

MINUTES OF THE COMMISSION MEETING HELD SEPTEMBER 16, 2014

A formal meeting of the Pennsylvania Turnpike Commission convened at 11:36 a.m. September 16, 2014 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were William K. Lieberman, Chairman; A Michael Pratt, Esquire, Vice Chairman; Pasquale T. Deon, Sr., Secretary Treasurer, Sean Logan, Commissioner and Barry J. Schoch, P.E., Secretary of Transportation.

Others present for the meeting were Mark P. Compton, Chief Executive Officer; Larry Bankert, Chief Engineer Michael Baker Jr., Inc.; Robert F. Brady, Director of Operations/Projects-East; William J. Capone, Chief of Communications & Public Relations; Scott D. Fairholm, Chief Information Officer; Nikolaus Grieshaber, Chief Financial Officer; Bradley J. Heigel, P.E., Chief Engineer; Jeffrey L. Hess, Director of Fare Collection and Field Operations; Doreen A. McCall, Chief Counsel; Myneca Y. Ojo, Director of Diversity and Inclusion; Stacie A. Ritter, Director of Government Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Brenda Beal, Maintenance Division Resources & Programs Manager; Susan Carson-Casoni, Cash Manager; Renee Colborn, Manager of Media and Public Relations; Carl E. Defebo, Jr., Director of Public Relations & Marketing; Richard Dreher, Assist. Chief Financial Officer/Financial Management; Donald S. Klingensmith, P.E., Director of Procurement & Logistics; Jeffrey A. Naugle, Manager of Treasury Operations; Theodore A. Rusenko, Accounting & Financial Reporting Manger; Cindy Smith, General Accountant II; Lynn Stakem, Senior General Accountant; Brenda Szeles-Bratina, Director of Revenue Systems Compliance; Kim D. Tosh, Debt and Derivatives Manager; Lt. Edward Murphy, PSP; Steve Barber, Michael Baker, Jr., Inc.; Richard Welsh, Wells Fargo; Steve Moore, Parsons Brinckerhoff; Jon Livingston, Jacobs Engineering; Bill Sauers, C.S. Davidson; Kristi Reichard, Raudenbush Engineering; Peter Kuhne, Atkins; Scott Shimko, Borton-Lawson and Tom Rowader, Dawood.



Prior to the meeting Chairman Lieberman made a brief remark and called for a moment of silence for Cpl. Bryon K. Dickson II and Trp. Alex Douglass and all of the State Police.

Ms. Edmunds led the Commissioners and staff in the Pledge of Allegiance.



The Assistant Secretary Treasurer, Ann Louise Edmunds, called the roll and declared a quorum present.



SUNSHINE ANNOUNCEMENT

The Commissioners met in Executive Session prior to today's Formal Agenda Session to consider matters of Personnel, which included a termination, promotion, reorganization, new hires, vacancies and requests to post and fill positions in the Engineering and Traffic, Engineering and Operations Departments.

The Commissioners also discussed Docket Nos. SP-487, 2012-CV-7716 and 2001-1061 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, 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: Steve Barber, Michael Baker ,Jr., Inc.; Richard Welsh, Wells Fargo; Steve Moore, Parsons Brinckerhoff; Jon Livingston, Jacobs Engineering; Bill Sauers, C.S. Davidson; Kristi Reichard, Raudenbush Engineering; Peter Kuhne, Atkins; Scott Shimko, Borton-Lawson and Tom Rowader, Dawood.



MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held September 2, 2014 be approved and filed as submitted-was made by Commissioner Pratt, seconded by Commissioner Deon, and passed unanimously.



COMMUNICATIONS

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



PERSONNEL

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



NEW BUSINESS

BOND RESOLUTIONS

Motion-That the Commission authorizes the issuance of Bonds for the items listed in memos "a" and "b":

- a. Approval of the issuance of the Pennsylvania Turnpike Commission's Variable and/or Fixed Rate Turnpike Revenue Bonds in an aggregate principal amount not to exceed \$300,000,000 (based on par amount) in one or more series or subseries, taxable or tax-exempt, for the purpose of financing the costs of various capital expenditures for the Pennsylvania Turnpike system set forth in the Commission's current ten year 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 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; and (9) any other necessary or appropriate documents or certificates; authorizing appointment of co-bond counsel, underwriters' counsel, disclosure counsel and 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;

- b. Approval of the issuance of the Pennsylvania Turnpike Commission's Subordinate Revenue Bonds, including bond anticipation notes, 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 \$250,000,000, 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 and Act 89, (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 and Act 89, (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, and (8) 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 Deon, seconded by Commissioner Schoch; Commissioner Pratt abstained.

