

MINUTES OF THE COMMISSION MEETING HELD MARCH 15, 2016

A formal meeting of the Pennsylvania Turnpike Commission convened at 11:08 a.m. on March 15, 2016 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were Pasquale T. Deon, Sr., Secretary Treasurer, Barry Drew, Commissioner and Leslie S. Richards, Secretary of Transportation. Available via telephone were Sean Logan, Chairman and William K. Lieberman, Vice Chairman.

Others present for the meeting were Mark P. Compton, Chief Executive Officer; Robert F. Brady, Director of Operations/Projects-East; Charles L. Duncan, III, Esquire, Director of Legislative Affairs; Scott D. Fairholm, Chief Information Officer; Bradley J. Heigel, P.E., Chief Engineer; Jeffrey L. Hess, Director of Fare Collection & Field Operations; Doreen A. McCall, Chief Counsel; Myneca Y. Ojo, Director of Diversity and Inclusion; Stacia A. Ritter, Esquire, Director of Policy & External Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Jack Christensen, Director of FEMO; Carl E. DeFebo, Jr., Director of Public Relations & Marketing; Richard S. DiPiero, Senior Fare Collection Operations Manager; Donald S. Klingensmith, Director of Procurement and Logistics; Donna Lapano, Executive Office Assistant; Jeffrey A. Naugle, Manager of Treasury Operations; Sheri Norris, Director of Human Resources; Tim Scanlon, Director of Traffic Engineering & Operations; Cindy Smith, General Account 2; Mark A. Strause, Technician of PC/LAN Systems; Kathleen Walter, Public Information Manager-East; Michael Schubert; Steve Barber, Michael Baker Jr., Inc.; Paul McNamee, KCI; John Smith, Parsons Brinkerhoff; Mike Gross, Wallace Montgomery; Mike Meyer, Remington Vernick & Beach; Rob Wills; WRA; Scott Shimko, Borton Lawson; John Livingston, Jacobs; John Zarsky, Pennoni; Michael Conallan, Pennoni; Gregory Bitsko, Cherry, Weber & Associates; Mahmood Shehata, RK&K; David Beachy, Arora & Associates; and Glenn Deppert, Arora & Associates.



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



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



SUNSHINE ANNOUNCEMENT

The Commissioners met in Executive Session prior to today's Formal Agenda Session to consider matters of personnel, which included a termination, promotion, equity adjustment, lateral, new hires, vacancies, and requests to post and fill positions in the Engineering and Compliance Departments.

The Commissioners also discussed Docket No. PTC-CO-NS001-16 and engaged non-deliberative informational discussions regarding various actions and matters, which have been approved at previous public meetings.



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 and effective meeting, all persons wishing to address the Commission should have signed in a requested time to speak. If you have not done so, you are invited to do so at this time.

There were no requests to address the Commission.



MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held March 1, 2016 be approved and filed as submitted-were made by Commissioner Deon, seconded by Commissioner Drew, and passed unanimously.



COMMUNICATIONS

Motion-That the Commission approves the memos received from the Chief Counsel and the Director of Procurement & Logistics-was made by Commissioner Deon, seconded by Commissioner Drew, and passed unanimously.



PERSONNEL

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



UNFINISHED BUSINESS

No unfinished business to discuss.



