

MINUTES OF THE COMMISSION MEETING HELD APRIL 26, 2011

A special meeting of the Pennsylvania Turnpike Commission convened at 11:48 a.m., April 26, 2011 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were William K. Lieberman, Chairman; A. Michael Pratt, Vice-Chairman; J. William Lincoln, Secretary Treasurer; Pasquale T. Deon, Sr., Commissioner and Barry J. Schoch, P.E., Secretary of Transportation.

Others present for the meeting were Roger E. Nutt, Chief Executive Officer; Craig R. Shuey, Chief Operating Officer; Robert F. Brady, Director of Operations/Projects-East; Richard S. DiPiero, Director of Fare Collection; Jeffrey L. Garrett, Chief Engineer, Michael Baker, Jr., Inc.; Todd S. Garrison, Director of Maintenance; Nikolaus Grieshaber, Chief Financial Officer; Jeffrey L. Hess, Director of Operations/Projects-West; Frank J. Kempf, Jr., Chief Engineer; Doreen McCall, Chief Counsel; Joe Suess, Acting Chief Informational Officer and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Allen W. Baldwin, Director of Operations, Safety & Incident Response; Michael D. Begler, Director of Operations Review; William J. Capone, Director of Communications/Public Relations; John Christensen, Manager of Facilities & Energy Management Operations; Jason Falchek, Technician of PC/LAN Systems; 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; Anthony Q. Maun, Director of Accounting; Jeffrey A. Naugle, Manager of Treasury Operations; Ted Rusenko, Manager of Financial Planning/Analysis; Cathy Sabo, Sr. General Accountant; Brenda Szeles-Bratina, Director of Toll Revenue Audit; Kathy Thomas, Administrative Secretary; Kim D. Tosh, Treasury Analyst; Rick Welsh, Wells Fargo and Dean Kohr, Atkins.

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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 RECLASSIFICATION, TERMINATION, PROMOTIONS, NEW HIRES,

VACANCIES AND REQUESTS TO POST AND FILL A POSITION IN THE OPERATION AND INCIDENT RESPONSE UNIT.

THE COMMISSIONERS ALSO DISCUSSED DOCKET NO. AR-01049 AND 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.

RICK WELSH, WELLS FARGO
DEAN KOHR, ATKINS

MS. EDMUNDS: THIS CONCLUDES THE PUBLIC COMMENT SECTION OF THE MEETING.

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held April 5, 2011 be approved and filed-was made by Commissioner Lincoln, seconded by Commissioner Schoch; 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 Lincoln, 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 Lincoln, seconded by Commissioner Deon; and passed unanimously.

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NEW BUSINESS

Reinvestments, Liquidations and Purchase of Securities

Upon the motion by Commissioner Lincoln, seconded by Commissioners Deon, the following Resolution was presented for adoption:

RESOLUTION

BE IT RESOLVED that The Pennsylvania Turnpike Commission hereby ratifies the action of the Assistant Chief Financial Officer, with approval of 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 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 Lieberman, Pratt, Lincoln, Deon and Schoch; the motion passed unanimously.

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AGREEMENTS

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

- a. Amendment to our agreement with General Dynamics Information Technologies for the Electronic Bidding System (EBS), to exercise our final option to renew the agreement for an additional year; at an additional cost of \$725,000.00;
- b. Supplemental Agreement with Greenhorne & O'Mara for project collaboration system Constructware, for an increase of \$619,204.44; increasing the not-to-exceed amount to \$1,519,204.44;
- c. Interagency Agreement with the Pennsylvania State Police for patrol coverage of the Findlay Connector, at a rate of \$13,391.96 per month;
- d. Amendment to our agreement with TransCore for the Communications Systems Maintenance contract, to exercise our final option to renew the agreement until May 2012; at an approximate additional annual cost of \$3,100,000.00; and approve advertising for a vendor to support the microwave system.

