

MINUTES OF THE COMMISSION MEETING HELD SEPTEMBER 15, 2015

A formal telephone meeting of the Pennsylvania Turnpike Commission convened at 10:34 a.m. on September 15, 2015 at the Central Office located in Highspire, Pennsylvania. Available via telephone for the meeting were Sean Logan, Chairman; William K. Lieberman, Vice Chairman; Pasquale T. Deon, Sr., Secretary Treasurer and Leslie Richards, Secretary of Transportation.

Present for the meeting were Mark P. Compton, Chief Executive Officer; Craig R. Shuey, Chief Operating Officer; Charles L. Duncan III, Esquire, Director of Legislative Affairs; Scott D. Fairholm, Chief Information Officer; Nikolaus Grieshaber, Chief Financial Officer; Brad Heigel, P.E. , Chief Engineer; Jeffrey L Hess, Director of Fare Collection & Field Operations; Doreen A. McCall, Chief Counsel; Ray Morrow, Chief Compliance Officer; Stacia A. Ritter, Esquire, Director of Policy & External Affairs; Steve Barber, Michael Baker Jr., Inc. 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; Jason Falchek, Technician of PC/LAN Systems; Richard C. Dreher, Assistant CFO/Financial Management; Donald S. Klingensmith, Director of Procurement and Logistics; Donna Lapano, Executive Office Assistant; Wanda Metzger, Contracts Supervisor; Jeffrey A. Naugle, Manager of Treasury Operations; Sheri Norris, Director of Human Resources; Cindy Smith, General Accountant 2; Lynn Stakem, Senior General Accountant; Paul McNamee, KCI; Michael Gross, Wallace Montgomery Peter Kuhne, Atkins; William Laird, CHA; Joseph DiFiore, Parsons; Scott Shimko, Borton Lawson; David Beachy, Arora & Associates; Glenn Deppert, Arora & Associates and Jeff Kupko, Gibson-Thomas.



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 available.



SUNSHINE ANNOUNCEMENT

The Commissioners met in Executive Session prior to today's Formal Agenda Session to consider matters of personnel, which included a termination, equity adjustment, promotions, reclassifications,

new hires, vacancies, and requests to reclass a vacant and to post and fill positions in the Information Technology, Engineering, Fare Collection and Traffic Engineering and Operations departments.

The Commissioners also discussed Docket Numbers 07-cv-4492 and 02675, 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 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; all visitors stood and introduced themselves.



MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held September 1, 2015 be approved and filed as submitted-was made by Commissioner Deon, seconded by Commissioner Lieberman, and passed unanimously.



COMMUNICATIONS

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



PERSONNEL

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



NEW BUSINESS

BOND ISSUE

Motion-That the Commission authorizes approval of the issuance of the Bond listed in memo "a":

- a. The Pennsylvania Turnpike Commission's variable and/or fixed rate Turnpike Revenue Bonds in an aggregate principal amount not to exceed \$550,000,000 (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 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 bond counsel and other counsels, and 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;

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

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

Motion-That the Commission authorizes approval of the issuance of the Bond listed in memo "a":

- b. The conversion of the Pennsylvania Turnpike Commission's Registration Fee Revenue Refunding Bonds, Series B of 2005, Series C of 2005 and Series D of 2005 from a weekly rate mode to an index rate mode, and upon such conversion the remarketing of the Registration Fee Revenue Refunding Bonds, Series B of 2005, Series C of 2005 and Series D of 2005 to the direct purchaser; authorizing the execution and delivery of a continuing covenant agreement and certain other documents in connection with such conversion and direct purchase; authorizing the authorized officers of the Commission, if applicable, to appoint a remarketing agent for the remarketing of the Registration Fee Revenue Refunding Bonds, Series B of 2005, Series C of 2005 and Series D of 2005; authorizing the execution, delivery and distribution of the following for the Registration Fee Revenue Refunding Bonds, Series B of 2005, Series C of 2005 and Series D of 2005: (1) one or more Supplemental Trust Indentures, (2) one or more continuing covenant agreements, (3) one or more

remarketing agreements or amendments to or terminations of existing remarketing agreements, if applicable, (4) one or more continuing disclosure agreements or amendments to existing continuing disclosure agreements, (5) one or more interest rate swaps, or amendments to or terminations of existing interest rate swaps and (6) any other necessary or appropriate documents or certificates; appointing and providing for the appointment of bond counsel, disclosure counsel, financial advisors and other professionals; and the taking of any and all such other action as may be required or as may be deemed appropriate to carry out and consummate the transactions to be carried out and consummated by the commission as contemplated by this resolution or the Supplemental Trust Indenture; repealing inconsistent resolutions; and a declaration that this resolution shall be liberally construed.

