

MINUTES OF THE COMMISSION MEETING HELD MAY 7, 2019

A formal telephone meeting of the Pennsylvania Turnpike Commission convened at 11:05 a.m. on Tuesday, May 7, 2019 at the Central Office located in Highspire, Pennsylvania. Present for the meeting was John Wozniak, Commissioner and available via telephone were Leslie S. Richards, Chair; William K. Lieberman, Vice Chair and 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 International; Robert F. Brady, Director of Operations/Projects-East; Carl E. DeFebo, Jr., Director of Public Relations & Marketing; John DelRicci, Director of Maintenance; Charles L. Duncan III, Esquire, Director of Legislative Affairs; Nikolaus Grieshaber, Chief Financial Officer; Bradley J. Heigel, P.E., Chief Engineer; Doreen McCall, Chief Counsel; Ray Morrow, Chief Compliance Officer; Myneca Y. Ojo, Director of Diversity & Inclusion; Robert Taylor, Chief Technology Officer and Ann Louise Edmunds, Assistant Secretary Treasurer.

Others present were Kathy Brilla, Safety Compliance Advisor; Richard S. DiPiero, Senior Fare Collection Operations Manager; Richard C. Dreher, Assistant CFO/Financial Management; Kelly Horvath, Executive Administrative Assistant; Donald S. Klingensmith, P.E., Director of Procurement & Logistics; Shawn Laudenslager, End User Support Technician; Gina M. Murray, Engineering Contracts Supervisor; Jeffrey A. Naugle, Manager of Treasury Operations; Timothy M. Scanlon, Director of Traffic Engineering and Operations; Tony Romeo, KYW-AM; Michael Gross, Wallace Montgomery; Mark Karolski, Buchart Horn; Kristi Reichard, A. Morton Thomas; Eric Madden, JMT; Casey Waller, Bravo Group; Rabindra Mallik, Mallik Engineering; Paul McNamee, KCI; Robert Peda, Navarro & Wright; David Lowdermilk, WSP; and Ray Lawson, Loop Capital.



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 an annuitant, new hires, promotions, terminations, vacancies and a request to create, post and fill a position in the IT Department.

The Commissioners also 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 April 16, 2019 be approved and filed as submitted-was made by Commissioner Wozniak, seconded by Commissioner Deon, and passed unanimously.

COMMUNICATIONS

Motion-That the Commission approves the memo received from the Chief Counsel-was made by Commissioner Wozniak, seconded by Commissioner Deon, and passed unanimously.



PERSONNEL

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



UNFINISHED BUSINESS

No Unfinished Business to consider.



NEW BUSINESS

POLICY

Motion-That the Commission adopts revisions to Policy 4.06, Tuition Reimbursement for Impacted Classifications, to expand and clarify the policy and for technical revisions to the reimbursement procedures -was made by Commissioner Wozniak, seconded by Commissioner Deon, and approved unanimously.



AGREEMENTS

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

- a. Amendment to our Lease Agreement with TransCore for office space rental at 300 East Park Drive, Harrisburg, for the Customer Service Center/Violations Processing Center (CSC/VPC), for an additional 5-years;
- b. Reimbursement Agreement with PECO Energy Company, to reimburse PECO the cost for the engineering and utility relocation work necessary for the I-95/I-276 Interchange (Bridge DB-242 at MP 355.63); at a not-to-exceed amount of \$242,454.16;
- c. Reimbursement Agreement with Comcast, for Comcast to reimburse the Commission the cost for the installation of utility lines as part of the I-95/I-276 Interchange project; at an estimated reimbursement of \$45,000.00;
- d. Reimbursement Agreement with Verizon PA, Inc., for Verizon to reimburse the Commission the cost for the installation of utility lines as part of the I-95/I-276 Interchange project; at an estimated reimbursement of \$53,000.00;
- e. Reimbursement Agreement with PECO Energy Company, for PECO to reimburse the Commission the cost for the installation of utility lines as part of the I-95/I-276 Interchange project; at an estimated reimbursement of \$110,000.00;
- f. Lease Agreement with Carbon County to permit the county to lease space on the Commission's Big Boulder tower, at a leased fee of \$1,000 per month for the first year, with 3% increases each year thereafter, for an initial term of ten (10) years, plus three 5-year mutual extension options;
- g. Amendment to our agreement with Milliman for Medicare Part D attestation, exercising the option to renew the agreement for an additional year (October 1, 2019 – September 30, 2020);
- h. Assignment Agreement with Lafayette Ambulance and Rescue Squad to assign its active contract to Upper Merion Township Fire & EMS; Lafayette Ambulance and Rescue Squad will cease operations on May 1, 2019 and will become part of the Upper Merion Township's Fire & EMS;

