

MINUTES OF THE 594th MEETING OF THE OHIO TURNPIKE COMMISSION
May 20, 2013

Chairman Hruby: (10:00 a.m.) Pledge of Allegiance is recited by all in attendance. The meeting will come to order. We ask that all guests please sign in on the sign in sheet so we can keep an accurate record of attendance. Will the Executive Director please call the roll?

Director Hodges: Chairman Hruby.

Chairman Hruby: Here.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Here.

Director Hodges: Mr. Dixon has sent his regrets.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Present.

Director Hodges: Mr. Murphy will be here shortly. (arrived at 10:09)

Director Hodges: Mr. Kauffman.

Mr. Kauffman: Here.

Director Hodges: Mr. Smith.

Mr. Smith: Here.

Director Hodges: Senator Manning.

Senator Manning: Here.

Director Hodges: Representative Dovilla.

Representative Dovilla: Present.

Director Hodges: We have a quorum.

Chairman Hruby: Thank you. On behalf of the Commission, welcome Senator Manning.

Senator Manning: Thank you.

Chairman Hruby: We are very pleased to have you on board.

Senator Manning: I'm looking forward to being here.

Chairman Hruby: Another addition to the totem pole of your illustrious career. This is the 594th meeting of the Ohio Turnpike Commission. We are here as required by our Bylaws. Various reports will be received, and there will be several Resolutions that we will take action upon, draft copies have been sent to our Members previous to the meeting. The Resolutions will be explained during the appropriate report. Can I have a motion to adopt the Minutes of the April 8, 2013, Commission "Special" Meeting.

Vice Chairman Balog: Moved.

Secretary Barber: Second.

Chairman Hruby: Moved and seconded. Is there any discussion, corrections or additions? 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: We have a majority.

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 April 8, 2013:

1. Eight Resolutions:
2. Minutes of the April 8, 2013 Commission Meeting;

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

3. Traffic Crash Summary Report, March & April, 2013;
4. Traffic and Revenue, March & April, 2013;
5. Investment Report, March & April, 2013;
6. Total Revenue by Month and Year, March & April, 2013;
7. Financial Statement, March & April, 2013;
8. Budget Report, January through March, 2013; and
9. Various News Articles

That concludes my report, Mr. Chairman.

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

Director Hodges: Good morning Mr. Chairman and members of the Commission. I would like to begin my remarks this morning by recognizing a special young lady, and her impressive accomplishment that she has kindly shared with us over the last several months.

I know you have all noticed the model of the Shalersville Interchange that has been on display in our lobby. We have all been impressed with the level of detail, historical accuracy and skill of the model. Today we get to meet and recognize the young artist, and hear a little about the story behind the project.

Annie Allman is a fifth grader at Willyard Elementary in Ravenna. When she was in the fourth grade, about a year ago, she took an Ohio history class. One of her school assignments was to keep a notebook about different destinations in Ohio. Her family went to a different Ohio attraction every weekend. At the conclusion of her travels, a project was due, and she chose to model the Shalersville Interchange. Annie is very interested in the Ohio Turnpike, its history, and her Grandpa Adkins works at the Interchange.

Annie worked for a month to complete the model. Her mom recalls pieces of our Interchange all over the kitchen and the rec room. Annie was required to make a presentation to her classmates about the Interchange and how she constructed it. Of course, she received an “A”. Her project was included among the best in her class at the Portage County Randolph Fair in 2012. Of course, her team also won Best in Show. Last Fall, she loaned us the project for display in our lobby, and we have all admired it since.

Annie has a record of impressive accomplishments. She has not missed a day of school since the first day of Kindergarten. She is a straight “A” student, active in her church, a cheerleader for Ravenna Youth Football, a Girl Scout, plays the flute in her band, and is a competitive gymnast for Top Floor Gymnastics where she recently placed first in floor exercise in the Northeast Ohio Gymnastics League Championships. She has done community theater, appropriately appearing in the stage version of “Annie”. She is also on her student council.

We are very fortunate to have Annie with us today. She is accompanied by her mother Jane, father Scott, grandparents Harlan and Belva, who are all sitting in the front row today.

As I mentioned, Annie's grandfather, Harlan, is a Turnpike employee. Harlan has been working with the Ohio Turnpike since 1965. The most impressive thing is that, in those 48 years, there has never been a negative comment said about your grandfather, but even more impressive, in 48 years, at the end of the day; he has never failed to balance his drawer. I never thought that was humanly possible until today. So, we thank him for his years of service and the good sense to have a granddaughter like Annie. Mr. Chairman, we have a commendation letter for you to present to Annie. With your permission, I would like to invite Annie forward with her dad so you can present it to her. Annie, would you please come forward? While she makes her way to the front, please join me in recognizing Annie, her parents, and grandparents and thanking her for the important contribution she made to preserve our history through her work. (All applaud).

Chairman Hruby: Annie, on behalf of the Commission, I would like to present this letter to you signifying our appreciation for your accomplishments, and recognizing the wonderful job that you did. One question, do I need to write a note for you today so you have an excused absence? This is just marvelous. What a beautiful job you did. Did you want to tell us a little bit about your project?

Annie Allman: I worked on it for about a month. It was hard, but it was fun. My dad helped me with all of the stuff that I couldn't cut myself. My grandpa helped me with the colors, how it looks and the pictures of the road signs.

Chairman Hruby: Congratulations and thank you. Here are two Ohio Turnpike Commission commemorative coins for you.

Director Hodges: Mr. Chairman, now that we had the fun of honoring Annie, we need to return to our regular business. Annie, you and your family our welcome to stay but, if you need to return to school, we understand. Your grandfather might find the next presentation particularly interesting.

Mr. Chairman, I would invite you and the Commission Members to carefully review your packets. We have a long agenda today and a public hearing following this meeting so, we have included some of the information we would normally present in your packets.

The commission staff has been very busy the past month. As you know, we are preparing for the bond sale for \$1 billion which we will conclude in the 3rd quarter of this year. We have had two public hearings on the toll increase and will hold the third and final hearing immediately following this meeting. We would ask the audience to leave the room after the meeting and reenter so we can record you as being present for the formal toll hearing. You will also notice we have a particularly full room today. This is because we have our bond team here to continue working on the bond issue this afternoon. We plan on having our team meet with each Commission Member individually in early June for a detailed briefing on our progress to date and to solicit your input on the final package.

On July 1st we will be known as the Ohio Turnpike and Infrastructure Commission. Two new members will join us as we prepare to award financing to projects recommended by the Ohio Department of Transportation through their TRAC program. As the Commission evolves, you will notice that we will be reemphasizing the Turnpike brand through widespread use of the Ohio Turnpike logo throughout our existing operations. We will emphasize the logo and differentiate the logo as uniquely associated with our road, from the new seal, which will be used more for legal and infrastructure project business.

Our staff has also been doing strategic planning. We are working on an updated mission statement, identifying critical strategic issues and beginning to implement plans that will evolve over the next three years as we achieve our strategic goals. Our Deputy Director, Robin Carlin, will present the plan to you next month for your consideration and review. We are focusing on six strategic issues: financial sustainability, technology, workforce development, work processes, public relations and partnerships with local communities and state agencies, including ODOT. We plan to include all of our employees in the process over the summer.

I would also like recognize today an outgoing Commission Member, Myron Pakush. We acknowledge that Myron will be returning to his ODOT duties full-time, but we wanted to take a moment to recognize Myron for his contributions to the Commission during the time that he has been here. Everybody speaks very highly of Myron and the job that he has done as a Commission Member. We appreciate his dedication and the insights that he has brought to us. And, I want to thank him on behalf of the staff because, not only has he been a dedicated Member of this Commission, but he has been a great resource for us to find out information, and to bounce off ideas, whether it was late in the evening or a very early morning. Myron has always made himself available, and he really put a stamp on the Commission during the time that he was with us, and we would like to acknowledge him and thank him for his service. With your permission, Mr. Chairman, if Counsel would please read the Resolved:

General Counsel: RESOLVED that the Ohio Turnpike Commission hereby acknowledges its gratitude to Myron S. Pakush for his twenty-eight months of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services which he rendered; and

FURTHER RESOLVED that the Commission extends to Myron S. Pakush and his family its best wishes for their success and well-being in all matters and activities which they shall undertake in the future; and

FURTHER RESOLVED that the Secretary-Treasurer be, and hereby she is, directed to send a certified copy of this Resolution to Mr. Myron S. Pakush.

Chairman Hruby: I'll move the Resolved.

Vice Chairman Balog: Second.

Chairman Hruby: Moved and seconded. Are there any discussions? Hearing none, roll call.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Mr. Murphy.

Mr. Murphy: Yes.

Director Hodges: Four to zero.

OHIO TURNPIKE COMMISSION

Resolution Expressing Appreciation for the Service of Myron S. Pakush

WHEREAS, commencing January 1, 2011, Myron S. Pakush was appointed by Member Ex-Officio and Ohio Department of Transportation Director, Jerry Wray, to serve as his Proxy at meetings of the Ohio Turnpike Commission; and

WHEREAS, Myron S. Pakush served with distinction as a member of the Commission, and actively contributed to the Commission's purposes and objectives through his thorough consideration of the matters coming before the Commission, as well as the astuteness and knowledge which he employed in making and expressing judgments with respect to vital areas relating to the maintenance and operation of the Ohio Turnpike; and

WHEREAS, Myron S. Pakush was instrumental in enabling the Ohio Turnpike Commission to diligently continue its current capital improvement program, and he provided essential input and knowledge concerning roadway repairs; and

WHEREAS, Myron S. Pakush has been and continues to serve the State of Ohio with distinction in his capacity as the Ohio Department of Transportation's District Deputy Director for District 12; and

WHEREAS, the members and staff of the Commission wish to give formal and public recognition for the honorable, exceptionally dedicated, and effective service of Myron S. Pakush as a member of this Commission.

