

MINUTES OF THE COMMISSION MEETING HELD MARCH 20, 2018

A formal meeting of the Pennsylvania Turnpike Commission convened at 11:17 a.m. on March 20, 2018 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were Leslie Richards, Chair; William K. Lieberman, Vice Chair; Barry Drew, Secretary Treasurer; and John Wozniak, Commissioner. Available via telephone was Pasquale T. Deon, Sr., Commissioner.

Also in attendance for the meeting were Mark P. Compton, Chief Executive Officer; Craig R. Shuey, Chief Operating Officer; Larry Bankert, Chief Engineer, Michael Baker, Inc.; Nikolaus Grieshaber, Chief Financial Officer; Bradley J. Heigel, P.E., Chief Engineer; Jeffrey L. Hess, Assistant Director of Toll Collection-Fares; Doreen McCall, Chief Counsel; Myneca Y. Ojo, Director of Diversity and Inclusion; Stacia A. Ritter, Esquire, Director of Policy and External Affairs; Robert Taylor, Chief Technology Officer and Ann Louise Edmunds, Assistant Secretary Treasurer.

Others present were Christine Baker, Marketing Coordinator; Richard C. Dreher, Asst. CFO/Financial Management; Kelly Horvath, Executive Administrative Assistant; Donald S. Klingensmith, P.E., Director of Procurement & Logistics; Jeffrey A. Naugle, Manager of Treasury Operations; Sheri Norris, Director of Human Resources; Mark Strause, Technician of PC/Lan Systems; Eric Madden, JMT; Paul McNamee, KCI; David Azzato, TPD; Mike Gross, Wallace Montgomery; Mike Solomon, Wallace Montgomery and Allison DeFoor, The Temple Group.



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 promotions, new hires and a request to create, post and fill a position in the Legal Department.

The Commissioners also discussed Docket No. 4112 and engaged in 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 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 6, 2017 be approved and filed as submitted -were made by Commissioner Drew, seconded by Commissioner Deon, 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 Drew, seconded by Commissioner Deon, and passed unanimously.



PERSONNEL

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



UNFINISHED BUSINESS

No Unfinished Business to consider.



NEW BUSINESS
POLICIES

Motion-That the Commission adopts the revisions to the Policies listed in memos “a” and “b”:

- a. Policy 3.04, Smoking and Other Tobacco Products, to include other tobacco products, update non-usage of these products in Commission/rental vehicles and facilities, and to make the policy applicable to contractors and visitors;
- b. Policy 5.05, Workplace Safety and Health, to update operational and procedural changes.

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



AGREEMENTS

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

- a. Amendment to our agreement with Milliman for attestation of Medicare Part D; exercising the option to renew the agreement for an additional year (October 1, 2018 – September 30, 2019); at an approximate cost of \$6,500.00;
- b. Amendment to our agreement with Acrisure, LLC d/b/a North American Insurance Management for insurance consulting services; exercising the option to renew the agreement for an additional two (2) years (September 2, 2018 – September 1, 2020); at an approximate cost of \$48,000.00;
- c. Agreement with the University of Pittsburgh, Swanson School of Engineering, for research for the Center for Impactful Roadway Infrastructure Science and Engineering; at an annual cost of \$25,000.00 and a term of four (4) years; and authorize the Chief Engineer or designee to negotiate and execute the agreement as approved by the Legal Department;
- d. Reimbursement Agreement and Sewer Connection Application with the Municipal Authority of South Fayette Township, to reimburse the Township the cost for the engineering, legal, utility tap in fees and inspection costs to extend the utility line due to construction of the Southern Beltway, US 22 to I-79; at a not-to-exceed amount of \$200,000.00;
- e. Amendment to our agreement with Paramount Management Group for ATM services, to increase the ATM service fee from \$2.50 to \$3.50 for the ATMs located in the service plazas;
- f. Amendment to our Lease Agreement with Range Resources-Appalachia, LLC to permit Range Resources-Appalachia to lease 3.313 acres of Right-of-Way and surplus property in Washington County for the purpose of exploring, developing and producing oil and gas down to the Utica Shale Formation;

- g. Amendment to our agreement with TransCore for cashless tolling services on the Southern Beltway, to authorize the ETC Manager to approve Engineering Change Orders (ECO) at total not-to-exceed amount of \$900,000 over the 10-year base contract; the initial ECO will be to implement Optical Character Recognition (OCR)/Automatic License Plate Recognition (ALPR) at the Findlay Toll Plazas. This task was identified as an option in the original RFP and proposal for this contract;
- h. Settlement Agreement and all necessary documents in the bankruptcy matter involving the underlying case of PTC v. Ciber, et al.

