

**MINUTES OF THE 609th MEETING OF THE
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
July 21, 2014**

Vice Chairman: (10:04 a.m.) Good morning. Chairman Hruby is not here for today's meeting as he is on vacation, and I am standing in for him as Vice Chairman. We will start the meeting by saying our Pledge of Allegiance. (Pledge of Allegiance is recited by all in attendance). Have all of the guests signed in? If you have not, please do that at the end of the meeting. We would like to keep an accurate account of attendance. Will the Assistant Secretary Treasurer please call the roll?

Director Hodges: Vice Chairman Balog

Vice Chairman Balog: Here

Director Hodges: Secretary-Treasurer Barber

Secretary Barber: Here

Director Hodges: Mr. Paradiso

Mr. Paradiso: Here

Director Hodges: Mr. Murphy

Mr. Murphy: Here

Director Hodges: Mr. Cole

Mr. Cole: Present

Director Hodges: Senator Manning

Senator Manning: Here

Director Hodges: Representative Dovilla

Representative Dovilla: Present

Director Hodges: We have a quorum.

Vice Chairman: This is the 609th Meeting of the Ohio Turnpike and Infrastructure Commission. We are meeting here at this Commission's headquarters as provided for in the Commission's Code of Bylaws for this Commission Meeting. Various reports will be received. We will act on several Resolutions, draft copies of which have been previously sent to the Members and updated drafts are also in the Members' folders. The Resolutions will be

explained during the appropriate reports. May I have a motion to adopt the Minutes of the June 16, 2014 Commission Meeting?

Mr. Paradiso: So moved.

Vice Chairman: Is there a second?

Mr. Murphy: Second

Vice Chairman: We have a second. Please call the roll.

Director Hodges: Mr. Paradiso

Mr. Paradiso: Yes

Director Hodges: Mr. Murphy

Mr. Murphy: Yes

Director Hodges: Mr. Balog

Mr. Balog: Yes

Director Hodges: Secretary-Treasurer Barber

Mrs. Barber: Yes

Director Hodges: Unanimous

Vice Chairman: Thank you. If there are no questions we will proceed with the report of the Secretary-Treasurer, Mrs. Barber.

Secretary-Treasurer: Yes Mr. Vice Chairman, I am pleased to report that the following items have been sent to the Members since the last scheduled meeting of the Commission on June 16, 2014:

1. Eight Resolutions;
2. Draft Minutes of the June 16, 2014, Commission Meeting; and
3. Agenda for today's meeting.

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

1. Traffic Crash Summary Report, June, 2014;

2. Traffic and Revenue Report, June, 2014;
3. Investment Report, June, 2014;
4. Total Revenue by Month and Year, June, 2014;
5. Financial Statement, June, 2014; and
6. Various News Articles.

That concludes by report Mr. Vice Chairman.

Vice Chairman: Thank you. Any questions for Mrs. Barber? We will move on to the report of our Executive Director, Mr. Hodges.

Director Hodges: Good morning Mr. Vice Chairman and Members of the Commission. In addition to the Resolutions that have been mailed to you, we have various items of business on the agenda.

I would like to begin by introducing to you our new Ohio State Highway Patrol liaison officer Staff Lieutenant Bill Weirtz. We are pleased that Lieutenant Weirtz has been appointed. He has had the opportunity to meet our senior management team, and I am confident we will continue to enjoy the same close relationship with the Patrol we have come to expect. Lieutenant Weirtz has Turnpike experience, having served for roughly a year and a half on our road. Lieutenant, would you please stand to be recognized and perhaps, when you give your report later, you might take a moment to tell us about yourself.

I would also note that you will be hearing the report of the Audit Committee and our audit firm Ciuni and Panichi, as well as CFO Marty Seekely's Annual Report to certify the financial condition of the Turnpike. Both those reports are very positive and serve to reinforce why, as Marty reported last month, Fitch Ratings Service recently reaffirmed that we are the highest rated toll road in the country.

