

MINUTES OF THE 593rd MEETING OF THE OHIO TURNPIKE COMMISSION
April 8, 2013

Chairman Hruby: (10:00 a.m.) Pledge of Allegiance is recited by all in attendance. This is a Special Meeting of the Ohio Turnpike Commission and it is Meeting number 593. The Commission is meeting here as required by our Bylaws, and we are here this morning to act on several resolutions which copies have been submitted to the Members of the Commission previous to today's meeting. Before we begin, 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: Secretary-Treasurer Barber.

Secretary Barber: Present.

Director Hodges: Mr. Dixon.

Mr. Dixon: Here.

Director Hodges: Mr. Murphy.

Mr. Murphy: Here.

Director Hodges: Mr. Kauffman.

Mr. Kauffman: Here.

Director Hodges: Mr. Smith, Senator Manning and Representative Dovilla all send their regrets. They have other State business today. We have a quorum.

Chairman Hruby: Thank you. As I stated earlier, this is a Special Meeting of the Commission and somewhat of an historic day for us. The Ohio Turnpike Act of 1949 has recently been amended, and we are beginning the process of initiating H.B. 51. We have a new member to our Commission, but is someone who is not new to the process, and that is the Chief of Staff of ODOT, Greg Murphy. On behalf of the Commission, I want to welcome you. I would also like to thank you for your fine work throughout the legislative process around H.B. 51 and also through the whole process of determining the future of this Turnpike. Can I have a motion to adopt the Minutes of the March 18, 2013, Commission Meeting? I will move adoption of the Minutes of March 18, 2013. Is there a second?

Secretary Barber: Second.

Chairman Hruby: Roll call.

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. Dixon.

Mr. Dixon: Yes.

Director Hodges: Mr. Murphy.

Mr. Murphy: Yes.

Director Hodges: Five to nothing.

Chairman Hruby: The Minutes are adopted. If there are no questions, we will then proceed 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 March 18, 2013:

1. Agenda for April 8, 2013 Meeting;
2. Seven Resolutions;
3. Minutes of the March 18, 2013, Commission Meeting.

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

4. Various News Articles.

The data needed to compile the monthly Financial and Traffic Crash Summary Reports for March, usually included in the folders, is not yet available to present to the Commission. It will be included with the May Commission Meeting materials. That concludes my report, Mr. Chairman.

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

Director Hodges: Good morning Mr. Chairman and Members of the Commission. Today is an exciting day – it is Cleveland's home opener even though I am a Tigers fan. I played baseball at Oberlin College, and I knew that, at this time of year, the beginning of baseball in northern Ohio means that we only have six more weeks of winter. Some of our friends are here from New York and, had the Tigers not taken two out of three, the reception would have been a lot frostier than we have today. It is a historic day because we begin the

process of implementing Governor Kasich's Jobs and Transportation Plan, which he announced nearly four months ago on December 14, 2012. The Ohio Turnpike Commission, soon to be renamed the Ohio Turnpike and infrastructure Commission, will be the catalyst for creating 65,000 jobs and supporting our partners at ODOT as they continue to build Ohio's transportation infrastructure. Last month, we began the process of preparing the team for this momentous occasion, and this Commission approved resolutions so that we could work with PFM Asset Management. Our new financial advisor, Bethany Pugh is here, and I would like to ask her to stand up to introduce herself and her team.

Ms. Pugh: Thank you and good morning. This provides us the opportunity, on behalf of the entire firm of PFM and my colleagues who are here with me today, which include myself, Bethany Pugh; Mr. Robert Rich; Mr. Scott Trommer and Mr. Ryan Kozak. We are incredibly excited to have the opportunity to work with the Commission, and thank you Mr. Chairman, and Commission Members.

Director Hodges: Bethany will be a regular fixture as our Financial Advisor. Also, Rick Gobeille from Jacobs Engineering, as the Commission's Traffic and Revenue Consultant appointed last month, is here. They will be working on our Traffic and Revenue Study, so we will be seeing a lot of Rick also.

There are three Resolutions on the agenda that are prerequisites for completing the Governor's Plan. First, staff has prepared a Resolution for Appointing Bond Counsel. Second, staff has prepared a Resolution for Appointing Underwriters to sell the first package of what will ultimately be \$1.5 billion in bonds. Finally, you will see the proposed Rule for approving infrastructure funding applications from the Ohio Department of Transportation.

The resolutions have been prepared in accordance with the Plan as it was presented by the Governor, and unanimously endorsed by this body by way of Resolution. The topics have been discussed at the last four meetings, in the media, and in one-on-one conversations. You were presented with a great deal of information for this meeting. You should not have found any surprises, but you should be commended for your diligence and hard work in preparing for this meeting.

I would also like to thank all of the staff for their hard work. We have an unprecedented opportunity to borrow money at historically low interest rates. We do not know how long this opportunity will last, so I have been committed to completing the process as quickly as the law and due diligence allows. Our staff put in an extraordinary amount of work, and I wholeheartedly support their recommendations to you today. I will allow them to brief you on the process and their recommendations, but I do want to give you a flavor of the process.

As you know, we have an established process where staff technical experts review and evaluate written proposals based on a carefully constructed RFP. As part of the process for recommending Underwriters, staff reviewed 28 proposals, and then conducted exhaustive interviews with four finalists. I sat in on the interviews for the learning process, but the scoring and ultimate recommendations were provided to me by staff. I want to thank Bethany Pugh from PFM for her invaluable help as an advisor to the staff team. As you know, the law requires that the Office of Budget and Management (OBM) approve a bond sale. Mr. Kauffman sat in as OBM and Commission representative. Kurt is Debt Manager for the State of Ohio. He also contributed his time and expertise consulting with the team, and we appreciate his hard work. A similar process was used to recommend Bond Counsel.

We have been preparing for the real possibility that the legislature would pass H.B. 51 and enable the Governor's proposal. We did not, however, jump the gun and presume the legislature would ultimately pass the Plan as it was ultimately enacted. Consequently, much of this work has been done in the last two weeks.

Kathy Weiss will present the Resolutions for Bond Counsel and the Rule. Marty Seekely will present the Resolution for the Underwriters. They and I are prepared to answer any questions you may have and discuss any details, and perhaps Mr. Murphy will be able to answer questions you may have about the process before projects are proposed to this Commission.

Many people worked on these proposals, but Kathy and Marty led the team. Thank you both for a remarkable job in a very short period of time.

This is a historic time, but the regular work of the Turnpike continues. Engineering is preparing to complete the Third Lane Project near Toledo, a process which began in the 90s. We have an ambitious repaving program and look forward to finally celebrating the re-opening of Service Plazas No. 8 before Summer. Our Deputy Director is working on the strategic planning process, which will take us into the foreseeable future. Toll Operations continues to implement new technology, and the entire organization is focused on cutting costs while maintaining our present level of service during uncertain times. We are also working on a cybersecurity audit under the direction of our Director of Internal Audit with many team members from Technology, and looking to strike that ever elusive balance of securing the system while simultaneously putting us on the cutting edge of technology.

I briefed you a few months ago on our efforts to expand *E-ZPass*[®] access. We started small with a couple of Service Plazas, and we hoped to expand the program Turnpike-wide by Summer. However, I am pleased to report the program has been so successful that, today, retail

E-ZPass[®] access is available at all of our Service Plazas, and we continue to sell approximately thirty per day. We look forward to expanding access off the Turnpike in the near future.

Just this weekend, we partnered with ODOT and Keep America Beautiful, and had a strong team. As a matter of fact, the Turnpike had the largest team working on the project Mr. Murphy. Thanks to Lauren Hakos and Chad Armstrong for all of their hard work. That concludes my report Mr. Chairman.

Chairman Hruby: Thank you. Are there any other questions for the Director?

Director Hodges: I neglected to mention that Governor Kasich signed the Bill one week ago today in Cleveland and Columbus, and Mr. Chairman, it was a great event. What was really exciting was the bipartisan enthusiastic support for this Plan. Mr. Chairman, I would like to present you with one of the pens Governor Kasich used to sign the legislation. As for the rest of the Commission Members, I did lunge for more pens, but Mr. Murphy slapped my hand, and I could only get one.

Chairman Hruby: Thank you very much. I did not mention something, and I should. Would Myron Pakush please stand. Thank you very much for your service as a Member of this Commission for the time that we have worked together. I appreciate the fine work that you did for this Commission. It is bittersweet seeing you step aside.

Mr. Pakush: It was an honor serving with you. Thank you very much. I was glad to be part of it.

Chairman Hruby: Well, I just wanted to thank you, and I know that you were in the middle of working on the sound barriers, so we will have to find someone to fill those shoes. Again, thank you so much, and I would hope that we would prepare a Resolution of commendation in thanking you for your service.

Are there any other questions or comments? Hearing none, we will move on to the report of our Chief Engineer, Mr. Hedrick.

Chief Engineer: Thank you Mr. Chairman. I have three Resolutions for your consideration this morning.

The first Resolution is to award Contract No. 40-13-01 for the repainting of seven bridge structures located between Milepost 101.3 to Milepost 133.1 in Sandusky and Erie Counties.

This project is contained in the 2013 Capital Improvement Budget. Procurement received four bids for this work, and the apparent low bid was in the amount of \$1,456,310.00 from Panther Industrial Painting, of Mishawaka, Indiana. The bid submitted by Panther Industrial Painting is slightly above the Engineer's estimate of \$1,400,000.00, but is within the range to allow for the award of this work. Panther Industrial Painting has satisfactorily performed similar work for the Commission in the past. The Resolution also contains provisions to assign True Inspection Services, LLC, of Springfield, Ohio, to perform construction administration and inspection services. It should be noted that True Inspection Services, LLC, is a certified MBE company. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of **Panther Industrial Painting, LLC**, of **Mishawaka, Indiana**, in the amount of **\$1,456,310.00** for the performance of Contract No. 40-13-01 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 **True Inspection Services, LLC**, of **Springfield, Ohio**, to Contract No. 40-13-01 for the purpose of performing inspection and testing services, with such assignment in accordance with the 2013-2014 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and True Inspection Services, LLC; and

FURTHER RESOLVED that Project No. 40-13-01 is designated a Fuel Tax Project under the Commission’s 1994 Master Trust Agreement.

Chairman Hruby: For the Resolution, what’s your pleasure?

Vice Chairman Balog: Move to adopt.

Chairman Hruby: I’ll second. Moved and seconded. Are there any comments or questions? Hearing none, roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Mr. Dixon.

Mr. Dixon: Yes.

Director Hodges: Mr. Murphy.

Mr. Murphy: Yes.

Director Hodges: Five to nothing.

