

MINUTES OF THE COMMISSION MEETING HELD FEBRUARY 18, 2014

A formal telephone meeting of the Pennsylvania Turnpike Commission convened at 11:03 a.m. February 18, 2014 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were Sean Logan, Commissioner and Barry J. Schoch, P.E., Secretary of Transportation. Available via telephone for the meeting were William K. Lieberman, Chairman; A. Michael Pratt, Esquire, Vice Chairman and Pasquale T. Deon, Sr., Secretary Treasurer.

Others present for the meeting were Mark P. Compton, Chief Executive Officer; Craig R. Shuey, Chief Operating Officer; Larry Bankert, Chief Engineer Michael Baker Jr., Inc.; William J. Capone, Chief of Communications and Public Relations; Scott D. Fairholm, Chief Information Officer; Todd S. Garrison, Director of Maintenance; David Gentile, Chief Compliance Officer; Nikolaus Grieshaber, Chief Financial Officer; Bradley J. Heigel, P.E., Chief Engineer; Doreen McCall, Chief Counsel; Myneca Y. Ojo, Director of Diversity and Inclusion; Stacia A. Ritter, Director of Government Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Others in attendance were Michael D. Begler, Director of Operations; John Christensen, Director of FEMO; Renee Colborn, Manager of Media and Public Relations; Carl E. Defebo, Jr., Director of Public Relations & Marketing; Richard C. Dreher, Assistant CFO; Robert Kleimenhagen, Jr., Strategic Planning Coordinator; Donald S. Klingensmith, P.E., Director of Contracts Administration; Donna Lapano, Executive Office Assistant; Anthony Q. Maun, Assistant CFO/Accounting & Budgeting; Jeffrey A. Naugle, Manager of Treasury Operations; Robert H. Rosell, Jr., Technician of PC/LAN Systems; Tim Scanlon, Director of Traffic Engineering & Operations; Patricia F. Schlegel, Director of Human Resources; Steve Moore, Parsons Brinckerhoff; John Burkhardt, TPD; Peter Kuhne, Atkins; Dan Giles, HDR; Dave Snively, AMT; Steve Barber, Michael Baker, Jr., Inc.; Quentin Rissler, LDG; Paul McNamee, KCI; Glenn Deppert, Arora & Associates; Blair Stocker, Hatch Mott MacDonald and Kristen Garman, Lebanon Valley College.

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

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

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SUNSHINE ANNOUNCEMENT

MS. EDMUNDS: THE COMMISSIONERS MET IN EXECUTIVE SESSION PRIOR TO TODAY'S FORMAL AGENDA SESSION TO CONSIDER MATTERS OF PERSONNEL, WHICH INCLUDED ANNUITANTS, RECLASSIFICATIONS, PROMOTIONS, NEW HIRES, VACANCIES AND REQUESTS TO RECLASS, POST AND FILL; AND TO POST AND FILL POSITIONS IN THE IT AND MAINTENANCE DEPARTMENTS.

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

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PUBLIC COMMENT

MS. EDMUNDS: THE PUBLIC IS WELCOME AT THIS TIME TO ADDRESS THE COMMISSION REGARDING ITEMS LISTED ON THE AGENDA OR OTHER ITEMS NOT LISTED ON THE AGENDA THAT ARE WITHIN THE COMMISSION'S AUTHORITY OR CONTROL.

IN ORDER TO CONDUCT AN ORDERLY, EFFICIENT, EFFECTIVE AND DIGNIFIED MEETING, ALL PERSONS WISHING TO ADDRESS THE COMMISSION SHOULD HAVE SIGNED IN AND REQUESTED TIME TO SPEAK. IF YOU HAVE NOT DONE SO, YOU ARE INVITED TO DO SO.

COMMISSIONERS, WE HAVE NO REQUESTS TO ADDRESS THE COMMISSION. AT THIS TIME WE ASK ALL VISITORS TO STAND AND INTRODUCE YOURSELF. THE FOLLOWING WERE VISITORS TO THE MEETING: STEVE MOORE, PARSONS BRINCKERHOFF; JOHN BURKHARDT, TPD; PETER KUHNE, ATKINS; DAN GILES, HDR; DAVE SNIVELY, AMT; STEVE BARBER, MICHAEL BAKER, JR., INC.; QUENTIN RISSLER, LDG; PAUL MCNAMEE, KCI; GLENN DEPERT, ARORA & ASSOCIATES; BLAIR STOCKER, HATCH MOTT MACDONALD AND KRISTEN GARMAN, LEBANON VALLEY COLLEGE.