NOW, THEREFORE, BE IT

RESOLVED that the Ohio Turnpike Commission hereby acknowledges its gratitude to Myron S. Pakush for his twenty-eight months of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services which he rendered; and

FURTHER RESOLVED that the Commission extends to Myron S. Pakush and his family its best wishes for their success and well-being in all matters and activities which they shall undertake in the future; and

FURTHER RESOLVED that the Secretary-Treasurer be, and hereby she is, directed to send a certified copy of this Resolution to Mr. Myron S. Pakush.

(Resolution No. 24-2013 adopted May 20, 2013)

Chairman Hruby: Myron, if you would step forward. I would just like say a few words about Myron. I've know you for many years now. I remember when you were first working your way up the ladder at ODOT prior to becoming a Deputy Director and, as a matter-of-fact, I was on TRAC at the time and I remember that I was asked to write a recommendation, and I did that with a lot of pride because I thought you did such a marvelous job assisting us with the TRAC during that period of time. Now being Deputy Director at District 12, you have been an asset to our City, and certainly an asset to this Commission. Thank you very much for your service, I appreciate it very much. I will be looking forward to working with you in many years to come as we do the best that we can in spreading the wealth of the bonds, and doing the best thing that we can to restore this infrastructure in Ohio. So, congratulations Myron.

Mr. Pakush: Thank you, Mr. Chairman. I appreciate it. Thank you Commission Members. It has been a pleasure working with everybody, and I look forward to continuing to work with you, and I am sure I'll be appearing in front of all of you in the near future with the new process that we will be going through for our community. Thank you very much. (Resolution presented, all applaud).

Director Hodges: As a new feature of the Commission Meeting, each month we are going to include a special presentation on a timely topic. As I said, next month Robin Carlin will report to you on the Strategic Plan. Each month, a different staff leader will present a report on each one of the six topics. The meetings will last a little longer, but I hope this forum gives you the chance to ask questions and thoroughly review all of our operations.

Today, I have asked Rick Gobeille to give you a presentation on our Toll Operations. Rick is with Jacobs Engineering, a nationally recognized consulting firm. They have worked on various projects for us in recent years. Recently, we awarded them a contract to complete the investment grade traffic and revenue study for the Commission and to perform our ongoing traffic and revenue reports. Rick and his colleagues provided a detailed presentation to senior staff last November. I asked him to come and give the "Readers Digest" version today. I think it is very important as it will help us to understand how our operations compare and contrast with other toll roads, how the profile of our customer is changing over time and how we can plan for increasing use of *E-ZPass* and other electronic toll collection systems.

This concludes my report Mr. Chairman and, with your permission, I would like to turn the floor over to Mr. Rick Gobeille.

Mr. Gobeille: Mr. Hodges asked me to give you a little bit about my background. I have been in the toll industry for over 25 years; I have done billions of dollars of bond sales; I

think one of the more interesting things that I have done was an original test of *E-ZPass*, and this presentation really derives from it. I performed a forecast of transponders for the Tappan Zee Bridge in New York, and I estimated that there would be 30,000 transponders. The New York State Thruway today has 3.4 million, so I badly missed on that estimate. Much of my presentation is what I learned from that, how it applies to the Ohio Turnpike and how to look at what *E-ZPass* market share is.

The graphic you see in front of you is a whole group of the *E-ZPass* agencies. The Ohio Turnpike is the second bar from the left. Someone might argue that it is low – right now it is 47% of all transactions on the Turnpike. The roadway immediately to your left is the West Virginia Turnpike, which compared to the Ohio Turnpike, is even more rural with more long distance trips. Then you go all the way over to the right where it shows the New York City agencies, the Rhode Island Turnpike and Bridge Authority. These are roadways that are very local in nature, in urban areas and have a lot of frequent users.

What are the factors? We came here eight years ago to start work for the Turnpike, and some of the factors were: Did we want to do *E-ZPass*? How many people are going to use it? And, how do we get people to use it? Right now, one of the biggest determining factors contributing to how many people use *E-ZPass*? on a roadway is its proximity to other toll agencies. People like to think discounts are a big factor and, they are, but not in the way you think in terms of getting people to use *E-ZPass*. Travel time savings – which really was not a problem here when we did a study, but if you go to the New York area, you could wait 25 minutes in a queue waiting to pay tolls, so having *E-ZPass* and not having to stop was a travel time savings and incentive. But what we have found, and this is really what I learned from the

Tappan Zee Bridge Study 20 years ago, is the biggest factor is how often people actually use the roadway. That is what drives the market share.

This is a simple graphic of the Ohio Turnpike from west to east, and the bars represent the actual market share of *E-ZPass* at each of the toll plazas on the Ohio Turnpike. You can see, if you look all the way to the left or right, the higher shares of *E-ZPass*, because you have neighboring agencies there that have it. We have a lot of long distance truck traffic and they go more from end to end that makes the higher market share. In the middle where there are the more rural areas with less frequent travel, you see your market share is actually lower. So, this graphic actually makes sense to me from my experience.

I worded this next question this way purposely. “Why are the Ohio Turnpike Market Shares Reasonable?” Everyone always feels that their market share should be higher, but there is a number that makes sense, and it makes sense for each roadway on its own. You really do not have a lot of proximity to other agencies just at the east or west ends. If you go to New York or Maryland, there is lots of density, lots of agencies, and lots of tags around that you are getting the benefit of other toll agencies. The next item is discounts. You have discounts, but they are actually the way that your toll schedule is structured – the short trips and the rounding of toll rates is actually not a discount for the commuters, and we will see that a little bit later. In fact, it is almost a surcharge to them because you pay the monthly fee. That is another factor that goes into making reasonable market shares. You do not really have travel time problems. When we did a survey seven years ago, none of your customers complained about how long they waited at the toll plazas so there was not this drive to get thru the plazas faster.

The last one that really drives your market share is how frequently customers travel. I have to take just a minute on this because this is a very hard concept. When Mr. Hodges, Kathy

and I went thru this, it took a long time to understand, but I think it really gets to the point of why your market share is what it is. I want to define a “customer.” When Mr. Adkins first started working as a toll collector 48 years ago, I am sure the people on your roadway were called “toll patrons.” They did not have a name, but Mr. Adkins was probably the face of your Turnpike. He talked to them and they had a relationship, but they were a patron and that relationship began and ended when the vehicle passed thru the toll plaza. Today, now that you have *E-ZPass*, you actually have customers. Now, you actually know the names of these people. You actually have accounts, and are really a business. You have to deal with them this way. What you need to understand is how many customers you have, and that customers do not match up with trips. I am going to explain that a little bit. If a road has 30,000 cars on it, and if a customer was every person going by, and that person went by every day for an entire year, you would have 30,000 customers on that road. That does not make sense because everybody does not drive every day on the road. You go to the other extreme and say, “What if every car on that road was a different person every day?” That would get you to 11 million customers. So, we know that number is not right, and we know the 30,000 is not right. Therefore, our number of customers is somewhere between 30,000 and 11 million, and that was true when we started on the Ohio Turnpike. What is a customer? There are all different kinds of customers. There is the commuter that everyone thinks goes to work every day, but you really do not because of holidays, vacation or company travel. A commuter is usually the most frequent traveler. People travel on business and may do it a couple of times a week, so they have a less frequent use. If you go to recreation, I know twice a year I come out with my daughter to Cedar Point, and this group is very infrequent in that aspect of it. There are some people who go back-and-forth to school. This is the whole make-up of people that make a customer. Over the years I have

learned that this is my best place to start – to explain the difference between a “trip” and a “customer.” Make believe you have a road, and on this road there are two cars on that road every day. We do a survey of the cars on that road asking, “How often do you travel?” One person says that they go every day, and the other person says they go once a year. So, on this road with two cars, 50% of the trips on that road are every day, and 50% of the trips are by someone who goes once a year. Now, I am going to turn that into customers. So that one person who goes every day is one customer, but that other trip that is a different person every day of the year, they go one day a year and every day there is a different person, so there are 365 customers. You add that together, and you actually get 366 customers in a year, and if you were looking at it that way, less than 1% of your customers make 50% of your trips in this example. This is what drives *E-ZPass*. You need to not get cars with *E-ZPass*, you need to get people with *E-ZPass* – you need to get customers with it. Going to a little bigger example, if I take a roadway that has 150,000 cars on it per day, and I just split it up: so many people go once a week, so many people go every day, so many people go once a month, and so many people go a couple times years, and I am going to turn this 150,000 trips in a day into people. So, if you look at the first row, if somebody goes every day, and then look at somebody who goes once a week, it actually takes seven people to makes those trips over the whole course of a year, and that would be 200,000 people at the end of the year. For those 150,000 trips you see every day on the road, in this particular example, it takes 3.2 million customers. If you look at how the percentages split, on your road, 33% of the trips are by cars going every day, but in terms of people, it is only 2%. We go to the other end, the people who go two times a year or less, it is a very small amount – it is 7% of the trips on the road, but it is the overwhelming majority of the people. What this is getting at is that there is a practical market share for *E-ZPass* from which you derive the benefits

without deriving the costs of managing accounts and things like that. In 2006, we actually had a real advantage here because you did not have *E-ZPass* yet, and we could survey all users. This is the result of that survey that we did at the time, and the two pie charts on the left are the survey of trips, and we broke it into three categories to make it easy to understand here. We have low frequency, high frequency and middle frequency. In this analysis, a high frequency trip, which we consider to be once a week or more, that does not sound very often but it actually is, in terms of customers, a fairly high frequency. Low frequency was less than once a month. If you go over to the right, and this is always the most amazing thing to people when you first see it, is the people with names – the customers that choose your road – we found that 87% of them were in this very low frequency category. That means, even if each of them had a transponder, it would show up less than one a month on your facility. The trucks are a little bit better because the trucks you will find everywhere. There is a real advantage to them, and it has a lot more to do with billing and things like that. At almost any agency, trucks make up 75-80% of *E-ZPass*, and you are consistent with that here.