NEW BUSINESS

BOND RESOLUTION

DEFERRED FROM AGENDA. That the Commission approves authorizing the issuance of the Pennsylvania Turnpike Commission's variable and/or fixed rate Turnpike Revenue Bonds in an aggregate principal amount not to exceed \$650,000,000 (based on par amount) in one or more series or subseries, taxable or tax-exempt, for the purpose of financing (1) the costs of various capital expenditures for the Pennsylvania Turnpike system set forth in the Commission's current Ten Year Capital Plan or any prior Capital Plan including, but not limited to, the reconstruction of roadbed and roadway, the widening, replacing and redecking of certain bridges and/or the rehabilitation of certain interchanges and (2) the refunding of all or portion of certain outstanding Turnpike Revenue Bonds, in each case including funding necessary reserves, the cost of credit facilities and/or reserve fund credit facilities, and capitalized interest; authorizing the execution, delivery and distribution of the following: (1) one or more Supplemental Trust Indentures for the bonds; (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) agreements for the provision of one or more credit facilities and/or reserve fund credit facilities and any related agreements; (6) one or more Remarketing Agreements; (7) one or more Continuing Disclosure Agreements; (8) one or more interest rate swaps or other derivatives, or amendments to or terminations of existing interest rate swaps; (9) one or more Escrow Deposit Agreements; and (10) any other necessary or appropriate documents or certificates; providing for the appointment of one or more co-bond counsel and disclosure counsel; appointing the co-financial advisors; providing for the appointment of one or more underwriters and/or other professionals; and making a declaration of official intent that the Commission be reimbursed from bond proceeds for certain expenditures paid prior to the issuance of such bonds; authorizing the taking of further action; repealing inconsistent resolutions; and declaring that this resolution shall be liberally construed.



AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the Amendment for the item listed in memo "h":

- h. Amendments to our agreements with Highmark Blue Shield, Aetna, and United Concordia for medical, prescription, vision and dental coverage; exercising the option to renew the agreements for an additional year (January 1 – December 31, 2017); approve advertising for a benefits consultant, and advertise for medical, dental, vision and prescription benefits beginning January 1, 2018;

-was made by Commissioner Deon, seconded by Commissioner Drew; Commissioner Logan and Commissioner Lieberman abstained.

CHAIRMAN LOGAN: I abstain on this item because Highmark is a member of the Monroeville Chamber of Commerce, which I am President.

VICE CHAIRMAN LIEBERMAN: I abstain on this item because I have a business relationship with the three vendors.

Motion-That the Commission approves the negotiation and execution of the Agreements for the items listed in memos "o" and "r":

- o. Agreement with AFLAC (as advertised through our broker, Sagewell Partners) for a Voluntary Supplemental Insurance program for 5-years;

- r. Agreement with MetLife (as advertised through our broker, Sagewell Partners) for short term disability insurance for 3-years;

-was made by Commissioner Deon, seconded by Commissioner Drew; Commissioner Lieberman abstained.

VICE CHAIRMAN LIEBERMAN: I abstain on these items because I'm a broker on AFLAC policies and I have a business relationship with MetLife.

Motion-That the Commission approves the negotiation and execution of the Amendment for the item listed in memo "p":

- p. Amendment to our agreement with PNC Bank for the VISA Commercial Card Program, to increase our credit limit from \$250,000.00 to \$400,000.00 due to increased purchases via the Purchasing Cards and the addition of the Travel Cards to the program; the allocations will increase the limits to \$300,000.00 on the Purchasing Card and \$100,000.00 on the Travel Card;

-was made by Commissioner Deon, seconded by Commissioner Drew; Commissioner Logan abstained.

CHAIRMAN LOGAN: I abstain on this item because PNC Bank is a sponsor of the Monroeville Chamber of Commerce, which I am President.

Motion-That the Commission approves the negotiation and execution of the Supplements, Agreements, Amendments and a Lease for the items listed in memos "a-g", "i-n", "q" and "s":

