

MINUTES OF THE COMMISSION MEETING HELD MARCH 19, 2013

A formal meeting of the Pennsylvania Turnpike Commission convened at 10:18 a.m., March 19, 2013 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were William K. Lieberman, Chairman; Pasquale T Deon, Sr., Commissioner and R Scott Christie, P.E., Deputy Secretary for Highway Administration.

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.; Robert F. Brady, Director of Operations/Projects-East; William J. Capone, Director of Communications/Public Relations; Scott 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; Jeffrey L. Hess, Director of Fare Collection and Field Operations; 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.

Also in attendance were Susan Carson-Casoni, Cash Manager; Renee Colborn, Manager of Media and Public Relations; Carl E. Defebo, Jr., Director of Public Relations & Marketing; Richard S. Dipiero, Senior Fare Collection Operations Manager; Kelly Horvath, Executive Assistant; Donald S. Klingensmith, P.E., Director of Contracts Administration; Jeffrey A. Naugle, Manager of Treasury Operations; Robert H. Rosell, Technician of PC/LAN Systems; Patricia F. Schlegel, Director of Human Resources; Robert Schlegel, Manager of Strategic Sourcing & Asset Management; Lynn Stakem, Senior General Accountant; Trish Stillman, Administrative Secretary; Brenda Szeles-Bratina, Director of Toll Revenue Audit; Christopher Will, Investment Manager; Steve Barber, Michael Baker, Jr., Inc.; Jon Livingston, Jacobs Engineering; Paul McNamee, KCI Technologies; Steve Bolt, Orth-Rodgers & Associates, Inc.; Eric Madden, ACEC/PA; Glenn Deppart, Arora & Associates and Tom Rowader, Dawood.

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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 present.

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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 A TERMINATION, TRANSFER, PROMOTION, NEW HIRES,

VACANCIES AND REQUESTS TO POST AND FILL; TO CREATE, POST AND FILL; AND TO RECLASS, POST AND FILL POSITIONS IN THE MAINTENANCE, INFORMATION TECHNOLOGY AND COMPLIANCE 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 VISTORS TO THE MEETING: Steve Barber, Michael Baker, Jr., Inc.; Jon Livingston, Jacobs Engineering; Paul McNamee, KCI Technologies; Steve Bolt, Orth-Rodgers & Associates, Inc.; Eric Madden, ACEC/PA; Glenn Deppart, Arora & Associates and Tom Rowader, Dawood

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CHAIRMAN'S RESPONSE

CHAIRMAN LIEBERMAN: GOOD MORNING, I WANT TO READ A STATEMENT IN RESPONSE TO LAST WEEK'S ACTION BY THE OFFICE OF ATTORNEY GENERAL. WE ARE ALL VERY DISAPPOINTED IN THE CONDUCT THAT WAS ALLEGED BY THE OAG. I AM NOT, AT THIS TIME, GOING TO COMMENT ON SPECIFIC INDIVIDUALS. I DO WANT TO ECHO THE SENTIMENTS EXPRESSED BY OUR CEO, MARK COMPTON, IN HIS STATEMENT YESTERDAY, COPIES OF WHICH ARE AVAILABLE. I WANT TO STRESS THAT ALL THE COMMISSIONERS SUPPORT THE FOUR SPECIFIC ACTIONS HE HAS OUTLINED.

OUR EFFORTS TO REFORM THIS ORGANIZATION STARTED TWO YEARS AGO AND CONTINUE TODAY. WE WILL SHARE INFORMATION ABOUT OUR EFFORTS AS WE MOVE FORWARD.

AS CHAIRMAN I CANNOT STRESS ENOUGH HOW PROUD I AM OF THE DEDICATION OF OUR WORKFORCE THAT I HAVE WITNESSED IN MY TIME AT THIS AGENCY. FRANKLY, THE CONDUCT THAT WAS ALLEGED IN THE OAG REPORT DOES NOT REPRESENT THE TURNPIKE THAT I HAVE COME TO KNOW.

MAKE NO MISTAKE: THE CONDUCT AS ALLEGED BY THE OAG WILL NOT BE TOLERATED.

NOW, WE ARE GOING TO GET ON WITH THE BUSINESS OF THIS AGENCY. WE WILL NOT MAKE ANY MORE COMMENTS REGARDING THIS MATTER TODAY.

THANK YOU.