OHIO TURNPIKE COMMISSION

Resolution Awarding Contract No. 40-13-01

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for repainting of the following seven bridges over the Turnpike Mainline located in Sandusky, Erie and Lorain Counties, Ohio, herein designated as **Contract No. 40-13-01:**

<u>Bridge</u>	<u>Milepost</u>
Vickery Road	101.3
Mugg Road	102.3
State Route 101	104.2
State Route 269	106.8
Harrison Road	130.8
Dean Road	132.4
Gore-Orphanage Road	133.1

WHEREAS, expenditures for the Contract to be awarded 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 the 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. 40-13-01 was submitted by **Panther Industrial Painting, LLC**, of **Mishawaka, Indiana**, in the amount of **\$1,456,310.00**, 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. 40-13-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Panther Industrial Painting, LLC for said Contract 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 Panther Industrial Painting, LLC; 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. 40-13-01 to the lowest responsive and responsible bidder, Panther Industrial Painting, LLC; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Panther Industrial Painting, LLC**, of **Mishawaka, Indiana**, in the amount of **\$1,456,310.00** for the performance of Contract No. 40-13-01 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 **True Inspection Services, LLC**, of **Springfield, Ohio**, to Contract No. 40-13-01 for the purpose of performing inspection and testing services, with such assignment in accordance with the 2013-2014 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and True Inspection Services, LLC; and

FURTHER RESOLVED that Project No. 40-13-01 is designated a Fuel Tax Project under the Commission's 1994 Master Trust Agreement.

(Resolution No. 17-2013 adopted April 8, 2013)

Chief Engineer: The second Resolution is for authorization to award contracts for Janitorial Services at three sets of Service Plazas. These include Middle Ridge/Vermilion Valley; Blue Heron/Wyandot and Indian Meadow/Tiffin River Service Plazas. Bids for this work were secured through RFP's identified as Agreements TRM-10D, E and F, respectively. Proposals were received on March 21, 2013, and they were submitted with qualifications separate from the pricing proposal. This allowed the evaluation team, which consisted of the Director of Service Plaza Operations, and the Eastern and Western Division Service Plaza Managers, to score these qualifications independently from the pricing using a technique known as Plus, Minus, Interesting and Questions (PMIQ). Unfortunately, Procurement received only two proposals for Agreement TRM-10D, and one proposal each Agreements for TRM-10E and F. The second proposal submitted for Agreement TRM-10D was deemed incomplete and was rejected. The remaining proposals were evaluated for compliance with submission requirements and were found to be complete in all aspects. The proposals submitted by Any Domestic Work, Inc. ("ADW"), of Parma, Ohio, were scored and received a rating of 467 points out of a possible 500 points for each of their proposals. Upon conclusion of the evaluations, the Procurement Manager opened pricing proposals with the following results:

<u>Service Plaza</u>	<u>Monthly Per Plaza Fee</u>	<u>Annual Per Plaza Fee</u>	<u>Hourly Rate</u>
Agreement TRM-10D			
Middle Ridge/	\$25,375.00	\$304,500.00	\$9.70
Vermilion Valley	\$25,375.00	\$304,500.00	\$9.70
Agreement TRM-10E			
Blue Heron/	\$25,375.00	\$304,500.00	\$9.70
Wyandot	\$25,375.00	\$304,500.00	\$9.70
Agreement TRM-10F			
Indian Meadow/	\$28,500.00	\$342,000.00	\$9.70
Tiffin River	\$28,500.00	\$342,000.00	\$9.70

It should be noted that these figures represent the net bid submitted by ADW for Agreements TRM-10 Dand TRM-10E, and reflects a discount for the combination of both plazas being awarded in one contract. Based upon the review and recommendation of the evaluation team, it is recommended that Agreements TRM-10 D, TRM-10E and TRM-10F all be awarded to Any Domestic Work, Inc., of Parma, Ohio. These Agreements will be in effect for the period of one-year with the option of six additional one year terms. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Proposals submitted by **Any Domestic Work, Inc., of Parma, Ohio**, which included the following Price Proposals:

<u>Service Plaza</u>	<u>Monthly Per Plaza Fee</u>	<u>Annual Per Plaza Fee</u>	<u>Hourly Rate</u> *
Agreement TRM-10D			
Middle Ridge	\$25,375.00	\$304,500.00	\$9.70
Vermilion Valley	\$25,375.00	\$304,500.00	\$9.70
Agreement TRM-10E			
Blue Heron	\$25,375.00	\$304,500.00	\$9.70
Wyandot	\$25,375.00	\$304,500.00	\$9.70
Agreement TRM-10F			
Indian Meadow	\$28,500.00	\$342,000.00	\$9.70
Tiffin River	\$28,500.00	\$342,000.00	\$9.70

** for any additional requested services*

are, and are by the Commission determined to be, the best Proposals received for the performance of Agreement TRM-10D, Agreement TRM-10E and Agreement TRM-10F and are accepted; and

FURTHER RESOLVED that the Executive Director and General Counsel hereby are authorized to: 1) execute Agreement TRM-10D to furnish janitorial services at the Commission's Middle Ridge and Vermilion Valley Service Plazas, Agreement TRM-10E to furnish janitorial services at the Blue Heron and Wyandot Service Plazas, and Agreement TRM-10F to furnish janitorial services at the Indian Meadow and Tiffin River Service Plazas, each with **Any Domestic Work, Inc.**, for an initial term of one year, 2) direct the return of the proposal guaranty provided by all RFP respondents as soon as said Agreements with Any Domestic Work, Inc. are executed, 3) predicated upon satisfactory performance reviews by the Service Plaza Operations Manager, extend the Agreements for no more than six, successive one-year periods, pursuant to the terms and conditions of the aforesaid Agreements, and 4) take any and all action necessary or proper to carry out the terms of the RFP's and the ensuing Agreements.

Chairman Hruby: For the Resolution, what's your pleasure?

Vice Chairman Balog: Motion to adopt.

Chairman Hruby: Motion by Mr. Balog, and I'll second that motion. Are there any questions or discussions?

Secretary Barber: I know that I have mentioned this before, Doug, but 57 RFP's went out, and we could only generate two bids, and then one did not even provide a bond with their quote. Do you ever have any dialogue with the other contractors as to why they do not propose a bid? Are they that busy?

Chief Engineer: Mr. Chairman and Commission Member Barber, I believe Procurement does reach out to everybody. It is unfortunate that we had this limited amount of response. It is a unique situation. In speaking with our Service Plaza Manager, these are not a mall type of cleaning, or an office type cleaning. These are 24/7 operations, so it is a unique type of cleaning company that has to respond to these. They have to provide a staff that has to be available 24/7. So, while we do reach out to a large number of traditional cleaning companies, there is probably a very small select group in that number that can bid on these projects.

Secretary Barber: Do we know how many businesses that would be?

Chief Engineer: I cannot speak to that without knowing their business models. Obviously, it is a fairly limited number based upon the responses we have gotten.

General Counsel: Mr. Chairman, if I may add, Commissioner Barber, there have been probably four or five other cleaning companies that have performed out here on the roadway, and we actually made an effort to revise this RFP in the last several months and to try a different business model to see if that would be more successful in garnering additional responses. Unfortunately, what we are finding is that has not been successful. Mr. Herberger, the Manager of Service Plaza Operations, as I understand it, is planning on conducting a “summit” this summer with vendors in the janitorial services medium, and also with other operators at the Service Plazas. You will recall Senator Patton, when he was still on the Board, had raised a concern about operators not bidding. So, Mr. Herberger is planning a big meeting this summer where he will invite all vendors, and talk to them about what it would take to get them to bid on Commission business. We, likewise, are not satisfied.

Chairman Hruby: Mr. Hedrick, ADW is currently working for us?

Chief Engineer: Mr. Chairman, yes, they are and have performed satisfactorily.

Chairman Hruby: As a matter-of-fact, they have gotten some praise from Mr. Herberger. That might also have some impact on it; knowing that their rate is low, and that they’ve done a good job, and other companies know that. Sometimes they may not waste the money in bidding if they know that.

Chief Engineer: Mr. Chairman, you are correct. Sometimes it does stifle competition when you have somebody that is doing a good job and is embedded at the existing Plazas already.

Chairman Hruby: Any further questions? Yes, Mr. Dixon.

Mr. Dixon: You kind of stole my thunder, Mr. Chairman. Just for clarity, \$9.70 per hour, that is what we pay these companies. Is that correct? That's the average hourly rate that we pay the contractors?

Chief Engineer: Mr. Chairman and Commission Member Dixon, no, that is not the hourly rate we pay them, that is the hourly rate for additional services should they be required above and beyond the contract.

Mr. Dixon: Above and beyond the contract?

Chief Engineer: There are times that we require them to have additional staff available for heavy weekend loads that may be in accordance with the planning that was required under the revised contract format that Kathy alluded to.

Mr. Dixon: Do we know the hourly rate that we pay for normal service?

Chief Engineer: It is minimum wage. My understanding is that it is at least the minimum wage for most of the staff.

Mr. Dixon: That's what they pay their people. What do we pay them?

General Counsel: The janitorial service providers pay their employees minimum wage but, the Agreements also contain the costs of all of the materials that they provide. They provide all of the paper, cleaning products and supplies, so that is why when you see that added hourly rate of \$9.70, it encompasses any additional costs that they might incur. Similarly, if we were to reduce the staff at the Service Plazas for some reason like traffic was unusually slow, and we said to them, "look, you can cut back," we would actually receive a credit of \$9.70 per hour for the staff that we cut back.

Mr. Dixon: I understand that. The point I'm trying to make is that these people that are performing the work are being paid minimum wage, correct?

General Counsel: Correct.

Mr. Dixon: Do we have anybody that we pay minimum wage to at the Turnpike?

Director Hodges: No.

Mr. Dixon: It is a lot of work at minimum wage. I don't know what that figure is for the chemicals and other supplies, but we have these people out here working for minimum wage. I don't know. That's a tough one right there.

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

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Commissioner Dixon.

Mr. Dixon: No.

Director Hodges: Commissioner Murphy.

Mr. Murphy: Yes.

Director Hodges: Four to one.

Chairman Hruby: Four to one is the vote.

