

MINUTES OF THE COMMISSION MEETING HELD DECEMBER 7, 2010

A formal meeting of the Pennsylvania Turnpike Commission convened at 11:02 a.m. December 7, 2010 at the Central Office located in Highspire, Pennsylvania. Present for the meeting were Allen D. Biehler, P.E., Chairman/Secretary of Transportation; William K. Lieberman, 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; Richard S. DiPiero, Director of Fare Collection; Todd S. Garrison, Director of Maintenance; Nikolaus Grieshaber, Chief Financial Officer; Jeffrey L. Hess, Director of Operations/Projects-West; Frank J. Kempf, Jr., Chief Engineer; Doreen McCall, Chief Counsel; Richard A. Reidy, Engineering, Michael Baker, Jr., Inc.; Craig Shuey, Director of Government Affairs; Joe Suess, Acting Chief Informational Officer and Ann Louise Edmunds, Assistant Secretary Treasurer.

Also in attendance were Michael D. Begler, Director of Operations Review; William J. Capone, Director of Communications/Public Relations; John Christensen, Manager of Facilities & Energy Management Operations; Jason Falchek, Technician of PC/LAN; Derek S. Hansel, Assistant Chief Financial Officer; Paige Kerstetter, Manager of Workers' Compensation and Property Claims; Donald S. Klingensmith, P.E., Manager of Contracts Administration; Donna Lapano, Executive Assistant; Jeffrey A. Naugle, Manager of Treasury Operations; Cathy Sabo, Senior General Accountant; Patricia Schlegel, Director of Human Resources; Brenda Szeles-Bratina, Director of Toll Revenue Audit; Kathy Thomas, Administrative Secretary; Ray Zajicek, Fare Collection Operations Manager and Mark Row, Teamsters 77.

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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 RECLASSIFICATIONS, EQUITY ADJUSTMENTS, NEW HIRES, A TERMINATION, VACANCIES AND REQUESTS TO ADVERTISE AND TO POST AND FILL

POSITIONS IN THE MAINTENANCE AND FINANCE AND ADMINISTRATION 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 REQUEST TO ADDRESS THE COMMISSION. AT THIS TIME WE ASK ALL VISITORS TO STAND AND INTRODUCE YOURSELF.

MARK ROWE, TEASTERMS 77, I WOULD LIKE TO WISH EVERYONE HAPPY HOLIDAYS.

MS. EDMUNDS: THIS CONCLUDES THE PUBLIC COMMENT SECTION OF THE MEETING.

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MINUTES OF THE MEETING

Motion-That the Minutes of the meeting held November 16, 2010 be approved and filed-was made by Commissioner Lincoln, seconded by Commissioner Lieberman; and passed unanimously.

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COMMUNICATIONS

Motion-That the Commission accepts and files the memos received from the Chief Counsel and the Director of Fare Collection-was made by Commissioner Lincoln, seconded by Commissioner Lieberman; and passed unanimously.

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PERSONNEL

Motion-That the Commission approves the Personnel as amended-was made by Commissioner Lincoln, seconded by Commissioner Pratt; and passed unanimously.

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NEW BUSINESS

Reinvestments, Liquidations and Purchase of Securities

Upon the motion by Commissioner Deon seconded by Commissioners Lincoln, the following Resolution was presented for adoption:

RESOLUTION

BE IT RESOLVED that The Pennsylvania Turnpike Commission hereby ratifies the action of the Assistance Chief Financial Officer, 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 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, Lieberman, Lincoln, Deon and Pratt. The motion passed unanimously.

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AGREEMENTS

Motion-That the Commission approves the negotiation and execution of the Amendments, Agreements, a Supplemental Agreement and a Lease for the items listed in memos "a" and "c" through "g":

- a. Amendment to our agreements with Emergency Response Spill contractors to ensure the contractors will respond immediately to an incident and be permitted to remove the contained spill, clean-up and disposal materials; and reimburse the contractors for the costs they cannot recoup from the responsible party;
- c. Supplemental agreement with Norfolk Southern Railroad for railroad protective services, temporary grade crossing construction and removal to accommodate the construction of Bridge MF-202A at MP M26.92; for an additional \$589,500.00, increasing the not-to-exceed amount to \$1,147,500.00;
- d. Amendment to our agreement with CompServices, Inc. for Third Party Administrator; to exercise our option to extend the contract until June 30, 2011 or until a revised RFP has been completed and the contract has been awarded;
- e. Lease Agreement with Nextel Communications to permit them to lease space and construct antennas and other related infrastructure on the Commission's New Thompson Run Radio Tower; Nextel Communications will pay the Commission the initial tower lease rate of \$16,200.00 for the first year, with 3% increases every year after that; the term of the lease will be for a period of ten (10) years, plus three (3) 5-year mutual renewal options;