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held March 5, 2013 be approved and filed as submitted-was made by Commissioner Deon, seconded by Deputy Secretary Christie; 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 & Asset Management-was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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PERSONNEL

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

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NEW BUSINESS

BOND AND NOTE RESOLUTIONS

Motion-That the Commission approves the Resolutions for the issuance of a Subordinate Revenue Bond and a Promissory Note for the items listed in memos "a" and "b":

- a. Authorize the approval of 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, (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;

- b. Authorize the issuance of one or more taxable or tax-exempt Promissory Notes of the Pennsylvania Turnpike Commission, in an aggregate principal amount not to exceed \$200,000,000, to finance the costs of the reconfiguration of the Pennsylvania Turnpike toll system and re-redirecting Interchange 95; authorizing the execution, delivery and distribution of the following: (1) a Loan Agreement, (2) one or more Promissory Notes, and (3) any other necessary or appropriate documents or certificates; declaring the Pennsylvania Turnpike Commission's official intent that it be reimbursed from note proceeds for certain expenditures paid prior to the issuance of such notes; authorizing the taking of further action; repealing inconsistent resolutions; authorizing appointment of legal counsel; and declaring that this resolution shall be liberally construed.

-was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the Agreements and Amendments for the items listed in memos "a" through "d":

- a. Reimbursement Agreement with Enterprise TE Products Pipeline for the Commission to reimburse Enterprise the costs associated with the relocation of their gas line necessary for the roadway widening project from MP 242.00 to MP 245.00; at a not-to-exceed amount of \$800,000.00;
- b. Agreement with Thomson Reuters to provide a secure web-based investigative interface for access to public records and related information; at a not-to-exceed amount of \$6,036.00 annually;
- c. Amendment to our agreement with CSI for confidential investigative or audit services; to exercise our option to renew the agreement for an additional year;
- d. Amendment to our agreement with SAP to purchase Linear Asset Management software and Syclo Mobile Work Force Management software at an additional not-to-exceed amount of \$1,100,000.00; and approve the software installation and implementation at an additional not-to-exceed amount of \$1,500,000.00.

-was made by Commissioner Deon, seconded by Deputy Secretary Christie; 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 "g":

- a. Acquisition of Right-of-Way #14113, a partial take parcel necessary for construction of the Southern Beltway, by authorizing payment in the amount of \$87,969.36 representing fair market value, pro-rated taxes and recording fees to Nathan Zarichnak & Associates, LLC, escrow agent; authorize the appropriate Commission officials to execute the agreement of sale, and other

documents as 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 their delivery of a deed as prepared by the Legal Department;

- b. Acquisition of Right-of-Way #14114, a partial take parcel necessary for construction of the Southern Beltway, by authorizing payment in the amount of \$131,484.36 representing fair market value, pro-rated taxes and recording fees to Nathan Zarichnak & Associates, LLC, escrow agent; authorize the appropriate Commission officials to execute the agreement of sale, and other documents as 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 their delivery of a deed as prepared by the Legal Department;
- c. Acquisition of Right-of-Way #17652, a total take parcel necessary for construction of the Southern Beltway, by authorizing payment in the amount of \$598,404.62 representing fair market value, pro-rated taxes and recording fees to Fayette Professional Services, Inc., escrow agent; authorize the appropriate Commission officials to execute the agreement of sale, and other documents as 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 their delivery of a deed as prepared by the Legal Department;
- d. Acquisition of Right-of-Way #17240, a total take parcel necessary for construction of the Southern Beltway, by authorizing payment in the amount of \$80,065.50 representing fair market value and pro-rated taxes to Nathan Zarichnak & Associates, LLC, escrow agent; authorize the appropriate Commission officials to execute the agreement of sale, and other documents as 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 their delivery of a deed as prepared by the Legal Department;
- e. Settlement of Right-of-Way #7085-B, a partial take parcel necessary for the I-95 Interchange project, by authorizing settlement payment in the amount of \$120,000.00 to The Women's Humane Society for the Prevention of Cruelty to Animals, Inc.; authorize the appropriate Commission officials to execute the agreement of sale and other documents that may be required for closing; and payment of fair market value to the property owner is contingent upon its delivery of a deed as prepared by the Legal Department;
- f. Acquisition of Right-of-Way #12035-C2, a total take parcel necessary for the replacement of the Beaver River Bridge, by authorizing payment in the amount of \$2,385.26 representing fair market value and closing costs to Beaver County Tax Claim Bureau; authorize the appropriate Commission officials to execute the agreement of sale and other documents as 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 dependent upon its delivery of a deed as prepared by the Legal Department;
- g. Acquisition of Right-of-Way #6494-B1, a partial take parcel necessary for the replacement of Bridge NB-150 and NB-152, by authorizing payment in the amount of \$28,800.00 representing

fair market value to PECO Energy Company; authorize the appropriate Commission officials to execute the agreement of sale and other documents as may be necessary for closing; authorize the payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Counsel; and payment of fair market value to the property owner is contingent upon its delivery of a deed prepared by the Legal Department.