OHIO TURNPIKE COMMISSION

Resolution Awarding Agreements for Janitorial Services at the Commission’s Middle Ridge and Vermilion Valley Service Plazas (Agreement TRM-10D), the Blue Heron and Wyandot Service Plazas (Agreement TRM-10E), and the Indian Meadow and Tiffin River Service Plazas (Agreement TRM-10F)

WHEREAS, on February 14, 2013, the Commission issued its Requests for Proposals (“RFP’s”) to furnish janitorial services at the Commission’s Middle Ridge and Vermilion Valley Service Plazas (Agreement TRM-10D), at the Blue Heron and Wyandot Service Plazas (Agreement TRM-10E), and at the Indian Meadow and Tiffin River Service Plazas (Agreement TRM-10F) for an initial term of one year, with provisions for up to six successive, one-year extension periods; and

WHEREAS, expenditures of the Commission for janitorial services under Agreement TRM-10D, Agreement TRM-10E, and Agreement TRM-10F will each exceed \$150,000.00 and, in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws, Commission action is necessary for the award of each such Agreement; and

WHEREAS, on March 15, 2013, two firms submitted Proposals to furnish the janitorial services at the Commission’s Middle Ridge and Vermilion Valley Service Plazas and one firm submitted a Proposal to furnish the janitorial services at the Commission’s Blue Heron and Wyandot Service Plazas and at the Indian Meadow and Tiffin River Service Plazas; and

WHEREAS, an Evaluation Team comprised of the Service Plaza Operations Manager and the Eastern Division and Western Division Service Plaza Managers reviewed the Proposals submitted and awarded technical scores to each Respondent; and

WHEREAS, as a result of this process, the highest Proposal scores achieved for Agreement TRM-10D, Agreement TRM-10E and Agreement TRM-10F were for the Proposals submitted by **Any Domestic Work, Inc.**, of **Parma, Ohio**, which submitted the following Price Proposals:

<u>Service Plaza</u>	<u>Monthly Per Plaza Fee</u>	<u>Annual Per Plaza Fee</u>	<u>Hourly Rate *</u>
Agreement TRM-10D			
Middle Ridge	\$25,375.00	\$304,500.00	\$9.70
Vermilion Valley	\$25,375.00	\$304,500.00	\$9.70
Agreement TRM-10E			
Blue Heron	\$25,375.00	\$304,500.00	\$9.70
Wyandot	\$25,375.00	\$304,500.00	\$9.70
Agreement TRM-10F			
Indian Meadow	\$28,500.00	\$342,000.00	\$9.70
Tiffin River	\$28,500.00	\$342,000.00	\$9.70

** for any additional requested services*

WHEREAS, the General Counsel advises that: 1) the RFP's conform to the requirements of Sections 5537.07 and 5537.13 of the Ohio Revised Code, 2) the aforesaid Proposals were solicited on the basis of the same terms and conditions with respect to all RFP respondents and potential respondents, 3) due and full consideration has been given to the Proposals received, the respondents' qualifications and their abilities to perform the required services, and 4) Any Domestic Work, Inc. has provided a proposal guaranty of good and sufficient surety and evidence of its ability to provide the required performance bond and insurance as set forth in all three RFP's; and

WHEREAS, the Executive Director has reviewed the written recommendations of the Evaluation Team and the General Counsel, and concurs with the selection of Any Domestic Work, Inc. to perform Agreement TRM-10D, Agreement TRM-10E and Agreement TRM-10F; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Proposals submitted by **Any Domestic Work, Inc.**, of **Parma, Ohio**, which included the following Price Proposals:

<u>Service Plaza</u>	<u>Monthly Per Plaza Fee</u>	<u>Annual Per Plaza Fee</u>	<u>Hourly Rate *</u>
Agreement TRM-10D			
Middle Ridge	\$25,375.00	\$304,500.00	\$9.70
Vermilion Valley	\$25,375.00	\$304,500.00	\$9.70
Agreement TRM-10E			
Blue Heron	\$25,375.00	\$304,500.00	\$9.70
Wyandot	\$25,375.00	\$304,500.00	\$9.70
Agreement TRM-10F			
Indian Meadow	\$28,500.00	\$342,000.00	\$9.70
Tiffin River	\$28,500.00	\$342,000.00	\$9.70

** for any additional requested services*

are, and are by the Commission determined to be, the best Proposals received for the performance of Agreement TRM-10D, Agreement TRM-10E and Agreement TRM-10F and are accepted; and

FURTHER RESOLVED that the Executive Director and General Counsel hereby are authorized to: 1) execute Agreement TRM-10D to furnish janitorial services at the Commission's Middle Ridge and Vermilion Valley Service Plazas, Agreement TRM-10E to furnish janitorial services at the Blue Heron and Wyandot Service Plazas, and Agreement TRM-10F to furnish janitorial services at the Indian Meadow and Tiffin River Service Plazas, each with **Any Domestic Work, Inc.**, for an initial term of one year, 2) direct the return of the proposal

guaranty provided by all RFP respondents as soon as said Agreements with Any Domestic Work, Inc. are executed, 3) predicated upon satisfactory performance reviews by the Service Plaza Operations Manager, extend the Agreements for no more than six, successive one-year periods, pursuant to the terms and conditions of the aforesaid Agreements, and 4) take any and all action necessary or proper to carry out the terms of the RFP's and the ensuing Agreements.

(Resolution No. 18-2013 adopted April 8, 2013)

Chairman Hruby: Mr. Hedrick, please continue.

Chief Engineer: Mr. Chairman, my final Resolution is for the authorization of additional funds for Project No. 53-11-01/02 for the reconstruction of the Mahoning Valley/Glacier Hills Service Plazas in Mahoning County, Ohio. This contract was originally authorized under Resolution No. 01-2011. These projects are nearing completion and the site-work contractor, Miller Brothers Construction, Inc., of Archbold, Ohio, has experienced significant changes to the original scope of work as a result of unforeseen site conditions, right-of-way acquisition and the default of the General Trades contractor, Reginella Construction. These changes have resulted in additional costs to the project that will exceed the contracting authority as established under the Commission's Bylaws. The following is a listing of the costs attributed to these three categories of Extra Work items that have increased in this Contract.

Removal of additional quantity of petroleum contaminated soils	\$ 801,565.31
Delays due to the acquisition of the Molnar Property	85,334.52
General Trades Contract performed by Miller Brothers	<u>173,103.63</u>
TOTAL:	<u>\$1,060,003.46</u>

These three categories added other the remaining change order items have caused the total dollar value of the Contract to increase to \$14,986,739.27, which exceeds Miller Brothers' original contract of \$12,686,701.39 by just over 10%. Since this increase will exceed 10% of the original authorization, it is required under Article V Section 1.0 of the Commission's Code of

Bylaws that the Commission authorize such additional expenditures. In addition to these costs, this Resolution seeks authorization for additional expenditures that will be associated with delay claims submitted by Miller Brothers Construction. This delay claim is directly related to the default of the General Trades Contractor and for delays created by the Electrical Trades Contractor. It will be our intent to recoup these costs for this delay claim from the responsible Contractors and/or Sureties. At this point in time, the final amount of this claim is still under review; however, it is our intent to report back to the Commission with these final costs once they are determined. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Executive Director and Chief Engineer are authorized, via Contract Change Order, to incur the additional expenditures attributable to removal of petroleum contaminated soil beyond the quantities originally estimated, postponement of Miller Brothers' work due to delays with certain right-of-way acquisition, and extra work associated with the default of the former General Trades Contractor, Reginella Construction Company, which expenditures for Site Work exceed ten percent of the originally authorized expenditures under Contract No. 53-11-01 and 53-11-02 with **Miller Brothers Construction, Inc., of Archbold, Ohio;** and

FURTHER RESOLVED, that the Executive Director and General Counsel are authorized to resolve claims asserted by Miller Brothers Construction, Inc. for delays attributable to the default of the General Trades Contractor, Reginella Construction Company, and the Electrical Trades Contractor, Penn-Ohio, Inc., which the General Counsel shall seek to recoup from said Contractors and/or their respective sureties; and

FURTHER RESOLVED, that the Chief Engineer and the General Counsel shall report back to the Commission when the aforementioned Miller Brothers delay claim has been resolved.

Chairman Hruby: For the Resolution, what's your pleasure?

Vice Chairman Balog: I'll move to adopt.

Secretary Barber: Second.

Chairman Hruby: Moved by Mr. Balog and seconded by Mrs. Barber. Are

there any comments or 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: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Commissioner Murphy.

Mr. Murphy: Yes.

Director Hodges: Five to nothing.

OHIO TURNPIKE COMMISSION

Resolution to Increase Expenditures under the Site Work Contract with Miller Brothers Construction, Inc. under Contract No. 53-11-01 and 53-11-02

WHEREAS, via Resolution No. 1-2011, the Commission awarded a Contract to perform the Site Work under **Contract No. 53-11-01 and 53-11-02** to **Miller Brothers Construction Company** (“Miller Brothers”), of **Archbold, Ohio**, in the amount of **\$12,686,701.39**; and

WHEREAS, the work included demolition of existing buildings, site preparation, building excavation, utilities, exterior pavement, final grading and seeding and other miscellaneous site improvements; and

WHEREAS, the Commission’s Chief Engineer has advised that the Commission has incurred expenses under the Contract with Miller Brothers that are now in excess of the previously authorized Contract amount due to unforeseen costs attributable to removal of petroleum contaminated soil beyond the quantities originally estimated, postponement of Miller Brothers’ work due to delays with certain right-of-way acquisition, and extra work performed by Miller Brothers due to the default of the former General Trades Contractor, Reginella Construction Company (“Reginella”) (which costs have been back-charged to Reginella’s surety); and

WHEREAS, at **\$14,086,739.27**, these expenditures now exceed the Executive Director’s contracting authority by more than ten percent and, in accordance with Article V, Section 1.00 of

the Commission's Bylaws, Commission action is necessary to authorize payment of the additional expenditures to Miller Brothers via Change Order to Contract No. 53-11-01 and 53-11-02; and

WHEREAS, the Chief Engineer has also advised that a delay claim is pending from Miller Brothers for delays caused by the default of Reginella, as well as delays attributable to the Electrical Trades Contractor, Penn-Ohio, Inc., and he is requesting that the Commission authorize reasonable expenditures that may be incurred by the Commission to settle said delay claim, which the Commission's Legal Department will seek to recoup from the responsible Contractors and/or their respective sureties; and

WHEREAS, the Chief Engineer has, therefore, recommended that the Commission authorize the expenditure of the additional funds as outlined herein, as well as any additional expenditures that may become necessary to pay Miller Brothers for pending claims resulting from delay of completion of the Site Work portion of the Mahoning Valley and Glacier Hills Service Plaza construction project; and

WHEREAS, the Executive Director concurs with the recommendation of the Chief Engineer; and

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Executive Director and Chief Engineer are authorized, via Contract Change Order, to incur the additional expenditures attributable to removal of petroleum contaminated soil beyond the quantities originally estimated, postponement of Miller Brothers' work due to delays with certain right-of-way acquisition, and extra work associated with the default of the former General Trades Contractor, Reginella Construction Company, which expenditures for Site Work exceed ten percent of the originally authorized expenditures under Contract No. 53-11-01 and 53-11-02 with **Miller Brothers Construction, Inc.**, of **Archbold, Ohio**; and

FURTHER RESOLVED, that the Executive Director and General Counsel are authorized to resolve claims asserted by Miller Brothers Construction, Inc. for delays attributable to the default of the General Trades Contractor, Reginella Construction Company, and the Electrical Trades Contractor, Penn-Ohio, Inc., which the General Counsel shall seek to recoup from said Contractors and/or their respective sureties; and

FURTHER RESOLVED, that the Chief Engineer and the General Counsel shall report back to the Commission when the aforementioned Miller Brothers delay claim has been resolved.

(Resolution No. 19- 2013 adopted April 8, 2013)

Chairman Hruby: Mr. Hedrick, anything further?

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

Chairman Hruby: Thank you for your report, sir. We'll move on to the report of our CFO, Marty Seekely.