Why don't we compare you to other toll agencies around here? Ohio Turnpike is actually the fifth bar from the left. We labeled it on a couple of them. These are agencies from across the country in Maryland, West Virginia, New York and Rhode Island. This is the chart showing the trips. This is from the survey we did. It would be the left pie charts of the breakdown of trips on the roadway. If you go all the way over to the right in a circle, you see the Ohio Turnpike bar is fairly far down in the number of frequent trips, and that suggests that it is difficult to get to a higher market share because you do not have frequent users. This is the same data but expressed in terms of customers. Again, you see that one of the things that stands out here is

customers are much higher in terms of percentage of all trips, and in the middle frequency range, Ohio actually has a high number of trips that is comparable to other agencies.

This is one of my favorite charts. I consistently win this bet. When I go to an agency, and I ask them, “Of all your active transponders, what is the most common number of times in a month that they are used?” Everybody comes back and says, “20” and “this and that,” they are thinking of the commuter and, actually, the most common time that every agency that I have been to is “zero,” and your agency was consistent with that. 32% of your active transponders on average are not used at all in any given month. The amount they are used, basically, is a perfect curve down from there – then 1, then 2, then 3, then 4, all the way down to somewhere out at 20, which is kind of a commuter and there is always a little bump. This is the Ohio Turnpike transponders, and it was not unexpected that it would look like this. Maybe to some of the newbies it was, but it came out like we thought.

We also plotted out the transponders from the other agencies: the New York State Thruway, the West Virginia Turnpike, the Indiana Toll Road, and Illinois, and this is how often they are used on your facilities, and you see the chart looks the same way. Most transponders are used with a very low frequency. Then, there are some people out there at the time, I remember the then Executive Director pointing out where you could get transponders for free, and that bump out there is where some of your commuters took advantage of that, and they got a transponder from New York or somewhere else, and that is why you have that bump all the way on the right in the commuter range of 20 trips per month. How do you compare to some of the other agencies? Well, actually you compare very well here. If I go all the way over again, that is the zero to two times per month that a transponder is used, and you are the second from the left, the yellow bar, your number is just above 50%. Some of the other agencies have numbers as

high as 70-80%. The thing that drives this is how easy it is to get a transponder. Generally, in the data we see, the easier it is to get a transponder, the higher an agency has tags that aren't used at all. Depending on your policy, and if you make it free, or if you charge for it, if you do too much to encourage use, you just incur cost without incurring the benefits of getting transactions on the roadway.

We did all of this analysis in the spring of 2012, which was an average time of year, and this is actually about the comparison of trips and how people pay. Trips: 53% of your trips right now are paying cash but, if we turn that into customers – people with names – almost 80% of the people that use your road are paying cash. So, there are a huge number of people that are, potentially *E-ZPass*, but you compare it to right now, and only 4% of your customers actually have an Ohio transponder. So, there is a real reach to get a lot of them. We just pointed this out here, when the study was done back in 2006-2007, the forecast for the market share in 2011, the last year that the forecast was done, was about 43%. It actually ended up being right now at 47%. The number of transponders is pretty reasonably close too – about 150,000 now where 116,000 was the forecast in 2011. That number is always growing, but we did not miss by 3 million to 30,000 this time.

The other thing I want to point out here and, this is what Mr. Hodges wanted me to discuss, is that the high frequency number is the only number that is less than what was forecast. If one was doing a marketing study and things like that, that is the right place to go – that is the target to try and get to those customers because you get a benefit from them, and you do not get a lot of cost because you can target a lot of the trips that way. That is basically where you are with *E-ZPass* right now. You are not in a bad place. You are in a good place, and it is consistent with what was expected. Just to go one step further, what does this mean to the operation of the

roadway? You have two ways to pay: *E-ZPass* and cash. There are ways to pay with *E-ZPass* and cash. You can pay in *E-ZPass* only lanes which is the fastest (you have gated lanes that may be unusual, but not unreasonable where you do not have to worry about violations and enforcements); you have staffed lanes where you accept both cash and *E-ZPass*; and then you have the Automated Toll Payment Machines (ATPMs) where there is no staff and you can pay by putting your money in the machine. In terms of operations, how does this work? This is data that we actually went out and collected on the Turnpike itself, and with your gated *E-ZPass* lanes, you could process 720 cars per hour. It takes about five seconds for each one to go through with the timing of the gates and things. On the other extreme end, the ATPMs can only process approximately 97 cars per hour. It is much slower and what I would like to point out is that there is this leveraging of how many lanes you actually need, and you would need an awful lot more ATPM lanes than you would staff lanes or *E-ZPass* lanes to process the same amount of traffic. When you get to the trucks in an ATPM lane, you are doing less than one per minute. So, when you are planning your operations, you need to match your operations to your market share. I have a very old graphic here but this is a job we did for the Tobin Bridge in Boston. If you look at this, the demand of the customers did not match the layout of their plaza, and you see those cars backed-up in line to pay cash, and about ten minutes after this picture, the lines were backed-up all the way to the bridge, and even someone with an *E-ZPass* could not get to the *E-ZPass* toll lane, and that is what that graphic on the left represents. The point of this is that you need to make your operation match the demand of your customer, and maybe you try and change the customer's behavior, but you cannot force your customers to match your demand. One last thing is every place that there has been a customer survey, there are a couple of interesting facts. People with *E-ZPass* usually do not know that they have a discount, and people without *E-ZPass*

usually know that there is a discount for *E-ZPass*, and the overwhelming answer of people who do not have *E-ZPass* was that they do not travel enough. That is consistent with everything you have seen here.

So, when you are thinking about what you want to do with market share, you have to go beyond just saying, “What do I want to do with trips?” You have to market to a group of customers and then try and get to a goal from doing that. Are there any questions?

Director Hodges: Mr. Chairman, if I could just add to Rick’s comments about what we have been doing since his presentation in November. Of course, the way I read the data and interpret what Rick is telling my non-engineering mind, is the place where we have an opportunity is with our frequent users – our commuters. As Rick said, the discount for commuters is not as great as it is for longer distance travelers and, in some cases, there might actually be a premium with the seventy-five cents per month. The Governor’s Proposal to freeze commuter tolls, I think, is a big step in the right direction. We are also looking at other ways to encourage commuter traffic and reward commuter traffic. We have to go through this toll hearing process first and, then, we will make another recommendation in the summer to help with the commuter traffic that will go into effect in January. So, we are trying to identify where we are a little weak with *E-ZPass* penetration, and we will address that subject. There are other ideas out there that we will continue to assess as well. The biggest impact that I got from the report was the picture where if we tried to use all ATPMs, or if we tried to use mostly *E-ZPasses*, with our short queuing areas, and our narrow approaches to the queuing areas, if we don’t get the balance right, we are going to have back-ups on the mainline really fast. So, we are constantly working with Jacobs, specifically, Sharon Isaac our Director of Toll Operations, is constantly working on adjusting it, tweaking it, and fine-tuning it so we can get to that perfect

balance, and we are pretty close. We are planning in the future to continue to take advantage of ATPMs and *E-ZPass*, but in the same token, we recognize that our customers have always used the Ohio Turnpike because they get places really fast. That is our mission and part of our purpose.

Chairman Hruby: Are there any questions? Thank you very much Mr. Gobeille for your presentation. We will move on to our Resolutions, and begin with our Chief Engineer, Doug Hedrick.

Chief Engineer: Thank you Mr. Chairman. I have six Resolutions for your consideration this morning. The first Resolution is to award Contract No. 43-13-02 for the Repair and Rehabilitation of the Oberlin Road bridge at Mile Post 141.2, and the West Ridge Road bridge at Mile Post 142.6, both located in Lorain County, Ohio. On April 18, 2013, Procurement received three bids for this project. This Invitation contained a request for base bid and two alternative bids for equal bridge parapet replacement of different designs. This work also includes the replacement of the approach and abutment slabs at the West Ridge Road bridge. The apparent low bid for the base bid, as well as the two competing alternative bids, was submitted by Becdir Construction Company, of Berlin Center, Ohio. Engineering evaluated each option in relationship to the bid alternatives and determined that acceptance of the base bid, which was the lowest of the three options, was the best choice. This bid, in the amount of \$515,865.82, was below the Engineer's estimate for this project. Becdir Construction, has not performed work for the Ohio Turnpike Commission for some time, so a review of references submitted by Becdir, as well as other sources, was performed. While it was noted during this review that there were some legal issues between the Ohio Department of Transportation (ODOT) and this Contractor, these issues primarily centered on contract award conflicts and

were not related to performance. In support of this, we received the latest rating sheet for this contractor's performance from ODOT, and they received a perfect score. Therefore, based upon this review and the fact that this company has the required capacity to perform this work, it is recommended that Contract No. 43-13-02 be awarded to Beccdir Construction Company, of Berlin Center, Ohio, in the amount of \$515,865.82. This Resolution also contains provisions to assign Arcadis US, Inc., of Cleveland, Ohio, to perform construction administration and inspection services, and to assign Soil and Materials Engineers, Inc., of Kirtland, Ohio, to perform material testing services. With your permission, if the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of **Beccdir Construction Co., of Berlin Center, Ohio**, in the base bid amount of **\$515,865.82** for the performance of Contract No. 43-13-02 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 **Arcadis US, Inc., of Cleveland, Ohio**, to Contract No. 43-13-02 for the purpose of performing construction inspection services in accordance with the Agreement specific to this project, and to assign **Soils and Materials Engineers, Inc. ("SME")**, of **Kirtland, Ohio**, to Contract No. 43-13-02 for the purpose of performing material testing, with such assignments in accordance with the 2013-2014 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and said engineering firm; and

FURTHER RESOLVED that Contract No. 43-13-02 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chairman Hruby: For the Resolved, what is your pleasure?

