

**MINUTES OF THE 584<sup>th</sup> MEETING OF THE OHIO TURNPIKE COMMISSION**

**June 18, 2012**

**Chairman Hruby:** (10:00 a.m.) Pledge of Allegiance is recited by all in attendance. The meeting will come to order. Will the Secretary-Treasurer please call the roll?

**Secretary-Treasurer:** Chairman Hruby.

**Chairman Hruby:** Here.

**Secretary-Treasurer:** Vice Chairman Balog.

**Vice Chairman Balog:** Here.

**Secretary-Treasurer:** Mr. Dixon. (not present due to GCRTA Board Meeting)

**Secretary-Treasurer:** Mrs. Barber.

**Mrs. Barber:** Present.

**Secretary-Treasurer:** Mr. Pakush.

**Mr. Pakush:** Here.

**Secretary-Treasurer:** Mr. Cole. (arrived during roll call, 10:02 a.m.)

**Secretary-Treasurer:** Mr. Smith. (not present due to OBM meeting)

**Secretary-Treasurer:** Senator Patton. (not present due to illness)

**Secretary-Treasurer:** Representative Dovilla.

**Representative Dovilla:** Present.

**Secretary-Treasurer:** We have a quorum.

**Chairman Hruby:** Thank you. First of all, I would like to welcome our new member, Sandra Barber, who has been the Fulton County Recorder since 1996. She brings much to our Commission and we look forward to working with you. Welcome.

**Mrs. Barber:** Thank you. I look forward to working with the Commission as well.

**Chairman Hruby:** This is the 584<sup>th</sup> Meeting of the Ohio Turnpike Commission. We are meeting here at the Commission's Headquarters as provided by the Commission's Code of Bylaws. Various reports will be received, and we will act on several Resolutions. Draft copies have been previously sent to the Members with updated copies in the folders. The Resolutions will be explained during the appropriate reports. Can I please have a motion to adopt the Minutes of the May 21, 2012 Commission Meeting?

**Vice Chairman Balog:** So moved.

**Mr. Pakush:** Seconded.

**Chairman Hruby:** Moved and Seconded. Are there any discussions, corrections or additions to the Minutes? Hearing none, roll call.

**Secretary-Treasurer:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Secretary-Treasurer:** Mr. Pakush.

**Mr. Pakush:** Yes.

**Secretary-Treasurer:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Secretary-Treasurer:** Mrs. Barber.

**Mrs. Barber:** Abstain.

**Secretary-Treasurer:** Three to zero.

**Chairman Hruby:** If there are no questions, we will proceed with the report of the Secretary-Treasurer, Mr. Hodges.

**Secretary-Treasurer:** I would like to start my report by welcoming Mrs. Barber as a Member of the Commission. She is from Fulton County so she is going to be outstanding. The following items have been sent to the Members since the last scheduled meeting of the Commission on May 21, 2012:

1. Six Resolutions
2. Minutes of the May 21, 2012 Commission Meeting.

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

3. Traffic Crash Summary Report, May, 2012
4. Traffic and Revenue, May, 2012
5. Investment Report, May, 2012
6. Total Revenue by Month and Year, May, 2012
7. The Ohio Turnpike Commission's Audit by Ciuni & Panichi, 2011, and
8. The Ohio Turnpike Commission's Comprehensive Annual Financial Report in draft for 2011 awaiting approval by the State Auditor's Office
9. Various News Articles.

That concludes my report, Mr. Chairman.

**Chairman Hruby:** Thank you. Any questions for the Secretary-Treasurer?  
Any reports as Executive Director?

**Secretary-Treasurer:** No report, Mr. Chairman.

**Chairman Hruby:** We will move on to the Resolutions. Sitting in for our Chief Engineer today is Assistant Chief Engineer, Anthony Yacobucci.

**Mr. Yacubucci:** Thank you, Mr. Chairman. I have three Resolutions for your consideration this morning. The first Resolution is to award Contract No. 56-12-01 for the Furnishing and Construction of a Self Supporting Storage Building to be located at the Elmore Maintenance Building located at Milepost 79.7 in Ottawa County, Ohio. This project is contained in the 2012 Renewal & Replacement Section of the Capital Improvement Budget. Procurement received one bid for this work in the amount of \$319,000.00 from Seitz Builders, Inc., of Broadview Heights, Ohio. Due to the specialized nature of this construction, there were limited number of plan holders, which resulted in a single bid. The bid was below the Engineer's Estimate, and this company has satisfactorily performed similar work for the Commission in the past. The Resolution also contains a provision for TTL Associates, Inc., of Toledo, Ohio to perform materials testing for this project. If the General Counsel would please read the Resolved.

**General Counsel:** RESOLVED that the bid of **Seitz Builders, Inc., of Broadview Heights, Ohio**, in the amount of **\$319,000.00**, for the performance of **Contract No. 56-12-01**, 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 bidder of its 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 **TTL Associates, Inc., of Toledo, Ohio**, to Contract No. 56-12-01 for the purpose of performing materials testing, in accordance with the 2011-2012 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and said engineering firm; and

FURTHER RESOLVED that Project No. 56-12-01 is designated a Renewal & Replacement Project under the Commission's 1994 Master Trust Agreement.