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



AGREEMENTS

Motion-That the Commission approves the negotiation and execution of an Amendment and Agreements for the items listed in memos "a – d" and "f":

- a. Amendment to our agreement with Xerox State and Local Solutions (f/k/a ACS State and Local Solutions) for maintenance and support of the tolling solution on the Findlay Connector, exercising our option to renew the agreement for an additional year; at a not-to-exceed cost of \$363,482.15;
- b. Settlement Agreement and Release with Michael Kates, and authorize issuance of the workers' compensation settlement payment;
- c. Reimbursement Agreement with East Nantmeal Township to reimburse the township for the elimination of overhead Bridge EB-705 at MP 303.39; at a cost of \$1,000,000.00;
- d. Settlement Agreement and Release with Antoinette Nocito, and authorize issuance of the workers' compensation settlement payment;
- f. Amendment to our agreement with Information Logistics for web site consulting and smartphone application hosting services (Trip Talk); exercising our option to renew the agreement for an additional two-year term (through December 27, 2017), at an annual cost of \$1,000,000.00.

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

Motion-That the Commission approves the negotiation and execution of a Lease for the item listed in memo "e":

- e. Lease Agreement with EQT Production Company to permit EQT to lease 212.856 acres of Right-of-Way and surplus property along the Mon/Fayette Expressway (M53.32) for the purpose of exploring, developing and producing oil and gas from the Utica Shale Formation;

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

VICE CHAIRMAN LIEBERMAN: I abstain on this item because I am on a Board of Directors with the CEO of EQT Production Company.



RIGHT-OF-WAY REQUESTS

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

- a. Acquisition of Right-of-Way #14063-B (Peoples Natural Gas Company), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00, by authorizing payment of fair market value and pro-rated taxes of \$2,030.00 to Peoples Natural Gas Company; authorize the appropriate Commission officials to execute the Agreement of Sale; authorize 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;

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

VICE CHAIRMAN LIEBERMAN: I abstained on this item because I am on several Boards of Directors with the CEO of Peoples Natural Gas Company.

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

- b. Acquisition of Right-of-Way #2128-H (Benjamin J. & Rosemarie L. Feight), a partial take parcel necessary for the total reconstruction project from MP 149.50 to MP 155.50, by authorizing payment of fair market value and pro-rated taxes of \$3,850.25 to Benjamin J. & Rosemarie L. Feight; authorize the appropriate Commission officials to execute the required settlement documents; 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 deed prepared by the Legal Department;
- c. Settlement of Right-of-Way #3129-B (Scott & Elizabeth Hair), a partial take parcel necessary for the total reconstruction from MP 202.00 to MP 206.00, by authorizing payment of fair market value and pro-rated taxes of \$15,150.00 to Scott & Elizabeth Hair; 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 contingent upon their delivery of a deed as prepared by the Legal Department;
- d. Acquisition of Right-of-Way #17664-7 (James Jameson, II), a partial take parcel necessary for construction of the Southern Beltway, by authorizing payment of fair market value of the mobile home of \$36,600.00 to Fayette Professional Services, Inc., escrow agent; authorize the appropriate Commission officials to execute the Settlement Agreement 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 the mobile home’s title certificate;

- e. Acquisition of Right-of-Way #17664-4 (Arlene Rupert), a partial take parcel necessary for construction of the Southern Beltway, by authorizing payment of fair market value of the mobile home of \$36,300.00 to Arlene Rupert; authorize the appropriate Commission officials to execute the Settlement Agreement 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 the mobile home’s title certificate;
- f. Settlement of Right-of-Way #3127-B (Benjamin E. & Marion Ann Byler), a partial take parcel necessary for the total reconstruction from MP 202.00 to MP 206.00, by authorizing payment of fair market value, cost to cure (fencing) and pro-rated taxes of \$11,082.82 to Benjamin E. & Marion Ann Byler; authorize the appropriate Commission officials to execute the necessary settlement document; and payment of the settlement funds to the property owners is contingent upon their execution of a settlement agreement and full and final release as prepared by the Legal Department.