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held February 4, 2014 be approved and filed as submitted-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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COMMUNICATIONS

Motion-That the Commission accepts and files the memos received from the Chief Counsel and the Manager of Strategic Sourcing and Asset Management -was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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PERSONNEL

Motion-That the Commission approves the Personnel as submitted-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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NEW BUSINESS

BOND ISSUANCE

Motion-That the Commission authorizes the issuance of the Pennsylvania Turnpike Commission's Subordinate Revenue Bonds, including bond anticipation notes and special revenue bonds, in one or more series or sub-series, fixed rate or variable rate, taxable or tax-exempt, in an aggregate initial principal amount not to exceed \$250,000,000, to finance or refinance the costs of (a) making lease, grant or other payments to the Pennsylvania Department of Transportation in accordance with Act 44 and Act 89, (b) refunding any bond anticipation notes or other short-term indebtedness previously issued by the Pennsylvania Turnpike Commission for the foregoing purposes, (c) reimbursing the Pennsylvania Turnpike Commission for payments previously made to the Pennsylvania Department of Transportation in accordance with Act 44, (d) any debt service reserve or similar funds, credit facility costs or capitalized interest related to such bonds, and (e) issuance of such bonds; authorizing the execution, delivery and distribution of the following: (1) one or more supplemental trust indentures, (2) one or more preliminary official statements or preliminary private placement memoranda, (3) one or more official statements or private placement memoranda, (4) one or more purchase contracts or private placement agreements, (5) one or more remarketing agreements, (6) one or more continuing disclosure agreements, (7) one or more escrow deposit agreements, (8) documents related to the pledge of motor license fund monies for special revenue bonds and (9) any other necessary or appropriate documents or certificates; authorizing the acquisition of one or more credit facilities and the execution and delivery of any related agreements; authorizing the taking of further action; repealing inconsistent resolutions; appointing co-bond counsel and providing for the appointment of one or more underwriters and remarketing agents; declaring the Pennsylvania Turnpike Commission's official intent that it be reimbursed from bond proceeds for certain expenditures paid prior to the issuance of such bonds; and declaring that this resolution shall be liberally construed-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the Supplemental and Settlement Agreements for the items listed in memos "a" and "b":

- a. Supplemental Agreement to our reimbursement agreement with Buckeye Pipe Line Company L.P. for the relocation of their facility necessary for the total reconstruction project from MP 44.00 to MP 48.00 (Bridges WB-433 at MP 44.32 and WB-434 at MP 44.42), for an additional \$236,075.96 for overhead expenses that were omitted from their original cost estimate; for a total not-to-exceed amount of \$4,507,617.96;
- b. Settlement Agreement with Kenneth Heider and issuance of payment in the settlement amount.

-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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RIGHT-OF-WAY REQUEST

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

- a. Acquisition of Right-of-Way #7145-A1 (*CBS Outdoor, LLC*), a total take parcel necessary for the I-95/I-276 Interchange project by authorizing payment of moving costs for the outdoor advertising devices in the amount of \$179,235.00 to CBS Outdoor, LLC; and payment of the damages to CBS Outdoor, LLC is contingent upon the actual removal of the three outdoor advertising devices from the property;
- b. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #7135-U (*Martin/Petrone, L.P.*), a partial take parcel necessary for construction of the I-95/I-276 Interchange project by authorizing payment of Estimated Just Compensation in the amount of \$830,000.00 to counsel named at a later date; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- c. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #3310-G (*G6 Hospitality Properties, LLC*), a partial take parcel necessary for the total reconstruction project from MP 220.00 to MP 227.00 by authorizing payment of Estimated Just Compensation in the amount of \$5,000.00 to counsel named at a later date; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- d. Acquisition of Right-of-Way #14206-G (*PA Department of Transportation*), necessary for the total reconstruction project from MP 40.00 to MP 48.00 by authorize the transfer of real property interests; authorize the negotiation and execution of an Interagency Agreement and all necessary and appropriate documents; and authorize payment of statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- e. Acquisition of Right-of-Way #14213-B (*PA Department of Transportation*), necessary for the total reconstruction project from MP 40.00 to MP 48.00 by authorize the transfer of real property interests; authorize the negotiation and execution of an Interagency Agreement and all necessary and appropriate documents; and authorize payment of statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;

- f. Acquisition of Right-of-Way #3375-F (*PA Department of Transportation*), necessary for the total reconstruction project from MP 242.00 to MP 245.00 by authorize the transfer of real property interests; authorize the negotiation and execution of an Interagency Agreement and all necessary and appropriate documents; and authorize payment of statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- g. Acquisition of Right-of-Way #6078-G (*PA Department of Transportation*), necessary for the total reconstruction project from MP 320.00 to MP 326.00 by authorize the transfer of real property interests; authorize the negotiation and execution of an Interagency Agreement and all necessary and appropriate documents; and authorize payment of statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- h. Acquisition of Right-of-Way #6499-A (*Thomas & Rosemarie Sebra*), a total take parcel necessary for the total reconstruction project from MP A31.00 to MP A38.00 by authorizing payment of fair market value, pro-rated taxes, recording fees, mortgage satisfaction, housing supplement and closing costs in the amount of \$350,715.70 to *Diversified Settlement Services, Inc.* escrow agent; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of damages to the property owners is contingent upon their delivery of a deed prepared by the Legal Department.

-was made by Commissioner Schoch seconded by Commissioner Deon, and passed unanimously.

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ADVERTISING

Motion-That the Commission approves advertising for the items listed in memos "a" through "c":

- a. Emergency Spill Response Provider coverage from MP A57.40 to MP A130.60;
- b. Engineering or Materials Inspection firm to perform open-end materials inspection from MP 0.00 to MP 200.00 and the Western Expansion projects;
- c. Open-end environmental services systemwide.

