

MINUTES OF THE 590th MEETING OF THE OHIO TURNPIKE COMMISSION

January 22, 2013

Chairman Hruby: (10:00 a.m.) Pledge of Allegiance is recited by all in attendance. The meeting will come to order. Good morning, and thanks to the good work of our service crew. We were all able to get here this morning. Please be careful going home because it looks like it is getting worse. This is the 590th Meeting of the Ohio Turnpike Commission. Would the Executive Director please call the roll?

Director Hodges: Chairman Hruby.

Chairman Hruby: Here.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Here.

Director Hodges: Mr. Dixon had a conflict, and notified us in advance.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Present.

Director Hodges: Mr. Riley.

Mr. Riley: Here.

Director Hodges: Mr. Cole. (10:05 a.m.)

Mr. Cole: Present.

Director Hodges: Mr. Smith.

Mr. Smith: Arrived at 10:15 a.m.

Director Hodges: Senator Patton has Senate obligations, and informed us in advance.

Director Hodges: Representative Dovilla.

Representative Dovilla: Present.

Director Hodges: We have a quorum.

Chairman Hruby: Thank you. Please welcome Mr. Jim Riley who is representing ODOT this morning. The necessary papers for his proxy have been provided by ODOT. This is the 590th meeting of the Ohio Turnpike Commission. We are meeting here at the Commission's headquarters as provided for in the Commission's Code of Bylaws for a Commission Meeting. Various reports will be received, and we will act on several resolutions, draft copies of which have previously been sent to the Members and updated drafts are also in the Members' folders. The Resolutions will be explained during the appropriate reports.

Can I have a motion to adopt the Minutes of the December 17, 2012, Commission Meeting?

Mrs. Barber: So moved.

Chairman Hruby: I'll second. Are there any corrections or additions?
Hearing none, please call the roll.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Abstain.

Director Hodges: Mr. Riley.

Mr. Riley: Yes.

Director Hodges: We have a majority.

Chairman Hruby: The Minutes are adopted. Good morning, Mr. Cole.

Mr. Cole: I-77 was an experience. The Turnpike was better.

Chairman Hruby: At the last meeting, we concluded by talking a little bit about sound barriers. There was a study that was conducted by the Turnpike previous to my becoming Chairman. I am going to ask three Members of the Turnpike Commission to form a Special Committee to review this matter, and to look into the issue of sound barriers, and then report back to us. Mr. Pakush of ODOT will be the Chairman of that Committee, and he will be assisted by Mr. Balog and Mrs. Barber. Thank you both for your willingness to serve on that Committee. I know that is an important issue for you State Representative Dovilla, and we will keep you advised of the progress as well as Senator Patton.

Rep. Dovilla: Thank you, Mr. Chairman. I appreciate your action on this.

Chairman Hruby: If there are no questions, we will proceed then with the report of our Secretary-Treasurer, Mrs. Barber.

Secretary Barber: Yes, Mr. Chairman. I would like to begin my report with the following items that have been sent to the Members since the last scheduled Meeting of the Commission on December 17, 2012:

1. Five Resolutions;
2. Minutes of the December 17, 2012 Commission Meeting;

We have included in their folders for today's Meeting, the following additional documents:

3. Traffic Crash Summary Report, December, 2012 and 2012 Annual;
4. Traffic and Revenue, December, 2012;

5. Investment Report, December,2012;
6. Total Revenue by Month and Year, December, 2012;
7. Financial Statement, December, 2012;
8. Budget Report, Twelve Months – 2012; and
9. Various News Articles.

That concludes my report, Mr. Chairman.

Chairman Hruby: Thank you. Are there any questions for the Secretary? Hearing none, we'll move on then to the report of our Executive Director, Mr. Hodges.

Director Hodges: Thank you, Mr. Chairman. I would like to begin my report today by referring to the Resolution in your packet. If you remember, last month the Commission unanimously voted to endorse the Governor's Proposal for the future of our transportation funding in Ohio, which was enthusiastically received. The Resolution that you endorsed last month was pending presentation of it in legal form, and the Chairman was kind enough to include his prepared remarks, so it wasn't too hard on our General Counsel who did prepare the formal Resolution. I would ask our General Counsel to please read it for your consideration.

Chairman Hruby: Please do, Kathleen.

General Counsel: Thank you, Mr. Chairman.

NOW THEREFORE, BE IT

RESOLVED, that the Ohio Turnpike Commission, with this Resolution, endorses the Ohio Jobs and Transportation Plan, as announced on December 13, 2012, by Governor John Kasich, and further expresses its commitment to participating in the development and implementation of the Plan; and

FURTHER RESOLVED, that certified copies of said Resolution shall be sent to the Governor, the Director of Transportation, the Director of the Office of Budget and Management and the respective leaders of the Ohio General Assembly.

Chairman Hruby: You've heard the Resolved. Are there any comments or questions? I'll move the motion.

Secretary Barber: I'll second.

Chairman Hruby: Roll call, please.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Mr. Riley.

Mr. Riley: Yes.

Director Hodges: Four to nothing.