**Chairman Hruby:** Is there a Motion?

**Vice Chairman Balog:** So moved.

**Chairman Hruby:** Seconded. Discussion? I would like to begin with a question. Have we authorized the construction of one of these within the last few years?

**General Counsel:** Mr. Chairman and Commission Members, I believe the last one that was constructed was in 2005. So, it's been seven years.

**Chairman Hruby:** The reason I am asking is to verify if this bid is a good price or not.

**Mr. Yacobucci:** Mr. Chairman, the last one we bid was in 2005, and the price was \$263,000.00. If you escalate the 2005 price at just under three percent per year, this falls within the realm of what I would consider reasonable.

**Chairman Hruby:** Okay. It's below the estimate, correct?

**Mr. Yacobucci:** That is correct.

**Chairman Hruby:** Is there a reason for there being only one bid?

**Mr. Yacobucci:** Mr. Chairman, the specialized nature of this construction is very unique and with the five plan holders, we did expect more than one bid. Unfortunately, we did only receive one.

**Chairman Hruby:** Any questions from the Commission?

**Mr. Cole:** Who is building the new ODOT District 12 Salt Storage Facility?

**Mr. Pakush:** We are building a new maintenance garage that is not necessarily a salt storage facility. Salt storage will be a part of it but, it's a full maintenance facility that we are working with the Port Authority on a design build project. There is not a stand-alone salt facility. We do not have a contractor identified on that yet.

**General Counsel:** Mr. Chairman, if I may. This is a cookie cutter type project. The plans and specifications are packaged for this. I believe that is another reason why there are a limited number of bidders. I also wanted to mention for the Board, per your request, each of the letters that you will be receiving from me going forward will indicate to you whether there is MBE or FBE participation in the construction project.

**Chairman Hruby:** Any further questions? Hearing none, roll call.

**Secretary-Treasurer:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Secretary-Treasurer:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Secretary-Treasurer:** Mrs. Barber.

**Mrs. Barber:** Yes.

**Secretary-Treasurer:** Mr. Pakush.

**Mr. Pakush:** Yes.

**Secretary-Treasurer:** Four to zero.

**OHIO TURNPIKE COMMISSION**  
**Resolution Awarding Contract No. 56-12-01**

WHEREAS, the Commission has duly advertised according to law for bids upon a contract for furnishing and installing one self-supporting salt storage building at the Commission's **Elmore Maintenance Building** located at Milepost 79.7 in Ottawa County, Ohio, herein designated **Contract No. 56-12-01**; and

WHEREAS, expenditures for the Contract to be awarded will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the said Contract award; and

WHEREAS, the Commission received one bid for the performance of said Contract, and said bid has been reviewed and analyzed by the Commission's Assistant Maintenance Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Assistant Maintenance Engineer reports that the sole bid for the performance of Contract No. 56-12-01 was submitted by **Seitz Builders, Inc.**, of **Broadview Heights, Ohio** in the total amount of **\$319,000.00**; which bid he recommends be accepted by the Commission, and

WHEREAS, the Assistant Maintenance Engineer further states that Seitz Builders proposes to provide materials and services in accordance with the Commission's specifications, and has satisfactorily constructed this type of salt storage structure for the Commission in the past, and the bid is therefore, a responsive and responsible bid; and

WHEREAS, the Commission has been advised by the General Counsel that bids for Contract No. 56-12-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Seitz Builders for Contract No. 56-12-01 conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54 of the Ohio Revised Code, and that a performance bond with good and sufficient surety has been submitted by said bidder; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the Assistant Maintenance Engineer and the General Counsel and predicated upon such analysis, has made his recommendation to the Commission that Contract No. 56-12-01 be awarded to the lowest responsive and responsible bidder, Seitz Builders, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Seitz Builders, Inc.**, of **Broadview Heights, Ohio**, in the amount of **\$319,000.00**, for the performance of **Contract No. 56-12-01**, 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 bidder of its 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 **TTL Associates, Inc.**, of **Toledo, Ohio**, to Contract No. 56-12-01 for the purpose of performing materials testing, in accordance with the 2011-2012 Miscellaneous Engineering Services Agreement between the Ohio Turnpike Commission and said engineering firm; and

FURTHER RESOLVED that Project No. 56-12-01 is designated a Renewal & Replacement Project under the Commission's 1994 Master Trust Agreement.