Vice Chairman Balog: Move to adopt.

Secretary Barber: Second.

Chairman Hruby: Moved and seconded. Are there any questions or discussions?

Vice Chairman Balog: In the packet, there was an e-mail from an Adam Charles, and there is some hand notations on that page. Could you explain what that was about? It noted that lack of a curb will cause water to flow over the edge of the deck, and I did not quite understand what that meant.

Chief Engineer: Mr. Chairman and Commission Member Balog, as I stated, this Project had three different options for parapet replacement. Traditionally, parapets are made of concrete and it is rather expensive to go in there, remove the deteriorated concrete and replace those parapets in kind due to the fact that all of the reinforcing steel has to be left in place. You have to manually remove all of that concrete – you cannot just saw off the parapet if you are going to re-pour concrete on to it, so we looked at two other options. We looked at a modified guardrail design, and we also looked at a steel barrier design which could be bolted directly to the bridge so that way you would basically cut that parapet off, and then you would bolt thru the bottom of the deck. There was some debate between us and our consultants as to whether the steel barrier option was the better option. Our Engineering staff was concerned with water that would be allowed to run underneath that barrier and create a hazard for our traveling public either through icicles or just water that was flowing underneath that barrier. So, we opted to go with the base design, which was the modified guardrail and curbing design. That is what those notations are for.

Vice Chairman Balog: And that is also the cheaper price because the alternate that was recommended would have cost an extra \$14,500, am I correct on that?

Chief Engineer: That is correct.

Vice Chairman Balog: So what you are saying is that, even though the consultant looked at it and made some recommendations, we feel, based on our experience and your observations, we should just go with the base bid.

Chief Engineer: Yes. The question arose around the fact that this is a modified guardrail design with a curbing. Again, we will have fencing up there. There was just some concern by our consultants that snow could get thru that modified guardrail and fencing design. However, those overhead bridges are always plowed at a very slow speed, so we do not think it is going to be an issue. We were more concerned with water being able travel underneath that steel barrier, and being able to penetrate down through those bolted connections on the bottom of the bridge and not knowing what that water penetration would do at those locations.

Vice Chairman Balog: Thank you.

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

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Murphy.

Mr. Murphy: Yes.

Director Hodges: Four to nothing.

Chairman Hruby: The Resolution passes. Mr. Hedrick, please continue.

OHIO TURNPIKE COMMISSION

Resolution Awarding Contract No. 43-13-02

WHEREAS, the Commission has duly advertised, in accordance with law, an Invitation for Bids upon a Contract for Parapet Replacement on the Oberlin Road Bridge at Milepost 141.3, and Approach Slab Replacement on the West Ridge Road Bridge at Milepost 142.6, located in Lorain County, herein designated **Contract No. 43-13-02**; and

WHEREAS, expenditures for the award to be made under Contract No. 43-13-02 will exceed \$150,000.00 and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received three 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. 43-13-02 was submitted by **Beddir Construction Co.**, of **Berlin Center, Ohio**, in the base bid amount of **\$515,865.82**, 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. 43-13-02 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Beddir Construction Co. 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 Beddir Construction Co.; 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. 43-13-02 to the lowest responsive and responsible bidder, Beddir Construction Co.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Beddir Construction Co.**, of **Berlin Center, Ohio**, in the base bid amount of **\$515,865.82** for the performance of Contract No. 43-13-02 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 **Arcadis US, Inc.**, of **Cleveland, Ohio**, to Contract No. 43-13-02 for the purpose of performing construction inspection services in accordance with the Agreement specific to this project, and to assign **Soils and Materials Engineers, Inc.** (“SME”), of **Kirtland, Ohio**, to Contract No. 43-13-02 for the purpose of performing material testing, with such assignments in accordance with the 2013-2014 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and said engineering firm; and

FURTHER RESOLVED that Contract No. 43-13-02 is designated a System Project under the Commission’s 1994 Master Trust Agreement.

(Resolution No. 25-2013 adopted May 20, 2013)

Chief Engineer: My next Resolution is to award Contract No. 59-13-03 for the Repairs and Resurfacing of the Eastbound and Westbound Roadway between Mile Post 176.30 and Mile Post 186.02 in Summit and Portage Counties, Ohio. This work is included in the 2013 Capital Improvement Plan. Procurement received two bids for this project, with the apparent low bid being submitted by the Shelly Company, of Twinsburg, Ohio, in the amount of \$6,456,254.20. This bid was below the Engineer’s estimate of \$7,500,000. A review of the bid concluded that The Shelly Company bid is the lowest responsive and responsible bid, and they have the capacity to perform this work. They have previously performed similar projects for the Commission in the past with excellent results. This Resolution also contains provisions to assign Quality Control Inspection, Inc., of Bedford, Ohio, to perform construction administration and inspection services and CTL Engineering, of Brunswick, Ohio, to perform materials testing. With your permission, if the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$6,456,254.20** for the performance of Contract No. 59-13-03 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 **Quality Control Inspection, Inc.**, of **Bedford, Ohio**, to Contract No. 59-13-03 for the purpose of performing construction administration and inspection services, and **CTL Engineering, Inc.**, of **Brunswick, Ohio**, for the purpose of performing materials testing, with such assignments in accordance with the 2013-2014 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Contract No. 59-13-03 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chairman Hruby: For the Resolved, what is your pleasure?

Vice Chairman Balog: Move to adopt.

Chairman Hruby: Moved, and I will second it. Are there any questions or comments? Mr. Balog.

Vice Chairman Balog: Mr. Dixon is not here, and he probably would inquire about MBE. I see that they do have MBE/FBE participation. Do you have any idea what percentage, or how much of that contract would be involved in that?

General Counsel: Mr. Chairman and Commissioner Balog, I do not have that figure. As soon as the contract is awarded, the Chief Engineer will obtain the approved list of subcontractors and try to apply some percentage to that, and we can then get back to you with that information.

Vice Chairman Balog: I would appreciate that. Thank you.

Chairman Hruby: I did not have a chance to go through this totally, but do you have an hourly rate for the inspection? QCI – do you know what that is, or are we on a general contract with them?

Chief Engineer: Mr. Chairman, it is basically done on a submitted rate schedule. There are two ways locked in. Their overhead rate cannot exceed 160% as well as we have capped rates for individual categories of inspectors. A resident engineer can receive a

higher rate of salary than an inspector level. I can give you that capped rate schedule if you would like to see that. It averages around \$60.00 per hour for an inspector and, maybe, about \$75-80.00 per hour for the resident engineer.

Chairman Hruby: That is good. That is what I was looking for. Are there any other 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 Murphy.

Mr. Murphy: Yes.

Director Hodges: Four to zero.

OHIO TURNPIKE COMMISSION

Resolution Awarding Contract No. 59-13-03

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Repairs and Resurfacing of the Eastbound and Westbound Roadways, from Milepost 176.30 to Milepost 186.02 located in Summit and Portage Counties, Ohio, herein designated **Contract No. 59-13-03**; and

WHEREAS, expenditures for the award to be made under Contract No. 59-13-03 will exceed \$150,000.00 and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received one electronic bid, via Bid Express, and one paper bid for the performance of said Contract, and said bids have been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 59-13-03 was submitted by **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$6,456,254.20**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the General Counsel that bids for Contract No. 59-13-03 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of The Shelly Company for Contract No. 59-13-03 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 The Shelly Company; and

WHEREAS, the Executive Director has reviewed the reports of the Chief Engineer and the General Counsel and, predicated upon such analysis, concurs with the recommendation to award Contract No. 59-13-03 to the lowest responsive and responsible bidder, The Shelly Company; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$6,456,254.20** for the performance of Contract No. 59-13-03 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 **Quality Control Inspection, Inc.**, of **Bedford, Ohio**, to Contract No. 59-13-03 for the purpose of performing construction administration and inspection services, and **CTL Engineering, Inc.**, of **Brunswick, Ohio**, for the purpose of performing materials testing, with such assignments in accordance with the 2013-2014 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Contract No. 59-13-03 is designated a System Project under the Commission's 1994 Master Trust Agreement.

(Resolution No. 26-2013 adopted May 20, 2013)

Chairman Hruby: The Resolution passes. Mr. Hedrick, please continue.

