




**The  
Ohio  
Turnpike  
Commission**

**Inter-Office Communication**

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**TO:** Commission Members

**FROM:** Richard Hodges, Executive Director 

**DATE:** January 9, 2012

**SUBJECT:** *MEETING AGENDA for Tuesday, January 17, 2012*

Attached is a copy of the proposed Agenda for the Commission Meeting scheduled for *10:00 a.m., Tuesday, January 17, 2012.*

I will be contacting the Commission Members on Wednesday, January 11, 2012 and Thursday, January 12, 2012 to review the Agenda. Please advise Donna (*Extension 1002*) at your earliest convenience if you are unable to attend this meeting.

Draft resolutions are enclosed for your review. Any additional or revised documents not available prior to this e-mail will be included in the Commission Members' folders at Tuesday's meeting.

RH/def

Enclosures

# **OHIO TURNPIKE COMMISSION**

**682 Prospect Street**

**Berea, OH 44017**

**Tel: (440) 234-2081**

## **NOTICE OF SPECIAL MEETING**

**on**

**January 17, 2012**

On the 19<sup>th</sup> day of December, 2011, and pursuant to Article II, Section 4.00 of the Commission's Code of Bylaws, the Chairperson called for a **Special Meeting** to be held on **Tuesday, January 17, 2012, at 10:00 a.m.** The Special Meeting will be held at the Commission's Administration Building, 682 Prospect Street, Berea, Ohio

### **AGENDA**

The January 17, 2012, Commission Meeting will consist of reports from Commission Members and staff members as shown on the attached general agenda. The nature and scope of these reports will not be finalized until shortly before the meeting.

It is expected that resolutions will be presented on the following:

(1) Repairs and Resurfacing, Eastbound and Westbound Roadways, at Milepost 172 to Milepost 176.3 located in Cuyahoga and Summit Counties; and for Repairs and Resurfacing, Interchange 173 Ramps, at Milepost 173.2 located in Summit County, Ohio, herein designated Contract No. 59-12-04

(2) A Resolution Authorizing Additional Expenditures with S&ME, Inc. Under Existing Contract for Geotechnical Investigation, Engineering Design and Construction Administration and Inspection Services, (Project No. 71-10-02).

(3) A resolution to award/reject a contract for furnishing of Guardrail Materials, pursuant to Invitation No. 4175

(4) A resolution to award/reject a contract for the purchase of Hot-pour, Ready-mixed Joint Sealant pursuant to Invitation No. 4176.

The Commission reserves the right to adjourn into executive session at any time it deems appropriate.

The distribution of this agenda does not obligate the Commission to take action on the items set forth therein, nor does it limit the Commission from taking action on other items not on the agenda. The list of agenda items is subject to change. If additional agenda items are added, the Commission will use its best efforts to notify all interested parties of changes to the agenda prior to the meeting.

# OHIO TURNPIKE COMMISSION

## AGENDA FOR 579<sup>th</sup> MEETING

10:00 a.m.

January 17, 2012

1. Call to order and roll call
2. Minutes of December 19, 2011 Commission Meeting
3. Report of Chairperson
4. Report of Secretary-Treasurer
5. Report of Chief Engineer
6. Report of General Counsel
7. Report of CFO/Comptroller
8. Report of Consulting Engineer
9. Report of Financial Advisor
10. Report of Trustee
11. Report of the Ohio State Highway Patrol
12. New business
13. Adjournment

# Cleveland's mild winter means savings so far for city, county budgets

By: Tom Breckenridge

CHARDON, Ohio -- The region's ground zero for lake-effect snow -- the rolling burg known as Chardon -- has seen a measly 7.1 inches of snow this December. The light snowfall is bad for winter revelers. But it's relief so far for tight budgets in Chardon and elsewhere, says Gayland Moore, the city's director of public service.

"We have used a minimal amount of salt," Moore reported Wednesday morning.

Then he chuckled as only a 25-year director of snow removal in Chardon can.

"We have a long way to go here," Moore said. "I'm not counting any chickens yet."

The same could be said across Northeast Ohio. Mild weather has the guardians of our roadways crossing their gloved fingers, daring to hope this won't be a budget-bruising winter.