-was made by Commissioner Lincoln, seconded by Commissioner Pratt; 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 “f”:

- a. Authorize the acquisition of Right-of-Way #8995-R09, a partial take parcel, necessary for Rt. 903 Slip Ramp; by issuing payment in the amount of \$16,700.00 payable to Penn Forest Township, representing fair market value; 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;
- b. Authorize the acquisition of Right-of-Way #14069-RB, a temporary construction easement, necessary for the total reconstruction project from MP 40.00 to MP 48.00; by issuing payment in the amount of \$500.00 payable to Patrick M. Stewart, representing fair market value; authorize the appropriate Commission officials to execute the temporary construction easement; 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 an executed Temporary Construction Easement as prepared by the Legal Department;
- c. Relinquish the condemnation claim on Right-of-Way #14135, a total take parcel for construction of the Southern Beltway, until a time closer to construction, allowing claimant to continue his business operations; and authorize payment of cost, expenses and damages, if any, suffered by reason of the condemnation;
- d. Authorize the acquisition of Right-of-Way #14124, a total take parcel, necessary for construction of the Southern Beltway; by issuing payment in the amount of \$134,806.41, payable to Nathan Zarichnak & Associates, LLC, Escrow Agent, representing fair market value, prorated taxes and recording fees; 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 the delivery of a deed prepared by the Legal Department;
- e. Authorize payment to James A. Hercik, in the amount of \$6,085.00, for damage to his property during the construction of the Park and Ride facility in Fayette County;
- f. Authorize settlement of Right-of-Way #6408-A, a partial take parcel, necessary for the total reconstruction project from MP A20.00 to MP A30.00; by issuing settlement payment the amount of \$21,000.00, payable to Buckley, Brion, McGuire, Morris & Sommer, LLP; authorize payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of the settlement amount to the property owner is contingent upon the execution and delivery of the settlement agreement as prepared by the Commission’s counsel.

-was made by Commissioner Lincoln, seconded by Commissioner Pratt; and passed unanimously.

APPROVE ADVERTISING

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

- a. ATM services at Central Office Building and the Service Plazas;
- b. Armored Courier Services;
- c. Contract #A-025.67R001-3-02 for pavement patching between MP A25.67 and MP A31.13, not included in approved Capital Plan;
- d. Contract #A-120.40R001-3-02 for bituminous resurfacing between MP A120.40 and MP A125.10, not included in approved Capital Plan.

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

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AWARD OF BIDS, RENEWAL OF A CONTRACT, CHANGE ORDER & THE ISSUANCE OF PURCHASE ORDERS

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

- a. Exercising our option to renew the contract for Bituminous Materials:

Handwerk Materials:	\$2,000.00
IA Construction Corp:	\$10,000.00
Lindy Paving Inc.:	\$11,000.00
Russell Standard Corp:	\$5,000.00
Hanson Aggregates BMC:	\$10,000.00
HEI-WAY LLC:	\$12,000.00
New Enterprise Stone & Lime:	\$55,000.00
The Lane Construction Corp:	\$2,500.00
Hempt Bros:	\$4,000.00
Pennsy Supply - Harrisburg:	\$4,000.00
Valley Quarries:	\$16,000.00
Lebanon Materials:	\$2,000.00
Silver Hill Quarry:	\$10,000.00
Sanatoga Asphalt:	\$8,000.00
H & K Materials:	\$4,000.00
Eureka Stone Quarry Inc.:	\$3,000.00
Locust Ridge Quarry:	\$6,000.00
Dunmore Materials:	\$1,000.00
Eckley Asphalt:	\$1,000.00
Coopersburg Asphalt:	\$1,000.00
Wilkes-Barre Materials:	\$22,000.00
Eastern Industries Inc.:	\$10,000.00
Highway Materials Inc.:	\$1,000.00

Glasgow Inc.:	\$4,000.00
Seaboard Asphalt Products:	\$2,000.00
Penny Supply - Slusser Bros:	\$4,000.00
Renewal Award:	\$210,500.00

- b. Change Order for preventative maintenance of the lighting on the Mon/Fayette Expressway, exercising our option to renew the contract for one year at an additional cost of \$75,000.00, increasing the purchase order to \$284,000.00;
- c. NetApp Storage Area Network (SAN) shelves, utilizing the Commonwealth’s contract with Razor Technology, LLC at a total award of \$255,075.58;
- d. Vehicle lift for Searights Maintenance, utilizing the Commonwealth’s contract with Steril-Koni USA, Inc.; at total award of \$110,141.19.