OHIO TURNPIKE COMMISSION
Resolution Endorsing Governor John Kasich's
Ohio Jobs and Transportation Plan

WHEREAS, the Commission, at its December 17, 2012, meeting, endorsed the Ohio Jobs and Transportation Plan announced by Governor John Kasich on December 13, 2012, and congratulated the Governor for his leadership on this important matter concerning the future direction of the Ohio Turnpike Commission; and

WHEREAS, this Resolution ratifies and formally embodies the will of the Commission expressed at its December 2012 meeting; and

WHEREAS, the Governor's Proposal recognizes the important role that the Commission will play in building the transportation infrastructure of the areas served by the Turnpike; and

WHEREAS, the Proposal will create economic opportunities for the areas served by the Turnpike including a projected 65,000 new jobs; and

WHEREAS, the Proposal will include additional resources for the Turnpike to rebuild the original mainline foundation in almost one-half the time as originally planned, which will enable the Commission to better itself and better serve its customers; and

WHEREAS, the Proposal will provide ample resources for the Commission to achieve its mission, while at the same time capping certain toll rates and providing predictability and consistency for its customers; and

WHEREAS, the Commission looks forward to participating in the development and implementation of the Governor's Proposal.

NOW THEREFORE, BE IT

RESOLVED, that the Ohio Turnpike Commission, with this Resolution, endorses the Ohio Jobs and Transportation Plan, as announced on December 13, 2012, by Governor John Kasich, and further expresses its commitment to participating in the development and implementation of the Plan; and

FURTHER RESOLVED, that certified copies of said Resolution shall be sent to the Governor, the Director of Transportation, the Director of the Office of Budget and Management and the respective leaders of the Ohio General Assembly.

(Resolution No. 1-2013 adopted January 22, 2013)

Director Hodges: If I may continue with my report, Mr. Chairman. The legislation that will enable the Governor's Program, is currently being prepared. I would like to thank ODOT, the Governor's office, and the Office of Budget and Management for working with us, and certainly our General Counsel who did the heavy lifting in drafting the pending legislation. In a very brief window, they put in a lot of time, discussed a lot of issues, and the four organizations were able to agree on all the subjects very easily. We have a really good bill that is going to be introduced very shortly with the Transportation Budget, or with separate legislation. I'm not really sure which one – do you know Jim?

Mr. Riley: I thought it was going with the budget, but I'm not sure.

Director Hodges: That's our impression - that it is going to be in the Transportation Budget. The way the legislation is going to be structured, and thanks to Jim who happens to be here today, he has worked on this project for the better part of a year, and it is as much to his work as anybody else's that we owe what I think is a really great plan. The way the legislation is going to work is that the TRAC, Transportation Review Advisory Council, will receive applications for funding for projects. The Turnpike will have a non-voting member on the TRAC Board to help vet those projects. TRAC will then recommend to ODOT, and ODOT will recommend to the Commission projects that are worthy of funding from the bond issues, and you will need to develop the rules to determine what projects are appropriate. The rules will depend very closely on the nexus to the Turnpike. Is there a relationship between the project being proposed and the Turnpike? Does it either affect the Turnpike, or is the project being affected by the Turnpike, for example, in the case of diversion? At that point in time, the Commission will have ultimate authority over whether to release funds for the project, and that will come in the form of a resolution and contract forming a binding commitment to fund the project for ODOT. The Commission will, at that point, take a hands-off approach and reimburse ODOT on a regular basis either monthly, or whatever works best for both the parties. It really is important that people recognize this Commission will operate independently, exercise independent judgment, and ultimately it will be the Board's responsibility to determine the nexus to the Turnpike. It is very important that everybody recognize that it is not just a process where the Commission will ultimately put a rubber stamp on it, but it's a process where, ultimately, this Commission will be responsible for determining the nexus and the appropriateness, and that is required by the Constitution, and none of us want to run afoul of that. So, it is in everybody's best interest that we all play very important roles in this process. Legal Counsel and our CFO

are drafting RFP's as we speak for all of the consultants that will be necessary to help us in the bond issue. Marty, I don't mean to put you on the spot, but maybe in your remarks you can go through a timetable. It has to be done by September and, of course, as these documents are prepared and decisions need to be made, those are ultimately the Commission's decisions. We can only play a supporting staff role, and make recommendations to you, the Board Members. We do anticipate a lot of activity on this subject over the course of the next nine months, and we will do our part to be prepared so that you folks, and all the parties involved, can do their jobs to make this as successful as the Governor wants it to be. Are there any questions about where we are in the process?

Chairman Hruby: I take it that you are making the recommendations on behalf of the Commission towards the legislation, is that correct?

Director Hodges: Yes. Marty, Kathy and I have been very closely involved.

Chairman Hruby: Perhaps a summary could be put together at some point in time so that we could share it with the Commission, and get their input. I really think that the Members should have some input to you as to what we believe, and what we think regarding the proposal.

Director Hodges: I appreciate that, Mr. Chairman, and I have tried to gather input, and I hope that your concerns are reflected in the legislation that is being developed.

Chairman Hruby: Thank you.

General Counsel: Mr. Chairman, if I just may add, I would be pleased to put that together. I think that, since the legislation now is in the hands of the Legislative Service Commission, we hope to see a draft very soon, and hope that it reflects everything that we have requested. Sometimes the drafting arm changes things, so we need to give it one more review,

and I think that would be a really appropriate time to put forth a summary to the Board as to how it is going to be introduced.

Chairman Hruby: I think, with our endorsement of the Plan, input from the Commission would be important.

Director Hodges: Absolutely. If I could continue on with a few other items.

Chairman Hruby: Please do.

Director Hodges: We have moved to an electronic bidding system. We are using the same system that our partners at ODOT are using – Shared Services, Randy. We issued our first bid, is that correct Marty?

CFO/Comptroller: We advertised our first project last week so, the bids will be reviewed by the Board in about a month or so for that project.