**(Resolution No. 25-2012 adopted June 18, 2012)**

**Mr. Yacobucci:** The second Resolution this morning is to award Contract No. 70-12-01 for Embankment Rehabilitation of the Yorktown Road Bridge Approaches located at Milepost 100.2 in Sandusky County, Ohio. This project, which is the second in our commitment for the rehabilitation of eleven bridge approach embankments in Sandusky County, is contained in the 2012 Capital Improvement Budget. Procurement received six bids for this contract. These bids were evaluated by Engineering and, based upon this review, it was determined that the lowest responsive bid in the amount of \$571,586.67 was submitted by Kokosing Construction Co., Inc., of Columbus, Ohio. The bid submitted by Kokosing is below the Engineer's Estimate, and this contractor has satisfactorily performed similar work for the Commission in the past. The Resolution also contains a provision to assign S&ME, Inc., of Valley View, Ohio to perform materials testing and construction inspection services. If the General Counsel would please read the Resolved.

**General Counsel:** RESOLVED that the bid of **Kokosing Construction Co., Inc.**, of **Columbus, Ohio**, in the amount of **\$571,586.67** for the performance of Contract No. 70-12-01 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. 70-12-01 for the purpose of performing construction inspection and materials testing, in accordance with the Agreement specific to this Project; and

FURTHER RESOLVED that Project No. 70-12-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

**Chairman Hruby:** I will move the Resolution. Is there a second?

**Mr. Pakush:** I'll second.



**Chairman Hruby:** Moved and seconded. Any questions or discussion?

Hearing none, roll call.

**Secretary-Treasurer:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Secretary-Treasurer:** Mr. Pakush.

**Mr. Pakush:** Yes.

**Secretary-Treasurer:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Secretary-Treasurer:** Mrs. Barber.

**Mrs. Barber:** Yes.

**Secretary-Treasurer:** Four to zero.

## **OHIO TURNPIKE COMMISSION**

### **Resolution Awarding Contract No. 70-12-01**

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for the following Embankment Rehabilitation Project in Sandusky County: Yorktown Road Bridge Approaches at Milepost 100.2, herein designated **Contract No. 70-12-01**; and

WHEREAS, This Project is being performed in conformance with Ohio Revised Code Section 5537.051 and the Agreement that the Commission has entered into for the rehabilitation of embankment approaches at eleven grade separations located at Turnpike overpasses in Sandusky County; and

WHEREAS, expenditures for the award to be made under Contract No. 70-12-01 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 six 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. 70-12-01 was submitted by **Kokosing Construction Co., Inc.**, of **Columbus, Ohio**, in the amount of **\$571,586.67**, 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. 70-12-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Kokosing Construction for Contract No. 70-12-01 conforms to the requirements of Ohio Revised Code Section 5537.07, Section 9.312 and Section 153.54, and that a performance bond with good and sufficient surety has been submitted by said bidder; and

WHEREAS, the Executive Director has reviewed the reports of the Chief Engineer and the General Counsel and predicated upon such analysis, concurs that Contract No. 70-12-01 be awarded to the lowest responsive and responsible bidder, Kokosing Construction Co., Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Kokosing Construction Co., Inc.**, of **Columbus, Ohio**, in the amount of **\$571,586.67** for the performance of Contract No. 70-12-01 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. 70-12-01 for the purpose of performing construction inspection and materials testing, in accordance with the Agreement specific to this Project; and

FURTHER RESOLVED that Project No. 70-12-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

**(Resolution No. 26-2012 adopted June 18, 2012)**

**Mr. Yacobucci:** The final Resolution this morning is for Authorizing Additional Expenditures with Arcadis U.S., Inc., under Project No. 71-10-05. This project is for Engineering Design and Construction Administration and Inspection Services for the repair, replacement and/or rehabilitation of the Oberlin Road, West Ridge Road and Gulf Road

structures located in Lorain County, Ohio. On February 4, 2011, a Contract in the amount of \$119,246.85 was entered into with Arcadis U.S., Inc., for Phase I Preliminary Design Plan Preparation Services. This work included the investigation and condition report for these structures as well as final design and construction contract documents for the deck replacement of the Gulf Road Bridge. In February 2012, the Commission, under Resolution No. 10-2012, authorized Project No. 43-12-02 for the construction of the Gulf Road Bridge, which Resolution also authorized the Construction Administration and Inspection Services by Arcadis U.S., Inc.. In May 2012, Arcadis U.S., Inc. submitted a proposal to complete the Final Design and Plan Preparation Services for the remaining two structures in the original RFP. Since this will increase the expenditure by more than ten percent of the original contract amount, it is required under Article V, Section 1 of the Commission's Code of Bylaws that the Commission must authorize such expenditure. If the General Counsel would please read the Resolved.

**General Counsel:** RESOLVED that the Commission concurs that **Arcadis U.S., Inc.**, of **Cleveland, Ohio** should perform the Phase I Final Design Plan Preparation Services contemplated under Project No. 71-10-05, and authorizes the Executive Director and the General Counsel to amend the Contract with Arcadis U.S., Inc., to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-10-05, Arcadis' response thereto and its fee proposal therefore.

**Chairman Hruby:** Is there any action to be taken?

**Vice Chairman Balog:** Motion to adopt.

**Chairman Hruby:** Seconded. Moved and seconded. Any discussion or questions? Hearing none, roll call.

**Secretary-Treasurer:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Secretary-Treasurer:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Secretary-Treasurer:** Mrs. Barber.  
**Mrs. Barber:** Yes.  
**Secretary-Treasurer:** Mr. Pakush.  
**Mr. Pakush:** Yes.  
**Secretary-Treasurer:** Four to zero.