CFO/Comptroller: Thank you, Mr. Chairman. I have two Resolutions for your consideration this morning. The first resolution is a Resolution Authorizing the Appointment of Underwriters for the Issuance of New Revenue Bonds. At the February 20, 2013 Meeting, the Commission approved Resolution No. 10-2013 - Authorizing the Issuance of a Request for Qualifications for Underwriting Services for the Potential Issuance of up to \$1.5 billion in Revenue Bonds. The RFQ was issued on February 26, 2013. Qualifications from 28 firms were timely received in response to this RFQ. The Evaluation Committee consisting of Bethany Pugh of PFM; Kathy Weiss, General Counsel; Lisa Mejac, Assistant Comptroller and myself. We reviewed the qualifications received from those 28 firms, utilizing criteria similar to those utilized by OBM in evaluating potential underwriters for debt issuances for the State of Ohio. Kurt Kauffman from OBM also assisted in the process and provided valuable input in drafting questions and assumptions for the underwriters that was a great help in the selection process. Specifically, we utilized the following criteria when reviewing the qualifications received: The firms' experience in public finance; Ohio presence; the firm's capital and financial strength; marketing plan; retail distribution operations; senior managed issues; and toll road experience. After reviewing the firms' qualifications, the Evaluation Committee decided to interview the following four firms for the position of Senior Manager: Bank of America/Merril Lynch; CITIgroup Global Markets; J.P. Morgan Securities; and Morgan Stanley & Company. Interviews were held on March 27, 2013, during which the four firms presented their

qualifications and proposed financing plans for the Commission's debt issuance. Based on the size of the planned issue, the Evaluation Committee recommends in an underwriting syndicate of 14 firms in order to insure a wide market coverage for the bonds. After carefully reviewing their qualifications for each of the firms that responded, the Evaluation Committee unanimously recommends the following underwriting syndicate:

Senior Manager -	Citigroup Global Markets, Inc., of New York, NY
Co-Senior Manager -	J.P. Morgan Securities, Inc., of Chicago, IL
Co-Senior Manager -	Morgan Stanley & Co., LLC, of Chicago, IL
Co-Manager -	Bank of America/Merrill Lynch, Inc., of Philadelphia, PA
Co-Manager -	Fidelity Capital Markets, of Chicago, IL
Co-Manager -	The Huntington Investment Company, of Cleveland, OH
Co-Manager -	Jefferies, LLC, of New York, NY
Co-Manager -	KeyBanc Capital Markets, Inc., of Cleveland, OH
Co-Manager -	Loop Capital Markets, LLC, of Cleveland, OH
Co-Manager -	PNC Capital Markets, LLC, of Columbus, OH
Co-Manager -	RBC Capital Markets, of New York, NY
Co-Manager -	Rice Financial Products, LLC, of Columbus, OH
Co-Manager -	Stifel, Nicolaus & Company, Inc., of Cleveland, OH
Co-Manager -	Wells Fargo Securities, of Chicago, IL

CITigroup Global Markets, J.P. Morgan, and Morgan Stanley & Co., are the recommended Senior Manager and Co-Senior Managers, respectively, they are three of the nation's largest and most experienced investment banking firms. Combined, they have approximately \$24 billion in excess net capital to support the underwriting on the Commission's bonds. They are also among the country's leading underwriters of new revenue bonds. Together, these three firms have about 430 offices in the State of Ohio employing over 26,000 individuals. The recommended 11 Co-Managers would provide additional access to national, regional and local markets. Bank of America/Merrill Lynch, Huntington National Bank, PNC Bank and KeyBanc have over 11,000 offices and 31,000 employees in the State of Ohio. Fidelity Capital Markets has 13.9 million brokerage accounts; Jefferies LLC, RBC Capital

Markets and Wells Fargo have access to all of the major institutional investors across the country. Loop Capital Markets and Rice Financial are MBE owned. Both have an Ohio presence and have been active in similar transactions of this size in Ohio. There is a proposed Resolution in your materials to approve the appointment of underwriters. Mr. Chairman, with your permission I would like to ask the General Counsel to please read the Resolved.

General Counsel: RESOLVED, that the Executive Director and CFO/Comptroller, in consultation with the Commission's Financial Advisor, are authorized to appoint the following firms to furnish Underwriting Services to the Commission for the issuance of new revenue bonds, the proceeds of which will be utilized to pay for the cost of Turnpike projects and infrastructure projects:

Senior Manager -	Citigroup Global Markets, Inc., of New York, NY
Co-Senior Manager -	J.P. Morgan Securities, Inc., of Chicago, IL
Co-Senior Manager -	Morgan Stanley & Co., LLC, of Chicago, IL
Co-Manager -	Bank of America/Merrill Lynch, Inc., of Philadelphia, PA
Co-Manager -	Fidelity Capital Markets, of Chicago, IL
Co-Manager -	The Huntington Investment Company, of Cleveland, OH
Co-Manager -	Jefferies, LLC, of New York, NY
Co-Manager -	KeyBanc Capital Markets, Inc., of Cleveland, OH
Co-Manager -	Loop Capital Markets, LLC, of Cleveland, OH
Co-Manager -	PNC Capital Markets, LLC, of Columbus, OH
Co-Manager -	RBC Capital Markets, of New York, NY
Co-Manager -	Rice Financial Products, LLC, of Columbus, OH
Co-Manager -	Stifel, Nicolaus & Company, Inc., of Cleveland, OH
Co-Manager -	Wells Fargo Securities, of Chicago, IL

FURTHER RESOLVED, that the Commission's Executive Director, CFO/Comptroller and General Counsel are authorized and directed to notify the aforesaid investment banking firms and to negotiate a bond purchase agreement with said firms in accordance with the Commission's Request for Qualifications and the responses thereto, subject to further resolution by the Commission, and to take any and all further action necessary to carry out the terms thereof; and

FURTHER RESOLVED, that said underwriting syndicate may be re-appointed for any future debt issuance related to Governor Kasich's Ohio Jobs and Transportation Plan, provided, however, that any modifications to the syndicate shall first be reported to the Commission.

Chairman Hruby: I'll move adoption of that Resolution. Is there a second?

Mr. Murphy: Second.

Chairman Hruby: Seconded by Mr. Murphy. Are there any comments or questions?

Mr. Kauffman: Mr. Chairman and fellow Commission Members, in my role as the Debt Manager for the Ohio Office of Budget and Management, I have the opportunity to oversee and participate in a number of underwriting team selection processes. I wanted to take this opportunity to commend Director Hodges, his staff and the Financial Advisor for, what I believe was, a very thorough and professional process, and one that was completed in a short period of time. I know that involved long hours and long days. I also wanted to note that I had the opportunity to participate in the interview portion of the selection process, and that I believe that the firms being recommended as the Senior Manager and the Co-Senior Managers are very experienced, capable and resourceful firms. Also, I concur with your evaluation team's recommendation of the larger underwriting team, and I believe that the team, as recommended, will serve the Commission extremely well.

Chairman Hruby: Thank you, Mr. Kauffman. I appreciate your comments.

Are there any questions or further comments? Hearing none, roll call.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Murphy.

Mr. Murphy: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Five to nothing.

OHIO TURNPIKE COMMISSION

Resolution Authorizing the Appointment of Underwriters for the Issuance of New Revenue Bonds

WHEREAS, in accordance with Governor John Kasich's Ohio Jobs and Transportation Plan, as endorsed by the Commission via Resolution No. 1-2013, as well as the amendments that will become effective to the Ohio Turnpike Act on July 1, 2013, the Commission will engage in the issuance of up to \$1.5 billion dollars in Turnpike Revenue Bonds over the next several years that will be used to fund infrastructure projects identified by the Ohio Department of Transportation and approved by the Ohio Turnpike Commission, with the first issuance to also include \$70 million to accelerate the Commission's mainline pavement reconstruction program; and

WHEREAS, the Commission is authorized by Section 5537.08 of the Ohio Revised Code to issue revenue bonds for the purpose of paying all or any part of the cost of any one or more Turnpike projects; and

WHEREAS, the recently passed Am. Sub. H.B. 51 has modified Section 5537.08 of the Ohio Revised Code, such that, effective July 1, 2013, the Commission will be authorized to issue revenue bonds for the purpose of paying all or any part of the cost of any one or more infrastructure projects; and

WHEREAS, as authorized by Resolution No. 10-2013, Commission staff issued a Request for Qualifications ("RFQ") to solicit proposals from investment banking firms to serve as either senior managing or co-managing underwriter on one or more potential transactions; and

WHEREAS, an Evaluation Committee consisting of the CFO/Comptroller, the General Counsel, the Assistant Comptroller and the Commission's Financial Advisor has reviewed the twenty-eight Qualification Statements submitted by various investment banking firms that expressed an interest in providing Underwriting Services, and has submitted a written recommendation to the Commission for the selection of an underwriting syndicate consisting of fourteen firms including: Senior Manager - Citigroup Global Markets, Inc., of New York, New York; Co-Senior Manager - J.P. Morgan Securities, Inc., of Chicago, Illinois; and Co-Senior Manager - Morgan Stanley & Co., LLC, of Chicago, Illinois; and

WHEREAS, the General Counsel also advises that, 1) the aforesaid Qualification Statements were solicited on the basis of the same terms and conditions with respect to all RFQ respondents and potential respondents, and 2) due and full consideration has been given to the Qualification Statements received, the respondents' qualifications and their abilities to perform the required services; and

WHEREAS, expenditures incurred by the Commission for the Underwriting Services 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 to authorize establishment of the underwriting syndicate; and

WHEREAS, the Executive Director has reviewed the reports of the Evaluation Committee and the General Counsel and, predicated upon their analysis, concurs with establishing the recommended underwriting syndicate; and

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

RESOLVED, that the Executive Director and CFO/Comptroller, in consultation with the Commission's Financial Advisor, are authorized to appoint the following firms to furnish Underwriting Services to the Commission for the issuance of new revenue bonds, the proceeds of which will be utilized to pay for the cost of Turnpike projects and infrastructure projects:

Senior Manager -	Citigroup Global Markets, Inc., of New York, NY
Co-Senior Manager -	J.P. Morgan Securities, Inc., of Chicago, IL
Co-Senior Manager -	Morgan Stanley & Co., LLC, of Chicago, IL
Co-Manager -	Bank of America/Merrill Lynch, Inc., of Philadelphia, PA
Co-Manager -	Fidelity Capital Markets, of Chicago, IL
Co-Manager -	The Huntington Investment Company, of Cleveland, OH
Co-Manager -	Jefferies, LLC, of New York, NY
Co-Manager -	KeyBanc Capital Markets, Inc., of Cleveland, OH
Co-Manager -	Loop Capital Markets, LLC, of Cleveland, OH
Co-Manager -	PNC Capital Markets, LLC, of Columbus, OH
Co-Manager -	RBC Capital Markets, of New York, NY
Co-Manager -	Rice Financial Products, LLC, of Columbus, OH
Co-Manager -	Stifel, Nicolaus & Company, Inc., of Cleveland, OH
Co-Manager -	Wells Fargo Securities, of Chicago, IL

FURTHER RESOLVED, that the Commission's Executive Director, CFO/Comptroller and General Counsel are authorized and directed to notify the aforesaid investment banking firms and to negotiate a bond purchase agreement with said firms in accordance with the Commission's Request for Qualifications and the responses thereto, subject to further resolution by the Commission, and to take any and all further action necessary to carry out the terms thereof; and

FURTHER RESOLVED, that said underwriting syndicate may be re-appointed for any future debt issuance related to Governor Kasich's Ohio Jobs and Transportation Plan, provided, however, that any modifications to the syndicate shall first be reported to the Commission.