Chief Engineer: My next Resolution is to award Contract No. 59-13-04 for the Repairs and Resurfacing of the Eastbound and Westbound Roadway between Mile Post 136.2 and Mile Post 144.4 in Lorain County, Ohio. This work was originally not included in the 2013 Capital Improvement Plan, however, due to the favorable results from bids received for our first three resurfacing projects, additional funding was available to add this project. Procurement received three bids for this project with the apparent low bid being submitted by the Shelly Company, of Twinsburg, Ohio, in the amount of \$4,334,871.75. This bid was below the Engineer's estimate of \$4,500,000. A review of the bid concluded that The Shelly Company bid is the lowest responsive and responsible bid, and they have the capacity to perform this work. They have previously performed similar projects for the Commission in the past with excellent results. This Resolution also contains provisions to assign KCI Associates of Ohio, P.A., of Akron, Ohio, to perform construction administration and inspection services and Solar Testing Laboratories, of Brooklyn Heights, Ohio, to perform materials testing. With your permission, if the General Counsel would please read the Resolved.

General Counsel: I would just like to point out as well, if I may before I read the Resolved, that we have been pursuing electronic bidding with all of our resurfacing projects this year, and it has been going along very smoothly. We plan to expand that to all construction next year. I am very pleased with the progress that we have made with that, and that is really thanks to Marty's staff in Procurement.

Chairman Hruby: Thank you. If you would please read the Resolved.

General Counsel: RESOLVED that the bid of **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$4,334,871.75** for the performance of Contract No. 59-13-04 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 **KCI Associates of Ohio, P.A.**, of **Akron, Ohio**, to Contract No. 59-13-04 for the purpose of performing construction administration and inspection services, and **Solar Testing Laboratories, Inc.**, of **Brooklyn Heights, Ohio**, for the purpose of performing materials testing, with such assignments in accordance with the 2013-2014 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Contract No. 59-13-04 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chairman Hruby: Thank you. Is there a motion?

Vice Chairman Balog: Motion to adopt.

Secretary Barber: Second.

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

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Murphy.

Mr. Murphy: Yes.

Director Hodges: Four to zero.

OHIO TURNPIKE COMMISSION

Resolution Awarding Contract No. 59-13-04

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Repairs and Resurfacing of the Eastbound and Westbound Roadways, from Milepost 136.2 to Milepost 144.40 located in Lorain County, Ohio, herein designated **Contract No. 59-13-04**; and

WHEREAS, expenditures for the award to be made under Contract No. 59-13-04 will exceed \$150,000.00 and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

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

WHEREAS, the Chief Engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 59-13-04 was submitted by **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$4,334,871.75**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the General Counsel that bids for Contract No. 59-13-04 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of The Shelly Company for Contract No. 59-13-04 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 The Shelly Company; and

WHEREAS, the Executive Director has reviewed the reports of the Chief Engineer and the General Counsel and, predicated upon such analysis, concurs with the recommendation to award Contract No. 59-13-04 to the lowest responsive and responsible bidder, The Shelly Company; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$4,334,871.75** for the performance of Contract No. 59-13-04 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 **KCI Associates of Ohio, P.A.**, of **Akron, Ohio**, to Contract No. 59-13-04 for the purpose of performing construction administration and inspection services, and **Solar Testing Laboratories, Inc.**, of **Brooklyn Heights, Ohio**, for the purpose of performing materials testing, with such assignments in accordance with the 2013-2014 Miscellaneous Engineering Services Agreements between the Ohio Turnpike Commission and said engineering firms; and

FURTHER RESOLVED that Contract No. 59-13-04 is designated a System Project under the Commission's 1994 Master Trust Agreement.

(Resolution No. 27-2013 adopted May 20, 2013)

Chairman Hruby: The Resolution passes. Mr. Hedrick, please continue.

Chief Engineer: My next Resolution is to award Contract No. 70-13-01 for Embankment Rehabilitation of the Fangboner Road Bridge at Mile Post 91.15, Shiets Road Bridge at Mile Post 96.10, and the Gibbs/ Balsizer Road Bridge at Mile Post 97.60, all located in Sandusky County, Ohio. This project, which is the third in our commitment to Sandusky County for the rehabilitation of eleven bridges, is contained in the 2013 Capital Improvement Budget. Procurement received three bids for this work. These bids were evaluated by the Engineering staff and, based upon this review, it was determined that the lowest responsive bid and responsible bid was submitted by the Kokosing Construction Company, Inc., of Columbus, Ohio, in the amount of \$2,746,290.017. The bid submitted by Kokosing is below the Engineer's estimate of \$3,500,000, and this Contractor has satisfactorily performed similar projects for the Commission in the past. This Resolution also contains provisions to assign S&ME, Inc., of Valley View, Ohio, to perform construction administration and inspection services. With your permission, if the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bid of **Kokosing Construction Company, Inc.**, of **Columbus, Ohio**, in the amount of **\$2,746,290.01** for the performance of Contract No. 70-13-01 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 Chief Engineer to assign **S&ME, Inc.**, of **Valley View, Ohio**, to Contract No. 70-13-01 for the purpose of performing construction inspection and materials testing, in accordance with the Agreement specific to this Project; and

FURTHER RESOLVED that Contract No. 70-13-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

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

Mr. Murphy: Second.

Chairman Hruby: Moved and seconded. Are there any questions or comments?

Mr. Murphy: Doug, did you say that this is the third of the eleven that is in the Code that you were required to replace?

Chief Engineer: Mr. Chairman and Mr. Murphy, yes, it is our third installment. This will completed all but three of the bridges.

Mr. Murphy: So, eight of them will be done after this. Where are the other three? How far along are they?

Chief Engineer: We are in the process right now of preparing the final report to develop plans for those last three. They are a little different. There is not as much work on two of them, and there is more extensive work on the third. It is more of a mixture of what we have had up to this point.

Mr. Murphy: Would you say next construction season?

Chief Engineer: Yes. It will definitely be completed in time to meet our commitment at the end of 2014.

Chairman Hruby: Anything else from anyone? Roll call on the motion.

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: Four to zero.

OHIO TURNPIKE COMMISSION

Resolution Awarding Contract No. 70-13-01

WHEREAS, the Commission has duly advertised, in accordance with law, an Invitation for Bids upon a Contract for Embankment Rehabilitation Project for the Fangboner Road Approaches at Milepost 91.15; the Shiets Road Approaches at Milepost 96.10; and the Gibbs and Balsizer Road Approaches at Milepost 97.60 in Sandusky County, herein designated **Contract No. 70-13-01**; and

WHEREAS, expenditures for the award to be made under Contract No. 70-13-01 will exceed \$150,000.00 and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received three 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. 70-13-01 was submitted by **Kokosing Construction Company, Inc.** of **Columbus, Ohio**, in the amount of **\$2,746,290.01**, 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. 70-13-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Kokosing Construction Company 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 Kokosing Construction Company; 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. 70-13-01 to the lowest responsive and responsible bidder, Kokosing Construction Company; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Kokosing Construction Company, Inc.**, of **Columbus, Ohio**, in the amount of **\$2,746,290.01** for the performance of Contract No. 70-13-01 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 Chief Engineer to assign **S&ME, Inc.**, of **Valley View, Ohio**, to Contract No. 70-13-01 for the purpose of performing construction inspection and materials testing, in accordance with the Agreement specific to this Project; and

FURTHER RESOLVED that Contract No. 70-13-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

(Resolution No. 28-2013 adopted May 20, 2013)

Chairman Hruby: The Resolution passes. Mr. Hedrick, please continue.

Chief Engineer: My next Resolution is for authorization to award Project No. 71-13-01 for Engineering Design for the Investigation and Rehabilitation of 14 Overhead Bridges in Fulton and Lucas Counties, Ohio. On January 22, 2013, Procurement received 13 Letters of Interest for Project No. 71-13-01. From this, five firms were selected to submit proposals from

this select list. KS Associates was determined to have submitted the most qualified proposal from this group of respondents. Fee negotiations commenced between KS Associates and Engineering staff and, on May 9, 2013, a final fee proposal was submitted in the amount of \$85,192.00 for Phase 1A. This phase is for the investigation into the conditions of these 14 structures and the preparation of an Engineering report outlining recommendations for repairs. It is anticipated that future phases of this project, including preparation of Contract Documents and possibly construction administration and inspection, will likely cause this authorization to exceed \$150,000. Therefore, in accordance with Article V Section 1.00 of the Commission Code of By-Laws, such expenditures exceeding this amount require Commission approval. We are requesting the award of this project to KS Associates for Phase 1A of this project in the amount of \$84,192.00. We will return to seek additional authorizations for the final phase of Construction Administration and Inspection, at such time as the construction contract is to be awarded. I just wanted to note that this is different from the way we normally have awarded these in the past. If the initial phase was below this \$150,000 threshold, we awarded that without Commission approval. This was a discussion between us and our General Counsel that this is a much better approach to give the Commission the opportunity to comment on these contracts before they are finalized and awarded. You will see this more in the future as we go through our design process, and we will be bringing these to you when they may not initially exceed \$150,000 in the first phase, but ultimately, they will exceed that amount. With your permission, if the general Counsel would please read the Resolved.

General Counsel: RESOLVED that the Commission concurs that **KS Associates, Inc., of Elyria, Ohio**, is most qualified to perform the services required under the above-mentioned RFP, and authorizes the Executive Director and the General Counsel to execute a Contract for Project No. 71-13-01 with KS Associates, all in accordance with the terms and conditions of the Commission's Request for Proposals, KS Associates' response thereto and its ensuing fee proposals therefor.

Chairman Hruby: Move adoption.

Secretary Barber: Second.

Chairman Hruby: Moved and seconded. Are there any questions? Do you interview everyone that submitted?

Chief Engineer: Mr. Chairman, we do not interview everybody, but we go through a pain staking process with Engineering staff to review each RFP response individually. There are times where the level of the work load, or the level of the contract might require us to go ahead and interview such respondents, and we will do that. In this case, we did not.