Director Hodges: Marty, in his report, will talk to you about our debt service surety bond which became an issue at the end of last week. I will let Marty go in to the details. As you know, our debt service is insured, and the Master Trust Agreement requires that the servicer or insurer have a certain bond rating. Due to the recent financial problems over the last several years, there was only one company left that achieved that bond rating and, unfortunately, it was downgraded last Thursday. There are steps now that we need to take to correct that, and I will leave that for Marty's report.

Finally, the meeting today should be fairly brief, but our February meeting will be lengthy. We plan to have Jacobs Engineering coming in to brief you on tolling. They did a study for us, and it was a fascinating study that I thought you needed to hear because it relates directly to concerns that a number of the Commission Members have expressed about expanding the use of *E-ZPass*[®]. Hopefully, at the February meeting, we will have some recommendations

for you, and tell you kind of the direction we are heading to address the concerns that you have mentioned in the past. That concludes my report.

Chairman Hruby: Thank you. We'll move on to our Chief Engineer, Mr. Hedrick.

Chief Engineer: Thank you, Mr. Chairman. I have three Resolutions for your consideration this morning. The first Resolution is the purchase of 76 in-car Mobile Computer Terminals ("MCT's") for the Ohio State Highway Patrol, which will replace existing obsolete equipment. In accordance with the January 1, 2009 Agreement between the Ohio Turnpike Commission and the Ohio State Highway Patrol, the Ohio Turnpike Commission has agreed to purchase supplies and equipment that exceed \$1,000.00 in value per item for that equipment deemed required for the policing of the Ohio Turnpike. These units are to be purchased by the Commission under the Department of Administrative Services Office of State Purchasing under the Cooperative Purchasing Program. The Ohio Turnpike Commission has been a member of this program since July 21, 2003, pursuant to authorization granted under Resolution No. 32-2003. Procurement has secured pricing under DAS State Term Contract No. STS-033, Schedule No. 534363 for these units from CDW Government of Vernon Hills, Illinois, in the total amount of \$249,860.64. This price will include additional memory and processing capabilities as well as a five year extended warranty for these units. This pricing has been evaluated, and has been found to be the lowest responsive and responsible pricing for these units. The Commission's OSHP Operations concurs with the purchase. It is, therefore, recommended to proceed with the purchase of 76 MCT's from CDW Government in the amount of \$249,860.64. These costs were included in the 2013 budget. If the General Counsel would read the Resolved.

General Counsel: With your permission, Mr. Chairman?

Chairman Hruby: Yes, please.

General Counsel: RESOLVED that the Commission's Executive Director and Procurement Manager may proceed with the purchase of the in-car computer terminals for the three OSHP Districts servicing the Turnpike via the DAS Cooperative Purchasing Program in the amount of \$249,860.64, specifically under Ohio STS-033, Schedule Number 534363, from CDW Government of Vernon Hills, Illinois and shall take any and all action necessary to properly carry out the terms of said purchase.

Chairman Hruby: For the Resolved, are there any questions or comments?

Hearing none, is there a Motion?

Vice Chairman Balog: Move to adopt.

Secretary Barber: I'll second.

Chairman Hruby: Moved and seconded. Roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Mr. Riley.

Mr. Riley: Yes.

Director Hodges: Four to nothing.

OHIO TURNPIKE COMMISSION

Resolution Authorizing the Executive Director to Purchase In-Car Computer Terminals for the Ohio State Highway Patrol Districts Policing the Ohio Turnpike

WHEREAS, the Ohio Turnpike Commission (“Commission”) and the Director of the Department of Public Safety of the State of Ohio (“ODPS”) are authorized by law to enter into contracts with respect to the policing of Turnpike projects by the Ohio State Highway Patrol (“OSHP”); and

WHEREAS, the Commission’s current contract with ODPS dated January 1, 2009, and authorized by the Commission pursuant to Resolution No. 47-2008, provides that the Commission will purchase supplies and equipment exceeding a value of \$1,000.00 per unit for use by OSHP in the course of policing the Ohio Turnpike; and

WHEREAS, the OSHP has requested that the Commission replace obsolete, in-car computer terminals currently in use in 76 vehicles assigned to the three Districts that service the Ohio Turnpike with computer equipment that is currently in use in other OSHP Districts; and

WHEREAS, expenditures by the Commission for the in-car computer terminals will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws, Commission action is necessary for such procurement; and

WHEREAS, pursuant to Resolution No. 32-2003 adopted on July 21, 2003, the Commission’s Executive Director is authorized to participate in state contracts under the Department of Administrative Services (“DAS”), Office of State Purchasing Cooperative Purchasing Program, through which members may purchase supplies, services, equipment and other materials pursuant to the Ohio Revised Code Section 125.04; and

WHEREAS, a fee has been paid by the Commission to DAS, and, as such, the Commission is a current member of the DAS Cooperative Purchasing Program; and

WHEREAS, the Commission’s Procurement Manager has identified the best pricing for the aforementioned computer terminals under DAS State Term Schedule STS-033, Schedule Number 534363 from **CDW Government of Vernon Hills, Illinois** in the total amount of **\$249,860.64** (including additional memory and processing capabilities, as well as a five-year extended warranty plan); and

WHEREAS, the Commission’s Chief Engineer has reviewed the purchase recommendations of the Commission’s Procurement Manager with OSHP Turnpike Operations personnel, and recommends that the Commission proceed with the aforementioned computer terminal purchases under the DAS Contract; and

WHEREAS, the Commission’s General Counsel has reviewed the proposed computer terminal purchases, and has advised the Commission that said purchases are in conformance with Commission Resolution Nos. 47-2008 and 32-2003; and

WHEREAS, the Executive Director has reviewed the recommendations of both the Chief Engineer and the General Counsel and concurs that the Commission should approve the purchases of the in-car computer terminals from CDW Government under the identified DAS State Term Contract; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission's Executive Director and Procurement Manager may proceed with the purchase of the in-car computer terminals for the three OSHP Districts servicing the Turnpike via the DAS Cooperative Purchasing Program in the amount of **\$249,860.64**, specifically under Ohio STS-033, Schedule Number 534363, from **CDW Government of Vernon Hills, Illinois** and shall take any and all action necessary to properly carry out the terms of said purchase.