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



POLICY LETTER

Motion-That the Commission approves the following Traffic Engineering & Operations projects (included in the proposed 2016 10-Year Capital Plan); and approve funds for these projects:

- EN-00178 Traffic Operations FY 16-17 \$630,000
- EN-00179 ITS Needs Study – Western Extensions \$300,000

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



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 “f”:

- a. Stone, slag and gravel aggregates, to the lowest responsive and responsible bidders:

| | | |
|-----------------------------|--------------|--|
| Hansen Aggregates | \$ 48,000.00 | Homewood, Gibsonia, Searights, Greensburg, Harrison City, Donegal, Jefferson Hills |
| Glacial Sand & Gravel Co. | 3,000.00 | Gibsonia, Greensburg, Harrison City |
| New Enterprise Stone & Lime | 25,000.00 | Donegal, Somerset, Kegg, Everett, Burnt Cabins |
| Valley Quarries | 5,000.00 | Newville |
| Hempt Bros. | 12,000.00 | New Cumberland |

| | | |
|-----------------------------|---------------------|------------------------------|
| Martin Limestone | 8,000.00 | Mt. Gretna, Bowmansville |
| Silver Hill Quarry | 4,000.00 | Bowmansville |
| Glasgow | 6,000.00 | Devault, Plymouth Meeting |
| Douglassville Quarry | 6,000.00 | Devault, Plymouth Meeting |
| Highway Materials | 8,000.00 | Plymouth Meeting, Quakertown |
| Eureka Stone Quarry | 6,000.00 | Trevose |
| Martin Stone Quarries | 2,000.00 | Quakertown |
| Eastern Industries | 5,000.00 | Slatington |
| Locust Ridge (H&K) | 5,000.00 | Pocono |
| Tarheel Quarry | 1,000.00 | Pocono |
| Wilkes-Barre Materials | 2,000.00 | Wyoming Valley |
| Pennsy Supply-Slusser Bros. | <u>5,000.00</u> | Wyoming Valley |
| TOTAL AWARD | \$151,000.00 | |

- b. Tree clearing from MP 300.00 to MP 312.00, to the lowest responsive and responsible bidder, Independence Constructors Corp.; at a total award of \$1,256,569.50;
- c. Tree clearing from MP A65.40 to MP A68.30, to the lowest responsive and responsible bidder, Penn Live Service, Inc.; at a total award of \$1,196,318.95;
- d. Twenty-two (22) vehicle mounted message boards, utilizing the Commonwealth’s contract with Trafcon Industries, Inc.; at a total award of \$134,508.00;
- e. Installation of durable pavement markings between MP 245.75 and MP 359.00 and between MP A20.00 and MP A131.00, to the lowest responsive and responsible bidder, Guidemark, Inc.; at a total award of \$2,500,000.00;
- f. Installation of durable pavement markings between MP 0.00 and MP 245.75, Toll I-376, Turnpike 66, Turnpike 43, and Turnpike 576 , to the lowest responsive and responsible bidder, Parking Lot Painting Co.; at a total award of \$2,500,000.00.

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



AWARD OF CONTRACTS

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

- a. Contract #EN-00162-03-02 for bridge repairs between MP 0.00 and MP 109.91, Toll I-376, Turnpike 576, Turnpike 43 and Turnpike 66, to the lowest responsive and responsible bidder, J.P.S. Construction Co., Inc.; at a not-to-exceed amount of \$2,000,000.00;

- b. Contract #EN-00162-03-04 for bridge repairs between MP 236.22 and MP 358.11, to the lowest responsive and responsible bidder, J.P.S. Construction Co., Inc.; at a not-to-exceed amount of \$2,000,000.00.