## OHIO TURNPIKE COMMISSION

**Resolution Authorizing Additional Expenditures with Arcadis U.S., Inc. under Existing Contract for Engineering Design and Construction Administration and Inspection Services,**  
**(Project No. 71-10-05)**

WHEREAS, on November 4, 2010, the Commission issued its Request for Proposals (“RFP”) for Project No. 71-10-05 seeking Engineering Design and Construction Administration and Inspection Services for repair, replacement and/or rehabilitation of the following bridges over the Turnpike in Lorain County: (1) Bridge Parapet Investigation and Replacement/Rehabilitation of the Oberlin Road Bridge over the Turnpike at Milepost 141.2; (2) Approach Slab and Substructure Investigation and Repair/Replacement of the West Ridge Road Bridge over the Turnpike at Milepost 142.6; and (3) Bridge Deck Replacement of the Gulf Road Bridge over the Turnpike at Milepost 146.4; and

WHEREAS, on November 30, 2010, four proposals from firms deemed qualified to respond to the RFP were received, which proposals were reviewed by an evaluation team consisting of the Commission’s former Chief Engineer, the former Assistant Chief Engineer, and the former Bridges and Structures Engineer, which team ranked the proposal received from **Arcadis U.S., Inc. (“Arcadis”)**, of **Cleveland, Ohio**, as the best proposal received; and

WHEREAS, the Commission’s General Counsel has advised that said RFP selection process and the selection of Arcadis conformed with the selection process set forth in Ohio Revised Code Sections 153.65 to 153.71; and

WHEREAS, a Contract was entered into with Arcadis on February 4, 2011, in the total not-to-exceed amount of \$119,246.85, for the performance of Phase I Preliminary Design Plan Preparation Services for the structures identified in the RFP, which fee also included Final Design Plan Preparation Services for the deck replacement of the Gulf Road Bridge, and for which Construction Contract No. 43-12-02 was approved by the Commission in February 2012, via Resolution No. 10-2012, which Resolution also authorized Construction Administration and Inspection Services to be performed by Arcadis during said bridge deck replacement project; and

WHEREAS, Arcadis has submitted a fee proposal dated May 30, 2012, in the not-to-exceed amount of **\$42,438.00** to perform Final Design Plan Preparation Services for the parapet replacement and rehabilitation of the Oberlin Road Bridge and the approach slab and substructure repair and replacement for the West Ridge Road Bridge, which fee proposal the Chief Engineer has deemed to be reasonable and acceptable; and

WHEREAS, the continued expenditures by the Commission under the Contract will exceed ten percent of the original contract amount, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, the Commission must authorize the amendment of the Contract for Project No. 71-10-05; and

WHEREAS, the Commission will be requested to authorize additional expenditures that will be required when Arcadis is asked to perform Phase II Construction Administration and Inspection Services during the rehabilitation of the two aforementioned bridge structures; and

WHEREAS, the Executive Director has reviewed the recommendations submitted by the Chief Engineer and the General Counsel, and concurs that the Contract for Project No. 71-10-05 should be amended to allow for performance of the required Phase I Final Design Plan Preparation Services for the Oberlin and West Ridge Road Bridges; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission concurs that **Arcadis U.S., Inc.**, of **Cleveland, Ohio** should perform the Phase I Final Design Plan Preparation Services contemplated under Project No. 71-10-05, and authorizes the Executive Director and the General Counsel to amend the Contract with Arcadis U.S., Inc., to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-10-05, Arcadis' response thereto and its fee proposal therefor.

**(Resolution No. 27-2012 adopted June 18, 2012)**

**Mr. Yacobucci:** That completes my report, Mr. Chairman.

**Chairman Hruby:** Thank you. We will move on to the report of our CFO/Comptroller, Martin Seekely.

**CFO/Comptroller:** Good Morning Mr. Chairman and Commission Members. I have two reports and one Resolution for your consideration this morning. My first report is an update on our Traffic and Revenue for the month of May. This first chart shows the monthly

passenger cars traveled on the Ohio Turnpike over the past two years. Passenger car vehicle miles traveled in May 2012 were 1.9% higher than May 2011. May 2011 was negatively impacted by high gas prices and passenger car vehicle miles were down 4.3% from 2010. This year's increase recovered approximately one-half of last year's decline. Commercial traffic continued to rebound from the recession, and as a result commercial vehicle miles traveled in May were 4.8% higher than last year.

This year's toll rate increase combined with the increase in passenger car miles traveled caused passenger car toll revenue in May to increase 10.5% from May 2011. The 4.8% increase in commercial vehicle miles traveled combined with the toll rate increase resulted in a 14.2% increase in commercial vehicle toll revenue for the May 2012 over May 2011.