(Resolution No. 20-2013 adopted April 8, 2013)

Director Hodges: Mr. Chairman, if I may.

Chairman Hruby: Please.

Director Hodges: I just wanted to take the opportunity to introduce the team from CITIgroup. This is Dan Cohen. If you would you like to introduce the rest of your team, we would appreciate it.

Dan Cohen: First of all, on behalf of my team and CITIgroup, we want to thank the Commission Members, as well as the Senior Staff. We are looking forward to a very successful transaction. Co-leading the team is Ron Marino, Ben Cooper, Evan Levine and George Leuntz.

Chairman Hruby: Welcome, and thank you. Is there anything else? Marty, please proceed.

CFO/Comptroller: The next Resolution I have this morning is a Resolution Authorizing the Executive Director to Issue Public Notice and Hold Public Hearings Regarding a Proposal to Revise the Ohio Turnpike Commission's Schedule of Tolls. Governor John Kasich's Ohio Jobs and Transportation Plan, which was endorsed by the Commission under Resolution No. 1-2013, provides for the issuance of approximately \$1.5 billion in revenue bonds by the Commission over the next few years to fund both Turnpike and infrastructure projects. The Transportation Budget, which was recently passed by the General Assembly, contains revisions to the Ohio Turnpike Act that would allow for the Commission to implement the Governor's Plan by issuing revenue bonds for the purpose of paying for the costs of infrastructure projects recommended by the Director of Transportation as evaluated and approved by the Commission. Under the Governor's Plan, toll rates would rise with the rate of inflation for ten years, and the additional revenue generated would be used to pay for the increased debt service costs associated

with the issuance of the new revenue bonds. We reviewed the Plan with our financial advisors and other financial experts, and determined that the Commission would be able to better project its revenues if tolls will be raised at the historical rate of inflation, or 2.7%, over the next ten years instead of the actual rate of inflation for each year over the next ten years.

This series of predefined toll rate increases would be able to be factored into the revenue projections that our Traffic & Revenue Consultant is preparing for inclusion in our financial projections that will be presented to the credit rating agencies. This should result in higher credit ratings and lower interest rates on the new revenue bonds. To insure that tolls increase at the rate of inflation over time, as outlined in the Governor's Plan, we recommend that if the cumulative increase in the rate of tolls after ten years exceeds the cumulative rate of inflation in compliance with the Master Trust Agreement, the Commission will freeze tolls after the tenth year until the cumulative rate of inflation from January 1, 2012 exceeds the cumulative increase in tolls through that date. If the cumulative increase in the rate of tolls is less than the cumulative rate of inflation, and the Commission's operating and capital costs are increasing more than projected, the CFO/Comptroller and Executive Director should be instructed to determine whether a change in the Toll Rate Schedule is required so that the Commission will have sufficient funds to pay operating, capital, and debt service costs.

Included in your meeting materials are Proposed Toll Rate Schedules for years 2014 through 2023, which have been calculated by increasing the current toll rate per mile for each payment method for each vehicle class by 2.7% each year. I have prepared a few slides to help explain how the Toll Rate Schedules are calculated.

The Turnpike has different toll rates for vehicles depending on the height of the vehicle and the number of axles. Class 1 is low two axle vehicles and all motorcycles. This is the class

that I refer to as passenger cars when I provide updates on traffic and revenue. Class 1 vehicles generate approximately 45% of all toll revenue. Classes 2 through 7 are referred to as commercial vehicles. Class 2 vehicles are low three axle vehicles and high two axle vehicles. Classes 3 through 7 are vehicles with progressively more axles with Class 7 being predominately trucks with more than one trailer. Class 5 includes five axle tractor-trailers, and it is the largest commercial class generating approximately 45% of all toll revenue. Classes 1 and 5 combined have 90% of all of our toll revenues.

There are two payment methods that our customers can choose: *E-ZPass*[®], which has a lower toll rate per mile, and non *E-ZPass*[®], which involves presenting payment by cash or credit card to one of our toll collectors. The Toll Rate schedule for non *E-ZPass*[®] transactions is higher in order to cover the increased costs of toll collection. Tolls are calculated for each classification by multiplying the rate per mile by the mileage from state border to state border, from borders to interchanges and between interchanges, and then rounding to the nearest \$.25. Distance traveled on interchange ramps are not considered in the calculation of tolls.

This chart shows the proposed *E-ZPass*[®] toll rates for the next ten years. The toll rate per mile for each Class has been increased by 2.7% each year. Then, the toll rate per mile is multiplied by the number of miles for each trip to arrive at the toll for that trip. You can see that the cost of a full length trip across the Turnpike for a Class 1 vehicle increases from \$11.25 today to \$14.75 in 2023. The cost of a full length trip for a Class 5 vehicle increases from \$35.00 today to \$45.75 in 2023.

This chart shows the proposed non *E-ZPass*[®] toll rates for the next ten years. The cost of a full length trip across the Turnpike for a non *E-ZPass*[®] Class 1 vehicle increases from \$16.50

today to \$21.50 in 2023. The cost of a full length trip for the Class 5 vehicles increases from \$44.00 today to \$57.50 in 2023.

This slide compares our current toll rates with those of other toll authorities in this East-West corridor. You can see that we currently have the lowest *E-ZPass*[®] passenger car toll rate with the exception of Indiana. However, Indiana is temporarily subsidizing the *E-ZPass*[®] passenger car rate. The subsidies are scheduled to end in 2016, and then the *E-ZPass*[®] passenger rate will rise to the non *E-ZPass*[®] rate, which is currently \$.06 per mile. We have the lowest toll rates for commercial vehicles by far. Our non *E-ZPass*[®] passenger car rates are currently at the low end of what the other toll roads charge.

This slide compares our proposed 2023 toll rates with the current rates of the toll authorities in this east-west corridor. You can see that, even after the ten years of toll rate increases, our *E-ZPass*[®] passenger car toll rates will be less than what Illinois, Pennsylvania, and New Jersey are charging today. Indiana's toll rates will increase by a minimum of 2% per year, so, by 2023, their toll rate per mile will be over 20% higher than their current rate. The proposed 2023 toll rates for both *E-ZPass*[®] and non-*E-ZPass*[®] commercial vehicles will be less than what all of the other toll roads are currently charging today. The proposed 2023 toll rates for non- *E-ZPass*[®] passenger car rates are still below what Illinois, Pennsylvania and New Jersey are charging today.

Under the Governor's Plan, the toll rates for all Class 1 *E-ZPass*[®] trips will be frozen for ten years. This table lists all of the possible trips that could be made on the Turnpike. The vehicle entry point is listed on the left side, and the possible exit points are listed on the top. The mileage between the entry point and the exit point are listed in each cell on the table. All of the

cells highlighted in yellow represent trips of 30 miles or less, and the *E-ZPass*[®] Class 1 tolls for these trips have been frozen in the proposed Schedule of Tolls for the next ten years.

With that Mr. Chairman, I would like to turn it over to the General Counsel who will describe the statutory requirements for increasing tolls.

General Counsel: Thank you Mr. Chairman. This next slide describes Chapter 5537.26 and its requirements. Basically, under these provisions, notice will be issued to the Governor and respective leaders of the General Assembly today explaining the justification for the toll rate increases, and public notice will also be issued and a series of public hearings will be conducted in at least three geographically diverse locations along the Turnpike during a 90-day period prior to the Commission taking any action to change the toll rates. One thing I wanted to mention, in addition to what Marty described with respect to comparisons to other toll rate jurisdictions, is that, in the course of the Commission's nearly 60 year history, the rate of inflation has been nearly 754% and the fuel tax has increased by 460%. With respect to our toll rates, tolls for passenger cars have increased only 275%, and for trucks only 62%.

We are proposing to conduct the first hearing in Boardman on May 6, 2013, the second hearing in Maumee on May 13, 2013, and the third hearing here, in Berea, after our Commission Meeting on May 20, 2013. The last slide shows just a timeline for the hearings. We propose to you that the May 6 and May 13 hearings should be in the early evening to allow folks who may want to attend to get there after work, and, then we will conduct that last hearing here after our Commission Meeting.

Chairman Hruby: Mr. Balog.

Vice Chairman Balog: Is the Boardman and Maumee Hearings at the same location that we had last time?

General Counsel: Mr. Chairman and Commissioner Balog, you'll recall we did the Boardman hearing in a blizzard a couple of years ago. Yes, it is at the same location. The Maumee location is a new one. I think the last time we conducted it in Toledo at the Government Center, and the Maumee location, we believe, is a little easier to get to.

Chairman Hruby: Are there any further questions? We'll move on with the Resolution. Kathleen will read the Resolved.

General Counsel: RESOLVED, that, in accordance with Ohio Revised Code Section 5537.26, the Commission hereby authorizes the Chairman and the Executive Director or his designee to issue the required notice to the Governor and respective leaders of the General Assembly explaining the justification for the toll rate increases, and to issue public notice and conduct the required public hearings regarding the proposed revised schedules of toll rates as outlined in the attached exhibit; and

FURTHER RESOLVED, that the Executive Director shall prepare a report to the Commission after issuing public notice and holding the public hearings in at least three geographically diverse locations along the Turnpike; and

FURTHER RESOLVED that, if the cumulative increase in the toll rates exceeds the cumulative rate of inflation from January 1, 2012 (the date of the last toll increase) through December 31, 2023, in accordance with the requirements of Sections 4.04(a) and 5.09(a) of the Master Trust Agreement, it is the Commission's intent to freeze tolls after the tenth year until the cumulative rate of inflation from January 1, 2012 forward exceeds the cumulative increase in tolls since that date; and

FURTHER RESOLVED that, if the cumulative increase in the toll rates is less than the cumulative rate of inflation, and the Commission's operating and capital costs are increasing more than projected, the CFO/Comptroller and the Executive Director are instructed to determine whether a change in the toll rate schedule is required so that the Commission will have sufficient funds to pay operating, debt service and capital costs in accordance with the requirements of Sections 4.04(a) and 5.09(a) of the Master Trust Agreement; and

FURTHER RESOLVED that the Executive Director of the Ohio Turnpike Commission will provide a certified copy of this resolution to the Huntington National Bank, as Trustee for the Bondholders, and to the Commission's appointed bond counsel.

Chairman Hruby: I move to adopt the Resolution.

Secretary Barber: Second.

Director Hodges: Mr. Chairman, I just wanted to say that was a great description from our General Counsel and CFO. I would like to add one more thing, and that is that the 2.7% is in accordance with the study that was completed by KPMG and was released right about December 14, 2012, so the report and the methodology has been out there now for four months.

