

MINUTES OF THE COMMISSION MEETING HELD JUNE 7, 2016

A formal telephone meeting of the Pennsylvania Turnpike Commission convened at 10:55 a.m. on June 7, 2016 at the Central Office located in Highspire, Pennsylvania. Present for the meeting was Barry Drew, Commissioner. Available via telephone were Sean Logan, Chairman; William K. Lieberman, Vice Chairman and Pasquale T. Deon, Sr., Secretary Treasurer.

Present for the meeting were Mark P. Compton, Chief Executive Officer and Craig R. Shuey, Chief Operating Officer; Larry Bankert, Michael Baker, Inc.; Scott D. Fairholm, Chief Information Officer; Nikolaus Grieshaber, Chief Financial Officer; Bradley J. Heigel, P.E., Chief Engineer; Jeffrey L. Hess, Assistant Director of Toll Collections-Fares; Doreen A. McCall, Chief Counsel; Ray Morrow, Chief Compliance Officer; Stacia A. Ritter, Esquire, Director of Policy & External Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Jack Christensen, Director of FEMO; Donald S. Klingensmith, Director of Procurement and Logistics; Donna Lapano, Executive Office Assistant; Jeffrey A. Naugle, Manager of Treasury Operations; Sheri Norris, Director of Human Resources; Tony Ricks, Manager of Training and Development; Cindy Smith, ETC Customer Service Operations Analyst; Lynn Stakem, Senior General Accountant; Mark Strause, Technician of PC/LAN Systems; Annamarie Green, CEO Inter; Paul McNamee, KCI; Kristi Reichard, Raudenbush Engineering and David Lowdermilk, WSP Parsons Brinckerhoff.



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 promotion, new hires, vacancies, and a request to abolish; and to reclass, post and fill positions in the Fare Collection and Engineering departments.

The Commissioners also discussed Case No. 4400005032, 3816 and 0713, 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.



MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held May 17, 2016 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 memo received from the Chief Counsel-was made by Commissioner Drew, seconded by Commissioner Deon, and passed unanimously.



PERSONNEL

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



UNFINISHED BUSINESS

No unfinished business to discuss.



NEW BUSINESS

POLICY LETTER

Motion-That the Commission adopts the revisions to Policy 2.08, Childrearing Leave Without Pay, to clarify appropriate leave usage, benefit coverage and procedures -was made by Commissioner Drew, seconded by Commissioner Deon, and passed unanimously.



AGREEMENTS

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

- a. Interagency Agreement with the PA Department of General Services (DGS) for a Capital Police officer to provide security at the Central Office Campus and to transfer a Commission vehicle to DGS for a patrol vehicle for the DGS officer; at an annual base rate of \$90,000.00 and a term of five (5) years;
- b. Agreement with Hewlett Packard Enterprise for hardware/software maintenance agreement (June 1, 2016 – May 31, 2017); at a cost of \$40,104.72;
- c. Six (6) Reimbursement Agreements with Penelec to reimburse Penelec the cost to perform the engineering and utility relocations necessary for the total reconstruction project from MP 149.00 to MP 155.00; at a combined not-to-exceed amount of \$303,599.31;
- e. Settlement Agreement with Teamsters Local #77 to resolve grievance number 17070 and authorize the Director of Human Resources to execute the agreement.

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

Item “d” was **REMOVED FROM THE AGENDA**. Amendment to our agreements with Highmark and Aetna for their Medicare Advantage plans, exercising the option to renew the agreements for an additional year (January 1, 2017 – December 31, 2017); at an approximate cost of \$300,401.00;



RIGHT-OF-WAY REQUESTS

Motion-That the Commission approves the Right-of-Way Request for the items listed in memos “a” through “r”:

- a. Acquisition of Right-of-Way #17622 (Betty J. Novak), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$7,659.50 representing fair market value, pro-rated taxes and recording fees to Coon & Company, 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 damages to the property owner is contingent upon her delivery of a deed prepared by the Legal Department;

