

MINUTES OF THE COMMISSION MEETING HELD SEPTEMBER 20, 2012

A formal meeting of the Pennsylvania Turnpike Commission convened at 10:10 a.m., September 20, 2012 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were William K. Lieberman, Chairman; J. William Lincoln, Secretary Treasurer and Barry J. Schoch, P.E., Secretary of Transportation. Available via the phone was Pasquale T. Deon, Sr., Commissioner.

Others present for the meeting were Roger E. Nutt, Chief Executive Officer; Craig R. Shuey, Chief Operating Officer; Larry Bankert, P.E., 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; 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; Stacia A. Ritter, Director of Government Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Michael D. Begler, Director of Operations Review; Susan Carson-Casoni, Cash Manager; Kelly Decker, General Litigation & Construction Counsel; Donald S. Klingensmith, P.E., Director of Contracts Administration; Donna Lapano, Executive Office Assistant; Wanda Metzger, Contracts Supervisor; Gina Murray, Engineering Contracts Supervisor; Jeffrey A. Naugle, Manager of Treasury Operations; Robert H. Rosell, Technician of PC/LAN Systems; Catherine L. Sabo, Accounting Manager; Patricia F. Schlegel, Director of Human Resources; Lynn Stakem, Senior General Accountant; Kim D. Tosh, Debt and Derivatives Manager; Christopher Will, Investment Manager; Brad Mallory, Michael Baker Jr., Inc.; Steve Barber, Michael Baker Jr., Inc.; Tim Hosselman, Lockton; Marco Levoyer, Hatch Mott MacDonald; Blair Stocker, Hatch Mott MacDonald; John Newell, NTM Engineering; Richard Stees, Erdman Anthony; Eric Madden, ACEC/PA and Tony Wood, Philadelphia Inquirer.

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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 PROMOTIONS, RECLASSIFICATIONS, NEW HIRES, VACANCIES

AND REQUESTS TO CREATE AND FILL; AND TO POST AND FILL POSITIONS IN THE EXECUTIVE OFFICES AND MAINTENANCE AND OPERATIONS, SAFETY AND INCIDENT RESPONSE 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.

JOHN NEWELL, NTM ENGINEERING
BRAD MALLORY, MICHAEL BAKER JR., INC.
STEVE BARBER, MICHAEL BAKER JR., INC.
TIM HOSSELMAN, LOCKTON
MARCO LEVOYER, HATCH MOTT MACDONALD
BLAIR STOCKER, HATCH MOTT MACDONALD
RICHARD STEES, ERDMAN ANTHONY
ERIC MADDEN, ACEC/PA
TONY WOOD, PHILADELPHIA INQUIRE

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held September 4, 2012 be approved and filed as submitted-was made by Commissioner Deon, 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 Deon, seconded by Commissioner Schoch; and passed unanimously.

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NEW BUSINESS

CHANGE ORDERS AND FINAL PAYMENTS

Motion-That the Commissioner approves the Change Order, Change Orders/Final Payments and Final Payment for the items listed in memos "a-c and e":

- a. Final Payment for Contract #M-015.30X001-3-05 with McKamish, Inc. for HVAC work at the Uniontown-Brownsville Maintenance Facility at MP M18.00, for a final contract value of \$1,044,929.99 and the final amount due to the contractor of \$52,246.50;
- b. Change Order #1 for Contract #EN-00105-03-09 with Russell Standard Corporation for shoulder sealing from MP 75.94 to MP 93.98 and MP 108.95 to MP 121.83, for a 28-day time extension due to excessive wet weather during allowable single-lane hours;
- c. Change Order #12 and Final Payment for Contract #M-015.30X001 with Mashuda Corporation for construction of Section 51G on the Mon/Fayette Expressway, for an additional \$83,059.38 for normal quantity adjustments to finalize actual work completed, additional electrical changes, extra depth junction boxes, linseed oil, toll lane signs, charges for changing the location of a highway light pole and foundation due to a conflict with overhead wires; for a final contract value of \$58,263,011.01 and the final amount due to the contractor of \$725,732.72;
- e. Change Order #3 and Final Payment for Contract #M-015.30X001-3-03 with McKamish, Inc. for plumbing work at the Uniontown-Brownsville Maintenance Facility at MP M18.00, for an additional \$35,503.34 for changes to the salt brine system piping, changes to the waste oil tank, wash bay piping, relocation of shower heads and controls and retesting fire pump; for a final contract value of \$1,008,473.22 and the final amount due to the contractor of \$84,151.83.