(Resolution No. 2-2013 adopted January 22, 2013)

Chief Engineer: Thank you, Mr. Chairman. The next Resolution is to award Contract No. 59-13-01 for the Repairs and Resurfacing of the Eastbound and Westbound Roadway between Mile Post 27.5 and Mile Post 38.9 in Fulton County, Ohio. This work is included in the 2013 Capital Improvement Plan. Procurement received two bids for this project with the apparent low bid being submitted by Gerken Paving Company of Napoleon, Ohio in the amount of \$11,233,163.50. This bid was below the Engineer's estimate of \$11,800,000. A review of the bid concluded that Gerken Paving Inc.'s bid is the lowest responsive and responsible bid, and they have the capacity to perform this work. They have previously performed similar projects for the Commission in the past with excellent results. This Resolution also contains provisions to assign Greenman-Pederson of Berea, Ohio, to perform construction administration and inspection services, and TTL of Toledo, Ohio to perform materials testing. It should be noted, historically, projects in this region of the Turnpike have received single bids, so we were pleased to see that additional competition was generated for this project in 2013. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of Gerken Paving, Inc. of Napoleon, Ohio, in the amount of \$11,233,163.50 for the performance of Contract No. 59-13-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, 2) direct the return to the bidders of their bid security when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign Greenman-Pedersen, Inc. of Berea, Ohio to Contract No. 59-13-01 for the purpose of performing construction administration and inspection, and TTL Associates, Inc. of Toledo, Ohio for the purpose of performing material testing, with such assignments in accordance with the 2013-2014 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Project No. 59-13-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chairman Hruby: For the Resolution, is there a motion?

Vice Chairman Balog: So moved.

Chairman Hruby: Moved by Mr. Balog. Is there a second?

Secretary Barber: Second.

Chairman Hruby: Seconded by Mrs. Barber. Are there any questions or comments? Hearing none, roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Mr. Riley.

Mr. Riley: Yes.

Director Hodges: Four to nothing.

Chairman Hruby: The Resolution passes. Please continue.

OHIO TURNPIKE COMMISSION

Resolution Awarding Contract No. 59-13-01

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Repairs and Resurfacing, Eastbound and Westbound Roadways, from Milepost 27.5 to Milepost 38.9 located in Fulton County, Ohio, herein designated **Contract No. 59-13-01**; and

WHEREAS, expenditures for the award to be made under Contract No. 59-13-01 will exceed \$150,000.00 and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received two bids for the performance of said Contract, and said bids have been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 59-13-01 was submitted by **Gerken Paving, Inc. of Napoleon, Ohio**, in the amount of **\$11,233,163.50**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the General Counsel that bids for Contract No. 59-13-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Gerken Paving, Inc. for Contract No. 59-13-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by Gerken Paving, Inc.; and

WHEREAS, the Executive Director has reviewed the reports of the Chief Engineer and the General Counsel and, predicated upon such analysis, concurs with the recommendation to award Contract No. 59-13-01 to the lowest responsive and responsible bidder, Gerken Paving, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Gerken Paving, Inc. of Napoleon, Ohio**, in the amount of **\$11,233,163.50** for the performance of Contract No. 59-13-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, 2) direct the return to the bidders of

their bid security when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign **Greenman-Pedersen, Inc.** of **Berea, Ohio** to Contract No. 59-13-01 for the purpose of performing construction administration and inspection, and **TTL Associates, Inc.** of **Toledo, Ohio** for the purpose of performing material testing, with such assignments in accordance with the 2013-2014 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Project No. 59-13-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

(Resolution No. 3-2013 adopted January 22, 2013)

Chief Engineer: Thank you, Mr. Chairman. My last Resolution this morning is to award Contract No. 77-13-01 for the Construction of the Third Lane Widening from Mile Post 59.52 to Mile Post 64.13 in Lucas and Wood Counties, Ohio. It is with great pride that we request the award of final leg of the journey that began in 1996 for the construction of 160 miles of third lane improvements. This work was also included in the 2013 Capital Improvement Plan. Procurement received four bids for this Contract with the apparent low bid submitted by The Kokosing Construction Company, of Columbus, Ohio in the amount of \$34,586,565.08. This Contract was bid with concrete pavement as the base bid, and also contained a bid alternate for a full depth bituminous pavement. This bidding alternative was warranted based upon a life cycle analysis, and was pursued to allow the Commission to realize any potential cost savings by bidding both types of material. The cost submitted by The Kokosing Construction Company for bituminous pavement lowers their total base bid by the amount of \$1,110,064.06, for a total base bid, including bituminous pavement, in the amount of \$33,475,924.48. This bid was below the Engineer's estimate of \$39,000,000. The bid was evaluated by both our internal staff as well as the Third Lane Program Manager, URS, and was

found to be in conformance with the Contract Documents and contained no irregularities. Kokosing Construction has the capacity to perform this work, and has satisfactorily completed similar projects in both size and scope. It is, therefore, recommended that the Commission award Contract No. 77-13-01 to the Kokosing Construction Company, of Columbus, Ohio in the amount of \$33,475,924.48, which bid includes the acceptance of the bituminous pavement alternate. This Resolution also contains provisions to assign URS Corporation, of Akron, Ohio to perform construction administration and inspection, and TTL, of Toledo, Ohio to perform materials testing. It is anticipated that overall inspection, administration and materials testing costs will not exceed 8% of the final project costs. If the General Counsel would please read the Resolved.