- i. Lease Agreement with the PA Department of Education (PDE) for PDE to lease a portion of the Commission's warehouse property located at 2715 South Front Street, Steelton; at a monthly lease fee of \$3,000.00.

-was made by Commissioner Wozniak, 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 "i":

- a. Acquisition of Right-of-Way #14S058-3 (Donel Housing Services, Inc.; Tonya L. Gottschlich), a total take parcel necessary for construction of the Mon/Fayette Expressway, Rt. 51 to I-376, by authorizing payment of \$10,200.00 representing the first year's rent to JG & AK Properties, LLC; also authorize payment of \$23,568.00 representing the balance of rent supplement due to Tonya L. Gottschlich; authorize the appropriate Commission officials to execute all required documents and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- b. Acquisition of Right-of-Way #14S228 (Joseph Ioli, Inc.), a total take parcel necessary for construction of the Mon/Fayette Expressway, Rt. 51 to I-376, by authorizing payment of up to \$4,000.00 representing Section 710 statutory damages; also authorize issuance of \$650.00 to Bodnar Real Estate Services, Inc.; payment of Section 710 damages is contingent upon the Legal Department's review and approval of appropriate invoices;
- c. Acquisition of Right-of-Way #14S406 (Joseph Ioli, Inc.), a total take parcel necessary for construction of the Mon/Fayette Expressway, Rt. 51 to I-376, by authorizing payment of up to \$4,000.00 representing Section 710 statutory damages; also authorize issuance of \$650.00 to Bodnar Real Estate Services, Inc.; payment of Section 710 damages is contingent upon the Legal Department's review and approval of appropriate invoices;
- d. Adopt the proposed Property Acquisition Resolution for Right-of-Way #14S213 (John A. & Eileen M. Baranowski; James A. & Heather J. Baranowski), a total take parcel necessary for construction of the Mon/Fayette Expressway, Rt. 51 to I-376, by authorizing payment of \$131,000.00 representing estimated just compensation to counsel named at a later date; also authorize payment of up to \$4,000.00 representing statutory Section 710 damages, and authorize payment of \$3,000.00 representing reimbursement of appraisal fees to John A. Baranowski; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;

- e. Acquisition of Right-of-Way #14S304 (Keith A. Seese), a total take parcel necessary for construction of the Mon/Fayette Expressway, Rt. 51 to I-376, by authorizing payment of \$80,594.56 representing fair market value, pro-rated taxes and recording fees to Arrow Land Solutions, LLC, escrow agent; 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 as prepared by the Legal Department;
- f. Acquisition of Right-of-Way #14S318 (Terry A. Duvall), a total take parcel necessary for construction of the Mon/Fayette Expressway, Rt. 51 to I-376, by authorizing payment of \$70,870.59 representing fair market value, pro-rated taxes and recording fees to Fee Simple Settlement LLC, escrow agent; 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 as prepared by the Legal Department;
- g. Acquisition of Right-of-Way #14S648 (Kenneth L. Vegely), a total take parcel necessary for construction of the Mon/Fayette Expressway, Rt. 51 to I-376, by authorizing payment of \$550,495.19 representing fair market value, pro-rated taxes and recording fees to Arrow Land Solutions, LLC, escrow agent; 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 as prepared by the Legal Department;
- h. Settlement of Right-of-Way #14132 (Patrick L. Bianchin), a partial take parcel necessary for construction of the Southern Beltway, US 22 to I-79, by authorizing payment of \$97,400.00 representing the balance of the settlement funds due to Thomas G. Michalek, Esquire, escrow agent; authorize the appropriate Commission officials to execute the Settlement Agreement as reviewed and approved by the Legal Department; and payment of the settlement funds to the Condemnee is contingent upon the Commission's receipt of an executed Settlement Agreement;
- i. Acquisition of Right-of-Way #6025-A (301 Park Road, LLC), a partial take parcel necessary for the total reconstruction project from MP 308.00 to MP 312.00 by authorizing payment of \$48,711.00 representing fair market value and pro-rated taxes to 301 Park Road, 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 as prepared by the Legal Department.