Next, in previous reports I have informed you on how we have partnered with Lean Ohio, which is part of state government, to do a Kaizen exercise that would help us rebuild our internal processes to make them more efficient, cost effective and customer friendly. We completed our first Kaizen last week with our procurement process. Sixteen Turnpike employees spent a week breaking down and rebuilding this costly and cumbersome process. I am very excited about the group's work and thank them for their efforts. I hope this will be the continuing total review of our Turnpike operations. Kevin Golick and Tommie Jo Marsilio led the Kaizen efforts. Robin Carlin is responsible for coordinating our strategic plan. She and the team will report more on this effort next month and I think you will agree they did a lot of work last week, a lot of good work.

Additionally, I want to update you on the status of the *E-ZPass*[®] distribution through retailers off the Turnpike. We issued a RFP for potential partners who would distribute the *E-*

ZPass[®] transponders through their retail networks. We received only one proposal. The firm that responded would be a quality partner, but this venture is very important to us and we want to do all we can to generate interest. Consequently, we are going to extend the time to submit proposals. We are in the process of reaching out to potential partners to determine why they did not submit a proposal and what we can reasonably do to make the project more attractive. We hope to complete this process by the Fall, so we can expand distribution by late this year or early next.

On a bittersweet note it is with mixed emotions that I report to you that our internal investigator, Rich Rob will be retiring from the Turnpike, after 11½ years of service, effective August 1st. In fact, Rich will be concluding a career in law enforcement and investigation that began 46 years ago.

From 1968 to 1985 Rich was Detective Sergeant for the Parma Heights Police Department. For five of those years he was the Officer in charge of the narcotics bureau. Rich also served as the Director of Public Safety for the City of Parma Heights from 2000 to 2010, as well as on the Parma Heights City Council from 1985 to 1999.

In addition, Rich Rob worked for Medical Mutual of Ohio (formerly Blue Cross & Blue Shield of Ohio) for thirteen years from 1985 to 1998. Rich was the head of Medical Mutual of Ohio's Fraud Squad and maintained a perfect record when it came to catching "cheaters" in the healthcare system.

Rich is a veteran of the U.S. Army, serving from 1962 to 1965. He attended Kent State University and Cuyahoga County Community College. Rich was also a guest lecturer at Baldwin-Wallace College, where he lectured about healthcare fraud.

Rich resides in Parma Heights and has been married to his wife, Anita, for 49 years, he has three children and two grandchildren. They, I am sure, are happy that he is retiring, so they can spend some time with him. But we will miss Anita's kolaches!! As a matter of fact, I say Anita proves that Rich is an over-achiever.

He has spent thousands of hours investigating suspicious activity and surveilling individuals who may not be fulfilling their responsibilities to the Turnpike. Due to the sensitive nature of Rich's work, you will understand why we don't let him out very much or let many people know about him. Unfortunately, we would be compromising security if we talked openly about his many significant accomplishments on our behalf. He has many stories - some sad, some ludicrous and a few that are a bit scary. He has completed his responsibilities with great skill and professionalism. We will be sad to see him go, but happy that he will be able to do so with the affection and respect of all who have been privileged to work with him. He has had to keep a low profile over the last 11½ years, but I invited him here today so that we might say goodbye, and thank you, in front of you. Rich would you mind standing, I didn't want you to stand through the whole speech, you are always welcome, but go with our sincere and heartfelt best wishes and thank you very much for your service. (Applause)