- a. Supplemental Agreement with Mohanty Garguilo, LLC for advisory services related to the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 72; for an additional \$50,000.00;
- b. Reimbursement Agreement with Columbia Gas to reimburse Columbia Gas the cost to perform the engineering and utility relocation work necessary for construction of the Southern Beltway, Section 55-C1; at a not-to-exceed amount of \$4,042,375.00;
- c. Reimbursement Agreement with Franklin Township Municipal Sewer Authority for the Authority to reimburse the Commission the design and construction costs for the utility relocation work necessary for the total reconstruction project from MP 57.00 to MP 67.00 (WB-500 at MP 59.58); at an estimated reimbursement of \$36,000.00;
- d. Reimbursement Agreement with Wheeling & Lake Erie Railway to reimburse the Railway the cost to perform the engineering and protective services work necessary for the construction of the Southern Beltway, Section 55-C1; at a not-to-exceed amount of \$250,000.00;
- e. Reimbursement Agreement with PPL Electric Utilities Corporation to reimburse PPL the cost to perform the engineering and utility relocation work necessary for the replacement of Bridge NB-218 at MP A44.40; at a not-to-exceed amount of \$82,673.41;
- f. Amendment to our agreement with Intergraph for Computer Aided Dispatch System (CADS) software and system maintenance, exercising our option to renew the agreement for an additional 3-years; at a cost of \$459,014.40;
- g. Consent Assessment of Civil Penalty regarding construction for the I-95 Interchange project, Section D-10; authorize payments of \$4,500.00 to the Commonwealth of PA CWF, \$240.00 to B.C.C.D. Water Quality Fund, and \$150.00 to B.C.C.D.; and assessment of these penalties in the form of a credit to the contract (PKF-Mark III, Inc.) for this project;
- i. Amendment to our agreement with Lispi Brothers Towing as an authorized service provider for coverage from MP A94.50 to MP A130.60; exercising the option to renew the agreement for an additional 5-year period;
- j. Amendment to our agreement with Ferra's Automotive Services as an authorized service provider for coverage from MP 24.90 to MP 49.30; exercising the option to renew the agreement for an additional 5-year period;
- k. Agreement with Pennsylvania Ambulance for EMS coverage from MP A120.60 to MP A130.60;
- l. Agreement with South Whitehall Township for fire service coverage from MP A55.60 to MP A62.00 northbound and MP A57.30 to MP A52.20 southbound;

- m. Amendment to our agreement with McCutcheon Enterprises for spill team response from MP 0.00 to MP 75.20, the Beaver Valley Expressway, Mon/Fayette Expressway and the Southern Beltway; exercising the option to renew the agreement for an additional 2-years (thru August 4, 2018);
- n. Amendment to our agreement with McCutcheon Enterprises for spill team response from MP 75.30 to MP 179.40 and the Amos K. Hutchinson Bypass MP G0.00 to MP G13.40; exercising the option to renew the agreement for an additional 2-years (thru August 4, 2018);
- q. Supplemental Agreement with SAP to complete the implementation of the Cash & Debt Management module and upgrade the Investment Management module, for an additional \$66,959.21;
- s. Lease Agreement with EQT Production Company to permit EQT to lease 22.3299 acres of Right-of-Way and surplus property in Washington County for purpose of exploring, developing and producing oil and gas from the Utica Shale Formation.

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



RIGHT-OF-WAY REQUESTS

Motion-That the Commission approves the Right-of-Way Request for the item listed in memo "a":

- a. Settlement of Right-of-Way #14221-C (W.D. McCrady Land, LLP, successor to W.D. McCrady Land Limited Partnership), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00 by authorizing payment of \$211,686.00 representing the balance of the award due to W.D. McCrady Land, LLP and authorize payment of \$4,000.00 to Dickie, McCamey & Chilcote, P.C. representing Section 710 damages; and payment of the award to the property owner will resolve all issues;

-was made by Commissioner Deon, seconded by Commissioner Drew; Commissioner Lieberman abstained.

VICE CHAIRMAN LIEBERMAN: I abstain on this item because I have a business/personal relationship with Mr. McCrady.

