract term, the Company endeavors, in cooperation with the Union, to transfer affected employees without reduction in pay.

NYPA shall discuss with the Union any changes in the operations of the Astoria site that may result in the reduction or addition of Local 1-2 jobs. Should such changes to the Astoria site occur, training will be provided for transition to available jobs within NYPA.

21. Stationary Engineer's License:

At the Zeltmann, employees in the Operations department who are so classified and working and who on their own initiative achieve and maintain a Stationary Engineers' license shall receive an additional twenty-five (25) fifty (\$.50) \$2,000/year. cents per hour. This hourly premium shall not be included in an employee's hourly wage rate for the purpose of calculating such employee's general wage increase.

Payment of the premium will occur twice per year as follows:

- Last pay period in June - \$1,000
- Last pay period in December - \$1,000

To be eligible for the premium, the employee is required to maintain the Stationary Engineers' License and must work a minimum of 500 hours during each 6-month payment period.

22. Ratification Bonus:

Ratification bonus of \$2,000 effective in the first payroll period following ratification of this Tentative Agreement by the Union membership and approval by the Employer's Board of Trustees. An additional one-time payment in the amount of \$950 will be paid in the first payroll period subsequent to January 1, 2028.

23. Layoffs:

Excluding a plant closing, sale of a facility, or a catastrophic event the Authority agrees there will be no layoffs through April 30, 2028."

On motion made by member Michael Balboni and seconded by member Dennis Trainor the following resolution, as recommended by the Acting President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Executive Vice President and Chief Operating Officer be, and hereby is, authorized on behalf of the Authority to execute a Collective Bargaining Agreement with Local 1-2 of the Utility Workers Union of America covering specified operating and maintenance employees of the Authority's facilities with changes to that Agreement as described in the report of the Acting President and Chief Executive Officer, and subject to approval of the Interim Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chair, the Vice Chair, the Acting President and Chief Executive Officer, and all other officers, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel

5. CONSENT AGENDA:

On motion made by member Michael Balboni and seconded by member Dennis Trainor, the Consent Agenda was unanimously adopted.

a. Executive Office

i. Legal Services Request for Increase in Aggregate Funding

On motion made and seconded, the following resolution as recommended by the Acting President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance Committee recommends that the New York Power Authority Trustees approve the \$12 million additional aggregate funding of the twenty-eight contracts for Legal Services under Q19-6856SS as recommended in the report of the Acting President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the Vice Chair, the Acting President and Chief Executive Officer, and all other officers, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

b. Approval of the Joint Meeting Minutes held on March 16, 2023

On motion made and seconded the Minutes of the joint meeting held on March 16, 2023 were unanimously adopted.

6. Next Meeting

Chairperson McKibben stated that the next regular meeting of the Finance Committee will be held on June 27, 2023.

Closing

On motion made by Member Michael Balboni and seconded by member Dennis Trainor, the meeting was adjourned at approximately 10:24 a.m.

Karen Delince

Karen Delince
Corporate Secretary