This chart shows the year-to-date toll revenues through the month of May during each year over the past decade. Toll revenues for the first five months of the year were \$10.1 million or 11.7% above the amount from last year. If you subtract February 29 from this year's total, toll revenues are up \$9.4 million or 10.9% over the same number of days as last year. That completes my report on Traffic and Revenue for the month of May. If there are no questions, I have one Resolution for your consideration.

**Chairman Hruby:** Please, go ahead.

**CFO/Comptroller:** Our Master Trust Agreement requires that we perform a mid-year review of our financial condition and certify to our Trustee, Huntington National Bank, that projected revenues for the year will be sufficient to meet our obligations under the Trust Agreement. Our 2011 Pledged revenues are shown at the top of this slide. The data in the first column on the bottom shows are actually Pledged revenues of \$103.6 million for the first five months of this year. Based on the most recent toll revenue projection from Bobby Everhardt, our

URS Consultant, I have estimated the Pledged revenues for the last seven months of 2012 at approximately \$169 million. This yields estimated gross Pledged revenues for the calendar year of 2012 of \$272 million. The calculations on this slide demonstrate that, based on our projected Pledged revenues for 2012, we expect to meet all three requirements under Section 4.04 of the Trust Agreement.

The first requirement is our estimated Gross Pledged revenues exceed the sum of our budgeted operating, maintenance and administrative costs, plus the required deposit to the Expense Reserve Account.

The second requirement is that our estimated Net/System Pledged Revenue exceed the sum of our Annual Debt Service Requirement, plus the Renewal and Replacement Requirement.

The third and final requirement is that our estimated debt coverage ratio equal at least 120%. This ratio is required to be at least 150% in the year before the issuance of additional bonds. In addition, the Commission has by Resolution established its intent to always maintain a ratio of at least 150%. A coverage ratio of at least 200% is generally recognized as a threshold needed to help maintain our AA credit rating. The projected debt coverage ratio of 273% satisfies the requirements under our Master Trust Agreement.

There is a proposed Resolution in your materials entitled, Resolution Considering the Financial Condition of the Commission. With your permission, Mr. Chairman, I would like to ask the General Counsel to please read the Resolved.

**General Counsel:** RESOLVED that the Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2012 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement, and hereby authorizes and directs the CFO/Comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee and the rating agencies, and shall be available to any interested party.

**Chairman Hruby:** I will move the Resolution.

**Vice Chairman Balog:** I'll second.

**Chairman Hruby:** Moved and seconded. Any discussion or questions?

Hearing none, roll call.

**Secretary-Treasurer:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Secretary-Treasurer:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Secretary-Treasurer:** Mrs. Barber.

**Mrs. Barber:** Yes.

**Secretary-Treasurer:** Mr. Pakush.

**Mr. Pakush:** Yes.

**Secretary-Treasurer:** Four to zero.

## **OHIO TURNPIKE COMMISSION**

### **Resolution Concerning the Financial Condition of the Commission**

WHEREAS, §4.04(a) of the Master Trust Agreement (“Trust Agreement”) between the Commission and The Huntington National Bank, as trustee, dated February 15, 1994, requires that on or before July 31 of each year, the Commission shall complete a review of its financial condition for the purpose of estimating whether the Gross Revenues for such Fiscal Year will be sufficient to provide, together with Series Payments, Additional System Payments and Supplemental Payments, the amounts specified in §4.04(a) of the Trust Agreement; and



WHEREAS, the Commission's CFO/Comptroller has analyzed the Commission's financial condition and has advised the Commission that, on the basis of his analysis, the Commission's revenues for fiscal year 2012 will be sufficient to meet the requirements of §4.04(a) of the Trust Agreement, and he has set forth a detailed statement of the actual and estimated Gross Revenues, Series Payments, Additional System Payments and Supplemental Payments; and

WHEREAS, a certification of same is before the Commission.

NOW, THEREFORE, BE IT

RESOLVED that the Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2012 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement, and hereby authorizes and directs the CFO/Comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee and the rating agencies, and shall be available to any interested party.

**(Resolution No. 28-2012 adopted June 18, 2012)**

**Chairman Hruby:** Anything further, Marty?

**CFO/Comptroller:** Yes. Enclosed in your materials you will find a draft of our 2011 Comprehensive Annual Financial Report (CAFR). The Auditor of State is still performing their desk audit of our Financial Statements, which is why the CAFR is marked as a draft. However, our outside auditors have finished their auditing of our financial statements, which are included in the CAFR starting on page 20. With your permission Mr. Chairman, I would like to introduce Lynn Basconi from Ciuni & Panichi, our independent outside auditors, who will discuss our 2011 audit.

**Chairman Hruby:** Good morning and welcome.

**Ms. Bisconi:** Good morning Mr. Chairman and Members of the Commission. Ciuni & Panichi has performed the audit for December 31, 2011. We have issued and provided an unqualified opinion on the CAFR that Marty and his staff have prepared which is on page 21 of the booklet. As Marty stated, we are waiting for the desk review to be completed by the State Auditor. We have also prepared and issued a number of other reports that are included in the spiral bound booklet. In Tab A, you will find the report on Internal Control over Financial Reporting and Compliance Issues. We did not note any significant deficiencies or weaknesses in the Internal Controls of the Commission or any non-compliance matters with laws, grants, or agreements that apply to the Commission.

