

MINUTES OF THE COMMISSION MEETING HELD JANUARY 5, 2010

A formal meeting of The Pennsylvania Turnpike Commission convened at 12:02 p.m., January 5, 2010 at the Central Office, Pennsylvania Turnpike Commission located in Highspire, Pennsylvania. Present for the meeting were Timothy J. Carson, Vice Chairman; J. William Lincoln, Secretary Treasurer; Pasquale T. Deon, Sr., Commissioner and A. Michael Pratt, Commissioner. Available by phone was Allen D. Biehler, P.E., Chairman and Secretary of Transportation.

Others present for the meeting were Joseph G. Brimmeier, Chief Executive Officer; George M. Hatalowich, Chief Operating Officer; Rich DiPiero, Director of Fare Collection; Jeffrey L. Garrett, Chief Engineer, Michael Baker Jr., Inc.; Nikolaus Grieshaber, Chief Financial Officer; Michael P. Haney, Director of Maintenance; Jeffrey L. Hess, Director of Operations/Projects-West; Frank J. Kempf, Jr., Chief Engineer; Doreen McCall, Chief Counsel; Valerie J. Payne, Director of Administration; Craig Shuey, Director of Government Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Michael D. Begler, Director of Operations Review; William J. Capone, Director of Communications/Public Relations; Derek S. Hansel, Assistant Chief Financial Officer; Donald S. Klingensmith, P.E., Manager of Contracts Administration; Donna Lapano, Executive Assistant; Anthony L. Maniscola, Special Investigator; Jeffrey A. Naugle, Manager of Treasury Operations; Robert H. Rosell, Technician of PC/LAN; Robert J. Schlegel, Manager of Strategic Sourcing & Asset Management; Brenda Szeles-Bratina, Director of Toll Revenue Audit; Mike Ryan, Michael Baker, Jr., Inc. David Seltzer, Mercator Advisors; Ken Zawacki, Teamsters; Dave Klinger, Piper Jeffrey; Dave Koley, Piper Jeffrey; Bob Walsh, Loop Capital; Derek McNeil, Loop Capital and Rita Ito, Loop Capital.



Ms. Edmunds led the Commissioners and staff in the Pledge of Allegiance.



The Assistant Secretary Treasurer, Ann Louise Edmunds, called the roll and declared a quorum available.



SUNSHINE ANNOUNCEMENT

MS. EDMUNDS: THE COMMISSIONERS MET IN EXECUTIVE SESSION PRIOR TO TODAY'S FORMAL AGENDA SESSION TO CONSIDER MATTERS OF PERSONNEL, WHICH INCLUDED A RECLASSIFICATION, PROMOTION, TERMINATIONS, NEW HIRES, VACANCIES AND REQUESTS TO FILL, TO ABOLISH AND CREATE, AND TO POST AND FILL POSITIONS IN THE FARE COLLECTION AND INFORMATION TECHNOLOGY DEPARTMENTS AND EASTERN REGIONAL OFFICE.

THE COMMISSIONERS ALSO ENGAGED IN NON-DELIBERATIVE INFORMATIONAL DISCUSSIONS, REGARDING VARIOUS ACTIONS AND MATTERS, WHICH HAVE BEEN APPROVED AT PREVIOUS PUBLIC MEETINGS.



MINUTES OF MEETING

Motion - That the Minutes of the meeting held December 16, 2009 be approved and filed – was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



COMMUNICATIONS

Motion – That the Commission accepts and files the memo received from the Chief Counsel– was made by Mr. Deon, seconded by Mr. Lincoln; and passed unanimously.



PERSONNEL

Motion – That the Commission approves the Personnel as amended – was made by Mr. Deon, seconded by Mr. Pratt; and passed unanimously.



UNFINISHED BUSINESS

There was no Unfinished Business to discuss.



NEW BUSINESS

Reinvestments, Liquidations and Purchase of Securities

Upon the motion by Mr. Deon, seconded by Mr. Lincoln, the following Resolution was presented for adoption:

RESOLUTION

BE IT RESOLVED that the Pennsylvania Turnpike Commission hereby ratifies the action of the Investment Analyst, with the approval of the Chief Executive Officer and the Consulting Engineer, in directing the Trustee to make the foregoing reinvestments, liquidations and purchases; and

BE IT FURTHER RESOLVED that copies of the Resolution certified by the Assistant Secretary and Treasurer shall be forwarded to the Trustee as required in Article VI, Section 602 of the 2001 Amended and Restated Trust Indenture.

The following members voted yea: Commissioners Biehler, Lincoln, Deon and Pratt; Commissioner Carson abstained.