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

Vice Chairman Balog: The part that deals with the obligations in 2023, those are intended to freeze after the tenth year, and the idea is to go ahead and increase it. Are those recommendations at this point in time? For example, if we did not need the money for some reason, we do not have to increase the rate after 2023, correct?

General Counsel: Mr. Chairman and Commissioner Balog, the answer to your question first and foremost is that this Resolution authorizes the commencement of hearings. This is not the final say. The Commission will see a Resolution after the hearings are conducted with the final determination on the toll rates. The answer to your question more directly is that it is the intent, if we don't have any financial issues arise at the time and if the cumulative rate of inflation is not keeping pace with our toll rates, to hold the rates after 2023. We would obviously have to comply with the Master Trust Agreement and take a look at all of those issues at that time.

Director Hodges: Mr. Chairman, if I may. In practical terms, it is inevitable that ten years from now this Commission will have to revisit that issue. Our financial folks are really good, but they cannot predict ten years from now.

Vice Chairman Balog: I assumed that was the case. I just wanted the clarification that we are not attempting to bind what they do in 2023. That is ultimately the Commission's decision in 2023 based on the economic situation the Turnpike finds itself in at that point in time.

Chairman Hruby: It will probably have that type of language when you do the actual Resolution with the intent being that is what our intention is.

General Counsel: Mr. Chairman, that is correct. We will provide you with the exact same language and, similarly, the language that also allows the Commission at any time to look at our financial state if the reverse happens where inflation is significantly greater than what we have established with the toll rates.

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

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: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Commissioner Murphy.

Mr. Murphy: Yes.

Director Hodges: Five to nothing.

OHIO TURNPIKE COMMISSION

Resolution Authorizing the Executive Director to Issue Public Notice and Hold Public Hearings Regarding a Proposal to Revise the Ohio Turnpike Commission's Schedules of Tolls

WHEREAS, in accordance with Governor John Kasich's Ohio Jobs and Transportation Plan (the "Plan"), as endorsed by the Commission via Resolution No. 1-2013, as well as the amendments that will become effective to the Ohio Turnpike Act on July 1, 2013, under Am. Sub. H.B. 51, the Commission will engage in the issuance of up to \$1.5 billion dollars in Turnpike Revenue Bonds over the next several years that will be used to fund infrastructure projects identified by the Ohio Department of Transportation and approved by the Ohio Turnpike Commission, with the first issuance to also include \$70 million to accelerate the Commission's mainline pavement reconstruction program; and

WHEREAS, the Commission is authorized by the provisions of Ohio Revised Code Sections 5537.04 and 5537.13 to establish the schedule of toll rates, and Section 4.04(a) of the Master Trust Agreement dated as of February 15, 1994, as supplemented by Eighteen supplemental agreements (collectively, the Master Trust Agreement), allows the Commission to increase tolls from time to time as necessary to cover the cost of the operation, maintenance and administration of the Turnpike Project, and also to meet the required amount of System Pledged Revenues; and

WHEREAS, to implement the Plan, the Executive Director and CFO/Comptroller have determined that toll rate increases are needed to pay any increased operating costs over the next ten years, as well as increases in debt service payments required because of the issuance of new debt to fund the infrastructure projects contemplated under the Plan; and

WHEREAS, the Executive Director and CFO/Comptroller have concluded that, on January 1, 2014, and on the first day of January each year thereafter through 2023, a toll rate increase of 2.7% per year, which approximates the historical rate of inflation, would provide stable predetermined toll rates from which traffic and revenue forecasts and financial projections could be generated and provided to the bond rating agencies; and

WHEREAS, the 2.7% per year toll rate increases are meant to estimate the future rate of inflation and may be higher than or lower than the actual rate of inflation; and

WHEREAS, with approval of this resolution, in accordance with the provisions of Ohio Revised Code Section 5537.26, notice will be issued to the Governor and respective leaders of the General Assembly explaining the justification for the toll rate increases, and public notice will be issued and a series of public hearings will be conducted in at least three geographically diverse locations along the Turnpike during a ninety-day period prior to the Commission taking any action to change the toll rate structure; and

WHEREAS, the Commission has duly considered all of these recommendations.

NOW, THEREFORE, BE IT

RESOLVED, that, in accordance with Ohio Revised Code Section 5537.26, the Commission hereby authorizes the Chairman and the Executive Director or his designee to issue the required notice to the Governor and respective leaders of the General Assembly explaining the justification for the toll rate increases, and to issue public notice and conduct the required public hearings regarding the proposed revised schedules of toll rates as outlined in the attached exhibit; and

FURTHER RESOLVED, that the Executive Director shall prepare a report to the Commission after issuing public notice and holding the public hearings in at least three geographically diverse locations along the Turnpike; and

FURTHER RESOLVED that, if the cumulative increase in the toll rates exceeds the cumulative rate of inflation from January 1, 2012 (the date of the last toll increase) through December 31, 2023, in accordance with the requirements of Sections 4.04(a) and 5.09(a) of the Master Trust Agreement, it is the Commission's intent to freeze tolls after the tenth year until the cumulative rate of inflation from January 1, 2012 forward exceeds the cumulative increase in tolls since that date; and

FURTHER RESOLVED that, if the cumulative increase in the toll rates is less than the cumulative rate of inflation, and the Commission's operating and capital costs are increasing more than projected, the CFO/Comptroller and the Executive Director are instructed to determine whether a change in the toll rate schedule is required so that the Commission will have sufficient funds to pay operating, debt service and capital costs in accordance with the requirements of Sections 4.04(a) and 5.09(a) of the Master Trust Agreement; and

FURTHER RESOLVED that the Executive Director of the Ohio Turnpike Commission will provide a certified copy of this resolution to the Huntington National Bank, as Trustee for the Bondholders, and to the Commission's appointed bond counsel.

(Resolution No. 21-2013 adopted April 8, 2013)

Chairman Hruby: Anything further, Marty?

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

Chairman Hruby: Thank you very much. We appreciate your good work.

Next, our General Counsel, Kathleen Weiss.

General Counsel: Thank you Mr. Chairman. I have a few items for you today. The first is a Resolution for your consideration for the Appointment of Bond Counsel.

To prepare for the bond sale, the Commission, via Resolution No. 10-2013, authorized the

issuance of an updated Request for Qualifications for Bond Counsel Services. The Commission must retain bond counsel that will be responsible for the numerous legal tasks related to the bond proceedings. On August 10, 2012, the Legal Department issued its Request for Qualifications for various types of Legal Services to which 11 firms responded indicating that they were interested in performing bond counsel services for the Ohio Turnpike Commission. Then, on February 22, 2013, letters were sent to these firms requesting an update to the Qualification Statements related to their abilities to perform bond counsel services, as well as their proposed fees for the upcoming bond issue. Responses were due on March 13, 2013, and eight firms submitted proposals. An evaluation committee comprised of the CFO/Comptroller, Marty Seekely; our staff attorney, Mark Musson; and myself reviewed the updated Qualification Statements. I want to say that all of the proposals were very well received and well done. The Evaluation Committee unanimously awarded the highest ranking score to Squire Sanders (US), LLP of Columbus, Ohio. Services would also be provided by that firm out of its Cleveland office. Squire Sanders has previously served extremely well as the Commission's bond counsel, and most recently shepherded the 2010 refunding. The firm has also been involved with numerous State of Ohio issues; serves as bond counsel to ODOT, as well as the Ohio Public Facilities Commission, and also handled the State's tobacco settlement securitization. The fee proposal of Squire Sanders at a rate of \$.20 per-bond (per \$1,000) was the best per-bond proposal received. In addition, Squire Sanders has agreed to cap the firm's fees for this debt issuance between \$175,000 and \$190,000 depending on the amount of the issuance, which the committee deemed reasonable and acceptable. With your permission Mr. Chairman, I would like to read the Resolved.

Chairman Hruby: Please do.

General Counsel: RESOLVED, that the Executive Director and General Counsel are hereby authorized to retain **Squire Sanders (US) LLP**, with offices in both **Cleveland and Columbus, Ohio**, to serve as bond counsel for the upcoming issuance of Turnpike Revenue Bonds, and to execute a Retention Agreement with said firm, which Agreement may be renewed for any future debt issuance related to Governor Kasich's Ohio Jobs and Transportation Plan; and

FURTHER RESOLVED that the Executive Director of the Ohio Turnpike Commission will provide a certified copy of this resolution to the Huntington National Bank, as Trustee for the Bondholders.

General Counsel: I would like to introduce our team members from Squire Sanders that are here today. If you would like to entertain a motion first, that's fine.

Vice Chairman Balog: I will make the motion.

Secretary Barber: Second.

Chairman Hruby: We will have comments after the introduction.

General Counsel: Thank you Mr. Chairman. Greg Stype is here and Kathy Petrey is also here. Greg, if you would like to introduce yourself.

Mr. Stype: Hello. I'm Greg Stype. Also with us today are Dana Weiss and Mike Cullers, who will be part of the team. On behalf of the firm, my colleagues here and back at our firms offices, we would like to thank you very much for the opportunity to continue working with the Commission.

Chairman Hruby: Are there any further comments or 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: Commissioner Dixon.
Mr. Dixon: Yes.
Director Hodges: Commissioner Murphy.
Mr. Murphy: Yes.
Director Hodges: Five to nothing.

OHIO TURNPIKE COMMISSION

Resolution Appointing Bond Counsel for the Issuance of New Revenue Bonds

WHEREAS, in accordance with Governor John Kasich’s Ohio Jobs and Transportation Plan, as endorsed by the Commission via Resolution No. 1-2013, as well as the amendments that will become effective to the Ohio Turnpike Act on July 1, 2013, the Commission will engage in the issuance of up to \$1.5 billion dollars in Turnpike Revenue Bonds over the next several years that will be used to fund infrastructure projects identified by the Ohio Department of Transportation and approved by the Ohio Turnpike Commission, with the first issuance to also include \$70 million to accelerate the Commission’s mainline pavement reconstruction program; and

WHEREAS, a Request for Qualifications (“RFQ”) for Outside Counsel Services was issued by the Legal Department during August 2012, and eleven law firms provided written responses to the RFQ that outlined their qualifications to provide bond counsel services to the Commission; and

WHEREAS, as authorized by Resolution No. 10-2013, the General Counsel subsequently issued a letter on February 22, 2013, requesting that these eleven law firms provide the Commission with an updated statement of their qualifications, including a fee proposal, to serve as bond counsel to the Commission with respect to the potential issuance of the above-referenced bonds; and

WHEREAS, an Evaluation Committee consisting of the General Counsel, CFO/Comptroller and the Staff Attorney reviewed the updated Qualification Statements and fee proposals submitted by eight law firms expressing their interest in serving as bond counsel to the Commission, and has unanimously recommended that the law firm of **Squire Sanders (US) LLP**, with offices in both **Cleveland and Columbus, Ohio (“Squire Sanders”)**, be retained to serve as bond counsel to the Commission for the upcoming issuance of Turnpike Revenue Bonds; and

WHEREAS, Squire Sanders has previously served extremely well as the Commission's bond counsel, and has also been involved with numerous State of Ohio issues (including for ODOT and the Ohio Public Facilities Commission), and has also provided the lowest cost per bond proposal of \$0.20 per bond; and

WHEREAS, the General Counsel also advises that, 1) the aforesaid Qualification Statements were solicited on the basis of the same terms and conditions with respect to all RFQ respondents and potential respondents, 2) due and full consideration has been given to the Qualification Statements received, the respondents' qualifications and their abilities to perform the required services, and 3) Squire Sanders has provided evidence of its ability to provide the required insurance as set forth in the RFQ; and

WHEREAS, expenditures under the Agreement for Bond Counsel services 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 to authorize Squire Sanders' retention; and

WHEREAS, the Executive Director has reviewed the reports of the Evaluation Committee and the General Counsel and, predicated upon their analysis, concurs with the recommendation that Squire Sanders (US) LLP be retained as the Commission's bond counsel for the upcoming issuance of Turnpike Revenue Bonds; and

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

RESOLVED, that the Executive Director and General Counsel are hereby authorized to retain **Squire Sanders (US) LLP**, with offices in both **Cleveland and Columbus, Ohio**, to serve as bond counsel for the upcoming issuance of Turnpike Revenue Bonds, and to execute a Retention Agreement with said firm, which Agreement may be renewed for any future debt issuance related to Governor Kasich's Ohio Jobs and Transportation Plan; and

FURTHER RESOLVED that the Executive Director of the Ohio Turnpike Commission will provide a certified copy of this resolution to the Huntington National Bank, as Trustee for the Bondholders.