Tab B is our report stating that the Commission complied with the Master Trust Agreement, Section 4. Tab C shows our report stating that the Commission complied with the Net/System Pledged revenues similar to the calculation Marty just covered. Page two shows that, for 2011, the Turnpike was at 239% coverage over the 120% required in Section 4.04 of the Master Trust Agreement.

We have also met separately with the Audit Committee, and reviewed our letter with those charged with Governance. Thank you. Any questions?

**Chairman Hruby:** Any questions? No, thank you very much.

**Secretary-Treasurer:** If I might add, Marty and his staff routinely win awards of excellence from the Governing Finance Officers Association, and this year will probably be no different. Excellent job.

**Chairman Hruby:** Yes, thank you. If nothing further, our General Counsel's report.

**General Counsel:**

Good morning Mr. Chairman and Commission Members.

Welcome Commission Member Barber. I have two Resolutions today for your review. The first one is a Resolution Adopting Modifications to the Ohio Turnpike Commission's Ethics Policy. On October 21, 2002, the Ohio Ethics Commission recommended that the Turnpike Commission consider adopting a Model Ethics Policy and, pursuant to Resolution No. 41-2002 the Commission did so. If you look at the Ethics Policy that is in your materials, it clearly states in the first paragraph what its purpose is, "It is the policy of the Ohio Turnpike Commission to carry out its mission in accordance with the strictest ethical guidelines and to ensure that Commission members and employees conduct themselves in a manner that fosters public confidence and the integrity of the Commission, its processes, and its accomplishments."

The policy has not been updated since that time and, in reviewing the policy, one of the items that needs to be changed is the reference to the Governor's Executive Order. You will note in your materials that I have provided you a redline showing that the policy will be updated to reflect Executive Order 2011-03K, which is Governor Kasich's current order related to ethics. In addition, it is my feeling that this policy should indicate where it is to be published. It is published with all of our employees, and our employees are required to sign an acknowledgement indicating that they have reviewed, and will abide by the policy. In addition, we will be publishing it on our website and perhaps, most importantly, we publish this policy with all vendors with whom we do over \$10,000 of business. They are required to acknowledge back to the Commission, either by way of a short form acknowledgement for smaller dollar contracts or by way of a non-collusion/non-interest affidavit for our larger contracts, that they have reviewed the policy and will abide by it as well. Therefore, Mr. Chairman I would like to read the Resolved to modify this policy.

**Chairman Hruby:** Please.

**General Counsel:** RESOLVED that the Commission hereby adopts the modifications to the Ohio Turnpike Commission's Ethics Policy, and

FURTHER RESOLVED that the General Counsel is instructed to notify the Ohio Ethics Commission of the Commission's revisions to the policy by forwarding a certified copy of this resolution to the Ohio Ethics Commission; and

FURTHER RESOLVED that, upon adoption of the modifications to the Ohio Turnpike Commission's Ethics Policy, the revised policy shall be published on the Commission's website, and the Commission's Human Resources Department shall distribute copies of the approved document to each Ohio Turnpike Commission employee, together with an acknowledgement of receipt, that shall be executed and returned by each employee to the Human Resources Department acknowledging that they have received a copy of the Ohio Turnpike Commission's Ethics Policy and agree to comply with the terms of said policy.

**Chairman Hruby:** I move adoption of the Resolution.

**Vice Chairman Balog:** Second.

**Chairman Hruby:** Moved and seconded. Any questions or comments?

Hearing none, roll call.

**Secretary-Treasurer:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Secretary-Treasurer:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Secretary-Treasurer:** Mrs. Barber.

**Mrs. Barber:** Yes.

**Secretary-Treasurer:** Mr. Pakush.

**Mr. Pakush:** Yes.

**Secretary-Treasurer:** Four to zero.

## OHIO TURNPIKE COMMISSION

### **Resolution Adopting Modifications to the Ohio Turnpike Commission's Ethics Policy**

WHEREAS, on October 21, 2002, the Ohio Ethics Commission recommended that the Ohio Turnpike Commission consider adopting a model Ethics Policy due to its simplicity in achieving the goal of summarizing required legal standards, without attempting to specifically restate them; and

WHEREAS, pursuant to Resolution No. 41-2002, the Commission adopted the Ohio Turnpike Commission's Ethics Policy; and

WHEREAS, the General Counsel has recommended that modifications to the Ethics Policy be considered and adopted by the Commission, a copy of which is attached hereto as Exhibit "A," with said modifications updating the policy to reference the current Executive Order 2011-03K issued by Governor Kasich relative to the State of Ohio's Ethics Policy, and further indicating how the Commission's policy is to be published to the general public and specifically to those entities that wish to conduct business with the Commission; and