-was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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ADVERTISING

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

- a. Long term ground lease of approximately 12 acres of land (the former Morgantown Interchange property) at MP 297.88;
- b. Engineering firm to perform ITS design services systemwide.

-was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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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 “d”:

- a. Eleven (11) trailer mounted attenuators, utilizing the Commonwealth’s contract with Traffix Devices; at a total award of \$175,791.00;
- b. Herbicides, extending the agreements for an additional 3-months (April 1, 2013-June 30, 2013) based on current Commonwealth contracts that were extended:

CWC Chemical, Inc.	no additional funds
Helena Chemical Co.	no additional funds
Arborchem Products Co.	\$ 40,000.00
Crop Production Services	<u>20,000.00</u>
TOTAL ADDITIONAL FUNDS:	\$ 60,000.00
- c. Three (3) rollers and three (3) trailers, utilizing the Commonwealth’s contract with Cleveland Brothers; at a total award of \$127,290.00;
- d. Twenty-two (22) passenger vehicles, utilizing the Commonwealth’s contract with Apple Automotive Group; at a total award of \$449,201.00.

-was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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AWARD OF CONTRACTS

Motion-That the Commission approves the Award of Contracts for the items listed in memos “a” through “c”:

- a. Contract #T-122.00R001-3-02 for bituminous overlay between MP 121.82 and MP 128.93, to the lowest responsive and responsible bidder, New Enterprise Stone and Lime, Co., Inc.; at a not-to-exceed amount of \$5,483,986.55 and a contingency of \$250,000.00;
- b. Contract #T-129.00T001-3-04 for the replacement of Bridge B-404 at MP 130.86, to the lowest responsive and responsible bidder, New Enterprise Stone and Lime Co., Inc.; at a not-to-exceed amount of \$2,678,563.01 and a contingency of \$100,000.00;
- c. Contract #T-326.20T001-3-02 for construction of South Gulph Road stormwater management basin, to the lowest responsive and responsible bidder, Flyway Excavating, Inc.; at a not-to-exceed amount of \$1,169,603.40 and a contingency of \$50,000.00.

-was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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SUPPLEMENTAL AGREEMENT

Motion-That the Commission approves Supplemental Agreement #1 with Ammann & Whitney, Inc. for open-end design services for the replacement of Bridge NB-531 at MP A76.09 and Bridge NB-534 at MP A76.18, for an additional \$500,000.00 to complete the final design, the design of a retaining wall that was not in the original scope, additional environmental design due to changes in the permitting requirements and to complete the bid documents for this project-was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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CHANGE ORDERS/FINAL PAYMENTS

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

- a. Change Order #4 and Final Payment for Contract #M-030.00R001-3-02 with Golden Eagle Construction for roadway reconstruction and resurfacing from MP M29.96 to MP M34.63 and from MP M39.82 to MP M44.70, for a decrease of \$1,303,436.18 to balance items to the actual work completed and a credit for non-compliant wearing course material; for a final contract value of \$6,163,100.17 and a final amount due to the contractor of \$14,700.57;
- b. Change Order #4 for Contract #T-342.75S001-3-02 with Loftus Construction Inc. for the replacement of Bridge DB-155 at MP 342.75, for an additional \$303,197.21 for the proper disposal of contaminated soil and additional bracing for temporary shoring for eastbound travel lane and shoulder.

-was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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POLICY LETTER

Motion-That the Commission adopts *Policy Letter, 7.11, Emergency Procurement*, to enable the Commission to procure supplies, lodging and meals during an emergency and disaster situations, and define when the emergency situation precludes using normal procurement procedures -was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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NEXT COMMISSION MEETING

Ms. Edmunds: The next meeting of The Pennsylvania Turnpike Commission will be a telephone meeting on Tuesday, April 2, 2013 beginning at 10:00 am.

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ADJOURNMENT

Motion-That this meeting of The Pennsylvania Turnpike Commission be adjourned at 10:29 a.m. -was made by Commissioner Deon, seconded by Deputy Secretary Christie; and passed unanimously.

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PREPARED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

APPROVED BY:

J. William Lincoln
Secretary Treasurer

ATTACHMENT NUMBER 1

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