General Counsel: With your permission, Mr. Chairman.

RESOLVED that the bid of Kokosing Construction Co. of Columbus, Ohio, in the total amount of \$33,475,924.48 with asphalt base, for the performance of Contract No. 77-13-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, 2) direct the return to the bidders of their bid security, when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign URS Corporation of Akron, Ohio to Contract No. 77-13-01 for the purpose of performing construction administration services in accordance with the agreement specific to this Project as previously authorized under Resolution No. 33-2010, and to assign TTL Associates, Inc. of Toledo, Ohio for the purpose of performing materials testing and inspection with such assignment in accordance with the 2013-2014 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and said engineering firm; and

FURTHER RESOLVED that Project No. 77-13-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chairman Hruby: For the Resolved, I'll make the motion in favor of the Resolution. Is there a second?

Vice Chairman Balog: I'll second.

Chairman Hruby: Are there any questions or comments? Yes, Mr. Balog.

Vice Chairman Balog: I see that we save a little over \$1million dollars by using the asphalt base instead of the concrete base. It's only 3%, the million dollars, but on the other side of it, it is only 3%. Could you explain a little bit why you think the asphalt is better. Will it last longer? Will it last as long? What's the take on an asphalt versus a concrete base?

Chief Engineer: Mr. Chairman and Commission Member Balog, the original design of this project did have composite pavement, which was abnormal for the Third Lane Program. Most of the third lane, as you know, has been designed and built using bituminous pavement. This area had suspect soils in some locations. We have taken precautions now to stabilize the subgrade through a process called "lime" or "cement stabilization," which improves the capacity of the subgrade. This allowed us then to compare both asphalt and concrete pavements at that same location. It would have probably been necessary to perform the stabilization in either case with the cement or bituminous pavement. Bituminous products have been improving over the years. Their capacity as a material has improved greatly even since the Third Lane Project began, so we feel that there was a real value to looking at both materials this instance. Performing a life cycle analysis of costs, allows us to follow ODOT's standard procedure, which involves accepting bids for both materials to see if there is a savings when they both have the same engineering properties.

Vice Chairman Balog: The conclusion is?

Chief Engineer: The conclusion is, yes. Both will perform adequately. The asphalt will perform in accordance with our design capabilities for the project.

Vice Chairman Balog: Thank you.

Chairman Hruby: Are there any other questions or comments? Hearing none, roll call.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Mr. Riley.

Mr. Riley: Yes.

Director Hodges: Four to nothing.

OHIO TURNPIKE COMMISSION

Resolution Awarding Contract No. 77-13-01

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for third-lane construction from Milepost 59.52 to Milepost 64.13 located in Lucas and Wood Counties, Ohio, (including adding a new third lane and median shoulder; grading; drainage; concrete or asphalt base with an asphalt overlay pavement; median wall; permanent concrete barrier; installing traffic control devices; safety upgrades to guardrails; widening of five, three-span steel beam bridges; widening of one, four-span steel beam bridge; and widening of one, five-span steel beam bridge), herein designated **Contract No. 77-13-01**; and

WHEREAS, expenditures for the award(s) to be made under Contract No. 77-13-01 will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received four bids for the performance of said Contract, and said bids have been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 77-13-01 was submitted by **Kokosing Construction Co. of Columbus, Ohio ("Kokosing")**, which provided a **total base bid with concrete base in the amount of \$34,586,565.08** and a **total base bid with asphalt base in the amount of**

\$33,475,924.48, which alternative bidding allowed the Commission to realize any cost savings by competitively bidding both types of pavements; and

WHEREAS, the Chief Engineer recommends that the Commission accept the Kokosing base bid with asphalt base in the amount of **\$33,475,924.48**; and

WHEREAS, the Commission has also been advised by the General Counsel that bids for Contract No. 77-13-01 were solicited on the basis of the same terms and conditions and the same specifications, that the Kokosing bid for Contract No. 77-13-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by Kokosing Construction Co.; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the Chief Engineer and the General Counsel and, predicated upon such analysis, has made his recommendation to the Commission to award Contract No. 77-13-01 to the lowest responsive and responsible bidder, Kokosing Construction Co.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Kokosing Construction Co.** of Columbus, Ohio, in the total amount of **\$33,475,924.48 with asphalt base**, for the performance of **Contract No. 77-13-01** is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Executive Director, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, 2) direct the return to the bidders of their bid security, when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the Chief Engineer to assign **URS Corporation of Akron, Ohio** to Contract No. 77-13-01 for the purpose of performing construction administration services in accordance with the agreement specific to this Project as previously authorized under Resolution No. 33-2010, and to assign **TTL Associates, Inc. of Toledo, Ohio** for the purpose of performing materials testing and inspection with such assignment in accordance with the 2013-2014 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and said engineering firm; and

FURTHER RESOLVED that Project No. 77-13-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

(Resolution No. 4-2013 adopted January 22, 2013)

Chief Engineer: That concludes my report, Mr. Chairman.

Chairman Hruby: Thank you. That is good news that we are now complete with that project. Anybody have any idea how much it has cost – the total amount?

Chief Engineer: We do have those numbers, but I don't have them handy. I will make them available for you.