Rich Rob: Thank you. Can I just say that 11½ ago when I first started here I told Gary Suhadolnik, the Director at that time, that I would probably do a couple of years, that's all I wanted to work, but it is such a nice place to work with good people and that is why I stayed as long as I did. So, I am sad to leave too. I have had many good things happen, and met many good people. What I did sometimes was a little complicated, and I could not have done my job without the help of Kathy, Sharon Isaac, and Dave Miller. I know I am going to miss people, but you know the system itself is very complicated, and when you get somebody that is misusing that system and you don't understand it, you need those people behind you. They were truly a great help to me, that's the reason why I stayed here. A lot of the stuff I did I got credit for, but it was the people behind me. One person who was always behind me was Jennifer because I had the unique ability every morning to come in touch a key on my computer and put the whole system down. She will tell you stories about my computer skills, they are not long. I would like to tell one story out of school about, well the Chairman isn't here today, so back in the 1970's he was a police officer in Brecksville and I was a police officer in Parma Heights and we actually worked some cases together that were overlapping between our cities, so when I saw that the Commission appointed him as Chairman, I knew that you had picked a good guy, seeing as he didn't show up we can talk about him. Thanks again. I have enjoyed my whole time here, great people, good place, and if you ever need anything else from me, just let me know. Thank you.

General Counsel: I have worked with Rich for a number of years, I think, the only thing I would add is that, if he told some of the other stories he has, he would have to kill us all. So we will just leave it at that. Thank you again Rich for all of your hard work and your years of service. We are going to miss you.

Rich Rob: And the bakery. Thank you.

General Counsel: That doesn't mean that you can't stop by occasionally and bring the apricot and nut kolaches for us.

Director Hodges: Finally, Mr. Vice Chairman, you remember in December of last year, you approved a Resolution to contract with Legends Sales and Marketing to identify and evaluate sponsorship opportunities along the Turnpike. You approved the analysis, but instructed me to bring back the proposed strategy for your consideration. George Manias is back with us today to present their proposal. A resolution is not necessary for them to continue their work, but I will be looking to you for an informal indication of whether you approve of us proceeding along the lines he suggests. I have had a chance to see his presentation and am confident it captures the essence of your direction from the December meeting.

Mr. Vice Chairman, with your permission I would like to call on George and his team to make their presentation.

Vice Chairman: Please.

George Manias: Good morning everybody. My name is George Manias. I am the Vice President of Naming Rights and Sponsorships for Legends Sales and Marketing. With me today, I brought Josh Moore, who is our Director of Analytics, and Brooke Cuevas, who is our

Director of Sales who will actually be responsible for the actual sales process. As alluded to earlier, Legends was hired to perform a two-phase approach. In Phase I, we were hired to take a look at the Ohio Turnpike and all it entails. Over the course of the last four or five months, Josh Moore has been really knee deep in analyzing the Turnpike. We drove the roadway with a lot of the staff here, and really got to know the potential opportunities that we can really put a monetary figure on. Josh has spent the last four or five months putting a valuation study together. He will talk about the methodology behind it and how we approach some of these figures. What you are going to see today is really a condensed version of what we learned, and then how we are going to go to market and monetize these opportunities to generate revenue for the Ohio Turnpike. The one thing I really want to make clear is, our goal is not to, for lack of a better term, “NASCAR” up the Turnpike with signage and really pollute the opportunities out there. Ours is the less is more approach and to really have things tastefully done. You will see we have identified some inventory opportunities, and we really just want to show you our thoughts for the best way to approach selling these opportunities and monetizing them.

Josh Moore: Thank you George. As part of our process, we reviewed all of the information provided to us first. After traveling the entire Turnpike and making stops at all fourteen service plazas, we wanted to put together sponsorable inventory that would make sense for the Turnpike. We looked at other municipalities (toll roads) and did a comparative analysis. What we are presenting today is just one piece of our evaluation. We then conducted an internal evaluation that describes in much greater detail where our numbers come from. From an impression standpoint, our study revealed that the Turnpike has about eighty-seven million impressions annually. That is the number of people that would see the signage by driving along the Ohio Turnpike, which is a very significant and valuable number. As part of our review, we also came to the conclusion that approximately 8.1 million people are annually visiting inside the service plazas, and that 23,000 are coming through the service plazas on a daily basis. Again, this was an internal study, we looked at several municipalities across the country including, Florida, and Connecticut where we conducted an auto-capture rate of 6.15. We came to the conclusion that approximately 6.1% of people that are driving the Turnpike are stopping at our service plazas.