MR. CARSON: AS A LAWYER AND ADVISOR FOR OVER 30 YEARS IN THE PUBLIC FINANCE AREA, I AND/OR MY FIRM HAVE HAD, CURRENTLY HAVE, OR POTENTIALLY MAY HAVE, DEALINGS WITH VIRTUALLY ALL THE MAJOR COMMERCIAL AND INVESTMENT BANKING FIRMS, AND SOMETIMES REPRESENT THEM DIRECTLY IN VARIOUS TRANSACTIONS. MANY OF THESE FINANCIAL FIRMS ALSO ACT AS BROKER-DEALERS FROM WHICH THE COMMISSION OR ITS AGENTS (BOND TRUSTEES, ETC.) MIGHT SOLICIT BIDS AND/OR BUY SECURITIES FROM TIME-TO-TIME FOR ROUTINE INVESTMENT MANAGEMENT PURPOSES. OUT OF AN ABUNDANCE OF CAUTION, I WILL, THEREFORE, ABSTAIN FROM THE VOTE ON THIS PARTICULAR AGENDA ITEM, AND I ASK THAT THE MINUTES SO REFLECT MY ABSTENTION.



AGREEMENT

Motion-That the Commission approves the negotiation and execution of an Assignment Agreement with National City Bank to assign our active contracts to PNC Bank, N.A.; National City Bank merged with PNC on November 6, 2009-was made by Mr. Deon, seconded by Mr. Lincoln; and passed unanimously.



RIGHT-OF-WAY REQUESTS

Motion – That the Commission approves the Right-of-Way Requests for the items listed in memos “a” through “h”:

- a. Authorize the acquisition of Right-of-Way #3175-A, a partial take parcel, necessary for the total reconstruction project from MP 199.00 to MP 227.00, by issuing a check in the amount of \$507.50, representing fair market value and pro-rated taxes, payable to Verna H. Shultz; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the

- Chief Executive Officer; and payment of the fair market value to the property owner is contingent upon her execution of a deed prepared by the Legal Department;
- b. Authorize the acquisition of Right-of-Way #3167-B, a partial take parcel, necessary for the total reconstruction project from MP 199.00 to MP 227.00, by issuing a check in the amount of \$1,821.00, representing fair market value and pro-rated taxes, payable to Douglas B. & Staci B. Lehman, and David D. & Wendy J. Lehman; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owners is contingent upon their execution of a deed prepared by the Legal Department;
 - c. Authorize the acquisition of Right-of-Way #3169-B, a partial take parcel, necessary for the total reconstruction project from MP 199.00 to MP 227.00, by issuing a check in the amount of \$9,033.50, representing fair market value and pro-rated taxes, payable to The Rachel Nickey Morgenthaler Residuary Trust; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owner is contingent upon the delivery of a deed prepared by the Legal Department;
 - d. Authorize the acquisition of Right-of-Way #1031-R15, a partial take parcel, necessary for the Somerset Interchange Five Legged Intersection project, by issuing a check in the amount of \$42,135.00, representing fair market value, pro-rated taxes and recording fees; payable to Nathan J. Zarichnak & Associates, Escrow Agent; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owner is contingent upon the delivery of a deed prepared by the Legal Department;
 - e. Authorize the acquisition of Right-of-Way #6465-RF, a partial take parcel, necessary for the total reconstruction project from MP A20.00 to A30.00, by issuing a check in the amount of \$9,642.50, representing fair market value and pro-rated taxes, payable to PECO Energy Company; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owner is contingent upon the execution of a deed prepared by the Legal Department;
 - f. Authorize the acquisition of Parcel #99A, a partial take parcel, necessary for the total reconstruction project from MP 199.00 to MP 227.00, by issuing a check in the amount of \$8,120.00, representing fair market value and pro-rated taxes,

payable to the City Line Abstract Company, Escrow Agent; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department. Also approve the transfer of the property to the PA Game Commission by authorizing the appropriate Commission officials to execute a deed prepared by the Legal Department;

- g. Authorize the acquisition of Parcel #27, a total take parcel, necessary for the bridge replacement project at MP 13.21, by issuing a check in the amount of \$93,300.00, representing fair market value, pro-rated taxes, recording fees and down payment assistance; payable to Nathan J. Zarichnak and Associates, Escrow Agent; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- h. Authorize the acquisition of Right-of-Way #17905, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$247,181.26, representing fair market value, pro-rated taxes and recording fees; payable to Coon and Company, Escrow Agent; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the fair market value to the property owner is contingent upon her delivery of a deed prepared by the Legal Department.

-was made by Mr. Deon, seconded by Mr. Lincoln; and passed unanimously.