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



CHANGE ORDER

Motion-that the Commissioner approves Change Order #4 for Contract #T-099.00T002-3-06 for the replacement of Bridge B-504 at MP 108.17 with Plum Contracting, Inc., for an 18-day time extension for undercutting and pile overruns/splices -was made by Commissioner Deon, seconded by Commissioner Lieberman, and passed unanimously.



SUPPLEMENTAL AGREEMENT

Motion-That the Commission approves the negotiation and execution of Supplemental Agreement #2 for construction management/inspection for the six lane widening project from MP A20.00 to MP A30.40 with McTish, Kunkel and Associates, for an increase of \$7,189,995.82 for additional inspectors due to multiple shift work at multiple locations, delays, storm water detention basin near Gulph Road, renewing permits, post-construction monitoring at the Norristown Farm Park, reviews for realigned retaining walls, reviews for unanticipated contractor submittals, public outreach and web site services, and shop drawing review and construction consultation; for a revised not-to-exceed amount of \$36,250,622.26-was made by Commissioner Deon, seconded by Commissioner Logan; Commissioner Lieberman and Secretary Richards abstained.

VICE CHAIRMAN LIEBERMAN: I abstain on this item because I have a business relationship with McTish Kunkel & Associates.

SECRETARY RICHARDS: I abstain on this item because McTish contributed to my PAC.



REPAIR DAMAGED PROPERTY & INCREASE CONTRACT VALUES

Motion-That the Commission authorizes work to repair damaged property for the item listed in memo "a":

- a. Authorize New Enterprise Stone & Lime Co., Inc., who is currently providing roadway and miscellaneous repairs to the Commission under contract on an as needed basis, to repair the roadway and shoulder at MP 137.90 eastbound and westbound that was damaged as a result of

two accidents and to reimburse New Enterprise for the costs of the repairs; at a not-to-exceed amount of \$200,000;
-was made by Commissioner Deon, seconded by Commissioner Lieberman, and passed unanimously.

Motion-That the Commission authorizes increasing the contract values for the item listed in memo "b":

- b. Authorize an increase in the not-to-exceed amounts for the following roadway and miscellaneous repair contracts due to additional work required as a result of unanticipated deterioration of the roadway, shoulders and slopes that occurred over the winter that require repair before the upcoming winter:

| <u>Contract #</u> | <u>Contractor</u> | <u>Original Amount</u> | <u>Revised Contract Amount</u> |
|-------------------|-------------------|------------------------|--------------------------------|
| EN-00149-03-03 | Hempt Bros. | \$1,000,000.00 | \$2,400,000.00 |
| EN-00149-03-05 | Lindy Paving | \$1,500,000.00 | \$3,000,000.00 |
| EN-00149-03-07 | Road-Con | \$2,000,000.00 | \$2,200,000.00 |

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

VICE CHAIRMAN LIEBERMAN: I abstain on this item because Lindy Paving is a client of my firm.



PSPC ITEM

REMOVED FROM AGENDA. Approve the award of services and authorize the negotiation and execution of an agreement with the selected firm for RFP #5195, marketing services.



Item Added to the Formal Agenda

Motion-That the Commission approves the Engineering Departments request for pre-approval to utilize contractors currently under contract with the Commission to complete various operations within their projects as a result of the upcoming Papal visit to Philadelphia September 26 and 27, 2015
-was made by Commissioner Deon, seconded by Commissioner Lieberman, and passed unanimously.



NEXT COMMISSION MEETING

Ms. Edmunds: The next meeting of the Pennsylvania Turnpike Commission will be a telephone meeting on Tuesday, October 6, 2015 beginning at 10:00 a.m.



ADJOURNMENT

Motion-That this meeting of the Pennsylvania Turnpike Commission be adjourned at 10:43 a.m.-was made by Commissioner Deon, seconded by Commissioner Lieberman.



PREPARED BY:

APPROVED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

Pasquale T. Deon, Sr.
Secretary Treasurer

ATTACHMENT:

Memos received from the Chief Counsel, Chief of Communications & Public Relations and the Director of Procurement & Logistics.