Motion-That the Commission approves the Right-of-Way Request for the items listed in memos "b" through "p":

- b. Acquisition of Right-of-Way #1105-B (Michael Fochtman), a partial take parcel necessary for the total reconstruction project from MP 128.00 to MP 134.00 by authorizing payment of \$44,405.17 representing fair market value and pro-rated taxes to Michael Fochtman; authorize the appropriate Commission officials to execute the Agreement of Sale and all other documents required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;

- c. Acquisition of Right-of-Way #14073-A (Frey Family Limited Partnership), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00 by authorizing payment of \$8,597.50 representing fair market value and pro-rated taxes to Frey Family Limited Partnership; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; 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 its delivery of a deed prepared by the Legal Department;
- d. Acquisition of Right-of-Way #17762 (Quicksilver Associates, Inc.), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79 by authorizing payment of \$78,458.03 representing fair market value and pro-rated taxes to Quicksilver Associates, Inc.; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon its delivery of deed prepared by the Legal Department;
- e. Acquisition of Right-of-Way #9029-A (Michael & Melanie A. Kowalski), a partial take parcel necessary for the ITS DMS installation from MP A42.00 to MP A129.00 by authorizing payment of \$507.50 representing fair market value and pro-rated taxes to Michael & Melanie A. Kowalski; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; authorize the payment of additional statutory damages a calculated by the Right-of-Way Administrator and approved by the Chief Counsel; payment of fair market value to the property owners is contingent upon the delivery of a deed as prepared by the Legal Department;
- f. Acquisition of Right-of-Way #6514-E (James K. & Gail Alderfer), a partial take parcel necessary for the total reconstruction project from MP A31.00 to MP A38.00 by authorizing payment of \$450.00 representing Section 710 statutory damages to DelVal Soil Environmental Consultants, Inc.;
- g. Acquisition of Right-of-Way #6519-D (Kevin R. & Violet M. Moyer), a total take parcel necessary for the total reconstruction project from MP A31.00 to MP A38.00 by authorizing payment of \$499,085.53 representing fair market value, pro-rated taxes, recording fees, replacement housing supplement and closing costs to Diversified Settlement Services, Inc.; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- h. Acquisition of Right-of-Way #9525-C (Borough of Taylor), a partial take parcel necessary for the replacement of Bridge NB-709 at MP A120.00 by authorizing payment of \$4,300.00 representing fair market value to the Borough of Taylor; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and

approved by the Chief Counsel; and payment of fair market value to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;

- i. Acquisition of Right-of-Way #6541-A (James T. Ellinger), a partial take parcel necessary for the total reconstruction project from MP A31.00 to MP A38.00 by authorizing payment of \$21,518.00 representing fair market value and pro-rated taxes to James T. Ellinger; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; 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 owner is contingent upon his delivery of a deed prepared by the Legal Department;
- j. Acquisition of Right-of-Way #14204-B1 (Michael J. & Armella M. Breyak), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00 by authorizing payment of \$25,025.50 representing fair market value and pro-rated taxes to Michael J. & Armella M. Breyak; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of fair market value to the property owners is contingent upon the delivery of a deed as prepared by the Legal Department;
- k. Acquisition of Right-of-Way #6071-D (Chesterbrook Parcel 19 Master Association), a partial take parcel necessary for the total reconstruction project from MP 320.00 to MP 326.00 by authorizing payment of \$1,200.00 representing fair market value to Chesterbrook Parcel 19 Master Association; authorize the appropriate Commission officials to execute the Agreement of Sale, Drainage Easement, and other documents as may be required for closing; approve payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel; and payment of statutory damages is contingent upon the delivery of a Drainage Easement as prepared by the Legal Department;
- l. Acquisition of Right-of-Way #7240-A (Susan J. Buonadonna), a total take parcel necessary for the total reconstruction project from MP A38.00 to MP A44.00 by authorizing payment of \$304,656.57 representing fair market value, pro-rated taxes and recording fees to Diversified Settlement Services, Inc., escrow agent; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; 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 owner is contingent upon her delivery of a deed prepared by the Legal Department;
- m. Acquisition of Right-of-Way #17515 (Mark A. & Jamie L. Slack), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79 by authorizing payment of \$4,917.65 representing fair market value, pro-rated taxes and recording fees to Coon & Company, escrow agent; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; 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;