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

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 Murphy.

Mr. Murphy: Yes.

Director Hodges: Four to zero.

OHIO TURNPIKE COMMISSION

Resolution Authorizing a Contract for Engineering Design and Construction Administration Services for the Investigation and Rehabilitation of Fourteen Overhead Bridges in Fulton and Lucas Counties (Project No. 71-13-01)

WHEREAS, on January 8, 2013, the Commission published notice of its Request for Proposals (“RFP”) for Project No. 71-13-01 seeking Engineering Design and Construction Administration Services relating to the Investigation, Design and Rehabilitation of Fourteen Overhead Bridges from Milepost 22.7 to Milepost 62.8 in Fulton and Lucas Counties; and

WHEREAS, on January 22, 2013, Letters of Interest were received from thirteen firms expressing their interest in serving as the Commission’s Engineering Design Consultant for this Project, of which five were deemed most qualified and invited to submit proposals in response to the RFP, with responses due on February 21, 2013; and

WHEREAS, on the basis of the proposals received, the Engineering staff concluded that **KS Associates, Inc., of Elyria, Ohio (“KS Associates”)**, is most qualified to perform the above-mentioned services, and conducted a Scope of Services meeting with said firm to discuss the parties’ mutual understanding of the Phase IA Services consisting of Site Inspections and an Engineering Report; and

WHEREAS, KS Associates submitted its fee proposal dated May 9, 2013, for Phase IA Services in the not-to-exceed amount of **\$84,192.00**, which fee proposal has been deemed appropriate and reasonable by the Chief Engineer who, therefore, recommends that the Commission award the Contract for Project No. 71-13-01 to KS Associates; and

WHEREAS, total Contract expenditures will eventually exceed \$150,000.00 when subsequent Phase IB Final Design and Plan Preparation Services, and Phase II Construction Administration and Inspection Services are performed and, therefore, in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission has been advised by its General Counsel that said RFP selection process and the selection of KS Associates conformed with the requirements of Ohio Revised Code Sections 153.65 to 153.71, and that all legal requirements were performed and that the proposals were solicited on the basis of the same terms and conditions with respect to all respondents and potential respondents; and

WHEREAS, the Executive Director has also reviewed the recommendation submitted by the Chief Engineer and the General Counsel, and concurs that the proposed Contract with KS Associates to perform Phase IA and the ensuing Phase IB Services for Project No. 71-13-01 should be approved by the Commission; and

WHEREAS, at the time the construction contract(s) for the rehabilitation of the fourteen (14) overhead bridges from Milepost 22.7 to Milepost 62.8 in Fulton and Lucas Counties is/are awarded, the Commission will be requested to authorize KS Associates to perform Phase II Construction Administration and Inspection Services for said construction project(s); and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission concurs that **KS Associates, Inc.**, of **Elyria, Ohio**, is most qualified to perform the services required under the above-mentioned RFP, and authorizes the Executive Director and the General Counsel to execute a Contract for Project No. 71-13-01 with KS Associates, all in accordance with the terms and conditions of the Commission's Request for Proposals, KS Associates' response thereto and its ensuing fee proposals therefor.

(Resolution No. 29-2013 adopted May 20, 2013)

Chairman Hruby: The Resolution passes. Mr. Hedrick, please continue.

Chief Engineer: Continuing in our vein of things that are unusual, my final Resolution is seeking authorization for the Executive Director to participate in the Ohio Department of Transportation's Cooperative Purchasing Agreement for the procurement of Sodium Chloride. Each year the Ohio Turnpike Commission solicits bids for the furnishing and delivery of sodium chloride at various locations along the Ohio Turnpike. In recent years, the Ohio Turnpike staff has noticed a disparity in pricing between various sections, as well as geographic locations for this procurement. Predominately, those delivery areas east of Amherst have been receiving bids higher than the average cost for other Turnpike locations, as well as those bids submitted to the ODOT. Based upon this disparity, the Ohio Turnpike staff has requested to allow those locations east of Mile Post 140 be included in the ODOT Cooperative Purchase Agreement to, hopefully, capture a savings. Based upon our estimated quantities, we anticipate securing ODOT pricing on 35,500 tons of sodium chloride at seven different locations. These quantities are broken down as follows:

Amherst MB (Lorain Cty.)	7,400 Tons
TP 161 (Cuyahoga Cty.)	4,600 Tons
Boston MB (Summit Cty.)	7,400 Tons
TP 187 (Portage Cty.)	3,000 Tons
Hiram MB (Portage Cty.)	3,700 Tons
TP 218 (Mahoning Cty.)	3,000 Tons
Canfield MB (Mahoning Cty.)	6,400 Tons

The ODOT Cooperative Purchasing contract allows the purchase of between 80% and 120 % of these listed quantities. It is anticipated that the expenditures listed for these quantities will exceed \$150,000 and, based upon last year's bid estimate, pricing will approach \$1.7 million dollars in total. Due to the timing between the time ODOT receives their pricing and the time required to accept this pricing, it is unlikely that we would be able to return before this Commission for approval. Based upon this timing issue, we are requesting that the Executive Director be authorized to enter into the ODOT Cooperative Purchasing contract at such time as it has been received and approved by ODOT. Staff has evaluated the requested quantities and a comparison of last year's bids between the Ohio Turnpike and ODOT, and there is a potential to save approximately \$200,000 to \$250,000 with this approach. With your permission, if the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Executive Director and the General Counsel, or either of them, are authorized to forward a certified copy of this Resolution to the Director of Transportation indicating the Commission's assent and commitment to participate in the ODOT Cooperative Purchasing contract(s) for the purchase of sodium chloride in the counties where the following delivery sites are located, and in the following estimated quantities for the 2013/2014 snow and ice season:

Amherst MB (Lorain Cty.)	7,400 Tons
TP 161 (Cuyahoga Cty.)	4,600 Tons
Boston MB (Summit Cty.)	7,400 Tons
TP 187 (Portage Cty.)	3,000 Tons
Hiram MB (Portage Cty.)	3,700 Tons
TP 218 (Mahoning Cty.)	3,000 Tons
<u>Canfield MB (Mahoning Cty.)</u>	<u>6,400 Tons</u>
 TOTAL	 35,500 Tons

FURTHER RESOLVED, that the Executive Director and the General Counsel, or either of them, are authorized to agree, in the name of the Ohio Turnpike Commission, to purchase the minimum quantities prescribed by the Director of Transportation, to be responsible for direct payments to any selected vendor for the quantities purchased under the contract(s), and to otherwise agree to be bound by all terms and conditions of the contract(s) as prescribed by the Director of Transportation; and

FURTHER RESOLVED, that the Ohio Turnpike Commission agrees to be responsible for resolving all claims or disputes arising out of its participation in the ODOT Cooperative Purchasing Program under Section 5513.01(B) of the Ohio Revised Code, and agrees to waive any claims, actions, expenses, or other damages arising out of its participation in the Cooperative Purchasing Program that the Ohio Turnpike Commission may have or claim to have against ODOT or its employees, unless such liability is the result of negligence on the part of ODOT or its employees; and

FURTHER RESOLVED, that the Commission's Assistant Chief Engineer, Highway and Maintenance shall issue a report back to the Commission indicating the results of the ODOT bidding process, including a summary of any cost savings realized.

Secretary Barber: I move.

Vice Chairman Balog: Second.

Chairman Hruby: Moved and seconded. Are there any questions or comments?

Secretary Barber: I would just like to comment that I am pleased to see this type of cooperative effort between the agencies. I think this is a great idea, and I am sure there will be a cost savings in that. I am very pleased to see that.

Chairman Hruby: Are there any other questions or comments?

General Counsel: Mr. Chairman, if I could just add the following notes. We are going to be bidding for salt in the west with a separate bid invitation where we felt that the pricing had been very competitive, and it will be interesting for this Board to compare how we do as compared to last year in the west and, also, looking at the pricing that we get in the east. I also want to echo the comments of Commissioner Barber with respect to the cooperative level

and approach that I received when I contacted ODOT to work with their people in terms of the Commission hopping onto the ODOT Cooperative Purchasing Agreement. We really appreciate that, Greg and, if you could pass that along to your staff.

Mr. Murphy: Mr. Chairman, we have changed how we bid out salt, and we saw, I think, about a \$12.00 a ton savings, and we purchase several hundred thousand tons of salt, so this is a good fit.

Chairman Hruby: It is a great thing that ODOT does in offering that to all of the various communities also. We appreciate that. Are there any other comments? Hearing none, roll call on the Resolution.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Murphy.

Mr. Murphy: Yes.

Director Hodges: Four to zero.