- f. Amendment to our agreement with Henkels and McCoys for infrastructure cabling, to provide wireless network services to the Engineering trailers at the Everett District 2 Fares Warehouse; for an additional \$3,898.68, increasing the not-to-exceed amount to \$86,587.51;
- g. Assignment Agreement with L. Robert Kimball & Associates, Inc. to assign all active contracts to CDI-Infrastructure, LLC d/b/a L.R. Kimball due to CDI-Infrastructure's acquisition of L. Robert Kimball & Associates.

-was made by Commissioner Lincoln, seconded by Commissioner Deon.

Motion-That the Commission approves the negotiation and execution of the Agreement as listed in memo "b":

- b. Assignment Agreement with DMJM+Harris, Inc. to assign all active contracts to AECOM Technical Services, Inc. (DMJM+Harris's parent company) due to integrating their North American operations.

-was made by Commissioner Lincoln, seconded by Commissioner Deon; Chairman Biehler abstained.

CHAIRMAN BIEHLER: I ABSTAIN ON THIS ITEM.

The motion passed.

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RIGHT-OF-WAY REQUESTS

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

- a. Authorize settlement of Right-of-Way #6441-B, a partial take parcel, necessary for the total reconstruction project from MP A20.00 to MP A30.00, by issuing payment in the amount of \$8,900.00 payable to Steven & Lee, P.C., Escrow Agent; representing the balance due; authorize the Commission officials to execute any required settlement documents; authorize the payment of statutory damages as calculated by the Legal Department and approved by the Chief Executive Officer; and payment of settlement funds to the property owner is contingent upon its execution of a full and final satisfaction and release;
- b. Authorize the acquisition of Right-of-Way #8995-R30, a partial take parcel, necessary for the Rt. 903 Slip Ramp project, by issuing payment in the amount of \$80,300.00 payable to Consumers Land Abstract, Inc., Escrow Agent, representing fair market value; 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 Commissioner Lincoln, seconded by Commission Pratt; and passed unanimously.

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AWARD OF CONTRACTS

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

- a. Contract #T-215.00T001-3-04 for roadway and bridge reconstruction from MP 215.29 to MP 220.30, to the lowest responsive and responsible bidder, Hempt Bros., Inc.; at a total award of \$50,977,247.43 and a contingency amount of \$2,500,000.00;
- b. Contract #T-319.00T001-3-03 for the replacement of Bridge EB-735 at MP 322.51, to the lowest responsive and responsible bidder, G.A. & F.C. Wagman, Inc.; at a total award of \$4,206,651.46 and a contingency amount of \$250,000.00;
- c. Contract #A-078.00R001-3-02 for bituminous resurfacing and median barrier replacement between MP A77.99 and MP A88.52, to the lowest responsive and responsible bidder, Pikes Creek Site Contractors; at a total award of \$14,466,397.00 and a contingency amount of \$500,000.00;
- d. Contract #T-099.00T002-3-02 for the replacement of Bridge B-409 at MP 104.92, to the lowest responsive and responsible bidder, Mosites Construction Company; at a total award of \$3,277,375.95 and a contingency amount of \$150,000.00.

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

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AWARD OF BIDS, RENEWAL OF AN AGREEMENT AND THE ISSUANCE OF PURCHASE ORDERS

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

- a. Five (5) 2011 Chevrolet Express Cargo Vans (teller vans), utilizing the Commonwealth’s contract with Apple Automotive Group; for a total award of \$136,815.00;
- b. Five (5) 2011 Ford Explorers, utilizing the Commonwealth’s contract with Apple Automotive Group; for a total award of \$135,200.00;
- c. Delineation road markers and adhesive, exercising our option to renew the agreement for an additional year (December 1, 2010 through November 30, 2011):