ADVERTISING

Motion-That the Commission the issuance of an RFP to secure a vendor to provide Employee Assistance Program (EAP) services-was made by Mr. Carson, seconded by Mr. Lincoln; and passed unanimously.



AWARD OF BIDS AND ISSUANCE OF PURCHASE ORDERS

Motion-That the Commission approves the Award of Bids and the Issuance of Purchase Orders for the items listed in memos "a" through "c":

- a. Microwave backbone upgrade (phase one), utilizing the Commonwealth's contract with Alcatel-Lucent USA Inc.; at a total award of \$1,750,412.00;

- b. Heating fuel, to the lowest responsive and responsible bidder, Naughton Energy; at a total award of \$356,500.00;
 - c. Network equipment for the TIP Building Data Center, utilizing the Commonwealth's contract with ePlus Technology, Inc.; at a total award of \$993,855.55.
- was made by Mr. Carson, seconded by Mr. Lincoln, and passed unanimously.



AWARD OF CONTRACTS

That the Commission approves the Award of Contracts for the items listed in memos "a" through "c":

- a. Contract #A-125.00R001-3-02, for bituminous overlay between MP A125.10 and MP A130.61, to the lowest responsive and responsible bidder, Locust Ridge Contracts, at a total award of \$5,442,235.66; with a contingency amount of \$250,000.00;
- b. Contract #EN-00028-03-02, for access ramp construction at MP 346.07EB and MP 346.59WB, to the lowest responsive and responsible bidder, Glasgow, Inc., at a total award of \$487,915.42; with a contingency amount of \$30,000.00;
- c. Contract #T-057.00R001-3-02, for bituminous overlay between MP 56.37 and MP 67.49, to the lowest responsive and responsible bidder, The Lane Construction Corporation, at a total award of \$9,636,779.25, with a contingency amount of \$600,000.00.

-was made by Mr. Deon, seconded by Mr. Lincoln; and passed unanimously.



PROPERTY DAMAGE WRITE-OFF

Motion-The the Commission approves the write off of \$33,680.91 for Property Damage Claim #DC-310-was made by Mr. Carson, seconded by Mr. Lincoln and passed unanimously.



PAYMENTS

Motion-That the Commission authorizes payment for the invoices listed in memos "a" and "c":

- a. 2009 Notice of Assessment for the Worker's Compensation Administration Fund invoice, in the amount of \$58,332.00 to the Department of Labor & Industry;

- c. Payment in the amount of \$2,500.00 to the National Fish and Wildlife Foundation, for mitigating the B-409 bridge replacement project's impact on the wetlands.

-was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.

Motion-That the Commission authorizes payment for the invoice listed in memo "b":

- b. Assessment from the Joint Defense Group for the Lightman Drum Superfund case, in the amount of \$2,000.00, payable to Drinker Biddle & Reath, LDC Site Participation Fund Account;

-was made by Mr. Deon, seconded by Mr. Lincoln; Mr. Carson abstained.

MR. CHAIRMAN: MR. CHAIRMAN, I ABSTAIN ON THE BASIS THAT THE COMPANY SET FORTH IN THIS AGENDA ITEM IS, HAS PREVIOUSLY BEEN, OR POTENTIALLY MAY BE, A CLIENT OF THE FIRM OR FIRMS OF WHICH I AM A PARTNER. I ASK THAT THE SECRETARY PLEASE HAVE THE MINUTES OF THE MEETING REFLECT MY ABSTENTION ON THIS VOTE.

The motion passed.



Item F-9 was deferred.



Items Added to the Formal Agenda

REVISION TO PURCHASING MANUAL

Motion-That the Commission approves the following revisions to the Purchasing Policies and Procedures Manual:

- Add requirement to include Women Business Enterprises (WBE) and Minority Business Enterprises (MBE) in bid solicitations;
- Increase monetary thresholds for bid requirements to more closely resemble monetary thresholds for bid requirements utilized by Commonwealth Agencies;
- Allow for the electronic submission of purchase orders to vendors.

-was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



NEXT MEETING

MS. EDMUNDS: The next Commission Meeting will be held Tuesday, January 19, 2010.



ADJOURNMENT

MS. EDMUNDS: Commissioners, I have no other items for consideration, if you have nothing further, I request a motion for adjournment.

Motion – That this meeting of The Pennsylvania Turnpike Commission be adjourned at 12:08 p.m. - was made by Mr. Pratt, seconded by Mr. Deon; and passed unanimously.



PREPARED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

01-05-10

APPROVED BY:

J. William Lincoln
Secretary Treasurer

ATTACHMENT NUMBER 1
COMMUNICATIONS: MEMO RECEIVED FROM THE CHIEF COUNSEL