George Manias: What Josh described was the analytical approach. Our next job is to determine how do you monetize this? It is one thing to know that there are so many people that come and stop at the service plazas, or who drives the toll road, but how do we put a revenue figure on that and what are we selling? First and foremost, knowing that there are fourteen potential opportunities, what we did is determine the best way to go out and sell and really put programs together. The one thing that I really want to make clear here is that this is groundbreaking stuff. Obviously you are familiar that ODOT is out there selling and certain other municipalities are selling some of their roadways, but not in the manner that we are going to present to you today. This is something that’s going to be very innovative and, I think, when we complete the sales process, you will see other states, and other roadways copying and mimicking what we are doing here because this has never been done before. What has been done before is that people are selling ads on first responder programs or ads on snowplows, things like that. We obviously identify that as part of our inventory process, but the programs that we are putting together never have been done together in the United States before. Our approach, as in Legends Sales and Marketing, even when we sell arenas and stadiums, we don’t

just sell signs by themselves we identify inventory pieces. We are not going to go out there and sell an ad on a snowplow for example. We have determined that these are great assets to have, great inventory to have, but what is the program that we are going to put together that is going to make the most sense and make a buyer want to buy this over Johnny Manziel and the Browns or Cleveland Cavaliers and LeBron James being back. We have to separate ourselves out there now and really go to market with a unique program and that is what we have done.

A lot of what you are going to see here are just some of the inventory pieces that we put together and that we identified as what we call “assets.” These are the items that we will wrap in packages, for example, the first responders program, snowplow sponsors and *E-ZPass*[®], which was mentioned earlier. There are significant opportunities for signage within the service plazas. We will even get down to vending opportunities. Right now, Coke and Pepsi are at the service plazas, but we want to have the opportunity to leverage your service opportunities and maybe Pepsi becomes the exclusive vending operator in some of these service plazas. Some of the fun stuff and unique things that we identified are things like the salt domes, which have a very high impression when you are driving up and down the roadway, so maybe we could do something fun with the Cavs or the Browns, and maybe a salt company. The other thing that we identified is that there is opportunity for barter here to save money on certain operational aspects and not just monetizing things. Maybe we can barter and leverage the fact that you are buying so much salt out there, so how do we put a price on that and go after salt companies to become sponsors as well.

Moving on to Phase II of what we do, after determining our assets, how do we go to market? So, the first thing we had to do is identify what we call our “SWOT” Analysis our strengths, weaknesses, opportunities and threats. What are our true opportunities? Again, never having been done before in this kind of manner, there is a true opportunity here. One of the negatives of this internally though, it has never been done before, so some of the things are going to be new to people. I think, when we get in there and we explain how we are going to go out and market, I think people will be excited about it. Another weakness is there is a lot of political red tape as you know if we are putting up signage or if we are doing different things along the roadway for which we have to get approvals. There is possibly a RFP processes if we want to bring somebody to become an exclusive partner. So, there are a lot of hoops that we may have to jump through, but really what sums this all up here is that there are going to be some objections and some hindrances, but, at the end of the day, there is a true opportunity here to monetize and make some money for the Turnpike in a unique way.

We have decided to market this partnership program in platforms. There will be three different partnerships or sponsorship levels. The first is what we call a “Signature Partnership.” The second would be a “Preferred Partnership.” We have identified two “Signature Partnerships” to market. We will have seven “Preferred Partners” and we will have twelve or more “Official Partners” depending on how we progress. The first Signature Partnership is the “First Responders Program.” We have developed a program around what you are already doing in response to major accidents or break downs. We feel that there is a significant opportunity, to have a title sponsorship behind it. This could include targeted auto insurance. ODOT has recently come up with a program with State Farm, we feel our program is going to be better than what they are doing. They are basically, just really putting some signage up.