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



ADVERTISING

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

- a. Authorized Service Provider for coverage from MP 0.00 to MP 24.90;
- b. Two (2) firms to provide geotechnical engineering services.

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



PURCHASE ORDERS

Motion-That the Commission approves the Issuance Purchase Orders for the items listed in memos "a" through "f":

- a. Window cleaning service, exercising the option to renew the agreement for an additional year (June 1, 2019 – May 31, 2020) with Point Exteriors LLC; at a cost of \$60,285.10;
- b. Security Incident Event Monitoring (Splunk Enterprise) software license, support and training, utilizing the Commonwealth's contract with CDW Government LLC/CDW LLC; at a total award of \$130,280.80;
- c. Glass beads, utilizing the Commonwealth's contract with Potters Industries, LLC; at a total award of \$150,000.00;
- d. Tunnel wrecker body, utilizing the Commonwealth's contract with Bresslers, Inc.; at a total award of \$146,296.32;
- e. Installation of durable pavement markings between MP 245.75 and MP 359.00 and between MP A20.00 to MP A131.00, exercising the option to renew the agreement (June 1, 2019 – November 17, 2021) with Guidemark, Inc.; at a cost of \$5,000,000.00;
- f. IT staff augmentation, exercising the option to renew the agreement for an additional year (October 1, 2019 – September 30, 2020) with Optimal Solutions & Technologies, Inc.; at a total cost of \$3,893,782.70.

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



AWARD OF CONTRACTS

Motion-That the Commission approves the Award of a Contract for the item listed in memos "a" through "d":

- a. Contract #S-006.00X002-3-15 for general construction for the Southern Beltway maintenance facility at MP S15.30EB, to the lowest responsive and responsible bidder, Gito, Inc. d/b/a Nello Construction Company; at a not-to-exceed amount of \$12,647,000.00 and a contingency of \$600,000.00;

- b. Contract #S-006.00X002-3-16 for plumbing work for the Southern Beltway maintenance facility at MP S15.30EB, to the lowest responsive and responsible bidder, Wayne Crouse, Inc.; at a not-to-exceed amount of \$3,375,000.00 and a contingency of \$150,000.00;
- c. Contract #S-006.00X002-3-17 for electrical work for the Southern Beltway maintenance facility at MP S15.30EB, to the lowest responsive and responsible bidder, T.S.B., Inc. d/b/a Schultheis Electric; at a not-to-exceed amount of \$3,056,000.00 and a contingency of \$150,000.00;
- d. Contract #S-006.00X002-3-18 for heating, ventilation and air conditioning work for the Southern Beltway maintenance facility at MP S15.30EB, to the lowest responsive and responsible bidder, McKamish, Inc.; at a not-to-exceed amount of \$1,948,500.00 and a contingency of \$75,000.00.

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



CHANGE ORDERS

Motion-That the Commission approves the Change Order for the item listed in memos "a" through "d":

- a. Change Order #3 for (Stage 1) for Contract # T-355.00P001-3-16 for ITS deployment for the I-95/I-275 Interchange with Miller Bros., for a 539-day time extension to complete the CCTV-13 system due to work outside the project which made the communication conduit unavailable until other work was completed;
- b. Change Order #11 for Contract #S-006.00X002-3-06 for construction of the Southern Beltway, MP S5.08 to MP S8.81 with Independence Excavating, Inc., for a 42-day time extension due to repairs to a cut slope;
- c. Change Order #3 for Contract #T-186.20M001-3-02 for traffic management system for the Tuscarora Tunnel with Wellington Power Corporation, for a 38-day time extension due to excessive rainfalls and extra work items added to the project;
- d. Change Order #1 for Contract #T-355.00P001-3-18 for the Route 13 connector for the I-95/I-276 Interchange project with James D. Morrissey, Inc., for an increase of \$90,000.00 for the demolition of two residential properties necessary for the replacement of the New Falls Road bridge; for a revised not-to-exceed amount of \$18,083,117.52.