Chairman Hruby: We will move on to the report of our CFO/Comptroller, Marty.

CFO/Comptroller: Thank you, Mr. Chairman. I have one Resolution, and an update on our Traffic and Revenue, and our preliminary 2012 operating results for your consideration this morning.

First, I would like to provide you with a brief update on our Traffic and Revenue for the month of December, 2012. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the last two years. Passenger car vehicle miles traveled in December decreased .4% from December, 2011. For the year, passenger car vehicle miles traveled increased .4% over the total in 2011. Commercial traffic declined in December, 2012, and was 4.5% lower than December, 2011. For the year, Commercial vehicle miles traveled were .9% higher than 2011. The increased revenue from the toll rate increase in January caused Passenger car toll revenue to increase 7.9% over December, 2011. For the year, Passenger car total revenue is 8.9% higher than last year. Commercial vehicle toll revenues benefited from the January toll rate increase also, but were negatively impacted by the lower level of traffic and, as a result, were 3.1% higher than December, 2011. For the year, Commercial vehicle toll revenue is 9.6% higher than last year.

This chart shows the year-to-date toll revenues through the month of December during each year over the past decade. Toll revenues for the year were \$21.5 million, or 9.3% above the amount from 2011. This report shows the preliminary 2012 General Fund Revenues, Expenditures and Transfers compared to the amounts budgeted, and the actual results for 2011. These are preliminary numbers, which are being reviewed as we prepare for our annual audit. Total revenues in 2012 were \$6.8 million, or 2.6% higher than budgeted, and \$21.4 million, or 8.5% higher than last year. The total expenditures, including debt service, were \$11.1 million, or 9.1% lower than budgeted, and \$3.4 million, or 2.1% higher than 2011. Most of these savings from budget were related to lower toll collector salary expense, and lower snow and ice removal costs due to the mild winter weather in 2012. These savings were partially offset by higher workers' compensation costs due to the accident involving three workers in January. We took a look at the estimated cost for these workers in December and, based on a higher expected recovery from the trucking company's insurance carrier, and the recovery progress of one of the workers, we were able to reduce the charge for workers' compensation by \$2.2 million from what we had booked previously. So, for the year, I believe we booked about \$1.6 million in the workers' compensation expenses. The increase in costs from last year is primarily due to the increase in workers' compensation expense, higher equipment maintenance costs, and higher debt service payments. As stated, higher costs were partially offset by the lower snow and ice removal costs this year. If the increase in workers' compensation expense because of the accident is excluded, operation, maintenance and administration expenses are \$200,000 less than 2011.

As you know, after paying our operating expenses and debt service, the balance of the revenue is used to fund our Capital Expenditures. The \$6.8 million in higher-than-budgeted

revenues, along with the \$11 million expense savings, will be added to the General Reserve and Non-Trust Funds this year.

That completes my review of the preliminary financial results, Mr. Chairman. If there are no questions, I would like to present my Resolution.

Chairman Hruby: Are there any questions?

Director Hodges: Mr. Chairman, if I may? Marty, just to clarify, the total amount being transferred to reserves at the end of the year is \$17 million?

CFO/Comptroller: \$17.8 million – of that, \$17.6 million is going into the General and Non-Trust Funds.

Director Hodges: So, \$17.6 million?

CFO/Comptroller: Right. The \$12 million going into Non-Trust Fund is the amount of concession revenues. If you look, they equal the concession revenues on the spreadsheet. Those are being transferred to the Non-Trust Fund because they are not required to be pledged since we met our 200% debt coverage ratio without those revenues.

Chairman Hruby: Are there any other questions? Hearing none, please move on.

CFO/Comptroller: I would like to present a Resolution Authorizing the Transfer of Funds into the Debt Service Reserve Account. As you know, the Commission has issued debt under our Master Trust Agreement, which currently has \$566 million in bonds outstanding. The Trust Agreement requires the Commission to maintain a Debt Service Reserve Account equal to the highest annual debt service payment occurring in the current or any future year. This Debt Service Reserve Account can be funded with cash or with a Reserve Account credit facility issued by an insurer with one of the two highest credit ratings by each rating agency. Currently, the Commission funds a Debt Service Reserve Account with \$6,283,000 in cash with the

remainder funded by a reserve account credit facility with Assured Guaranty. As we discussed several months ago, Assured Guaranty was on credit watch for a possible downgrade and, on January 17th, Moody's downgraded Assured Guaranty from Aa3 to A2. A2 is lower than Moody's two highest credit ratings, so the Commission can no longer use the Assured Guaranty Reserve Account Credit Facility to fund the Debt Service Reserve Account. The General Counsel and I will review Assured Guaranty's contract with the Commission to see if we can recover any of our original premiums because of this. To continue to be in compliance with the Master Trust Agreement, the Commission must deposit \$49,283,000 into the Debt Service Reserve Account. This amount combined with the \$6,283,000 already in deposit, will bring the balance in the Debt Service Reserve Account up to the required amount of \$55,566,000. I am proposing we transfer \$29,283,000 from the General Reserve Fund and \$20,000,000 from the Non-Trust Fund. This will bring the monthly balance in the General Reserve Fund to approximately \$27,000,000, which I believe is an appropriate amount to manage the day-to-day cash flow needs of the Commission. After the transfer, the Non-Trust Fund balance will be approximately \$45,000,000. These funds are available for any future capital projects that could not be funded out of operating cash flows.

With your permission, Mr. Chairman, I would like to ask the General Counsel to please read the Resolved.

Chairman Hruby: Go right ahead, please.