Mr. Murphy: Do you know that I am the Chief of Staff at ODOT?

George Manias: My apologies, we acknowledge that there is a program in place, obviously a very good one.

Director Hodges: We all love ODOT.

George Manias: We do. There is obviously a program there and it was sold very well. I think what we can do also is take that same program and enhance here with the Turnpike as well and take it to a different level.

The second sponsorship program is the "Safe Drivers Program." We are going to build a campaign around "don't text and drive," the 911 calls basically put a sponsor behind that. We identified our target audience being the cellular category, so the AT&T and Sprints of the world. It just makes sense to have that message of safe driving, and the "don't text and drive" type of campaign. We feel that we can sell those two programs individually from anywhere from \$300,000 to \$500,000 a piece annually.

The next program we put together are the "Preferred Programs." We have decided that that there will be seven of those programs. The reason why we came up with seven is because there are fourteen service plazas, so a partner would have two sponsorships behind two individual service plazas and then have a presence in some of the other plazas as well. We broke those down into categories that make sense in a plaza. For instance, the banking categories is a big one, obviously having ATMs within the plazas themselves, some signage around there, and some interactive opportunities behind that. Health care is another opportunity that we have identified as a great opportunity to sponsor some of the service plazas. Grocery and Energy categories have also been identified as important pieces of inventory. For example, energy providers could be sponsors at the service plazas where the recreation vehicles electrical hook-up areas are located. The auto category makes sense as well, obviously, with the roadway. In addition to that, having space at some of the service plazas to identify and put up different kinds of educational displays. Obviously, there are a lot of collegiate opportunities here up and down the roadway that we can get behind. Then, of course, there are the entertainment and attractions. Ohio and the roadway are filled with opportunities from Cedar Point, all of the way to the Rock & Roll Hall of Fame, casinos and everything else that goes behind that. The "Preferred Partnership" Program, we believe the seven opportunities identified could potentially generate about \$200,000 in revenues annually.

We then listed out some of the "Official Partnership" Programs categories. We looked at approximately twelve of these that can generate anywhere up to \$100,000 annually. Overall, we have determined that if we package this right and sell this correctly, we could generate approximately \$2 million in revenue annually. The terms of these sponsorships could range anywhere from three years all the way to ten to fifteen years, depending on how deep we want it to go. That really is everything. Any questions?

Director Hodges: Mr. Vice Chairman, if I may.

Vice Chairman: Yes sir.

Director Hodges: I think that, after the initial presentation they made to the Commission about six months ago, the message that I heard loud and clear was that we don't want to be in the business of naming roads or buildings, so we directed Legends that we are not really weren't interested in that. Nor are we interested in putting up a lot of signs on the highway and turning it into a NASCAR track. We like our pretty road. So, when they put this together it was really taking advantage of essentially the free advertising in many cases that we are already giving companies who happen to be in the service plazas and coordinating them around central themes and partnering with some of the really great companies that do business in this area. That will be a win, win, win for everybody. We can partner with their brand names, they can partner with our good brand name, we can do it for our customers, so that we can generate revenue that will reduce our reliance on toll revenue in the future, and also create more value for the customer whether it be enhanced truckers' lounges or an enhanced pet area, or a lot of the other amenities and consumer opportunities that exist. That was the strategic direction and I think Legends captured it here, and we look forward to matching our friends at ODOT in creating innovative sponsorships.

Mr. Murphy: Well done.

Vice Chairman Balog: I have a question for Kathy. As he talks about, for example, the official soft drink vendor of the Turnpike, how do our contracts work with all of the vendors that are in the different service plazas, how would you be able to mesh that together?