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



RIGHT-OF-WAY REQUEST

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

- a. Settlement of Right-of-Way #3191-R1 (Waggoners Gap Road, LLC), a partial take parcel necessary for the total reconstruction project from MP 220.00 to MP 227.00 by authorizing payment of \$21,000.00 to Waggoners Gap Road, LLC, which funds shall be used to make additional upgrades to the existing driveway and improve access; authorize the appropriate Commission officials to execute the Consent Order and any other documents that may be required for settlement;
- b. Acquisition of Right-of-Way #1049-F (Somerset Motel Partners), a partial take parcel necessary for construction of the pre-entry ITS from MP 10.00 to MP 201.00 by authorizing payment of \$6,110.30 representing fair market value and pro-rated taxes to Somerset Motel Partners, LLC; 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 of easement as prepared by the Legal Department;
- c. Acquisition of Right-of-Way #13024 (JLP-Cranberry LLC), a partial take parcel necessary for construction of the pre-entry ITS from MP 10.00 to MP 201.00 by authorizing payment of \$1,568.17 representing fair market value and pro-rated taxes to JLP-Cranberry, LLC; 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 of easement as prepared by the Legal Department;
- d. Acquisition of Right-of-Way #14083-A1 (William & Ethel May Potochnik), a partial take parcel necessary for the total reconstruction project from MP 53.00 to MP 57.00 by authorizing payment of \$2,919.50 representing fair market value, pro-rated taxes, advanced payment for Section 710 legal and appraisal fees to William & Ethel May Potochnik, also authorize payment of \$2,367.92

representing Section 710 damages to Behrend & Ernsberger, P.C.; 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 their delivery of a deed prepared by the Legal Department.

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



ADVERTISING

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

- a. Toll System Integrator services to design, furnish, install and maintain tolling system components and supporting software to support cashless tolling;
- b. Engineering or Construction Management firm to perform open-end construction management and construction inspection services between MP 247.00 and MP 359.00 and the Northeast Extension.

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



PURCHASE ORDERS

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

- a. Light fixtures for the Lehigh Tunnel, utilizing the Commonwealth’s contract with Schaedler Yesco Distribution, Inc.; at a total award of \$2,100,707.32;
- b. Five (5) 2018 Chevrolet Silverado trucks for the safety advisors, utilizing the Commonwealth’s contract with Apple Chevrolet/Westgate Chevrolet, Inc.; at a total award of \$149,155.00;
- c. Thirty-one (31) single & tandem axle dump trucks, to the lowest responsive and responsible bidder, Legacy Truck Centers, Inc.; at a total award of \$6,566,351.00;
- d. Change Order for Automatic External Defibrillator (AED) training and service agreement (February 17, 2017 – February 16, 2019) with Cardia Science Corp., to purchase/upgrade the AED units; at a cost of \$97,174.00;
- e. Fire alarm repairs and upgrades at the Blue Mountain and Kittatinny Tunnels, utilizing the Commonwealth’s contract with Siemens Industry Inc.; at a total award of \$1,998,053.61;
- f. Fire alarm repairs and upgrades at the Allegheny Tunnel, utilizing the Commonwealth’s contract with Siemens Industry Inc.; at a total award of \$1,380,745.22.

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



AWARD OF CONTRACT

Motion-That the Commission the Award of Contract #S-006.00X002-3-12 for construction of the Southern Beltway, Section 55C1-2 between MP S16.04 and MP S17.97, to the lowest responsive and responsible bidder, Trumbull Corp.; at a not-to-exceed amount of \$37,777,777.77 and a contingency of \$1,800,000.00-was made by Commissioner Drew, seconded by Commissioner Deon; Commissioner Lieberman abstained.