General Counsel: Mr. Chairman, I would also like to add at the end of the Resolution, I did not indicate, as it should be, that we will resolve to send a copy of this Resolution to the Trustee for the bond holders, so I will be reading that as well.

RESOLVED that the CFO/Comptroller is hereby authorized to transfer \$49,283,000 into the Debt Service Reserve Account, of which \$29,283,000 will be transferred from moneys currently on deposit in the General Reserve Fund and \$20,000,000 will be transferred from moneys currently on deposit in the Non-Trust Fund, pursuant to the provisions of Section 12.03 of the Trust Agreement; and

FURTHER RESOLVED that, in the subsequent event, the amount so transferred is no longer required, in accordance with Section 12.03 of the Trust Agreement, the CFO/Comptroller is authorized to provide written direction to the Trustee to withdraw said amount from the Debt Service Reserve Account and deposit those funds back into the General Reserve Fund and the Non-Trust Fund; and

FURTHER RESOLVED, that a certified copy of this Resolution shall be forwarded to the Trustee for the Bondholders at Huntington National Bank.

Chairman Hruby: Thank you. Is there a motion?

Vice Chairman Balog: Motion.

Secretary Barber: Second.

Chairman Hruby: Motion by Mr. Balog and seconded by Mrs. Barber. Are there any questions or comments? Yes, Mr. Balog.

Vice Chairman Balog: The second Resolved where it talks about “is no longer required,” is there any reason to think that would be the case? Would that continue if their ratings increases, etc.?

CFO/Comptroller: Yes, if their ratings were increased back to an acceptable grade, then we could take the money back out of the fund, or if another bond insurer emerges, but we don’t believe there are any currently that have a high enough credit rating to do this. If in the future, one becomes available we could look at that, and possibly buy an insurance policy with that firm, and, then take the funds out as well.

Vice Chairman Balog: We have to keep one year’s debt service either insured, or in cash available. Is that correct?

CFO/Comptroller: Yes. The amount is based on the highest amount of debt service that we have in the current year, or in the future. 2014 happens to be the highest year that we have debt service currently. So the 2014 amount is being used.

Vice Chairman Balog: The insurance – I mean it's belts and suspenders because we have insurance to guarantee that we are going to make the payments, but, yet we have the money in our budget to make the payments. Is that a requirement of our current Trust Agreement?

CFO/Comptroller: That is correct. The current Trust Agreement requires us to have these additional funds in this account, and, based on our future projections, that we are able to meet the debt payment. So it's an additional amount of security for the bond holder.

Vice Chairman Balog: When we issue additional debt, will we still have those same type of requirements on the new debt, or does this only apply to the current debt?

CFO/Comptroller: We will probably have a similar requirement on the new debt. So, we will probably have to put additional monies into a debt service reserve account to take into consideration the additional debt service requirements we will have on the new debt.

Vice Chairman Balog: We ought to really investigate to see when we issue new debt, if we could avoid having the belts and suspenders for payment.

CFO/Comptroller: We will look at that with our underwriters and our financial advisor, and try to get the best bond issuance we can.

Vice Chairman Balog: Thank you. I mean, we have an insurance policy to make the payment, and we have the payment in our budget, and, now because the insurance carriers do not have the required debt rating, we now have to put the money on the side, and have the money

in the budget, so for one year's payment, we have to account for two years of the money when it comes down to it.

Director Hodges: Mr. Chairman, if I might add, because of the stewardship of this Committee as everybody knows, the Turnpike is financially very healthy, and our reserves are more than sufficient to meet any obligations that we have. Sometimes I get questions from the general public about why our reserves are so healthy, and this is part of the reason. We've anticipated this for quite some time, although we have to make a bookkeeping entry and it will affect our financial reports, this is money that has been part of our reserves, and we have been planning for the day when we might have to use it for this purpose. It is not going to have an impact on our operations.

Vice Chairman Balog: It's not going to make an impact on the operation, but if we can avoid it for the future, we ought to investigate it. I have one more question.

Chairman Hruby: Go right ahead, please.

Vice Chairman Balog: I believe when we had this problem four years ago when it first started raising its head, there were a couple of insurers that had the proper rating, and was it Warren Buffet or Berkshire or somebody else who was becoming involved in it. Are you familiar with that?

CFO/Comptroller: I'm not familiar with that, no. I checked with our Financial Advisor, and there really isn't anybody right now that has a credit rating that would enable us to do this with an insured.

Vice Chairman Balog: Thank you.

Chairman Hruby: Are there any other questions? Hearing none, roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Mr. Riley.

Mr. Riley: Yes.

Director Hodges: Four to nothing.

OHIO TURNPIKE COMMISSION

Resolution Authorizing the Transfer of Funds into the Debt Service Reserve Account

WHEREAS, the Commission has entered into a Master Trust Agreement dated February 15, 1994 (the "Master Trust Agreement"), which together with the First through Seventeenth Supplemental Trust Agreements is referred to as the "Trust Agreement," with the Trustee providing for the issuance from time to time of Turnpike Revenue Bonds (the "Bonds") and related matters; and

WHEREAS, the Trust Agreement requires that the Commission maintain a Debt Service Reserve Account that is equal to the highest Annual Debt Service Requirement occurring in the current or any succeeding year; and

WHEREAS, the Trust Agreement allows the Debt Service Reserve Account to be funded all or in part by a Reserve Account Credit Facility issued by an insurer that has been assigned one of the two highest rating categories by each Rating Agency, that has a rating outstanding on the Bonds; and

WHEREAS Moody's Investors Service is a Rating Agency that has a rating outstanding on the Bonds; and

WHEREAS, the Commission currently funds the Debt Service Reserve Account, in part, with a Debt Service Reserve Credit Facility issued by Assured Guaranty Municipal Corp., which on January 17, 2013, was downgraded by Moody's Investors Service to a rating of A2, which is lower than the required highest two rating categories; and

WHEREAS, the Commission desires to continue to be in compliance with the provisions of the Trust Agreement's Debt Service Reserve Account requirement by replacing the Assured Guaranty Debt Service Reserve Credit Facility with funds transferred from the Commission's Non-Trust Reserve and General Reserve; and

WHEREAS, such transfer shall be in accordance with Section 12.03 of the Trust Agreement.

