

MINUTES OF THE COMMISSION MEETING HELD FEBRUARY 2, 2010

A formal meeting of The Pennsylvania Turnpike Commission convened at 11:56 a.m., February 2, 2010 at the Central Office, Pennsylvania Turnpike Commission located in Highspire, Pennsylvania. Present for the meeting were Allen D. Biehler, P.E., Chairman/Secretary of Transportation; Timothy J. Carson, Vice Chairman; J. William Lincoln, Secretary Treasurer; Pasquale T. Deon, Sr., Commissioner and A. Michael Pratt, Commissioner.

Others present for the meeting were Joseph G. Brimmeier, Chief Executive Officer; George M. Hatalowich, Chief Operating Officer; Robert F. Brady, Director of Operations/Projects-East; Rich DiPiero, Director of Fare Collection; Jeffrey L. Garrett, Chief Engineer, Michael Baker Jr., Inc.; Nikolaus Grieshaber, Chief Financial Officer; Michael P. Haney, Director of Maintenance; Jeffrey L. Hess, Director of Operations/Projects-West; Frank J. Kempf, Jr., Chief Engineer; Doreen McCall, Chief Counsel; Valerie J. Payne, Director of Administration; Craig Shuey, Director of Government Affairs and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Michael D. Begler, Director of Operations Review; John Christensen, Manager of Facilities & Energy Management Operations; Derek S. Hansel, Assistant Chief Financial Officer; Donald S. Klingensmith, P.E., Manager of Contracts Administration; Donna Lapano, Executive Assistant; Anthony L. Maniscola, Special Investigator; Jeffrey A. Naugle, Manager of Treasury Operations; Robert H. Rosell, Technician of PC/LAN; Patricia F. Schlegel, Director of Human Resources; Brenda Szeles-Bratina, Director of Toll Revenue Audit; Mike Ryan, Michael Baker, Jr. Inc.; Rick Welsh, Wachovia Bank; Charlie Visions, Morgan Stanley; Alison Barber, Morgan Stanley; Chuck Peck, Morgan Stanley and Haden Hess.



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

MS. EDMUNDS: THE COMMISSIONERS MET IN EXECUTIVE SESSION PRIOR TO TODAY'S FORMAL AGENDA SESSION TO CONSIDER MATTERS OF PERSONNEL, WHICH INCLUDED A TERMINATION, RECLASSIFICATION, NEW HIRES, VACANCIES AND A REQUEST TO POST AND FILL POSITIONS IN THE ENGINEERING DEPARTMENT.

THE COMMISSIONERS ALSO DISCUSSED Bailets v. PTC et al. (Docket No. 265 MD 2009) and PTC v. LHB Associates (Docket No. 0703183-29-6), AND ENGAGED IN NON-DELIBERATIVE INFORMATIONAL DISCUSSIONS, REGARDING VARIOUS ACTIONS AND MATTERS, WHICH HAVE BEEN APPROVED AT PREVIOUS PUBLIC MEETINGS.



MINUTES OF MEETING

Motion - That the Minutes of the meeting held January 19, 2010 be approved and filed – was made by Mr. Deon, seconded by Mr. Pratt; and passed unanimously.



COMMUNICATIONS

Motion – That the Commission accepts and files the memo received from the Chief Counsel– was made by Mr. Deon, seconded by Mr. Pratt; and passed unanimously.



PERSONNEL

Motion – That the Commission approves the Personnel as submitted – was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



UNFINISHED BUSINESS

There was no Unfinished Business to discuss.



NEW BUSINESS

Reinvestments, Liquidations and Purchase of Securities

Upon the motion by Mr. Lincoln, seconded by Mr. Deon, the following Resolution was presented for adoption:

RESOLUTION

BE IT RESOLVED that the Pennsylvania Turnpike Commission hereby ratifies the action of the Investment Analyst, with the approval of the Chief Executive Officer and the Consulting Engineer, in directing the Trustee to make the foregoing reinvestments, liquidations and purchases; and

BE IT FURTHER RESOLVED that copies of the Resolution certified by the Assistant Secretary and Treasurer shall be forwarded to the Trustee as required in Article VI, Section 602 of the 2001 Amended and Restated Trust Indenture.

The following members voted yea: Commissioners Biehler, Lincoln, Deon and Pratt; Commissioner Carson abstained.

MR. CARSON: AS A LAWYER AND ADVISOR FOR OVER 30 YEARS IN THE PUBLIC FINANCE AREA, I AND/OR MY FIRM HAVE HAD, CURRENTLY HAVE, OR POTENTIALLY MAY HAVE, DEALINGS WITH VIRTUALLY ALL THE MAJOR COMMERCIAL AND INVESTMENT BANKING FIRMS, AND SOMETIMES REPRESENT THEM DIRECTLY IN VARIOUS TRANSACTIONS. MANY OF THESE FINANCIAL FIRMS ALSO ACT AS BROKER-DEALERS FROM WHICH THE COMMISSION OR ITS AGENTS (BOND TRUSTEES, ETC.) MIGHT SOLICIT BIDS AND/OR BUY SECURITIES FROM TIME-TO-TIME FOR ROUTINE INVESTMENT MANAGEMENT PURPOSES. OUT OF AN ABUNDANCE OF CAUTION, I WILL, THEREFORE, ABSTAIN FROM THE VOTE ON THIS PARTICULAR AGENDA ITEM, AND I ASK THAT THE MINUTES SO REFLECT MY ABSTENTION.



AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the amendments and the agreement for the items listed in memos "a" through "c":

- a. Amendment to our agreement with AAA East Central, for E-ZPass distribution in their branch offices; exercising our option to extend the agreement for an additional five (5) years, with an option for 2 five year renewals;
- b. Agreement with Enerwise Global Technologies for enrollment in their electricity curtailment services program;
- c. Amendment to our agreement with ACS State & Local Solutions Inc., for maintenance and support of the Findlay Connector Toll System; to extend the agreement for an additional two (2) year period, with a not-to-exceed amount of \$350,000.00 per year.

-was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



RIGHT-OF-WAY REQUESTS

Motion – That the Commission approves the Right-of-Way Requests for the items listed in memos “a” through “f”:

- a. Authorize the acquisition of Right-of-Way #17934, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$356,949.00, payable to Coon and Company, Escrow Agent; representing fair market value, prorated taxes and recording fees; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- b. Authorize the acquisition of Right-of-Way #17901, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$180,643.56, payable to Coon and Company, Escrow Agent; representing fair market value, prorated taxes, recording fees and Section 710 damages; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- c. Authorize the acquisition of Right-of-Way #17955, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$173,260.28, payable to Coon and Company, Escrow Agent; representing fair market value, prorated taxes, recording fees and Section 710 damages; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- d. Authorize the acquisition of Right-of-Way #14137, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$285,236.31, payable to Coon and Company, Escrow Agent; representing fair market value, prorated taxes, recording fees and Section 710 damages; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- e. Authorize the acquisition of Right-of-Way #17527, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$326,124.40, payable to Coon and Company, Escrow Agent; representing fair

- market value, prorated taxes and recording fees; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- f. Authorize the acquisition of Right-of-Way #17297, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$145,863.28, payable to Coon and Company, Escrow Agent; representing fair market value, prorated taxes and recording fees; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owner is contingent upon her delivery of a deed prepared by the Legal Department;
- g. Authorize the acquisition of Right-of-Way #14142, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$453,878.73, payable to Coon and Company, Escrow Agent; representing fair market value, prorated taxes, recording fees and Section 710 damages; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owner is contingent upon his delivery of a deed prepared by the Legal Department;
- h. Adopt the proposed Property Acquisition Resolution for Right-of-Way #6441-A, a total take parcel, necessary for the total reconstruction project from MP A20.00 to MP A30.00; authorize payment of Estimated Just Compensation in the amount of \$280,000.00 payable to Stevens & Lee, P.C., Escrow Agent; and authorize payment of statutory damages and costs as calculated by the Legal Department and approved by the Chief Executive Officer;
- i. Authorize the acquisition of Right-of-Way #3134-A, a partial take parcel, necessary for the total reconstruction project from MP 199.00 to MP 227.00, by issuing a check in the amount of \$3,958.50, payable to Darryl L. Souders; representing fair market value and prorated taxes; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owner is contingent upon his delivery of a deed prepared by the Legal Department;
- j. Authorize the settlement of Right-of-Way #7159-A, a total take parcel, necessary for construction of the I-95 Interchange project, previously approved at the May 20, 2009 Commission Meeting (Item G-3e), by issuing a settlement check in the

amount of \$50,000.00, payable to Buckley, Brion, McGuire, Morris & Sommer, LLP, Escrow Agent; authorize the appropriate Commission officials to execute the Settlement and Release Agreement, and payment of the settlement fund to the property owners is contingent upon their execution of the full and final Settlement and Release Agreement as approved by the Legal Department;

- k. Authorize the acquisition of Right-of-Way #17666, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$348,241.94, payable to Coon and Company, Escrow Agent; representing fair market value, prorated taxes, recording fees and Section 710 damages; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department;
- l. Authorize the acquisition of Right-of-Way #17925, a total take parcel, necessary for construction of the Southern Beltway, by issuing a check in the amount of \$50,331.78, payable to Coon and Company, Escrow Agent; representing fair market value, prorated taxes and recording fees; authorize the appropriate Commission officials to execute the agreement of sale, authorize the payment of additional statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer, and payment of the fair market value to the property owners is contingent upon their delivery of a deed prepared by the Legal Department.

-was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



AWARD OF CONTRACTS

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

- a. Contract #EN-00088-03-05, for roadway and miscellaneous repairs between MP 0.00 and MP 75.39, Turnpike 60, 66 and 43, to the lowest responsive and responsible bidder, Lindy Paving, Inc., at a total award of \$750,000.00;
- b. Contract #EN-00088-03-06, for roadway and miscellaneous repairs between MP 179.44 and MP 241.87, to the lowest responsive and responsible bidder, Valley Quarries, Inc., at a total award of \$1,000,000.00;
- c. Contract #EN-00088-03-07, for roadway and miscellaneous repairs between MP 298.33 and MP 358.11, to the lowest responsive and responsible bidder, Glasgow, Inc., at a total award of \$2,500,000.00.