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

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AWARD OF A CONTRACT

Motion-That the Commission approves the Award of Contract #M-034.50R001-3-02 for concrete pavement rehabilitation and joint repairs between MP M34.49 and MP M35.79 and slide repair buttress at MP M39.00, to the lowest responsive and responsible bidder, Matcon Diamond, Inc.; at a total award of \$1,044,031.78 and contingency amount of \$75,000.00-was made by Commissioner Lincoln, seconded by Commissioner Pratt; and passed unanimously.

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LEGAL SETTLEMENTS AND AUTHORIZE PAYMENTS

Motion-That the Commission approves settlement of the legal issues and authorizes payments for the items listed in memos “a” through “c”:

- a. Settlement in the case, *Anastasia Zabielski and Joseph Zabielski v. Pennsylvania Turnpike Commission*, and authorize payment in the settlement amount to Anastasia and Joseph Zabielski and Caputo and Marriott, P.C.;
- b. Payment of an invoice from the PA Department of General Services in the amount of \$5,178.00, which represents the Commission’s premium due for the Boiler and Machinery insurance policy for fiscal year 2010-2011;
- c. Settlement in *Ken Fowler/Alex Lugin Arbitration*, and authorize the Commission officials to execute the settlement agreement and make the necessary payroll adjustments.

-was made by Commissioner Lincoln, seconded by Commissioner Pratt; and passed unanimously.

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BOND RESOLUTION

Motion-THAT THE COMMISSION AUTHORIZES THE ISSUANCE OF THE PENNSYLVANIA TURNPIKE COMMISSION'S VARIABLE RATE AND/OR FIXED RATE TURNPIKE REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$350,000,000 (BASED ON ISSUANCE VALUE) IN ONE OR MORE SERIES OR SUBSERIES, TAXABLE OR TAX-EXEMPT, TO REFUND THE COMMISSION'S TURNPIKE MULTI-MODAL REVENUE BONDS, SERIES B-2 OF 2008 THROUGH B-6 OF 2008, CURRENTLY OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$298,330,000; AUTHORIZING THE REPLACEMENT OF THE ORIGINAL LETTERS OF CREDIT FOR THE COMMISSION'S TURNPIKE MULTI-MODAL REVENUE BONDS, SERIES B-1 OF 2008 AND SERIES C OF 2008, CURRENTLY OUTSTANDING IN THE PRINCIPAL AMOUNT OF \$150,000,000 WITH ONE OR MORE NEW LETTERS OF CREDIT TO BE ISSUED BY BARCLAYS BANK PLC AND THE REMARKETING OF SUCH BONDS; AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF THE FOLLOWING: (1) ONE OR MORE SUPPLEMENTAL TRUST INDENTURES TO THE RESTATED INDENTURE; (2) ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS OR PRELIMINARY PRIVATE PLACEMENT MEMORANDA, IF REQUIRED; (3) ONE OR MORE OFFICIAL STATEMENTS, PRIVATE PLACEMENT MEMORANDA OR REMARKETING MEMORANDA; (4) ONE OR MORE PURCHASE CONTRACTS OR PRIVATE PLACEMENT AGREEMENTS; (5) AGREEMENTS FOR THE PROVISION OF ONE OR MORE CREDIT FACILITIES AND RELATED AGREEMENTS; (6) ONE OR MORE REMARKETING AGREEMENTS AND CONTINUING DISCLOSURE AGREEMENTS; AND (7) ANY OTHER NECESSARY OR APPROPRIATE DOCUMENTS OR CERTIFICATES; AUTHORIZING APPOINTMENT OF BOND COUNSEL, AND ONE OR MORE UNDERWRITERS, DIRECT PURCHASERS, FINANCIAL ADVISORS, REMARKETING AGENTS OR OTHER PROFESSIONALS; AUTHORIZING THE TAKING OF FURTHER ACTION; RATIFYING PRIOR ACTIONS; REPEALING INCONSISTENT RESOLUTIONS; AND DECLARING THAT THIS RESOLUTION SHALL BE LIBERALLY CONSTRUED-was made by Commissioner Lincoln, seconded by Commissioner Pratt; and passed unanimously.