(Resolution No. 22-2013 adopted April 8, 2013)

Chairman Hruby: Kathleen, please continue.

General Counsel: Thank you Mr. Chairman. I have an additional Resolution for your approval is a Resolution Authorizing the Filing of a New Administrative Rule Establishing Procedures for Receipt and Review of Applications for the Funding of Infrastructure Projects. Under the amendments that will become effective to the Ohio Turnpike

Act on July 1, 2013, amended substitute H.B. 51 adds a new provision, Section 5537.18 which requires that the Commission adopt Administrative Rules establishing the procedures and criteria under which the Commission may approve an application received from the Director of Transportation for infrastructure project funding. Section 5537.18 additionally states that such rules shall require an infrastructure project to have an anticipated benefit to the system of public highways in the State of Ohio, and transportation related nexus with and relationship to the Ohio Turnpike system and Ohio Turnpike and Infrastructure system. And, that section also sets forth the criteria to be utilized by the Commission in determining that nexus and relationship. The same section of law also requires that the application submitted to the Commission for infrastructure project funding, as submitted by the Director, shall include only infrastructure projects that previously have been reviewed and recommend by the Transportation Review Advisory Council (“TRAC”) pursuant to the selection process followed by the Council under Chapter 5512 of the Ohio Revised Code. The newly proposed Administrative Rule must be submitted to the Joint Committee on Agency Rule Review (“JCARR”) in accordance with the requirements of Section 111.15 of the Ohio Revised Code prior to its implementation by the Commission. Once JCARR approves the new rule, the Commission will file the rule in final form with JCARR at the Legislative Service Commission on the Secretary of State. This Resolution requests your approval to initiate the process for adopting a new Administrative Rule and to establish the procedures and criteria under which the Commission may improve the application that I just described to you. Therefore, if I may, please read the Resolved, and I would also like to invite our newest Commission Member, Mr. Murphy, to provide some comment on how ODOT is going to submit the applications to us. Mr. Chairman, would you like me to continue with reading the Resolved first?

Chairman Hruby: Please.

General Counsel: RESOLVED, that the Commission hereby authorizes the Executive Director and General Counsel, in accordance with Section 111.15 of the Ohio Revised Code, to initiate the process of submitting a proposed new administrative rule, 5537-10-01, to the Joint Committee on Agency Rule Review, which rule shall establish the procedures and criteria under which the Commission may approve an application received from the Director of Transportation for Infrastructure Project Funding; and

FURTHER RESOLVED, that the Commission shall be presented with an additional resolution once the aforementioned statutory procedures for filing the rule have been completed, which resolution shall authorize the filing in final form of the administrative rule with the Joint Committee on Agency Rule Review, the Legislative Service Commission and the Secretary of State.

Chairman Hruby: We have heard the Resolution, what's your pleasure?

Vice Chairman Balog: Motion to adopt.

Secretary Barber: Second.

Chairman Hruby: Mr. Murphy.

Mr. Murphy: Thank you, Mr. Chairman. I would like to start with a couple of things. First, Rick and I have talked a lot about how close the Turnpike has been working and what a great collaboration it is now going forward, and to continue that...first of all, again, to echo your thanks Myron Pakush. He is our Deputy Director of District 12. After this became law, the Administration decided that putting me as the Commissioner, and Myron in his role as Deputy Director of District 12 was appropriate. Not to mention because of what he does for our District, but, also for the statewide and northern part of the state how the implications of the projects going forward.

Second, as you indicated, this is a historic day with the Turnpike. I think back to you being one of the charter members of the TRAC when it was written into law in the late nineties. The Chairman was the chief architect and founding father of the TRAC, so it is historic and ironic that we are back together again for this. I will explain some of the TRAC process.

Although not in the new law, we have committed to the public and to the General Assembly that we at ODOT are working together with the Commission. Members of my team will sit at each one of your Commission meetings to answer any questions about TRAC projects, and/or advise or take any notes that we may need back at ODOT. With that, our team here today is Jennifer Townley, the Deputy Director of ODOT's Division of Planning. She oversees the TRAC process. With her is Tim McDonald, who is the Program Manager for TRAC. Tim has been with us for decades and knows TRAC inside and out. Lastly is Jim Gates who, basically, runs TRAC. So, these three will be with you, all or in part, going forward for all of these projects. Similarly, a member of Rick's staff will come down to each one of our TRAC meetings for the same thing to answer any questions and/or take any notes for the Board.

The TRAC is a nine-member body of which the Director of Transportation always is the Chair. Jerry Wray as the current Director of ODOT and is the Chair. It is regionally represented. There are scoring criteria that take into account capacity addition, safety, congestion, economic development, etc. It is a 100-point scoring process. To qualify for a TRAC project, it has to add capacity to the system, meaning add lanes, and the project has to be in excess of \$12 million. All of the projects that would be brought before this Commission will first be vetted by the TRAC. We don't have commissioners, mayors and so forth as sponsors. They can request ODOT to have a project, but each project is always sponsored by the ODOT District Deputy Director. The TRAC will vet the projects, and it will be all, or in part, if they are asking for Turnpike bond revenue. TRAC will score that. They will have to define a nexus in the application and ask for a percentage which can be anywhere from 0% to 100%. The TRAC will vote to approve that funding package and then, once the TRAC has approved that, the sponsor will come before this body for your approval upon which you can change that

percentage back to zero, or you can increase it or do whatever you choose to do. Once that is approved, then the project is funded, and it is upon ODOT to deliver the project in the given timeline. The administrative flow of dollars, and Marty has a better understanding than I do, but, essentially, it will be a repayment process. There is a new section of the TRAC application that defines the Turnpike nexus, meaning egress and ingress to the Turnpike, how it impacts the Turnpike, and that is a lot of what these rules that Kathy went through explain. It will be a very open and transparent process from the sponsors, to the TRAC, to the Turnpike and Infrastructure Commission upon approval. Rick, is there anything that I have missed, or that you would like to add, or any questions I can answer for the Commission?

Director Hodges: If I may. I appreciate the description of the ODOT process. This law was constructed very carefully in light of other court decisions, in light of the evolution of the Turnpike, in light of our separate statutes and that we are an instrumentality of the State and not just an agency, so it is imperative that, although ODOT and the Turnpike work very closely and collaborate together, we play very different and distinct roles. The project selection is entirely an ODOT/TRAC process. We will have a non-voting member of the Turnpike there to understand the process and understand the rationale and to share information just as ODOT will here. But once that process ends, and the application is submitted to the Turnpike, the Commission's role is to determine whether it is an appropriate use of Turnpike funds in light of our fiduciary responsibilities to our bond holders, to our customers and to the agency. So, they are very distinct roles, but I know that the leadership at ODOT, and certainly our staff leadership are committed to continuing this good relationship that we have.

Mr. Murphy: That's a good point, Rick. Over the years, as TRAC has evolved and has become a cultural part of ODOT, (it was started 16 or 17 years ago), the Director, Jerry

Wray, who is now the Director again, was hoping that it would take on, and it has, a life of its own. We need to be clear, and we try to be clear with the public and with our constituents, that the TRAC is a funding body. It does not set priorities for ODOT. It is not a governing body of ODOT. We set the priorities. We push the projects forward, and we deliver projects that TRAC decides are an appropriate use of funds similar to this body. This body has more of a management role than the TRAC does, but it is a funding body, and so this Board will be a second funding body to the TRAC. If this body approves a project's funding, it is the onus is on ODOT to deliver it, and we would deliver it in the year that you and the TRAC has determined as appropriate. ODOT will not request funds that we simply cannot deliver. If we are asking for funds in 2014, but the project will not be ready until 2015, we will not do that, and if we do, we will make some changes at ODOT.

Chairman Hruby: If I could just make some comments to that. I served on the TRAC for almost nine years. The process is an excellent one. It is a process based upon rules that are written by the TRAC. There are a criteria established, which leave the politics out of the voting. You can clearly see a project evolve based upon the information that Mr. Murphy explained in the criteria for the grading. One of the interesting things, and the best part of the TRAC process, I believe, is that the recommendations come from the ODOT Deputy Director who gets his recommendations from the various municipal governments, and the Municipal Planning Organizations, who all give input into the process. So, it is an excellent process. They used to like to talk about how Governor Rhodes would go into a tent and make a decision while looking at a cow as to what road would be paved, and TRAC took that away. It took the politics out of it. It is a process that I believe in a lot. Just one question for you, will the criteria on the nexus be established in the rules of TRAC?

Mr. Murphy: Mr. Chairman, nexus will be established by the rule that is going to be adopted forth that Kathy will read for JCARR. However, there is now a section in the application for our process that will define what a nexus is. The TRAC will, with the help of the Turnpike's designee, look at that and determine if they believe there is a nexus. But, it will be this body's teeth that says that it does not have a nexus, and to go find the money elsewhere.

Chairman Hruby: My point is that the language that you have in the TRAC rules is the same language that we have here, and it will be the same criteria base. Correct?

Mr. Murphy: Correct.

Chairman Hruby: Is there an appeal process built into this? Let us say, for example, if the TRAC would recommend something, and we disagree with that, is our say final?