- b. Acquisition of Right-of-Way #17636 (Thomas R. & JoAnn Guyaux), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$3,533.00 representing fair market value and pro-rated taxes to Thomas R. & JoAnn Guyaux; 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 damages to the property owners is contingent upon her delivery of a deed prepared by the Legal Department;
- c. Acquisition of Right-of-Way #3317-B (RLF Schneider SPE, LLC), a partial take parcel necessary for the replacement of Bridge EB-103 at MP 228.54, by authorizing payment of \$7,594.00 representing fair market value and pro-rated taxes to RLF Schneider SPE, 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 damages to the property owner is contingent upon its delivery of a deed prepared by the Legal Department;
- d. Acquisition of Right-of-Way #17740 (Betty J. & John J. Zirwas), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$3,106.48 representing fair market value, pro-rated taxes and recording fees to Coon & Company, 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 damages to the property owners is contingent upon her delivery of a deed prepared by the Legal Department;
- e. Temporary construction easement (Cameron H. & Diane C. Fowler) necessary for the replacement of Bridge NB-218 at MP A44.40, by authorizing payment of \$500.00 representing fair market value to Cameron H. & Diane C. Fowler; 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 damages to the property owner is contingent upon their delivery of an executed Temporary Construction Easement prepared by the Legal Department;
- f. Acquisition of Right-of-Way #14107 (Lisbeth E. Mihok), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$6,397.25 representing fair market value and pro-rated taxes to Lisbeth E. Mihok; 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 damages to the property owner is contingent upon her delivery of a deed prepared by the Legal Department;

- g. Acquisition of Right-of-Way #2117-L (Robert C. Ault), a partial take parcel necessary for the total reconstruction project from MP 149.50 to MP 155.50 by authorizing payment of \$24,078.05 representing fair market value and pro-rated taxes to Robert C. Ault; 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 to the property owner is contingent upon the delivery of a deed as prepared by the Legal Department;
- h. Acquisition of Right-of-Way #17390 (Dino W. & Dolores J. Colucci), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$9,135.00 representing fair market value and pro-rated taxes to Dino W. & Dolores J. Colucci, and authorize payment of \$700.00 representing Section 710 Damages to Taczak Law Office, LLC; authorize the appropriate Commission official 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 is contingent upon the delivery of a deed as prepared by the Legal Department;
- i. Acquisition of property owned by Wilmer W. and Janet Marie Leaman, a total take parcel necessary for future mainline reconstruction and widening by authorizing payment of \$209,430.88 representing fair market value, pro-rated taxes and recording fees to Diversified Settlement Services, Inc., 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 damages to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- j. Settlement of Right-of-Way #7138-A (DRR95TP, LP), a total take parcel necessary for construction of the I-95 Interchange by authorizing payment of \$1,240,000.00 to DRR95TP, LP; and authorize payment of additional statutory delay damages as calculated by counsel and approved by the Chief Counsel;
- k. Declaration of Restrictive Covenants for Right-of-Way #14210-A (John J. Ghaznavi) to construct a stream mitigation site and authorize the appropriate Commission officials to execute the required documents as prepared by the Legal Department;
- l. Settlement of Right-of-Way #16419 (Joseph Antoon, Rosemary Antoon Pierce, Theodore Paul Antoon and John Michael Antoon), a partial take parcel necessary for construction of the Mon/Fayette Expressway, Uniontown to Brownsville, by authorizing payment of \$600,000.00 to McDonald Snyder, P.C., escrow agent; and payment of the settlement funds is contingent upon the execution and delivery of a Full and Final Release and Settlement Agreement as approved by the Legal Department;

- m. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #14102 (Dustin Lee Andreis), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$2,600.00 representing estimated just compensation to counsel named at a later date; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- n. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #17237 (James J. & Judith Shea), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$900.00 representing estimated just compensation to counsel named at a later date; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- o. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #1025-B (William E. Buaghman), a partial take parcel necessary for the total reconstruction from MP 99.00 to MP 109.00, by authorizing payment of \$500.00 representing estimated just compensation to counsel named at a later date; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- p. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #17746 (Douglas & Dalene Quinten), a total take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$135,000.00 representing estimated just compensation payable to Clark Hill, PLC, escrow agent; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- q. Adopt the Proposed Property Acquisition Resolution for Right-of-Way #17683 (Hacker's, Inc.), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$261,280.00 representing estimated just compensation payable to counsel named at a later date; and authorize payment of additional statutory damages as calculated by the Right-of-Way Administrator and approved by the Chief Counsel;
- r. Acquisition of Right-of-Way #17391 (Andrew & Susan Harouse), a partial take parcel necessary for construction of the Southern Beltway, Rt. 22 to I-79, by authorizing payment of \$48,383.83 representing fair market value, pro-rated taxes and recording fees to Coon & Company, 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 additional statutory damages as calculated by the Right-of-Way Administrator and approved by Chief Counsel; and payment of fair market value is contingent upon the delivery of a deed as prepared by the Legal Department.