- n. Acquisition of Right-of-Way #6034-F (Conestoga Realty Business Trust), a partial take parcel necessary for the total reconstruction project from MP 311.00 to MP 319.00 by authorizing payment of \$5,684.00 representing fair market value and pro-rated taxes to Conestoga Realty Business Trust; authorize the appropriate Commission officials to execute the Agreement of Sale and other documents that may be required for closing; 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 owner is contingent upon its delivery of a deed prepared by the Legal Department;
- o. Settlement of Right-of-Way #17524 (Andrew R. & Kathleen D. Schrader), a total take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79 by authorizing settlement of \$125,000.00 to Babst Calland, escrow agent; payment of the settlement funds to the property owners is contingent upon their execution of the Release and Settlement Agreement and also their delivery of a deed as prepared by the Legal Department;
- p. Acquisition of Right-of-Way #17931 (U.S.A. Dept. of Veterans Affairs), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79; authorize execution of a Property Access Agreement and other documents that may be needed to conduct the required work, as reviewed and approved by the Legal Department.

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



ADVERTISING

Motion-That the Commission approves advertising for the items listed in memos "a" and "b":

- a. Contract T-056.44R002-3-02 for bituminous resurfacing of the Pittsburgh Interchange ramps at MP 56.44;
- b. Two (2) engineering firms for open-end Traffic Operations, Intelligent Transportation Systems (ITS) and Safety Services.

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



PURCHASE ORDERS

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

- a. Change Order to the agreement for tree clearing from MP 312.00 to MP 319.00 with Independence Constructors Corp., for an increase of \$114,829.86 for additional areas of tree clearing and pruning;

- b. Tree clearing from MP 246.00 to MP 260.00, to the lowest responsive and responsible bidder, Penn Line Service Inc.; at a total award of \$1,028,861.62;
- c. Tree clearing from MP 340.00 to MP 345.00, to the lowest responsive and responsible bidder, Independence Constructors Corp.; at a total award of \$695,466.50.

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



AWARD OF CONTRACT

Motion-That the Commission approves the Award of Contract #T-140.38S001-3-02 for bridge painting and fencing replacement at MP 140.38 and MP 146.58, to the lowest responsive and responsible bidder, Mosites Construction Company; at a not-to-exceed amount of \$1,117,777.00 and a contingency of \$50,000.00-was made by Commissioner Deon, seconded by Commissioner Drew, and passed unanimously.



CHANGE ORDERS & FINAL PAYMENTS

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

- a. Change Order #2 and Final Payment for Contract #T-138.00R001-3-02 for bituminous overlay between MP 138.00 and MP 142.00 with Grannas Bros. Stone & Asphalt Co., Inc. for a decrease of \$98,898.41 to balance items to actual work completed; for a final contract value of \$5,108,571.87 and final amount due to the contractor of \$51,085.72;
- b. Change Order #2 and Final Payment for Contract #T-148.00R001-3-02 for bituminous resurfacing between MP 149.36 and MP 161.02 with Grannas Bros. Stone & Asphalt Co., Inc. for a decrease of \$907,303.89 to balance items to actual work completed, undercutting, drainage, shoulder sealing, guide rail posts, Type A and B pavement patching, pavement marking removal and a credit for asphalt adjustment; for a final contract value of \$10,020,722.36 and final amount due to the contractor of \$276,018.96.

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



SPEED LIMIT

Motion-That the Commission approves changing the speed limit to 70 MPH in all areas on the Turnpike system where there are currently 65 MPH speed limits; and authorize the Engineering, Maintenance and Traffic Engineering and Operations Departments to implement the approved speed limit-was made by Commissioner Deon, seconded by Commission Drew, and passed unanimously.



NEXT COMMISSION MEETING

Ms. Edmunds: The next meeting of the Pennsylvania Turnpike Commission will be held on Tuesday, April 5, 2016 beginning at 9:00 a.m.



ADJOURNMENT

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



PREPARED BY:

APPROVED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

Pasquale T. Deon, Sr.
Secretary Treasurer