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

Motion-That the Commission approves the Change Order for the item in memo "d":

- d. Change Order #15 and Final Payment for Contract #M-015.30X001-3 with Trumbull Corporation for revised construction of Section 51J and signing and pavement markings between MP M21.47 and MP M23.31 on the Mon/Fayette Expressway, for decrease of \$102,926.90 for audit adjustment of previous final payment submission, normal quantity adjustments to balance contract items to the actual work completed, settlement costs for pavement replacement and guide rail relocation; for a final contract value of \$80,613,476.19 and the final amount due to the contractor of \$272,788.66 (this item replaces previously approved item F-8g from the August 14, 2012 Commission Meeting);

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

CHAIRMAN LIEBERMAN: I ABSTAIN ON THIS VOTE BECAUSE THE VENDOR IS A CLIENT OF MY FIRM.

The motion passed.

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PSPC SELECTIONS

Motion-That the Commission approves the award of services and authorizes the negotiation and execution of an agreement with the selected firm(s) listed for the items in memos “a” through “j”:

- a. Ref #3-226. Construction inspection/project management services for the roadway and bridge reconstruction project from MP 242.00 to MP 245.00;
 - Erdman Anthony-AWARDED
 - Johnson, Mirmiran & Thompson
 - KCI Technologies, Inc.-was made by Commissioner Deon, seconded by Commissioner Schoch; and passed unanimously.
- b. Ref #3-231. Open-end communication tower analyses and engineering services, systemwide;
 - Tectonic Engineering and Surveying Consultants, P.C.-AWARDED-was made by Commissioner Deon, seconded by Commissioner Lincoln; and passed unanimously.
- c. Ref #3-234. Two (2) open-end surveying services, systemwide;
 - Czop/Specter, Inc.-AWARDED
 - TW Engineering, Inc.-AWARDED
 - Herbert, Rowland & Grubic, Inc.
 - Johnson, Mirmiran & Thompson-was made by Commissioner Deon, seconded by Commissioner Lincoln; and passed unanimously.
- d. Ref #3-230. Two (2) open-end engineering design services, systemwide;
 - CHA Consulting, Inc.-AWARDED
 - Herbert, Rowland & Grubic, Inc.-AWARDED
 - Sucevic, Piccolomini & Kuchar
 - PRIME Engineering-was made by Commissioner Lieberman, seconded by Commissioner Lincoln; and passed unanimously.
- e. RFP #3499. Compliance reporting and investor relations;
 - Digital Assurance Certification, LLC-AWARDED-was made by Commissioner Lincoln, seconded by Commissioner Deon; and passed unanimously.
- f. RFP #3667. Financial advisory services;
 - The PFM Group-AWARDED-was made by Commissioner Schoch, seconded by Commissioner Deon; and passed unanimously.
- g. RFP #3395. Medical benefits plan;
 - Highmark Blue Shield-AWARDED-was made by Commissioner Deon, seconded by Commissioner Lincoln; and passed unanimously.

- h. RFP #3395. Prescription benefits plan;
 - Aetna-AWARDED-was made by Commissioner Deon, seconded by Commissioner Lincoln; and passed unanimously.

- i. RFP #3395. Dental benefits plan;
 - United Concordia Dental-AWARDED
 - Delta Dental of PA-was made by Commissioner Deon, seconded by Commissioner Lincoln; and passed unanimously.

- j. RFP #3395. Vision benefits plan.
 - Highmark Blue Shield-AWARDED-was made by Commissioner Deon, seconded by Commissioner Lincoln; and passed unanimously.

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OPEB TRUST BOARD

Motion-That the Commission approves the appointment of the Commission's Chairman, William K. Lieberman, to the Commission's Retiree Medical Trust Board-was made by Commissioner Lincoln, seconded by Commissioner Schoch; and passed unanimously.

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AGREEMENTS

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

- a. Supplemental Agreement with Norfolk Southern Railway Company for the Railway to provide the necessary protective services and temporary grade crossing construction and removal for the replacement of the Lehigh-Pohopoco Bridge; for an additional cost of \$62,271.00 for the railroad protective services being needed for a longer time period and increased labor costs;

- b. Amendment to our agreement with Valley Forge Asset Management for investment management services, to exercise our final option to renew the agreement for an additional year;

- c. Reimbursement Agreement with PPL Electric Utilities Company to reimburse PPL the costs for the engineering and facility relocation work necessary for the replacement of Bridge EB-210 (Old York Road) at MP 243.24; at a not-to-exceed amount of \$98,353.44;

- d. Reimbursement Agreement with Duquesne Light Company to reimburse Duquesne the costs for the engineering and facility relocation work necessary for the replacement of Bridge WB-228 (Wallace City Road) at MP 22.60; at a not-to-exceed amount of \$62,969.00.