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



BOND RESOLUTION

Motion-That the Commission approves the issuance of the Pennsylvania Turnpike Commission's variable and/or fixed rate Oil Franchise Tax Revenue Refunding Bonds in an aggregate principal amount not to exceed \$450,000,000 (based on par amount) in one or more series or subseries, taxable or tax-exempt, senior or subordinate to provide funds to finance the costs of: (a) refunding all or a portion of

the prior bonds on a current, advanced and/or forward refunding basis; (b) funding necessary reserves to the extent required for such financing; (c) obtaining one or more credit facilities in connection with the bonds; and (d) paying the costs of issuing the bonds; authorizing the execution, delivery and distribution of the following: (1) one or more Supplemental Trust Indentures to the indenture; (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 continuing disclosure agreements; (6) one or more escrow deposit agreements; (7) one or more agreements for the provision of one or more credit facilities and/or reserve fund credit facilities and any related agreements; (8) one or more remarketing agreements; and (9) any other necessary or appropriate documents or certificates; authorizing swap agreements; authorizing appointment of co-bond counsel, and one or more underwriters, financial advisors and/or other professionals; authorizing the taking of further action; repealing inconsistent resolutions; and declaring that this resolution shall be liberally construed -was made by Commissioner Drew, seconded by Commissioner Deon; Commissioner Lieberman abstained.

VICE CHAIRMAN LIEBERMAN: I abstain on this item because Cohen & Grigsby is a client of my firm.



PURCHASE ORDERS

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

- a. Change Order to the agreement for HVAC controls for Districts 3, 4 & 5 with Automated Logic Contracting Services, Inc., for an additional \$75,800.00 to repair the existing HVAC control system at the Quakertown Interchange;
- b. Network equipment for the microwave backbone router upgrade-phase 2, utilizing the Commonwealth’s contract with ePlus Technology, Inc.; at a cost of \$1,327,950.20;
- c. Sodium chloride (winter usage), exercising the option to renew the agreements for an additional year (August 1, 2016 – July 31, 2017); and requesting approval to transfer the unused contingency funds from 2015-2016 of \$3,732,500.00 to the 2016-2017 winter season:

Compass Minerals	\$3,302,789.00
Cargill, Inc.	2,111,578.00
American Rock Salt	137,916.00
Oceanport LLC	<u>169,618.00</u>
TOTAL RENEWAL:	\$5,721,901.00 plus \$3,732,500.00 contingency

- e. Job Order Contracts, rebid (July 1, 2016 – April 8, 2017), to the lowest responsive and responsible bidders:

General	Clark Contractors, Inc.	\$1,000,000.00	District 1
General	Clark Contractors, Inc.	1,000,000.00	District 2
General	Lobar Associates, Inc.	1,000,000.00	District 3
General	Clark Contractors, Inc.	1,000,000.00	District 4
General	Clark Contractors, Inc.	1,000,000.00	District 5
Plumbing	Clark Contractors, Inc.	500,000.00	District 4
Plumbing	Clark Contractors, Inc.	<u>500,000.00</u>	District 5
TOTAL AWARDS		\$6,000,000.00	

- f. Job Order Contracts (July 1, 2016 – June 30, 2017), exercising the option to renew the agreements for an additional year:

Electrical	Schultheis Electric/TSB Inc.	0.00	District 1
Electrical	Schultheis Electric/TSB Inc.	300,000.00	District 2
Electrical	IB Abel, Inc.	0.00	District 3
Electrical	Clark Contractors, Inc.	0.00	District 4
Electrical	Clark Contractors, Inc.	450,000.00	District 5
Plumbing	Clark Contractors, Inc.	0.00	District 1
Plumbing	Clark Contractors, Inc.	750,000.00	District 2
Plumbing	Clark Contractors, Inc.	0.00	District 3
HVAC	Marc Service Inc.	0.00	District 1
HVAC	Marc Service, Inc.	500,000.00	District 2
HVAC	Henry Mechanical, Inc.	0.00	District 3
HVAC	Clark Contractors, Inc.	0.00	District 4
HVAC	Clark Contractors, Inc.	<u>0.00</u>	District 5
TOTAL RENEWAL		\$2,000,000.00	