This December has been milder than recent years. And it is in stark contrast to last December's near blizzards, wind-chill readings below zero and unusually heavy snowfalls, including one on Dec. 8 that led to an hours-long gridlock in downtown Cleveland.

A season with less snow flying means less money spent on salt and labor. That would be financial salve for cities dealing with less state aid and other revenue challenges.

"The lack of significant snow has helped us manage salt supply and overtime costs," Maureen Harper, spokeswoman for Cleveland Mayor Frank Jackson, said in an email. "I will say, however, that the winter is still young and this is Cleveland!"

Warmer temperatures have kept our wettest year ever from turning into a snowy one. The National Weather Service, based at Cleveland Hopkins International Airport, recorded 8.1 inches of snow through Thursday morning -- just half of the seasonal average.

Weather systems flowing out of the warmer west, rather than the colder north, have kept the snow at bay, said meteorologist Marty Mullen. Average temperature for the month is 37.5 degrees, 4.6 degrees above normal. It's hard to say how long the snow lull will last, Mullen said.

"All it takes is one good lake effect snow band," Mullen said. "The lake is wide open, at this point."

The warm opening of winter has kept snow-removal costs below average, and way below the expense of last year's snowy start, officials said. By late December last year, Cleveland had spread more than 20,000 tons of salt. By mid-December, it had spent \$114,000 on overtime. This year, crews have spread just 2,300 tons of salt and recorded \$38,000 in overtime, the city reported.

ODOT's use of salt and cost of snow removal is running below average on highways in Cuyahoga, Lake and Geauga counties, thanks to the mild winter. Here's a four-year comparison of costs, from Oct. 1 to Dec. 28. Here's a four-year comparison of costs, from Oct. 1 to Dec. 28.

Year	Salt used (tons)	Cost of snow removal
2008	20,344	\$2.2 million
2009	8,141	\$954,000
2010	28,540	\$2.9 million
2011	7,237	\$928,000

It's too early to gauge the impact of a mild winter, Michael Cox, Cleveland's director of public works, said in an email. Weather "can change rapidly and when this happens, we've already put in place the equipment, supplies and manpower needed," he said.

Cuyahoga County is reporting a \$21,000 savings so far, based on the average amount of salt and overtime needed by late December the last four years. County crews remove snow and ice on 28 miles of roads in Olmsted Township, said county spokeswoman Nicole Dailey Jones.

A mild winter could result in a couple million dollars in savings for the Ohio Turnpike, said Daniel Castrigano, chief engineer of the 241-mile toll road. Snow-and-ice operations cost \$281,000 in wages and benefits from Nov. 1 through Christmas Eve. Those costs had reached \$1 million by this time last year. The turnpike typically uses about 73,000 tons of salt during the winter season, at a cost of about \$4.3 million. It has used only 2,700 tons so far.

"We are way under in our usage," Castrigano said. "But who the hell knows what will happen after the first of the year? All we can do is hope."

Crews in the Ohio Department of Transportation's Cleveland-area district have spread just 7,200 tons of salt on highways in Cuyahoga, Lake and Geauga counties. That's the least amount used in the last four years, officials reported.

Statewide, ODOT has used 13,000 tons of salt -- less than one-tenth of the amount used during the same time last year, ODOT statistics showed.

Back in Chardon, Moore, the public service director, knows it's too soon to count up his savings. Inevitably, the snow will pile up, much as the three inches did Wednesday morning outside Moore's office. Even for a man who built a career on moving snow, there's nothing quite like a fresh, white blanket.

"I'm just standing here," Moore said by phone. "Everything is nice and white and beautiful."

# Ohio Turnpike should see record revenues in 2012, as tolls take a hike

By: Tom Breckenridge

BEREA, Ohio --

The Ohio Turnpike should see record revenues in 2012, thanks to the second round of toll increases in little more than two years.

The turnpike commission last week approved a \$268 million operating budget for 2012 (pdf), which includes an anticipated \$249 million in toll revenue. That's a 7 percent bump over 2011, due mainly to a 10 percent increase in tolls that will kick in Sunday along the 241-mile highway.

Turnpike officials say the growing pot of money is needed to cover operating expenses and major projects, including tearing out and replacing sections of the 56-year-old highway's original base. It is being done in five-mile increments east and westbound each year, at a cost of about \$25 million.