Mr. Murphy: Your say is final for funding. As I have explained around the state and to the General Assembly, if the Board determines that there is no nexus and the project is not funded by the bond proceeds, the project does not go away. We have been building projects across the State of Ohio for decades and with the TRAC for 16 years now, we will just have to find a different way to fund it. It is interesting that you mention the story about Governor Rhodes and the cow metaphor. When Director Wray was the previous Director, the question was "How do we build projects?" And, one of our Assistant Directors at the time said, "It is a bale of hay process. It is a wagon full of bales of hay on it, and when one falls off, you build it." Now, as Jennifer can attest, it is very methodical, it is very structured, it is very scheduled and project oriented. We are striving to have projects waiting on money. We are working fast and furious right now to move to that because, once the bond proceeds are available, we will have money waiting on projects, and that is just not acceptable to us. I will make a point of order, traditionally the TRAC process starts about May and runs through the summer. There are some

public hearings in the fall, there is a draft vote in January with a 30-90 day public comment period, and then in March or April, we vote on a list. Given H.B. 51, and this new collaboration, we are expediting the TRAC process. We are accepting applications now until the end of April with public comment in May and June for a TRAC vote in late July or August so, that, when the bonds are sold in August or September, we are ready to move projects, and we can come to this body to ask for bond proceeds.

Chairman Hruby: Again, I have nothing but praise for the TRAC system. Tim is still there, and Tim is one of the integral parts of that and was back then. Thank you very much. I know Director Wray has done a wonderful job over the years.

Director Hodges: It was explicitly written into the law that there is no appeal after this body. Kathy, can you explain the legal non-appeal language of the legislation?

General Counsel: Mr. Chairman and Commission Members, the language about it being conclusive and incontestable needed to be there to create that finality of the decision making of this body in order to maintain its independence, and also to avoid the ongoing issues once we have decided to fund or not to fund a project. Those decisions are not going to be subject to question. What will happen is that an agreement will be tailored for entry between the Commission and ODOT, a form of which we will present to the Commission for review when we present resolutions to request funding. You will see a similar format for all of those agreements.

Chairman Hruby: Anything further? 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: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Commissioner Murphy.

Mr. Murphy: Yes.

Director Hodges: Five to nothing.

OHIO TURNPIKE COMMISSION

Resolution Authorizing the Filing of a New Administrative Rule Establishing Procedures for Receipt and Review of Applications for the Funding of Infrastructure Projects

WHEREAS, under amendments that will become effective to the Ohio Turnpike Act on July 1, 2013, the Commission will engage in the issuance of up to \$1 billion dollars in Turnpike Revenue Bonds that will be used to fund infrastructure projects identified by the Ohio Department of Transportation and approved by the Ohio Turnpike Commission; and

WHEREAS, the General Counsel has advised the Commission that the Turnpike statutes have been amended under Am. Sub. H.B. 51 to add a new provision, Section 5537.18, which requires that the Commission adopt administrative rules “establishing the procedures and criteria under which the Commission may approve an application received from the director of transportation for infrastructure project funding;” and

WHEREAS, Section 5537.18 additionally states that such rules shall “require an infrastructure project to have an anticipated benefit to the system of public highways in the state of Ohio and transportation-related nexus with and relationship to the Ohio turnpike system and the Ohio turnpike and infrastructure system,” and also sets forth the criteria to be utilized by the Commission in determining the aforementioned nexus and relationship; and

WHEREAS, Section 5537.18 also requires that the applications submitted to the Commission for infrastructure project funding, “as submitted by the director, shall include only infrastructure projects that previously have been reviewed and recommended by the transportation review advisory council pursuant to the selection process followed by the council under Chapter 5512. of the Revised Code;” and

WHEREAS, any newly proposed administrative rule must be submitted to the Joint Committee on Agency Rule Review (“JCARR”) in accordance with the requirements of Section 111.15 of the Ohio Revised Code prior to its implementation by the Commission; and

WHEREAS, in accordance with the applicable statutory provisions, once JCARR approves the new rule, the Commission shall file said rule in final form with JCARR, the Legislative Service Commission and the Secretary of State; and

WHEREAS, the Commission concurs that the process should be initiated for adopting a new administrative rule establishing the procedures and criteria under which the Commission may approve an application received from the Director of Transportation for Infrastructure Project Funding.

NOW, THEREFORE, BE IT

RESOLVED, that the Commission hereby authorizes the Executive Director and General Counsel, in accordance with Section 111.15 of the Ohio Revised Code, to initiate the process of submitting a proposed new administrative rule, 5537-10-01, to the Joint Committee on Agency Rule Review, which rule shall establish the procedures and criteria under which the Commission may approve an application received from the Director of Transportation for Infrastructure Project Funding; and

FURTHER RESOLVED, that the Commission shall be presented with an additional resolution once the aforementioned statutory procedures for filing the rule have been completed, which resolution shall authorize the filing in final form of the administrative rule with the Joint Committee on Agency Rule Review, the Legislative Service Commission and the Secretary of State.

(Resolution No. 23-2013 adopted April 8, 2013)

General Counsel: Mr. Chairman, I have one last small item. In your folders, you have your quarterly litigation report.

Chairman Hruby: Thank you. Let us move on to our report from our Financial Advisor, Bethany.

Ms. Pugh: Mr. Chairman and Commission Members, I have no report.

Chairman Hruby: Our General Consultant, Scott Buchanan.

Mr. Buchanan: No report, Mr. Chairman.

Chairman Hruby: Our Trustee, Mr. Lamb.

Mr. Lamb: No report, Mr. Chairman.

Chairman Hruby: Our Ohio State Highway Patrol, which I understand you going to be making an announcement that we are sadly going to hear. You should be very proud and very happy. Can I spring the news? Do you want to spring the news?

Lt. Sivak: The floor is yours.

Chairman Hruby: He is being promoted. He has done such a wonderful job. I mean this sincerely before you begin. You have done a marvelous job in the months that you have been with us. I appreciate the openness, the candidness and, of course, the professionalism that you have demonstrated during your tenure here.

Lt. Sivak: For my report today, there are a couple of things that I would like to talk about. We have three new troopers that are starting today that add to the 11 we currently have in training out here. We will have a total of 14 new troopers out here working. These three are assigned to the Milan Post, and I am looking forward to continued great things from them, as well as the other personnel we have here. I just wanted to touch on crashes. For this past March, they were down 5%, and down 16% for the year. One of the things that I have noticed since my arrival here back in August, is the incredible partnerships that go on on this road. I am fortunate to be up here representing the Ohio State Highway Patrol, but I don't represent just the Patrol. It is that whole safety aspect. All of these different things that are going on on the road here really mean little if you cannot get from point A to point B safely, and I'm not saying it is the Highway Patrol that does that again, we are just the most visible part. I have talked about it many times, the maintenance, engineering, the marketing department, and all of the groups that work together to make this a safe road. All I knew before August, was that I got in, grabbed my ticket, and I paid when I got off at the end and, as a law enforcement officer, never thinking about what goes

on here. I am very impressed, and I just wanted to say thank you to everybody today specifically, Mr. Hedrick, Ms. Weiss, Director Hodges. I have had 28 years with the Ohio State Highway Patrol, and I can honestly say that I have enjoyed nothing more than the time I have spent here. Everyday has just been a pleasure to be here. Although, I am sad to be leaving, you are going to be in good hands with the person who is returning here, Capt. Roger Hannay, who is with me today. He has had many more years than I have, and a lot of the things that I have learned to do, I learned under the guidance of Capt. Hannay.

Capt. Hannay: Mr. Chairman and Commission Members, it is good to be back. This will be my second tour assigned to the Ohio Turnpike. I come to you with a little more experience than when I left a couple of years ago. I currently am one of the co-chairs of Ohio's Traffic Incentive Management Program, or Ohio Quick Clear Program. Al Phillips with the Ohio Department of Transportation, and I chair that organization, which is a cooperative effort between all first responders to keep highways open and traffic moving, which I am sure the Commission Members would be happy to see happen here.

Chairman Hruby: Welcome back Captain. We look forward to working with you.

Lt. Sivak: That concludes my report, Mr. Chairman.

Chairman Hruby: The next Commission Meeting will be Monday, May 20, 2013, at 10:00 a.m. Before we move to a motion to adjourn to Executive Session, on behalf of the Commission, I just wanted to express our appreciation to Director Hodges, his staff along with Chief of Staff Murphy and the ODOT staff for putting together this information that ended up being in these resolutions today. It is a lot of work and a very responsible task on the part of all of them in a very, very short time. I cannot thank you enough for your fine work in doing that. I know it was a great burden on the staff, and I know that you were under the gun during this

period of time. Thank you again so very much for doing that. Lastly, I would just like to recognize the gentleman in the audience that gave 30 years of his life to this Commission and is back visiting us, Dan Castrigano. It is great to have to you back as a visitor. Please stand so we can all say hello.

Mr. Murphy: I move that we hold an Executive Session to discuss litigation matters under the provision of the Ohio Revised Code, §121.22(G)(3). At the end of the Executive Session, the Commission shall resume its open meeting.

Chairman Hruby: Second. All those in favor, signify by saying “aye.” Anyone oppose? All Commission Members say “aye.” We are in Executive Session. There will be no additional action taken by this Commission thereafter. Again, our next meeting will be Monday, May 20, 2013 at 10:00 a.m. We are in Executive Session. (11:19 a.m. – 11:42 a.m.)

Chairman Hruby: (11:42 a.m.) If there is no further business, I move for a motion to adjourn. All in favor signify by saying “aye.” All Commission members say “aye.” Thank you very much for your attendance. We are adjourned.

Attendees for Record Keeping Purposes:

Kim DuPrey, Fidelity Capital; Melissa Ayers, ODOT; Bethany Pugh, PFM; Scott Trommer, PFM; Robert Rich, PFM; Dan Cohan, CITI; Ron Marino, CITI; Evan Levine, CITI; Ben Cooper, CITI; Dan Castrigano, CDL; George Leung, CITI; Jennifer Townley, ODOT; Tim McDonald, ODOT; Jim Gales, ODOT; Ryan Kozak, PFM; Rick Gobielle, Jacobs; Greg Stype, SSD; Ms. A. Burke, RBS; Vic Spinabelli, Hill; Matt Stuczynski, Huntington; Courtney Knight, RFPC; Scott Buchanan, URS; Tom Breckenridge, *Cleveland Plain Dealer*; Frank Lamb, Huntington Bank; Kathy Petrey, Squires Sanders (US) LLP; Tom Parevosnik, IUOE Local 18; Dick Boylan, RLB Group; Beth Fulton, URS; Glen Stephens, GStephens; Dennis Golem, Wells Fargo; Dana Weiss, Squire Sanders (US) LLP; Michael Cullers, Squire Sanders (US) LLP; Chris Near, HMS; Lara Dolan, KeyBank; Jake Wozniak, KeyBank; Jennifer Stueber, Tucker Ellis & West, LLP; Eugene Killeen, Tucker Ellis & West, LLP; William Matlock, Castle Oak Securities; David Paragas, Barnes & Thornburg, LLP; Lieutenant Jim Sivak, Ohio State Highway Patrol; Capt. Roger Hannay, OSHP; Marty Seekely, Ohio Turnpike; Robin Carlin, Ohio Turnpike; Tony Yacobucci, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Donna Fritz, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Lauren Hakos, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Dave Miller, Ohio Turnpike.

Time of adjournment: 11:42 a.m.

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

Sandra K. Barber, Secretary-Treasurer