- g. Systemwide maintenance for Uninterruptible Power Sources (UPS) and batteries for systems manufactured by EATON/POWERWARE (May 1, 2016 – April 30, 2018), to the lowest responsive and responsible bidder, Critical Power USA; at a total award of \$358,384.00 (including contingency);
- h. Systemwide maintenance for Uninterruptible Power Sources (UPS) and batteries for systems manufactured by APC/MGE (May 1, 2016 – April 30, 2018), to the lowest responsive and responsible bidder, United Power System, Inc.; at a total award of \$240,689.00 (including contingency);
- i. Systemwide maintenance for Uninterruptible Power Sources (UPS) and batteries for systems manufactured by EMERSON/LIEBERT (May 1, 2016 – April 30, 2018), to the lowest responsive and responsible bidder, United Power System, Inc.; at a total award of \$611,434.00 (including contingency);
- j. Video Management System, utilizing the Commonwealth's contract with Berkshire Systems Group, Inc.; at a total award of \$378,046.00.

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

Motion-That the Commission approves the Award of Bids and the Issuance of Purchase Orders for the item listed in memo "d":

- d. Bituminous material (June 1, 2016 – May 31, 2017), to the lowest responsive and responsible bidders:

Lindy Paving	10,000.00	District 1
Lane Construction	10,000.00	District 1
New Enterprise Stone & Lime	45,000.00	District 1 & 2
Hei-Way LLC	10,000.00	District 1 & 4
Eastern Industries, Inc.	5,000.00	District 5
Valley Quarries	5,000.00	District 2 & 3
H&K Materials	10,000.00	District 4 & 5
Silver Hill Quarry	10,000.00	District 3
Dunmore Materials	5,000.00	District 5
Locust Ridge Quarry	5,000.00	District 5
Coopersburg Materials	5,000.00	District 5
South Reading Blacktop	5,000.00	District 5
Sanatoga Blacktop	5,000.00	District 4 & 5
Eckley Asphalt	5,000.00	District 5
Wilkes Barre Materials LLC	5,000.00	District 5
Pennsy Supply - Pittston	10,000.00	District 5
Hempt Bros. Inc.	10,000.00	District 3
Eureka Stone Quarry Inc.	5,000.00	District 4 & 5
Hanson Aggregates PMA Inc.	<u>20,000.00</u>	District 1
TOTAL AWARDS	\$185,000.00	

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

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



AWARD OF CONTRACTS

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

- a. Contract #A-042.00M001-3-02 for the installation of Intelligent Transportation Systems (ITS) between MP A19.96 and MP A124.29, to the lowest responsive and responsible bidder, Bruce & Merrilees Electric Co.; at a not-to-exceed amount of \$3,719,000.00 and a contingency of \$150,000.00;
- b. Contract #A-115.84S001-3-02 for the elimination of Bridge NB-657 at MP A115.84 and elimination of Bridge S-18485, to the lowest responsive and responsible bidder, Beech Construction, Inc.; at a total award of \$1,252,117.75 and a contingency of \$60,000.00.

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



CHANGE ORDERS

Motion-That the Commission approves the Change Orders for the items listed in memos “a” through “c”:

- a. Change Order #1 for Contract #EN-00161-03-03 for roadway and miscellaneous repairs between MP 0.00 and MP 122.18 with Lane Construction Corporation, for an additional \$1,100,000.00 for additional work authorizations to repair deteriorated roadway locations throughout the project limits; for a revised not-to-exceed amount of \$3,600,000.00;
- b. Change Order #6 for Contract #T-099.00T002-3-04 for roadway reconstruction from MP 99.05 to MP 101.79 with New Enterprise Stone & Lime Co., Inc., for a decrease of \$1,460,399.09 to balance items to actual work completed, changes for excavation, drainage, erosion and sediment control, subbase, MPT, seeding and soil supplements, backfilling, shoulder extension and pavement replacement; for a revised not-to-exceed amount of \$32,989,595.44;
- c. Change Order #1 for Contract #EN-00167-03-02 for installation of mile marker signs between MP 0.00 and MP 99.05, Toll 376 and Turnpike 66 with Power Contracting Company, for an additional \$53,269.73 for mobilization, MPT, replacement of damaged tenth mile marker signs and a 94-day time extension; for a revised not-to-exceed amount of \$1,012,896.45.

-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 held on Tuesday, June 21, 2016 beginning at 10:00 a.m.



ADJOURNMENT

Motion-That this meeting of the Pennsylvania Turnpike Commission be adjourned at 11:02 a.m. -was made by Commissioner Drew, seconded by Commissioner Deon, and passed unanimously.



PREPARED BY:

APPROVED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

Pasquale T. Deon, Sr.
Secretary Treasurer

ATTACHMENT:

Memos received from the Chief Counsel