Maintenance costs, mostly repaving, will rise to about \$25 million in 2012. The turnpike "severely slashed" maintenance during the recession and is catching up, said Executive Director Rick Hodges.

The state of Ohio may have other plans for the turnpike's future revenue, however. At the direction of Gov. John Kasich and state legislators, ODOT will shortly hire a consulting team to look at options for leveraging turnpike cash into money for transportation projects, mainly in northern Ohio.

Currently, the turnpike keeps all its money and is self supporting. But Kasich has pitched leasing the state-owned turnpike to a private operator, to land several billion dollars in cash up front and a yearly cut of toll revenues.

The consulting team will study that option and others before making a recommendation by July.

The turnpike raised tolls in October 2009, although drivers who opted for E-ZPass, the new electronic tolling system, saw no fare increases.

The toll hike resulted in record revenue in 2010. Revenue dropped a bit this year. On Sunday, those driving passenger vehicles will see their rate rise from \$10.25 to \$11.25 to cross the state if they have E-ZPass, and from \$15 to \$16.50 if they don't.

Commercial drivers will opt for parallel routes to avoid the higher fares, predicted Sherri Warner, legal counsel for the Ohio Trucking Association.

"That's a safety concern," Warner said.

She questioned whether the turnpike needs more revenue and noted that a commission member pitched the idea of freezing rates on Jan. 1 for E-ZPass users. That idea went nowhere.

"We've consistently questioned whether staffing levels and pay levels are appropriate," Warner said. "I hope the consultants' study will answer these questions."

The turnpike pays its employees about 17 percent more, on average, than ODOT pays, a Plain Dealer review found earlier this year.

Turnpike officials said the higher pay is justified because they run a road with better service and maintenance than the typical ODOT road.

The turnpike's 2012 budget provides for 1,096 full- and part-time workers. That includes about 455 toll takers, a cut of 26 since the start of 2011.

# Ohio Turnpike travelers increasingly pay the E-Z way

By: John Horton

Nineteen million Ohio Turnpike travelers never stopped to pay their tolls this year . . . and officials couldn't be happier about it.

Use of E-ZPass, an automated toll-collection system, increased substantially in its second full year in Ohio. Through the end of November, 42 percent of turnpike traffic had rolled through the gates without handing any money out the window. That's up from 37 percent in 2010.

The ticketless system allows traffic to move quicker through interchanges. An E-ZPass transponder mounted to a vehicle's windshield essentially acts as a debit card, completing the toll transaction electronically as a car moves past unmanned booths.

"We want people to take advantage of it, and the numbers show they are," turnpike spokeswoman Lauren Hakos said. "There's a certain convenience factor."

Oh, and did we mention the lower toll rates? The Ohio Turnpike offers E-ZPass users a significant discount as

a nudge to sign up for the program. In 2012, an E-ZPass customer driving border-to-border across Ohio will pay \$11.25 in tolls. That's 32 percent *less* than those paying with cash or credit card. (Their bill comes to \$16.50.)

Turnpike rates, by the way, will rise Jan. 1. The increase is about 10 percent for those driving the toll road's entire 241-mile length. Some customers who travel between only one or two interchanges may not see any change in their tab.

To see the 2012 rates -- and the difference using E-ZPass can make -- check out the online Fare Calculator at [ohioturnpike.org](http://ohioturnpike.org).

Information on E-ZPass also is available at the website or by calling 88-TURNPIKE (888-876-7453). E-ZPass works on toll roads in 14 states. Ohio charges program participants 75 cents a month for use of the transponder. If you're a regular on the turnpike or other toll roads, it's worth the investment.

# Drivers upset over Ohio Turnpike toll hike

Press Release

Some tolls on the Ohio Turnpike will increase at the beginning of next year for the first time in more than two years despite objections from truck drivers.

Truck drivers paying cash for a one-way trip across the length of the turnpike will be charged \$61 — up \$6 beginning on Jan. 1.

Drivers of cars traveling the same distance will pay \$16.50, an increase of \$1.50. Those using the E-ZPass electronic toll system will pay \$11.25 for that same cross-state trip, up from \$10.25.