OHIO TURNPIKE COMMISSION

Resolution Authorizing Participation in the ODOT Cooperative Purchasing Program for Sodium Chloride

WHEREAS, in the spring of each year, the Commission advertises in accordance with law its Invitation soliciting Bids for the furnishing of sodium chloride (rock salt) at fifteen different salt storage locations along the Turnpike; and

WHEREAS, the Invitation includes a request for quotations for rock salt and freight charges to the designated delivery locations delineated in the Bid Schedule; and

WHEREAS, over the past three years, Commission staff have observed that the pricing for rock salt at the seven delivery locations moving eastward from the Amherst Maintenance Building has been significantly higher than the pricing bid by these same salt providers to ODOT; and

WHEREAS, the Assistant Chief Engineer, Highway and Maintenance has recommended that the following estimated quantities of rock salt be submitted to ODOT for inclusion in that agency's bid invitation for the 2013/2014 snow and ice season under the ODOT Cooperative Purchasing Program for the counties where the following delivery sites are located:

Amherst MB (Lorain Cty.)	7,400 Tons
TP 161 (Cuyahoga Cty.)	4,600 Tons
Boston MB (Summit Cty.)	7,400 Tons
TP 187 (Portage Cty.)	3,000 Tons
Hiram MB (Portage Cty.)	3,700 Tons
TP 218 (Mahoning Cty.)	3,000 Tons
Canfield MB (Mahoning Cty.)	<u>6,400 Tons</u>
TOTAL	35,500 Tons

WHEREAS, the ODOT contract or contracts will require that a minimum of 80% of the estimated quantities set forth in the Bid Schedule be purchased and, because the severity of the snow and ice season is unpredictable, the Bidding Documents will also allow for the Commission to purchase up to 120% of the estimated quantities bid for each designated delivery location; and

WHEREAS, the General Counsel advises that, in accordance with Section 5513.01(B) of the Ohio Revised Code, the Commission is eligible to participate in contracts into which the Director of Transportation has entered for the purchase of machinery, materials, supplies, or other articles, provided that the Commission shall file with the Director a certified copy of bylaws or a resolution of the Board requesting authorization to participate in such contract(s) and agreeing to be bound by such terms and conditions as the Director prescribes; and

WHEREAS, expenditures under the ODOT Cooperative Purchasing contract(s) for sodium chloride at the seven aforementioned delivery locations are estimated to potentially exceed \$1,600,000.00 and, as they will exceed \$150,000.00, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary to authorize participation in said ODOT contract(s); and

WHEREAS, the Executive Director has reviewed the reports of both the Assistant Chief Engineer, Highway and Maintenance, and the General Counsel and, predicated upon such analysis, has made his recommendation that the Commission authorize participation in the ODOT Cooperative Purchasing contract(s) for sodium chloride in the counties where the aforementioned delivery sites are located; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Executive Director and the General Counsel, or either of them, are authorized to forward a certified copy of this Resolution to the Director of Transportation indicating the Commission's assent and commitment to participate in the ODOT Cooperative Purchasing contract(s) for the purchase of sodium chloride in the counties where the following delivery sites are located, and in the following estimated quantities for the 2013/2014 snow and ice season:

Amherst MB (Lorain Cty.)	7,400 Tons
TP 161 (Cuyahoga Cty.)	4,600 Tons
Boston MB (Summit Cty.)	7,400 Tons
TP 187 (Portage Cty.)	3,000 Tons
Hiram MB (Portage Cty.)	3,700 Tons
TP 218 (Mahoning Cty.)	3,000 Tons
<u>Canfield MB (Mahoning Cty.)</u>	<u>6,400 Tons</u>
TOTAL	35,500 Tons

FURTHER RESOLVED, that the Executive Director and the General Counsel, or either of them, are authorized to agree, in the name of the Ohio Turnpike Commission, to purchase the minimum quantities prescribed by the Director of Transportation, to be responsible for direct payments to any selected vendor for the quantities purchased under the contract(s), and to otherwise agree to be bound by all terms and conditions of the contract(s) as prescribed by the Director of Transportation; and

FURTHER RESOLVED, that the Ohio Turnpike Commission agrees to be responsible for resolving all claims or disputes arising out of its participation in the ODOT Cooperative Purchasing Program under Section 5513.01(B) of the Ohio Revised Code, and agrees to waive any claims, actions, expenses, or other damages arising out of its participation in the Cooperative Purchasing Program that the Ohio Turnpike Commission may have or claim to have against ODOT or its employees, unless such liability is the result of negligence on the part of ODOT or its employees; and

FURTHER RESOLVED, that the Commission's Assistant Chief Engineer, Highway and Maintenance shall issue a report back to the Commission indicating the results of the ODOT bidding process, including a summary of any cost savings realized.

(Resolution No. 30-2013 adopted May 20, 2013)

Chief Engineer: Thank you, Mr. Chairman. That completes my report this morning.

Chairman Hruby: Thank you. I just want to make a comment, Doug. I am really impressed at the volume of work that you have been doing lately, and getting all of it done and the efficiency that you have. I appreciate it very much, and I know the rest of the Commission and the Executive Director feels that same way.

Chief Engineer: Well, thank you Mr. Chairman. I wish I could take all of the credit for it, but I have an incredible staff.

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

CFO/Comptroller: Thank you Mr. Chairman. I have one report and one Resolution for your consideration this morning.

First, I have an update on our traffic and revenue for the months of March and April. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Passenger car vehicle miles traveled increased 5% in March and decreased 4.3% in April from the corresponding month last year. Most of these variances can be attributed to the fact that Easter was in March this year and in April last year.

Commercial vehicle miles traveled decreased 2.2% in March and increased 5.8% in April from last year. The timing of Easter had the opposite effect on commercial traffic, lowering traffic in March and increasing traffic in April. This chart shows the total vehicle miles traveled through the month of April during each year over the past decade. Total vehicle miles traveled for the first four months of this year were .5% above the amount from last year. If you remove February 29th from last year's total, total vehicle miles traveled are up 1.4% over last year.

This chart shows the monthly passenger car toll revenue over the past two years. The shift in the Easter holiday and an increase in *E-ZPass*[®] penetration caused the passenger car toll revenue to increase 3.6% in March and decrease 5.4% in April from the same month last year.

Commercial vehicle toll revenue declined 2.3% in March and increased 5.1% in April from the corresponding month last year.

This chart shows year to date toll revenues through the month of April during each year over the past decade. Year-to-date total toll revenues were \$43,000 or .1% above the amount from last year. If you subtract February 29th from last years' total, total toll revenues are up \$716,000 or 1% over last year.

That completes my report on Traffic & Revenue Mr. Chairman and, if there are no questions, I would like to present the Resolution.

Chairman Hruby: Please.

CFO/Comptroller: Included in your folders is a resolution entitled "Resolution to Authorize and Issue a Declaration of Official Intent with Respect to Reimbursement of Temporary Advances made for Capital Expenditure to be made from Subsequent Borrowings." As you know, we will be issuing debt in the next few months, \$70 million of which is designated for Ohio Turnpike capital projects. We wish to use part of these bond proceeds to pay for the two base replacement projects that are currently under construction. They are Project Nos. 39-13-01 and 39-13-02. In order to reimburse the Commission's systems project fund with the proceeds of the bond issue for the amounts that are spent prior to the issuance of the bonds, the Commission is required by IRS regulations to make a Declaration of Official Intent. This Resolution does that. With your permission Mr. Chairman, I would like to ask the General Counsel to please read the Resolved.

General Counsel: Thank you Mr. Chairman. For purposes of brevity, I am going to dispense with reading the definition section of the Resolved. I will only read the Declaration of Official Intent.

RESOLVED by the Members of the Ohio Turnpike Commission that: (definitions omitted here)

Section 2. Declaration of Official Intent.

(a) The Ohio Turnpike Commission declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid no earlier than sixty (60) days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Ohio Turnpike Commission in the maximum principal amounts, for such Reimbursements, of \$18,000,000.00 and \$13,000,000.00, respectively; and

(b) The Capital Expenditures to be reimbursed in the amount of \$18,000,000.00 are to be used for all project costs affiliated with Construction Contract No. 39-13-01, which includes base pavement replacement and shoulder reconstruction in the westbound right two (2) lanes of the System (as defined in Article I of the Master Trust Agreement) from Milepost 90.0 to Milepost 95.90 located in Sandusky County, Ohio, and any other related costs. The Capital Expenditures to be reimbursed in the amount of \$13,000,000.00 are to be used for all project costs affiliated with Construction Contract No. 39-13-02, which includes base pavement replacement and shoulder reconstruction in the eastbound right two (2) lanes of the System (as defined in Article I of the Master Trust Agreement) from Milepost 164.82 to Milepost 169.74 located in Cuyahoga County, Ohio, and any other related costs.

Section 3. Reasonable Expectations. The Ohio Turnpike Commission does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed) to be reserved, allocated on a long-term basis, or otherwise set aside by the Ohio Turnpike Commission or any other entity, with respect to the Capital Expenditures for the purposes described in Section 2(b).

Section 4. Open Meeting. It is found and determined that all formal actions of the Ohio Turnpike Commission concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Ohio Turnpike Commission; and that all deliberations of the Ohio Turnpike Commission and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with Section 121.22 of the Ohio Revised Code.

Chairman Hruby: Thank you. I will move adoption of the Resolution.

Mr. Murphy: Second.

Chairman Hruby: Moved and seconded. Are there any questions or 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: Four to nothing.

OHIO TURNPIKE COMMISSION

Resolution to Authorize and Issue a Declaration of Official Intent with Respect to Reimbursement of Temporary Advances Made for Capital Expenditures to be Made from Subsequent Borrowings

WHEREAS, Treasury Regulation §1.150-2 (the "Reimbursement Regulations"), issued pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under Section 150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of Sections 103 and 141 to 150 of the Code and, therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that the Ohio Turnpike Commission, as Issuer (as hereinafter defined), make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure, and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure, and further require that any Reimbursement Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date the Capital Expenditure was paid or the date the property

acquired with the Capital Expenditure was placed in service, except that any such Reimbursement Allocation must be made no later than three (3) years after such Capital Expenditure was paid; and

WHEREAS, the Ohio Turnpike Commission wishes to ensure compliance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT

RESOLVED by the Members of the Ohio Turnpike Commission that:

Section 1. Definitions. The following definitions apply to the terms used herein:

“Allocation” means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to reimburse the Ohio Turnpike Commission for such payments. “To allocate” means to make such an allocation.