-was made by Commissioner Lincoln, seconded by Commissioner Schoch; 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 “e”:

- a. Acquisition of Right-of-Way #12026-A, a total take parcel, necessary for the Beaver River Bridge replacement project, by authorizing payment of fair market value, pro-rated taxes and recording fees of \$91,694.50 to McClain, Young & Patterson, 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 owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- b. Acquisition of Right-of-Way #12067-RE1, a total take parcel, necessary for replacement of Bridge WB-228 at MP 22.60, by authorizing payment of fair market value, pro-rated taxes and recording fees of \$195,935.82 to TRG Closing Services, 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/statutory damages to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- c. Acquisition of Right-of-Way #12067-RD1, a partial take parcel, necessary for replacement of Bridge WB-228 at MP 22.60, by authorizing the payment of fair market value and pro-rated taxes of \$2,003.34 to Stephen & Linda Hurbanek; 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/statutory damages to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- d. Acquisition of Right-of-Way #6072-74-D, a partial take parcel, necessary for the roadway and bridge reconstruction project from MP 320.00 to MP 326.00, by authorizing payment of fair market value and pro-rated taxes of \$8,251.00 to Laurice A. Albed; 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/statutory damages to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- e. Acquisition of Right-of-Way #6066-D, a partial take parcel, necessary for roadway and bridge reconstruction project from MP 320.00 to MP 326.00, by authorizing payment of fair market value and pro-rated taxes of \$17,419.60 to John J. & William B. Carr; 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/statutory damages to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department.

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

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PAYMENT

Motion-That the Commission authorized payment of the 2012 Notice of Assessment from the Bureau of Workers' Compensation at the Department of Labor and Industry, for the Uninsured Employers Guaranty Fund, in the amount of \$2,412.00-was made by Commissioner Lincoln, seconded by Commissioner Schoch; 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" and "b":

- a. Pest control services, exercising our option to renew the contract for an additional 2-years with Lethal Pest Solutions; at an additional cost of \$78,000.00;
- b. Card access system upgrade, to Hirsch Identive; at a total award of \$199,550.00.

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

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AWARD OF CONTRACTS

Motion-That the Commission approves the Rejection and Re-advertising of a Contract and the Award of Contracts for the items listed in memos "a" through "e":

- a. Reject all bids, as they failed to comply with MBE/WBE requirements, and approve re-advertising for public sewer connection at the New Cumberland Maintenance Facility;
- b. Contract #EN-00136-03-02 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, Gregori Construction & Engineering, Inc.; at a not-to-exceed amount of \$1,000,000.00;
- c. Contract #EN-00136-03-04 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 \$1,500,000.00;
- d. Contract #EN-00136-03-03 for bridge repairs between MP 109.91 and MP 236.22; to the lowest responsive and responsible bidder, Swank Construction Company, LLC; at a not-to-exceed amount of \$1,000,000.00;
- e. Contract #EN-00136-03-05 for bridge repairs between MP A20.00 and MP A130.64; to the lowest responsive and responsible bidder, J.P.S. Construction Co., Inc.; at a not-to-exceed amount of \$1,500,000.00.

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

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TOLL SCHEDULE FOR RT 209 AET INTERCHANGE

Motion-That the Commission approves the implementation of the 2012 toll schedule, developed by CDM Smith, for the Route 29 AET Interchange scheduled to open December 2012-was made by Commissioner Schoch, seconded by Commissioner Lieberman; and passed unanimously.

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POLICY LETTER

Motion-That the Commission adopts Policy Letter 2.17, *Years of Service & Retiree Appreciation Program*, to acknowledge employee milestone years of service-was made by Commissioner Schoch, seconded by Commissioner Lincoln; and passed unanimously.

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ACT 44 BOND RESOLUTION

Motion-That the Commission authorizes 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 \$300,000,000, 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-was made by Commissioner Lincoln, seconded by Commissioner Lieberman; and passed unanimously.

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AGREEMENT

Motion-That the Commission approves the negotiation and execution of a Financial Audit Agreement between the Commission, Commission's Retiree Medical Trust, Highmark and Zelenkofske Axelrod LLC, for the audit period June 1, 2011 to May 31, 2012; and authorizes the CFO to execute the Agreement-was made by Commissioner Lincoln, seconded by Commissioner Lieberman; and passed unanimously.

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ITEM ADDED TO THE FORMAL AGENDA

Motion-That the Commission authorizes the Commission officials to negotiate a Memorandum of Understanding (MOU) with Delaware Valley Regional Center to provide partial financing for the I-95 Interchange Project-was made by Commissioner Lincoln, seconded by Commissioner Lieberman; and passed unanimously.

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NEXT COMMISSION MEETING

Ms. Edmunds: The next meeting of The Pennsylvania Turnpike Commission will be a formal telephone meeting on Tuesday, October 2, 2012 beginning at 10:00 am.

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ADJOURNMENT

Motion-That this meeting of The Pennsylvania Turnpike Commission be adjourned at 10:41 a.m. -was made by Commissioner Lieberman, seconded by Commissioner Lincoln; and passed unanimously.

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PREPARED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

10-02-12

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