-was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



AWARD OF BIDS, A CHANGE ORDER AND ISSUANCE OF 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" through "e":

- a. HP blade servers for the data center upgrade project, utilizing the Commonwealth's contract with ePlus Technology, Inc.; at a total award of \$227,324.00;
- b. Stop Loss Insurance, exercising our option to renew for an additional year, with Buckingham Insurance Services, Inc.; at an award of \$450,000.00;
- c. Eight (8) Falcon asphalt hot patchers, utilizing the Commonwealth's contract with Falcon Road Maintenance Equipment; at a total award of \$128,475.00;
- d. Change Order #2 with PPC Lubricants for motor oil/lubricant, to fund the remaining nine (9) months of the contract, for an increase of \$91,000.00, increasing the total to \$311,000.00;
- e. E-ZPass equipment (FPT interior and exterior tags), to Mark IV IVHS, Inc., of Ontario, Canada, the vendor selected by the Interagency Group (IAG), for a total award of \$2,006,770.00. This pricing reflects the seven-year pricing structure agreed upon with Mark IV, IVHS, Inc.

-was made by Mr. Lincoln, seconded by Mr. Carson, and passed unanimously.



Items Added to the Formal Agenda

FINAL SELECTION

Motion-That the Commission approves the consultant selection recommendation from the Technical Review Committee and authorize the negotiation and execution of a contract with the first firm listed for retention of an engineering or construction management firm for an open-end contract basis to provide construction inspection services systemwide; at a not-to-exceed amount of \$850,000.00 or two (2) years whichever occurs first:

Reference #3-207

The Temple Group, Inc.
Construction Methods and Coordination, Inc.
Solar Testing of PA, LLC
KCI Technologies, Inc.

-was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



SUPPLEMENTS

Motion-That the Commission approves the preparation and execution of the Supplemental Agreements as listed in memos "a" through "e":

- a. Supplemental Agreement #1 with Century Engineer, Inc., for open-end design services for the I-80 toll Conversion and Capital Plan projects, for an increase of \$3,000,000.00; increasing the not-to-exceed amount from \$1,000,000.00 to \$4,000,000.00;
- b. Supplemental Agreement #1 with Clough Harbour & Associates, LLP, for open-end design services for the I-80 toll Conversion and Capital Plan projects, for an increase of \$3,000,000.00; increasing the not-to-exceed amount from \$1,000,000.00 to \$4,000,000.00;
- c. Supplemental Agreement #1 with MS Consultants, for open-end design services for the I-80 toll Conversion and Capital Plan projects, for an increase of \$3,000,000.00; increasing the not-to-exceed amount from \$1,000,000.00 to \$4,000,000.00;
- d. Supplemental Agreement #1 with PB Americas, Inc., for open-end design services for the I-80 toll Conversion and Capital Plan projects, for an increase of \$3,000,000.00; increasing the not-to-exceed amount from \$1,000,000.00 to \$4,000,000.00;
- e. Supplemental Agreement #2 with QBS International, Inc., for the replacement of Bridge No. NB-391 at MP A68.53, for an increase of \$300,000.00; increasing the not-to-exceed amount from \$2,600,000.00 to \$2,900,000.00.

-was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



CHANGE ORDER AND FINAL PAYMENT

Motion-That the Commission approves Change Order #1 and Final Payment for Contract #07-020-RCNW with Road-Con, Inc. for roadway and miscellaneous repairs between MP 241.87 and MP 298.33; for a decrease of \$676,056.48, making the final contract value \$323,943.52, and the final amount due of \$17,265.93-was made by Mr. Lincoln, seconded by Mr. Pratt; and passed unanimously.



AGREEMENT

Motion-That the Commission approves the preparation and execution of agreements with NW Financial Group, LLC and Phoenix Capital Partners, L.P., for

financial advisory services-was made by Mr. Lincoln, seconded by Mr. Deon; and passed unanimously.



NEXT MEETING

MS. EDMUNDS: The next Commission Meeting will be held Tuesday, February 16, 2010.



ADJOURNMENT

MS. EDMUNDS: Commissioners, I have no other items for consideration, if you have nothing further, I request a motion for adjournment.

Motion – That this meeting of The Pennsylvania Turnpike Commission be adjourned at 12:01 p.m. - was made by Mr. Lincoln, seconded by Mr. Pratt; and passed unanimously.



PREPARED BY:

Ann Louise Edmunds
Assistant Secretary Treasurer

02-02-10

APPROVED BY:

J. William Lincoln
Secretary Treasurer

ATTACHMENT NUMBER 1
COMMUNICATIONS: MEMO RECEIVED FROM THE CHIEF COUNSEL