Ennis Paint, Inc.	\$ 75,000.00
Artuk Corporation	<u>\$100,000.00</u>
Total Renewal	\$175,000.00
- d. Diesel motor fuel and heating and emergency generator fuel, to the lowest responsive and responsible bidders:

Mansfield Oil Company	\$2,080,000.00
Petroleum Traders Corp	525,000.00
Glassmere Fuel Service	45,000.00
Export Fuel Co.	15,000.00

Talley Petroleum	65,000.00
Naughton Energy Corp	55,000.00
Leffler Energy	30,000.00
Bedford Valley Petroleum	<u>565,000.00</u>
Total Bid:	\$3,380,000.00
Plus 25% contingency	<u>845,000.00</u>
TOTAL AWARD	\$4,225,000.00

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

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ITEMS ADDED TO THE FORMAL AGENDA

CHANGE ORDERS AND FINAL PAYMENTS

Motion-That the Commission approves the Change Orders and Final Payments for the items listed in memos "a" through "d":

- a. Change Order #2 and Final Payment for Contract #A-125.00R001-3-02 with Locust Ridge Contractors for bituminous overlay between MP A125.10 and MP A130.61; for a decrease of \$242,509.88, making the final contract value \$5,314,456.84 and the final amount due of \$266,888.54;
- b. Change Order #6 and Final Payment for Contract #05-022-RCA8 with Mashuda Corporation for grading and bridge reconstruction from MP 70.41 to MP 72.14; for an increase of \$15,218.22; making the final contract value \$22,609,304.61 and the final amount due of \$467,099.95;
- c. Change Order #1 and Final Payment for Contract #EN-00088-03-12 with New Enterprise Stone and Lime, Inc. for milling and paving between MP 187.31 and MP 187.80; for a decrease of \$37,604.25, making the final contract value \$311,299.75 and the final amount due of \$16,202.68;
- d. Change Order #2 and Final Payment for Contract #T-199.00T005-3-02 with Susquehanna Valley Construction Corporation for the replacement of Bridge B-486 at MP 204.25 and the elimination of Bridge B-494 at MP 204.91; for a decrease of \$327,852.97, making the final contract value \$3,565,377.95 and the final amount due of \$104,172.40.

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

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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 ALL 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 Pratt, seconded by Commissioner Lieberman; and passed unanimously.

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Motion-THAT THE COMMISSION AUTHORIZES THE ISSUANCE OF THE PENNSYLVANIA TURNPIKE COMMISSION'S FIXED RATE OR VARIABLE RATE TURNPIKE REVENUE BONDS IN ONE OR MORE SERIES OR SUBSERIES, TAXABLE OR TAX-EXEMPT, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$500,000,000, TO REFUND ALL OR A PORTION OF THE COMMISSION'S OUTSTANDING TURNPIKE REVENUE BONDS, SERIES R OF 2001, TURNPIKE REVENUE REFUNDING BONDS, SERIES S OF 2001, TURNPIKE REVENUE BONDS, SERIES A OF 2004, AND VARIABLE RATE TURNPIKE REVENUE BONDS, SERIES C OF 2009; AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF NECESSARY OR APPROPRIATE DOCUMENTS OR CERTIFICATES; APPOINTING CO-BOND COUNSEL AND A FINANCIAL ADVISOR AND PROVIDING FOR THE APPOINTMENT OF ONE OR MORE UNDERWRITERS, REMARKETING AGENTS AND OTHER PROFESSIONALS; AUTHORIZING CERTAIN INTERIM LOANS; AUTHORIZING THE TAKING OF FURTHER ACTION; RATIFYING PRIOR ACTIONS; REPEALING INCONSISTENT RESOLUTIONS; AND DECLARING THAT THIS RESOLUTION SHALL BE LIBERALLY CONSTRUED-was made by Commissioner Lincoln, seconded by Commissioner Pratt; and passed unanimously.

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NEXT MEETING

MS. EDMUNDS: THE NEXT COMMISSION MEETING WILL BE HELD TUESDAY, DECEMBER 21, 2010.

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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 11:08 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

12-07-10

APPROVED BY:

J. William Lincoln
Secretary Treasurer

ATTACHMENT NUMBER 1

COMMUNICATIONS: MEMO RECEIVED FROM THE CHIEF COUNSEL AND
DIRECTOR OF FARE COLLECTION