NOW, THEREFORE, BE IT

RESOLVED that the CFO/Comptroller is hereby authorized to transfer \$49,283,000 into the Debt Service Reserve Account, of which \$29,283,000 will be transferred from moneys currently on deposit in the General Reserve Fund and \$20,000,000 will be transferred from moneys currently on deposit in the Non-Trust Fund, pursuant to the provisions of Section 12.03 of the Trust Agreement; and

FURTHER RESOLVED that, in the subsequent event, the amount so transferred is no longer required, in accordance with Section 12.03 of the Trust Agreement, the CFO/Comptroller is authorized to provide written direction to the Trustee to withdraw said amount from the Debt Service Reserve Account and deposit those funds back into the General Reserve Fund and the Non-Trust Fund; and

FURTHER RESOLVED, that a certified copy of this Resolution shall be forwarded to the Trustee for the Bondholders at Huntington National Bank.

(Resolution No. 5-2013 adopted January 22, 2013)

Chairman Hruby: The Resolution is adopted. Anything else, Marty?

CFO/Comptroller: That completes my report, Mr. Chairman.

Chairman Hruby: We will move on to the report of our General Counsel, Kathleen Weiss.

General Counsel: Thank you, Mr. Chairman and Members. The only item I have today is to tell you that the Litigation Report has been provided to you, and if you have any questions, please feel free to call my office.

Chairman Hruby: Are there any reports from our Financial Advisor, Mr. Adams?

Mr. Adams: No report, Mr. Chairman.

Chairman Hruby: How about our General Consultant, URS?

Ms. Fulton: No report, Mr. Chairman.

Chairman Hruby: Our Trustee, Mr. Lamb?

Mr. Lamb: No report, Mr. Chairman.

Chairman Hruby: Lt. Sivak from the Highway Patrol.

Lt. Sivak: Good morning, Mr. Chairman. I would like to just briefly recap some of the Ohio State Highway Patrol's efforts in 2012. Our Troopers initiated nearly 118,000 contacts along the Turnpike in 2012. OVI enforcement increased by 46%, improper lane change by 18%, and safety belt by 10%. I mention these because these all either increase the likelihood of a crash, or their severity. Although we investigated one more traffic death in 2012, seven versus six in 2011, the total number of crashes along the Ohio Turnpike have reduced by 3%. Recent meetings here have outlined some of our criminal patrol interdiction along the Ohio Turnpike, and our Superintendent, John Born, is currently finalizing plans to expand these in 2013. The last thing that I would like to address here is a program across the State of Ohio called the Traffic Incident Management Program. This program will also be encompassing the Ohio Turnpike, and deals with better management of traffic flow incidents when they occur on the roadways, and the Turnpike is no exception to this. This is accomplished by improving our communications among agencies, and having plans in place to address these issues when they arise. I am currently an instructor for this program, and from DVS, Bob Gahr and Ed Miller, will also become instructors in February. We are going to work together as a team to train OSHP personnel, Turnpike maintenance along with Fire, EMS, and tow companies on best practices to handle these incidents. Our overall goal is going to be to keep traffic moving, and, when it is necessary to temporarily stop traffic, we will have better plans in place to open the road sooner which will, in turn, reduce our secondary crashes. That's all I have for today.

Chairman Hruby: Are there any questions for the Lieutenant? Thank you very much, sir. The next Commission Meeting will be Wednesday, February 20, 2013 at 10:00 a.m. due to Presidents' Day falling on the date of our normal meeting. If there is no further business, is there a motion to adjourn?

Vice Chairman Balog: So moved.

Secretary Barber: Second.

Chairman Hruby: Motion and seconded. All in favor, signify by saying "aye." All Commission members say "aye." We are adjourned.

Attendees for Record Keeping Purposes:

Toby S. Fritz, Hill International; Beth Fulton, URS; John Adams, Fifth Third; Neal Gresham, URS; Tom Parevosnik, IUOE 18; Joe Casto, IUOE 18; Ornette Gibson, GSI; Glen Stephens, GSI; Mike Kline, URS; Julia Miller, RII; Frank Lamb, Huntington Bank; Rob Fleischman, GPI; Dennis Golem, Wells Fargo; Hamid Homaeae, TransSystems; Rich LaRocco, M-E/IBI Group; Farah Majidzadeh, RDI; Kamram Majidzadeh, RDI; Lieutenant James Sivak, Ohio State Highway Patrol; Robin Carlin, Ohio Turnpike; Marty Seekely, Ohio Turnpike; Tony Yacobucci, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Ed Miller, Ohio Turnpike; Debbie Sideris, Ohio Turnpike; Barbara Pinizzotto, Ohio Turnpike; Lauren Hakos, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Dave Miller, Ohio Turnpike.

Time of adjournment: 10:44 a.m.

Approved as a correct transcript of the proceedings
of the Ohio Turnpike Commission

Sandra K. Barber, Secretary-Treasurer