“Capital Expenditure” means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

“Declaration of Official Intent” means a written declaration that the Ohio Turnpike Commission intends to fund Capital Expenditures with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

“Issuer” means either a governmental unit that is reasonably expected to issue Obligations, or any governmental entity or 501(c)(3) organization that is reasonably expected to borrow funds from the actual issuer of the Obligations.

“Master Trust Agreement” means the Amended and Restated Master Trust Agreement dated as of April 8, 2013, amending and restating the Master Trust Agreement dated as of February 15, 1994, as amended and supplemented, between the Ohio Turnpike Commission and The Huntington National Bank, as Trustee.

“Reimbursement” means the restoration to the Ohio Turnpike Commission of money temporarily advanced from other funds, including moneys borrowed from other sources, of the Ohio Turnpike Commission to pay for Capital Expenditures made before the issuance of Obligations intended to fund such Capital Expenditures. “To reimburse” means to make such a restoration.

“Reimbursement Bonds” means Obligations that are issued to reimburse the Ohio Turnpike Commission for Capital Expenditures, and for certain other expenses permitted by the Reimbursement Regulations, previously paid by or for the Ohio Turnpike Commission.

“Reimbursement Regulations” means Treasury Regulation §150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations may be allocated to reimburse the Ohio Turnpike Commission for Capital Expenditures and certain other expenses paid prior to the issuance of the Obligations such that the proceeds of such Obligations will be treated as “spent” for purposes of Sections 103 and 141 to 150 of the Code.

Section 2. Declaration of Official Intent.

(a) The Ohio Turnpike Commission declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid no earlier than sixty (60) days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Ohio Turnpike Commission in the maximum principal amounts, for such Reimbursements, of **\$18,000,000.00** and **\$13,000,000.00**, respectively; and

(b) The Capital Expenditures to be reimbursed in the amount of \$18,000,000.00 are to be used for all project costs affiliated with Construction Contract No. 39-13-01, which includes base pavement replacement and shoulder reconstruction in the westbound right two (2) lanes of the System (as defined in Article I of the Master Trust Agreement) from Milepost 90.0 to Milepost 95.90 located in Sandusky County, Ohio, and any other related costs. The Capital Expenditures to be reimbursed in the amount of \$13,000,000.00 are to be used for all project costs affiliated with Construction Contract No. 39-13-02, which includes base pavement replacement and shoulder reconstruction in the eastbound right two (2) lanes of the System (as defined in Article I of the Master Trust Agreement) from Milepost 164.82 to Milepost 169.74 located in Cuyahoga County, Ohio, and any other related costs.

Section 3. Reasonable Expectations. The Ohio Turnpike Commission does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed) to be reserved, allocated on a long-term basis, or otherwise set aside by the Ohio Turnpike Commission or any other entity, with respect to the Capital Expenditures for the purposes described in Section 2(b).

Section 4. Open Meeting. It is found and determined that all formal actions of the Ohio Turnpike Commission concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Ohio Turnpike Commission; and that all deliberations of the Ohio Turnpike Commission and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with Section 121.22 of the Ohio Revised Code.

(Resolution No. 31-2013 adopted May 20, 2013)

Chairman Hruby: Thank you very much. We will move on to the report of our General Counsel, Kathleen.

General Counsel: Thank you Mr. Chairman and Commission Members. I have one item to discuss with you today. In your packages, you will find the modifications to the Commission's Bylaws as we are proposing to move forward with a vote in June by the Board. As you all know, Am. Sub. H.B. 51 will take effect on July 1, which makes several changes to the governance of this body and, therefore, our Bylaws will also need to be amended. The primary changes will come in terms of the number of members that will be on our Board. It will require that we have four members present for a quorum as of July 1, 2013. There are also changes that are related to the change in our name which is going to be the Ohio Turnpike and Infrastructure Commission. This body also votes on the official seal. Director Hodges mentioned earlier that we are looking at our branding in terms of our logo, but we also have to insure that our seal has our name on it, so we will be looking at that. There are other clarifications made in the document, which I have redlined for your review. If you have any comments that you would like to make during this interim period, I would welcome those, and then I will bring those back to the Board for a vote. If you have any questions, please let me know.

Chairman Hruby: Thank you. So let us all take the time to review that and contact Kathleen to make sure you let your comments known.

Director Hodges: Mr. Chairman, if I may.

Chairman Hruby: Please.

Director Hodges: It may be appropriate now, as Counsel mentioned, most of these are technical or administrative changes. There are two substantive changes, though. Would you mind just outlining those briefly for the Commission so they know where to look for them.

General Counsel: Sure. Mr. Chairman, primarily, in the Executive Director's role, we have clarified that, first off, that we can participate in the Cooperative Purchasing Programs of the Ohio Department of Transportation and the Ohio Department of Administrative Services, and that those are included within that \$150,000 of contracting authority that he has, and clarifying that the contracts brought before this Board, if they exceed \$150,000 regardless of duration, will be brought before you for review. The Bylaws also will clarify that this Board has the power to observe all powers and duties that are granted to it under our statute, and I have attached a copy of the statute to the Bylaws for your review. Particularly, you want to pay attention to Section 5537.04 which enumerates all of the powers and duties of the Board.

Chairman Hruby: At previous meetings, we have recognized and thanked Mr. Murphy's fine work on this House Bill and the information that was gathered by ODOT during this whole period of time, and we expressed our appreciation. I also want to pass that on to you, Senator Manning. As the Chairman of the Transportation Committee, we were down at the hearings, and you did a marvelous job in conducting those bringing out a lot of good discussions, answering a lot of concerns of those who were uncertain if this was the right thing to do or not, so I want to thank you for your support on behalf of the Commission. I appreciate that, and I look forward to working with you again.

Senator Manning: Thank you Mr. Chairman.

Chairman Hruby: If nothing else from our General Counsel, we will move on to our Financial Advisor, Bethany Pugh.

Ms. Pugh: No report, Mr. Chairman.

Chairman Hruby: General Consultant, Mr. Buchanan.

Mr. Buchanan: No report, Mr. Chairman.

Chairman Hruby: Trustee from Huntington, Mr. Lamb.

Mr. Lamb: No report, Mr. Chairman.

Chairman Hruby: Our outstanding Highway Patrol, Captain.

Capt. Hannay: Good morning Mr. Chairman and Commission Members. Just a brief report. The traffic crashes on the Ohio Turnpike continue to trend downward through the four months that we have completed. Unfortunately, on May 1st, we did experience a single fatality at Exit 91. A motorcyclist involved with a semi. That concludes my report.

Chairman Hruby: Thank you. The next Commission Meeting will be Monday, June 17, 2013, at 10:00 a.m. Director Hodges, did you have a comment?

Director Hodges: For the July meeting, I would like to solicit the Commission's opinion whether we can move that from July 15 to July 8. I believe we have been in contact with you. The bond sale and the timing that is required, would expedite the process if we could move it to July 8, but I just discovered that Mrs. Barber cannot be here. We will work on that one. If people could communicate if they have nothing going on in early July, as far as I know besides the July 4 holiday, but if we could move that up, it would be great.

Chairman Hruby: Very good. We will have our final public hearing, which is the third public hearing on the rate schedule following this Commission Meeting. We have asked everyone who wishes to stay to please leave the room and then come back in to allow accurate attendance to be taken and allow the court reporter to set up.

I would just like to comment a little bit on the public hearings. We have had two of the public hearings already. The first one was in Boardman, Ohio, and no one was there but the media. Then, we had a second hearing in Maumee, Ohio, and there were only three people who showed up to give comments. All of you are welcome today. We feel lonely at these public

hearings, but it also indicates to us that people have accepted this and there is very little opposition. We have received very few letters. As a matter-of-fact, most of what we are hearing are positive things about this. The job creation, the infrastructure that is tired and needs rehabilitation in the State of Ohio, and I think the fine work on the part of the Governor's staff and ODOT in articulating the need for this, and making this the very best option for the Commission and the State of Ohio. You are all welcome to stay for the public hearing. If you do have comments, you are more than welcome to speak. Other than that, I will make a motion to adjourn.

Vice Chairman Balog: Second.

Chairman Hruby: 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:

Rick Gobeille, Jacobs; Bethany Pugh, PFM; Scott Trommer, PFM; Robert Rich, PFM; Ryan Kozak, PFM; Dan Cohan, CITI; Ron Marino, CITI; Evan Levine, CITI; George Leung, CITI; Annie Allman, self; J. Allman, self; Scott Allman, self; Belva Adkins, self; Harlan Adkins, Ohio Turnpike Commission; Vic Spinabelli, Hill; Tom Parevosnik, IUOE Local 18; Glen Stephens, GStephens; Beth Fulton, URS; Scott Buchanan, URS; Jennifer Townley, ODOT; Tim McDonald, ODOT; Jim Gales, ODOT; Frank Lamb, Huntington Bank; Jim Barnes, ODOT; Toby S. Fritz, Hill; Dawn Peck, Mizanin Reporting; Frank J. Bronzo, KCI; Gary Suhadolnik, self; Bill Daniel; Shortlive; Capt. Roger Hannay, OSHP; Marty Seekely, Ohio Turnpike; Robin Carlin, Ohio Turnpike; Doug Hedrick; Ohio Turnpike; Kathleen Weiss, Ohio Turnpike; Lisa Mejac, Ohio Turnpike; Mark Musson, 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: 11:22 a.m.

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

Sandra K. Barber, Secretary-Treasurer