VICE CHAIRMAN PRATT: I ABSTAIN ON THESE ITEMS BECAUSE MY FIRM REPRESENTS VARIOUS BANKS WHO MAY OR MAY NOT BE ENGAGED FOR THIS TRANSACTION.

The motion passed.



AGREEMENTS

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

- a. Agreement with Western States Contracting Alliance (WSCA) to use their cooperative purchasing program for technology products and services;
- b. Settlement Agreement with CONSOL Energy regarding the coal interests on the Route 70 to PA Route 51 section of the Mon/Fayette Expressway, and authorize payment of the settlement amount;
- c. Reimbursement Agreement with Lower Bucks County Joint Municipal Authority for the Authority to reimburse the Commission partial costs for the relocation of the Authority’s existing water and sewer lines necessary for the I-95 Interchange project; at a reimbursement amount of \$70,000.00.

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



RIGHT-OF-WAY REQUESTS

Motion-That the Commission approves the Right-of-Way Requests for the items listed in memos “a” and “b”:

- a. Adopt the proposed Property Acquisition Resolution for Right-of-Way #14206-C (*Robert A. and Denise M. Blumette*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation in the amount of \$7,800.00 to a counsel to be 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;
- b. Adopt the proposed Property Acquisition Resolution for Right-of-Way #14206-E (*Joseph A. DeAngelo and Silvia Macarena Turcatti DeLeon*), a partial take parcel necessary for the total reconstruction project from MP 40.00 to MP 48.00; authorize payment of Estimated Just Compensation in the amount of \$28,400.00 to a counsel to be 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.

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



ESCROW ACCOUNT

Motion-That the Commission authorizes the establishment of an Escrow Account with the Allegheny County Department of Real Estate to allow the Commissions Legal and Engineering staff to remotely search land records, at an initial amount of \$2,500.00 and the ability to replenish the Escrow Account when necessary - was made by Commissioner Pratt, seconded by Commissioner Deon, and passed unanimously.



AWARD OF BIDS, CHANGE ORDERS & ISSUANCE OF PURCHASE ORDERS

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

- a. Change Orders for plow blades, hardware and accessories, for additional equipment in all Districts:

Valk Manufacturing	\$ 150,000.00
Winter Equipment	<u>1,000,000.00</u>
CHANGE ORDER	\$1,150,000.00

- b. IT Staff augmentation for a SAP GRC Administrator Technical Specialist 5 (October 1, 2014 – September 30, 2015), utilizing the Commonwealth’s contract with Computer Aid, Inc.; at a total award of \$247,160.01;
- c. IT Staff augmentation for a SAP Senior Solution Manager SME (October 20, 2014 – April 30, 2015), utilizing the Commonwealth’s contract with Computer Aid, Inc.; at a total award of \$123,580.01;
- d. Promotional and corporate apparel (September 2014 – August 2016), to the lowest responsive and responsible bidders:

Apex Advertising, Inc.	\$106,000.00	Promotional
Authentic Promotions.com	<u>15,000.00</u>	Corporate Apparel
TOTAL AWARDS:	\$121,000.00	

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



AWARD OF CONTRACTS

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

- a. Contract #EN-00153-03-04 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;
- b. Contract #EN-00153-03-02 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, Inc.; at a not-to-exceed amount of \$2,000,000.00;
- c. Contract #EN-00153-03-03 for bridge repairs between MP 109.91 and MP 236.22, to the lowest responsive and responsible bidder, J.P.S. Construction Co., Inc.; at a not-to-exceed amount of \$2,000,000.00;
- d. Contract #EN-00153-03-05 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 \$2,000,000.00.

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



POLICY LETTER

Motion-That the Commission adopts the revisions to Policy Letter 9.1, Land Use, to incorporate the use of Real Estate brokers and agents for sale and/or lease of Commission property for commercial purposes and to authorize the Property Management Department/Chief Counsel Designee to approve non-revenue generating agreements (i.e. cell tower lease amendments, rights of entry) as prepared and approved by the Legal Department-was made by Commissioner Deon, seconded by Commissioner Pratt, and passed unanimously.



NEXT COMMISSION MEETING

Ms. Edmunds-The next meeting of the Pennsylvania Turnpike Commission will be a telephone meeting on Tuesday, October 7, 2014 beginning at 10:00 a.m.



ADJOURNMENT

Motion-That this meeting of the Pennsylvania Turnpike Commission be adjourned at 11:42 a.m. – was made by Commissioner Deon, seconded by Commissioner Pratt.