The Ohio Turnpike Commission said on Tuesday that the price increase was approved in 2009, before the last increase that accompanied the launch of E-ZPass. Vehicles not using the system were charged more when it was introduced in the fall of 2009.

Some drivers who travel between only one or two exits won't see any increases.

The 241-mile turnpike connects Pennsylvania and Indiana and crosses through northern Ohio.



# Ohio Turnpike tolls to increase

Press Release

TOLEDO, Ohio (WUPW) - New Ohio Turnpike rates approved by the Turnpike Commission two years ago will go into effect Sunday, Jan. 1. Drivers who use E-ZPass will pay lower tolls than cash customers. On shorter turnpike trips you might not notice the increase.

Under the new rates, the cost to travel the entire 241-mile Ohio Turnpike from Indiana to Pennsylvania in a Class 1 passenger vehicle (2-axle and under 7-foot-6-inches in height) will be \$11.25 with E-ZPass® (4.7 cents per mile) or \$16.50 without E-ZPass® (6.8 cents per mile.)

Class 5 commercial vehicle (low 6-axle vehicle or high 5-axle vehicle) customers will pay \$35 with E-ZPass® (14.5 cents per mile) or \$44 without E-ZPass® (18.2 cents per mile) for the end-to-end trip.

Rising of rates will continue to provide an E-ZPass incentive, where E-ZPass customers pay a lower toll than customers who pay cash or with credit card.

# Ohio Turnpike tolls to increase

Press Release

Travelers driving on the Ohio Turnpike will need to make sure they have the correct change during the holiday travel season. The Ohio Turnpike Commission announced Tuesday that toll rates will increase beginning Jan. 1.

Under the new rates, the cost to travel the entire 241-mile turnpike, from Indiana to Pennsylvania, will be \$16.50 for two-axle passenger vehicles, up from \$15. That cost will be \$11.25 with an E-ZPass, up from \$10.25.

Those with shorter commutes, such as from Akron to Strongsville, won't see an increase in rates.

Others may see a slight increase. For example, a commuter who enters the westbound turnpike from state Route 7 (Market Street) and who exits at Hallock-Young Road in Lordstown will see a 25-cent jump, from 75 cents to \$1. With an E-ZPass, a commuter taking the same route will see no increase. View 2012 rates online at [www.ohioturnpike.org](http://www.ohioturnpike.org). New toll rates replace the rates in place since Oct. 1, 2009.

# State consultants to study option of placing Ohio Turnpike under ODOT control

By: Tom Breckenridge

The Ohio Turnpike might eventually come under direct control of the state, an outcome that turnpike supporters say would be bad news for the toll road. But a former ODOT director believes a turnpike run by state government would operate well -- and for less money.

The 241-mile link between Pennsylvania and Indiana is owned by Ohio. But the toll road is run by a commission that's separate from state government and its highway guardian, the Ohio Department of Transportation. Bringing the toll road and its \$250 million-a-year operation under ODOT is among options that a consulting team will soon study for the state.

Last month, the state selected a team led by KPMG LLP, an international accounting and consulting firm, to study options aimed at leveraging money from the turnpike. Alternatives include leaving the turnpike alone, moving it under ODOT, leasing it to a private operator or opting for an approach the state hasn't considered. KPMG must make recommendations by July 1. ODOT has "no greater interest" in a turnpike takeover than any other option, a spokesman said.

Turnpike Executive Director Rick Hodges, a former Republican lawmaker, believes "all options will be fairly and openly reviewed, including looking at alternative management structures" for the turnpike.

Gov. John Kasich has proposed a long-term lease, in hopes of landing several billion dollars up front and a yearly cut of toll revenues. Turnpike advocates argue that a turnpike lease will result in higher tolls and diminished maintenance.

Turnpike supporters say they won't be surprised if the turnpike ends up under ODOT. The state agency has long sought to take control of toll revenues, said Gary Suhadolnik, a former turnpike director and former Republican state lawmaker.

He questions whether a turnpike lease would fetch the amount of money that Kasich wants.

"So . . . I am guessing putting the turnpike under ODOT and skimming off some money may be the next approach," Suhadolnik said in a recent email.

Teamsters leader Gary Tiboni, who represents toll takers and other workers at the turnpike, said ODOT "always wanted to get its hands on the turnpike."