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ITEMS ADDED TO THE FORMAL AGENDA

CHANGE ORDERS

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

- a. Change Order #3 for Contract #T-282.00R001-3-02 with Kinsley Construction Co., Inc. for bituminous overlay between MP 282.00 and MP 292.00, for an increase of \$493,875.10; necessary for normal quantity adjustments necessary to balance items to actual work completed to date and changes to reprofile the existing roadway at MP 301.20 EB;
- b. Change Order #3 for Contract #A-020.00T002-3-02 with J.F. Shea Construction, Inc. for the replacement of Bridge NB-129 at MP A27.20, for an increase of \$690,228.91, necessary for milling, paving, subbase for bridge approaches, additional overhead costs due to the time extension, HPC placement with pump truck, snow removal, deck forms, additional support for utilities, winter curing method for concrete and signage.

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

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CHANGE ORDERS AND FINAL PAYMENTS

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

- a. Change Order #1 and Final Payment for Contract #T-025.00R001-3-02 with Lindy Paving, Inc. for bituminous resurfacing between MP 24.90 and MP 30.80 and Access Ramp construction at MP 15.90; for an increase of \$614,825.62, making the final contract value \$6,575,584.20 and a final amount due of \$1,276,334.07;
- b. Change Order #1 and Final Payment for Contract #EN-00088-03-05 with Lindy Paving, Inc. for roadway and miscellaneous repairs between MP 0.00 and MP 75.39, Turnpike 60, 66 and 42; for a decrease of \$616,950.95, making the final contract value \$133,049.05 and a final amount due of \$6,652.45;
- c. Change Order #1 and Final Payment for Contract #EN-00094-03-04 with J.P.S. Construction, Inc. for bridge repairs between MP 236.22 and MP 358.11; for an increase of \$182,170.21, making the final contract value \$982,170.21 and a final amount due of \$198,170.21;
- d. Change Order #6 and Final Payment for Contract #T-220.00T001-3-02 with Hempt Bros., Inc. for ramp reconstruction and replacement of Bridge EB-100B at the Carlisle Interchange; for a decrease of \$132,320.44, making the final contract value \$11,832,639.88 and a final amount due of \$228,717.76;
- e. Change Order #2 and Final Payment for Contract #EN-00049-03-10 with Bi State Construction Company, Inc. for sound barrier and collision damage repairs from MP 334.16 to MP 351.08; for an increase of \$59,229.87, making the final contract value \$843,216.62 and a final amount due of \$113,892.39;
- f. Change Order #8 and Final Payment for Contract #M-015.30X001-3-01 with Walsh Construction for construction of Section 51A1 on the Mon/Fayette Expressway; for a decrease of \$1,300.23; making the final contract value \$73,304,455.61 and a final amount due of \$731,757.33.

-was made by Commissioner Lincoln, seconded by Commissioner Pratt; and passed unanimously.

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SUPPLEMENTAL AGREEMENTS

Motion-That the Commission approves the preparation and execution of supplemental agreements and time extensions for Orion Land Services, Inc. and Keystone Acquisition Services, Inc. for right-of-way acquisition services for the Southern Beltway-was made by Commissioner Lincoln, seconded by Commissioner Deon; and passed unanimously.

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RULES AND REGULATIONS

Motion-That the Commission approves the revisions to the Rules and Regulations for the Governance of the Turnpike Commission-was made by Commissioner Deon, seconded by Commissioner Pratt; and passed unanimously.

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NEXT MEETING

MS. EDMUNDS: WE HAVE NO POST-FORMAL MEETING TODAY. THE NEXT FORMAL COMMISSION MEETING WILL BE TUESDAY, MAY 10, 2011. COMMISSIONERS, I HAVE NO ADDITIONAL ITEMS FOR CONSIDERATION. I REQUEST A MOTION FOR ADJOURNMENT.

ADJOURNMENT

Motion-That this meeting of The Pennsylvania Turnpike Commission be adjourned at 11:55 a.m.-was made by Commissioner Deon, seconded by Commissioner Pratt; and passed unanimously.

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PREPARED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

04-26-11

APPROVED BY:

J. William Lincoln
Secretary Treasurer

ATTACHMENT NUMBER 1

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