WHEREAS, the Commission has duly considered the General Counsel's recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby adopts the modifications to the Ohio Turnpike Commission's Ethics Policy, and

FURTHER RESOLVED that the General Counsel is instructed to notify the Ohio Ethics Commission of the Commission's revisions to the policy by forwarding a certified copy of this resolution to the Ohio Ethics Commission; and

FURTHER RESOLVED that, upon adoption of the modifications to the Ohio Turnpike Commission's Ethics Policy, the revised policy shall be published on the Commission's website, and the Commission's Human Resources Department shall distribute copies of the approved document to each Ohio Turnpike Commission employee, together with an acknowledgement of receipt, that shall be executed and returned by each employee to the Human Resources Department acknowledging that they have received a copy of the Ohio Turnpike Commission's Ethics Policy and agree to comply with the terms of said policy.

**(Resolution No. 29-2012 adopted June 18, 2012)**

**General Counsel:** Thank you Mr. Chairman and Commission Members. The second Resolution that I have before you today is the Resolution Authorizing Modifications to the Ohio Turnpike Commission's System of Preferences for the Purchase of Equipment, Materials or Supplies. Some Board Members may recall that, via Resolution No. 26-2008, the Commission adopted a policy establishing a preference for the purchase of equipment, materials or supplies that are produced or mined in the United States, the State of Ohio, or a border State. The initial policy substantially mirrored the Model System of Preferences administered by the Ohio Department of Administrative Services pursuant to the provisions of the Ohio Revised Code Sections 125.09 and 125.11. What I have found, and what our Procurement Department has found through administering this policy throughout the years, is that there are certain equipment, materials or supplies that are not domestically produced or mined in Ohio, or in the country. For example, at times we cannot find tires unless they are produced in Korea. Salt is sometimes mined in Canada, and not sold by a company that has a significant Ohio economic presence. I could go on and name several others. The policy, as initially written, requires the Commission to set aside any items that are not domestically produced, and has become cumbersome for us to administer. We have also had to purchase some products that are excessive in price as a result. Therefore, we are proposing a slight modification to the policy as set before you in the redline materials, and with your permission Mr. Chairman, I would like to read the Resolved.

**Chairman Hruby:** Please.

**General Counsel:** RESOLVED that the Executive Director and General Counsel shall be authorized to proceed with the recommended modifications to the previously adopted System of Preferences For the Purchase of Equipment, Materials or Supplies; and

FURTHER RESOLVED that the revised policy shall be published on the Commission's website and copies provided to potential bidders with all appropriate procurement solicitations.

**Chairman Hruby:** For the Resolution, what is the Commission's pleasure?

**Vice Chairman Balog:** Motion to adopt.

**Mr. Pakush:** Second.

**Chairman Hruby:** Moved and seconded. Any discussion? Mr. Cole.

**Mr. Cole:** Mr. Chairman, in reading the redline, is there a specific reporting process to know and track all of the exceptions over the course of one year or budget period?

**General Counsel:** Mr. Chairman and Commission Member Cole, the Procurement Department maintains a copy of each and every domestic and Ohio preference form that is filed with that department for every bid invitation. It is very easy for us to track where we are having problems with the solicitations, and it is also easy to generate a report. Whether they have generated a report on an annual basis as to how many Ohio purchases we have made, I don't believe they have done that, but that would be a very easy report to accomplish. I can certainly tell you where the areas of problems have occurred in addition to the problems that I have previously indicated. Unfortunately, the wording in the policy was ever so restrictive in certain areas, and I did review this with an expert in Buy-Ohio Procedures in Columbus who felt that these changes would get us where we need to be. We are not looking to abrogate or do away with the policy in any way. I believe that it was the Board's intention, and I believe that we've accomplished the intention to make more Ohio purchases with this policy. On the other hand, we've run into some problems.

**Mr. Cole:** Mr. Chairman, I would just suggest that we contemplate tracking non Buy-Ohio purchases, and preparing a report to that nature. The main reason I bring this up is with H.B. 487, there was a requirement put in that bill by the legislature, a Senate member specifically, that was going to make State procurement even that much more Ohio restrictive,

especially any item coming to controlling board, so it has the attention of the legislature right now. I just think that as we make this policy change, and I understand its warranted, and I think you've taken careful time to do it the right way, but it may draw attention to the Turnpike doing things differently. Again, the perception is that you should be prepared to explain and report back the percentage of purchases that are Ohio based, and that this is how this policy allows us to work with Ohio firms and companies to make those types of purchases. It is just because of what is going on right now. We did veto that provision, the Governor vetoed that, and the administration supported the veto because of the flexibility necessary just to make some purchase. Again, the legislature is looking at it right now. I don't know that the Turnpike wants to become a target of that.

**Chairman Hruby:** Thank you, Mr. Cole.

**Secretary-Treasurer:** Mr. Chairman, Mr. Cole makes an excellent point, and we will certainly do that. Thank you for the suggestion.