Feeding anxiety over an ODOT takeover has been the state agency's months-long gathering of records from the Turnpike Commission.

"They are getting flooded with requests from ODOT, so that only tells me that [an ODOT takeover] is a direction that there's a lot of concern or a lot of thinking being done about," Tiboni said.

Also fueling speculation of an ODOT takeover is the fact that the KPMG consulting team includes two former ODOT officials. Howard Wood, a principal consultant with Parsons Brinckerhoff, held top planning posts at ODOT. His work included development of a freight plan that resulted in the turnpike lowering its truck tolls in 2005 and raising its speed limit. That lured more trucks to the turnpike, improving the safety of parallel routes. Wood would take the lead on technical issues in KPMG's turnpike study.

Richard Martinko, a former district deputy director for ODOT, would act as senior policy adviser to the study team. He's director of the Intermodal Transportation Institute at the University of Toledo.

Both men served under former ODOT Director Gordon Proctor, who was a constant critic of the turnpike, Suhadolnik said. Proctor, himself a transportation consultant, said Wood and Martinko are part of a consulting team that he believes will give the turnpike "an honest look."

"The transportation community in Ohio is a finite fraternity or sorority," Proctor said. "I don't know that you could put together a knowledgeable team that didn't have somebody who had at one time been with ODOT."

Wood and Martinko referred questions to ODOT. Transportation Department spokesman Steve Faulkner said the KPMG team includes "experts with a background in Ohio's highway system."

ODOT's extensive requests for information on turnpike operations reflect "the fact that we want to study all possible future funding options and make the best possible decisions," Faulkner said.

ODOT officials and Kasich say the turnpike is an underused resource. Currently, all toll revenue goes back into the turnpike. Leveraging the money for wider use, mostly in northern Ohio, would help meet demands for maintenance and new projects, ODOT officials said.

Proctor readily acknowledged discussing a takeover of the turnpike while he was ODOT director. Such a setup wouldn't be unusual. For example, North Carolina's turnpike authority operates under the state highway department, Proctor said.

Staffing levels at the turnpike "struck me as high," he said.

"They thought staffing led to higher levels of service, which was appreciated by users," Proctor said. "Others would argue rationally you can keep tolls lower and operate more efficiently."

Proctor's comments were similar to those of Kasich and ODOT Director Jerry Wray. Earlier this year, they pointed to toll takers whose pay exceeded \$60,000 yearly as evidence that turnpike operations are too costly.

"If you could save 8, 10, 12 percent out of maintenance, why not do that?" Proctor said.

Talk of a turnpike takeover never reached a serious stage, he said. The "poison pill" was the turnpike's bonded debt, he added.

One reason the turnpike was set up as a separate entity was to insulate state government from the risk of debt. The Turnpike Commission issued bonds to build and maintain the road.

How the state would handle the turnpike's debt -- currently about \$590 million -- is among legal questions the KPMG team will tackle. Suhadolnik said a higher-paying, well-equipped turnpike results in maintenance and service that turnpike users want. ODOT would cut back, he said.

"People get paid a little more and the road is maintained well," he said. "I think that's bothered ODOT's directors over time."

The turnpike has cut costs, shedding scores of workers in recent years, many of them toll takers. The toll road now has about 1,000 employees. The turnpike would become more bureaucratic and less responsive under ODOT, Suhadolnik said. Republicans "say they want everything to operate as a business, so why over-regulate the turnpike?" he said.

Proctor said that by comparison, ODOT serves more miles with fewer employees. And the turnpike is not that hard to maintain, compared with the complex urban routes ODOT oversees, he said.

"It's straight, it's flat, there are no traffic signals and almost no complex interchanges," Proctor said.

Turnpike operations are far more than a multilane highway, supporters said. Upkeep includes 31 interchanges, 16 service plazas, eight maintenance buildings, a headquarters and a State Highway Patrol post.

Brecksville Mayor Jerry Hruby, a Republican and chairman of the Turnpike Commission, said talk of an ODOT takeover -- or a turnpike lease -- has led to job fears among turnpike workers.

"I believe some are overreacting . . . and should take some comfort in the fact that there is a process and not a mandate," he said in an email.