-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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AWARD OF BIDS, A CHANGE ORDER AND ISSUANCE OF PURCHASE ORDERS

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

- a. Weigh-in-Motion equipment for the I-95 Interchange, to International Road Dynamics, Inc.; at a total award of \$667,413.00;

- b. Change Order to our agreement for fuel storage tank cleaning with Clean Fuel Associates for \$100,000.00, due to the Commonwealth extending their contract thru April 30, 2014;
- c. Seven (7) 2015 Chevrolet 2500 Crew Cab Pickup Trucks (for First Responders), utilizing the Commonwealth's contract with Apple Automotive; at a total award of \$271,523.00.

-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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SUPPLEMENTAL AGREEMENT

Motion-That the Commission approves the negotiation and execution Supplemental Agreement #1 with ALCM for construction management/inspection of the Somerset Maintenance Facility, for an additional \$1,204,261.62 necessary to complete the current work, and to also provide construction management/inspection for the Western Training Facility project, the Allegheny Tunnel electrical upgrades project and the proposed addition of Somerset Materials Lab to the Somerset Maintenance project; for a revised not-to-exceed amount of \$3,465,941.58-was made by Commissioner Schoch, seconded by Commissioner Deon; Commissioners Lieberman and Logan abstained.

CHAIRMAN LIEBERMAN: I ABSTAIN ON THIS ITEM BECAUSE ALCM IS A CLIENT OF MY FIRM.

COMMISSIONER LOGAN: I ABSTAIN ON THIS ITEM BECAUSE I HAVE A FRIENDSHIP WITH ALCM.

The motion passed.

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CHANGE ORDERS/FINAL PAYMENT

Motion-That the Commission approves the Change Orders and Final Payment for the items listed in memos "a" and "b":

- a. Change Order #2 and Final Payment for Contract #T-099.00T002-3-03 with Charles J. Merlo, Inc. for the replacement of Bridge B-459 (S-26566) at MP 103.47, for a decrease of \$14,263.20 to balance items to actual work completed, additional changes to repair and improve the SE corner of the bridge that gets washed-out during heavy rains and for additional signs and delineators as requested by PennDOT; for a total contract value of \$3,282,342.23 and a total amount due to the contractor of \$102,563.30;

b. Change Orders with the following vendors currently working on the Somerset Maintenance/PSP project, to include construction and related work of the Somerset Materials Testing Lab; at a total approximate cost of \$806,844.00;

Clark Contractors	General Construction	T-113.82F001-3-04
A.J. Demor & Sons, Inc.	Plumbing work	T-113.82F001-3-05
T.S.B., Inc. d/b/a Schultheis Electric	Electrical work	T-113.82F001-3-06
MARC-Service Inc.	HVAC work	T-113.82F001-3-07

-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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PSPC AWARDS

Motion-That the Commission approves the award of service and authorizes the negotiation and execution of an agreement with the selected firm for the items listed in memos "a" and "b":

a. Ref #E-056. Design Services and construction consultation for the Southern Beltway Project, Rt. 22 to I-79, Section 55A2;

- URS Corporation-AWARDED
- Alfred Benesch & Company
- KCI Technologies, Inc.

-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

b. Ref #E-057. Design services and construction consultation for the Southern Beltway Project, Rt. 22 to I-79, Section 55C2; the highly recommended firms, in alphabetical order:

- ms consultants, inc.-AWARDED
- SAI Consulting Engineers, Inc.
- HDR Engineering, Inc.

-was made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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ITEMS ADDED TO THE FORMAL AGENDA

PURCHASE ORDER

Motion-That the Commission approves Change Orders to our agreements for sodium chloride to cover additional needs for the 2014 winter season:

Cargill, Inc.	\$2,000,000.00
American Rock Salt Co.	\$1,000,000.00

-was made by Commissioner Schoch, seconded by Commissioner Deon; and passed unanimously.

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AGREEMENT

Motion-That the Commission approves the negotiation and execution of an agreement for annual independent audit services with Zelenkofske Axelrod-was made by Commissioner Schoch, seconded by Commissioner Deon; and passed unanimously.

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Chairman Lieberman recognized Tim Scanlon and congratulated him on being named "Central Pennsylvania's Engineer of the Year".

NEXT COMMISSION MEETING

Ms. Edmunds: The next meeting of the Pennsylvania Turnpike Commission will be a telephone meeting on Tuesday, March 4, 2014 beginning at 10:00 am.

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ADJOURNMENT

Motion-That this meeting of the Pennsylvania Turnpike Commission be adjourned was made at 11:18 a.m. -made by Commissioner Schoch, seconded by Commissioner Deon, and passed unanimously.

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PREPARED BY:

APPROVED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

Pasquale T. Deon, Sr.
Secretary Treasurer

ATTACHMENT

COMMUNICATIONS: MEMO RECEIVED FROM THE CHIEF COUNSEL AND THE MANAGER OF STRATEGIC SOURCING AND ASSET MANAGEMENT