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



OPERATING BUDGET AND CAPITAL PLAN

Motion-That the Commission approves the proposed FY 2019-2020 Annual Operating Expense Budget and the Fiscal Year 2020 Ten Year Capital Plan as listed in memos "a" and "b":

- a. Adopt the proposed Resolution and approve the Annual Operating Expense Budget for the 2019–2020 Fiscal Year in the amount of \$432,021,407.00;
- b. Approve the proposed FY 2020 Ten Year Capital Plan and grant approval for staff to procure long lead equipment items and advertise for the use of consultants, contractors and other necessary professional services to advance all phases of projects within the first two years of the adopted plan.

-was made by Commissioner Wozniak, seconded by Commissioner Deon; Commissioner Liberman voted "No".

The motion passed.



PSPC AWARDS

Motion-That the Commission approves the award of services and authorize the negotiation and execution of an agreement with the selected firm for the items listed in memos "a" through "e":

- a. T00110, open-end construction inspection from MP 247.00 to the Delaware River Bridge and from MP A20.00 to MP A131.00:
 - The Temple Group-AWARDED
 - TRC Engineers, Inc.
 - Navarro & Wright Consulting Engineers

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

- b. RFP 8437, towing and road service provider from MP 266.50 to MP 292.50:
 - Bressler's, Inc.-AWARDED

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

- c. RFP 8448, towing and road service provider from MP 83.70 to MP 127.20:
 - Herring Motor Company-AWARDED

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

- d. RFP 8449, towing and road service provider from MP 226.40 to MP 266.40
 - H & S Towing Service, Inc.-AWARDED

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

- e. RFP 8333, safety management system:
 - IndustrySafe, Inc.-AWARDED

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



BOND RESOLUTIONS

Motion-That the Commission authorizes the issuance and execution of the bond resolutions and Swap agreements for the items listed in memos "a" through "c":

- a. Approval of issuance of the Pennsylvania Turnpike Commission's Turnpike Revenue Bonds in an aggregate principal amount not to exceed \$400,000,000 (based on par amount) in one or more series or sub-series, taxable or tax-exempt, for the purpose of funding capital projects in any prior or current Ten Year Capital Plan or any other capital projects that may be approved by the Commission, including the funding of necessary reserves; 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; and (9) any other necessary or appropriate documents or certificates; providing for the appointment of co-bond counsel (Obermayer Rebmann Maxwell & Hippel LLP and the Wayne D. Gerhold Law Offices) and disclosure counsel (McNees Wallace & Nurick), and providing for the appointment of other professionals (PFM); authorizing the taking of further action; repealing inconsistent resolutions; and declaring that this resolution shall be liberally construed.
- b. Providing for the appointment of underwriters (Loop Capital Markets LLC; Wells Fargo Securities; NW Capital Markets, Inc; Janney Montgomery Scott LLC; IFS Securities; Backstrom McCarly Berry and Co. LLC/Stifel, Nicolaus & Company, Inc) relating to the issuance of the Pennsylvania Turnpike Commission's Turnpike Revenue Bonds approved by a resolution adopted on May 7, 2019.
- c. Authorize certain amendments and modifications to, and novations and terminations of, certain of the Commission's interest rate swap agreements with Goldman Sachs Mitsui Marine Derivative Products, L.P., JPMorgan Chase Bank, N.A., Merrill Lynch Capital Services, Inc., PNC Bank, National Association, and Bank of New York Mellon and authorize certain new interest rate swap agreements, offsetting swap agreements, and overlay swap agreements; authorize the taking of further action; repealing inconsistent resolutions; appointing counsel (Raffaele Puppio); appointing swap advisor (Mohanty Gargiulo) and declaring that this resolution shall be liberally construed.

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



NEXT COMMISSION MEETING

The next meeting of the Pennsylvania Turnpike Commission will be a telephone meeting on Monday, May 20, 2019 beginning at 10:00 a.m.



ADJOURNMENT

Motion-That this meeting of the Pennsylvania Turnpike Commission be adjourned at 11:19 a.m. -was made by Commissioner Wozniak, seconded by Commissioner Deon, and passed unanimously.