**Chairman Hruby:** Any other comments or questions? Roll call.

**Secretary-Treasurer:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Secretary-Treasurer:** Mr. Pakush.

**Mr. Pakush:** Yes.

**Secretary-Treasurer:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Secretary-Treasurer:** Mrs. Barber.

**Mrs. Barber:** Yes.

**Secretary-Treasurer:** Four to zero.



## **OHIO TURNPIKE COMMISSION**

### **Resolution Authorizing Modifications to the Ohio Turnpike Commission's System of Preferences For the Purchase of Equipment, Materials or Supplies**

WHEREAS, pursuant to Resolution No. 26-2008, the Commission adopted a policy establishing a preference for the purchase of equipment, materials or supplies produced or mined in the United States, the State of Ohio or a border state; and

WHEREAS, the Commission is authorized pursuant to Ohio Revised Code Section 5537.04(A)(10) to enter into contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers; and

WHEREAS, the initial policy substantially mirrored the Model System of Preferences administered by the Ohio Department of Administrative Services pursuant to the provisions of Ohio Revised Code Sections 125.09 and 125.11 and as set forth by rule in Ohio Administrative Code Section 123:5-1-11; and

WHEREAS, the General Counsel has advised the Commission that the policy has generally proven to be very effective in encouraging the purchase of equipment, materials or supplies produced or mined in Ohio and the United States, however, there have been several occasions when the equipment, materials or supplies are not domestically produced or mined or, if they are available domestically, they are excessive in price; and

WHEREAS, the General Counsel recommends revisions to the current policy (attached hereto as Exhibit "A") in order to clarify that Commission staff are authorized to proceed with the purchase of equipment, materials or supplies that are not domestically produced or mined if they are not otherwise available, or if the price for the domestically produced or mined item is excessive; and

WHEREAS, the General Counsel has advised the Commission that it is authorized, pursuant to Ohio Revised Code Section 5537.04(A)(10) to modify the previously adopted policy; and

WHEREAS, the Commission has duly considered the General Counsel's recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Executive Director and General Counsel shall be authorized to proceed with the recommended modifications to the previously adopted System of Preferences For the Purchase of Equipment, Materials or Supplies; and

FURTHER RESOLVED that the revised policy shall be published on the Commission's website and copies provided to potential bidders with all appropriate procurement solicitations.

**(Resolution No. 30-2012 adopted June 18, 2012)**

**Chairman Hruby:** Anything further.

**General Counsel:** No further report. Thank you Mr. Chairman.

**Chairman Hruby:** We'll move on to our other reports. Our Financial Advisor, Mr. John Adams.

**Mr. Adams:** Nothing to report, Mr. Chairman.

**Chairman Hruby:** Our General Consultant, Scott Buchanan.

**Mr. Buchanan:** No report, Mr. Chairman.

**Chairman Hruby:** Our Trustee from Huntington, Mr. Lamb.

**Mr. Lamb:** No report, Mr. Chairman.

**Chairman Hruby:** State Highway Patrol.

**ST Lt. Morgan:** Mr. Chairman and Commission Members, thankfully I report to you today that my report will be very brief, which in my business is very good. In the last thirty days, we have been fatality free, and that included the Memorial Day holiday weekend driving which over 700,000 vehicles used the Ohio Turnpike during that reporting period. I would also like to report as well that we have seven brand new troopers that just completed their Cadet Pupil Training. They are now on their own on the Ohio Turnpike, and with the completion of their training we have also granted transfers off of the Ohio Turnpike, so we have not increased the number of personnel that we currently have assigned to the Ohio Turnpike. That concludes my report.

**Chairman Hruby:** Any questions for the Lietutenant? No. Thank you very much. The next Commission Meeting was scheduled for July 16, 2012. That meeting has been cancelled. Therefore, our next meeting of the Ohio Turnpike Commission will be on August 20, 2012 at 10:00 a.m. If there is no further business, is there a motion to adjourn?

**Vice Chairman Balog:** Moved.

**Mr. Pakush:** Second.

**Chairman Hruby:** Moved and seconded. Any discussion? Hearing none, all those in favor signify by saying “aye”. We are adjourned

All Members vote “aye” with zero “nays”

Attendees For Record Keeping Purposes:

Lynn Basconi, Ciuni & Panichi; John Adams, Fifth Third; Scott Buchanan, URS; Vic Spinabelli, Hill; Don Taggart, IUOE 18; Howard Huebner, ODOT D-12; Hamid Homae, Transystems Corporation; Frank Lamb, Huntington Bank; Farah Majidzadeh, RDI; Kamram Majidzadeh, RDI; Lieutenant Monte Morgan, Ohio State Highway Patrol; Marty Seekely, Ohio Turnpike; Dale Perram, Ohio Turnpike; Donna Fritz, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Tony Yacobucci, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Dave Miller, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; Lauren Hakos, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Sherry Tulk, BW Student; Dan Humphrey, BW Student; Alex Zenopolich, BW Student.

Time of adjournment: 11:28 a.m.

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

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Richard Hodges, Secretary-Treasurer