VICE CHAIR LIEBERMAN: I abstain on this item because a subsidiary of Trumbull Corp. and Trumbull Corp. are clients of my firm.

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 #4 and Final Payment for Contract #T-109.00R002-3-02 for bituminous resurfacing between MP 108.95 and MP 121.82 with New Enterprise Stone & Lime Co., Inc. for an increase of \$29,875.30 to balance items to actual work completed and bridge approach repairs at the Somerset Interchange; for a final contract value of \$13,450,305.38 and final amount due to the contractor of \$781,559.78;
- b. Change Order #2 and Final Payment for Contract #T-355.00P001-3-10 for HVAC work for mainline toll facility and Delaware River Bridge ORT from MP 351.43 to MP 354.18 and MP 357.96 to MP 358.32 with Guy M. Cooper, Inc., for an increase of \$9,545.98 for installation of a drip pan above the panelboard and installation of additional HVAC sensors and wiring; for a final contract value of \$953,709.16 and final amount due to the contractor of \$93,218.16.

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



SIGNING AUTHORITY

Motion-That the Commission approves signing authority for the Chief Engineer to approve and execute, on behalf of the Commission, any settlement agreement, release, and/or other similar documentation, as prepared by the Legal Department, to settle design error/omission issues in engineering contracts for an amount payable to the Commission up to \$250,000.00-was made by Commissioner Drew, seconded by Commissioner Deon, and passed unanimously.



BOND RESOLUTIONS

Motion-That the Commission approves authorizing the Bond Resolutions for the items listed in memos “a” and “b” subject to advice of outside counsel; the firms involved in memo “a” are PNC and Saul Ewing; the firms involved with memo “b” are Jefferies, Piper; JP Morgan; FTN; Quion, BNYM-Academy; Buchanan; Zarwin Baum; Duane Morris; Ahmad Zaffarese; and McNess Wallace :

- a. Authorizing the issuance of the Pennsylvania Turnpike Commission’s revenue refunding bonds or notes, including bond anticipation notes, in one or more series or sub-series, fixed rate or floating 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) refunding all or a portion of certain outstanding Turnpike revenue bonds previously issued by the Pennsylvania Turnpike Commission, (b) any debt service reserve or similar funds or credit facility costs related to such bonds, (c) issuance of such bonds, and (d) the cost of credit facilities and/or reserve fund credit facilities. 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, or equivalent; (3) one or more official statement or private placement agreements, or equivalent; (4) one or more purchase contracts or private placement agreements, or equivalent; (5) one or more interest rate swaps or other derivatives, or amendments to or terminations of existing interest rate swaps; (6) one or more escrow deposit agreements; and (7) any other necessary or appropriate documents or certificates; providing for the appointment of bond counsel; appointing the co-financial advisors and providing for the appointment of one or more underwriters and/or other professionals; authorizing the taking of further action; repealing inconsistent resolutions; and declaring that this resolution shall be liberally construed;
- b. Authorizing the issuance of the Pennsylvania Turnpike Commission’s Oil Franchise Tax Bonds in one or more series or sub-series, fixed rate, taxable or tax-exempt, in an aggregate principal amount not to exceed \$450,000,000 (based on par amount), to finance the costs of (a) various capital expenditures for the Pennsylvania Turnpike System set for in the Commission’s current or any prior Independently Funding Capital Plan, including but not limited to, the funding of capital expenditures related to the Southern Beltway or the Mon-Fayette Expressway; (b) funding necessary reserves or similar funds, (c) obtaining credit facilities related to such bonds, and (d) issuance of such bonds; authorizing the execution, delivery and distribution of the bonds.

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



NEXT COMMISSION MEETING

The next meeting of the Pennsylvania Turnpike Commission will be a telephone meeting on Tuesday, April 3, 2018 beginning at 10:00 a.m.



ADJOURNMENT

Motion-That this meeting of the Pennsylvania Turnpike Commission be adjourned at 11:25 a.m. -was made by Commissioner Drew, seconded by Commissioner Deon, and passed unanimously.