General Counsel: Mr. Vice Chairman and Commission Members, that is something that we had been looking at. The contracts themselves that we have with the concessionaires don't speak to any exclusivity for soft drink, but we have been talking to HMS Host, Hardees, and Panera to find out who their arrangements are with, as well as the vending provider. I don't have the results of that with me presently, but we do know that they lean heavily in one favor versus the other and that will probably influence greatly what it is that Legends chooses to go after in terms of the possibility of having an exclusive soft drink provider at the service plazas. We would have to work through those issues, but I don't believe them to be insurmountable at all.

Vice Chairman: Senator, do you have a question?

Senator Manning: I don't have a question, but I do have a comment. I think it is so very important that we find different ways and thinking outside the box to certainly save our taxpayers' money. It sounds like \$2 million annually is something to be happy about, but what I really like is the fact that we are going to do it tastefully. I think that is very important. We don't want to see a bunch of signs out there that gives a poor image of our beautiful State of Ohio, and I like the idea of a partnership, just like the great partnership we have between ODOT and the Ohio Turnpike.

Vice Chairman: Thank you Senator. Any further comments?

Mrs. Barber: I think it is very innovative. I was under the impression that some other states, other toll roads had done something similar to this. Is that correct?

Director Hodges: My sense is, and the Legends folk can add to this, that other roads have taken little bites of the apple in various areas, but this is the first attempt to put a sophisticated program together that already exists in the private sector.

Mr. Manias: That's exactly right.

Mrs. Barber: I understand that, out West, they had attempted to do something similar to those sponsorships on their toll roads.

George Manias: There are a few states out there that are exploring opportunities and they have actually contacted us, but we've not responded to other RFPs. We wanted to master this and then, hopefully, use this as a great test case moving forward to see what can be accomplished. What has been done out there are there are advertisements and signage on toll booths, but not to this extent.

Vice Chairman: Any further questions? Thank you.

George Manias: Thank you very much. We appreciate the opportunity.

Vice Chairman: We are still on your section of your report I believe.

Director Hodges: Thank you. In our conversations going forward if Board Members would feel free to ask questions and give direction, we will try and follow that direction moving forward on this project. Mr. Vice Chairman that concludes my report.

Vice Chairman: Thank you. Any questions for the Executive Director? Deputy Executive Director, Robin.

Deputy Executive Director/Director of Administration: I have no report this month.

Vice Chairman: Thank you. Chief Engineer, Tony.

Chief Engineer: Good Morning Mr. Vice Chairman and Commission Members. I can make up for her no report. I have seven resolutions for your consideration this morning.

The first resolution for your consideration is to award Contract Nos. 53-14-02 and 53-14-03 for renovations to the Great Lakes and Towpath Service Plazas at Milepost 170.1 in Cuyahoga County and the Portage and Brady's Leap Service Plazas at Milepost 197.0 in Portage County. This work is included in the 2014 Capital Budget. In an attempt to solicit more bidders for the project, we provided the bidders with the option to bid only one set of Service Plazas or both sets of Service Plazas as a group or a Combination Bid. In addition, we included an Add Alternate Bid Item to perform miscellaneous maintenance work and painting of the water tower at the Brady's Leap Service Plaza. On July 2, 2014, Procurement received two bids in response

to this Contract. The apparent low bid was submitted by RFC Contracting, Inc., of Strongsville, Ohio, with a Combination Base Bid (SP-6 and SP-7) of \$2,930,000.00 and a Water Tower Add Alternate Bid of \$49,000.00, for a total Bid of \$2,979,000.00. This bid is below the Engineer's Estimate of \$3,100,000.00. RFC has performed similar work for the Commission in the past, including the recent renovation to the Erie Islands and Commodore Perry Service Plazas, and it appears they have sufficient capacity to perform this Contract. Therefore, it is recommended that Contract Nos. 53-14-02 and 53-14-03 be awarded to RFC Contracting, Inc., of Strongsville, Ohio, in the amount of \$2,979,000.00. This Resolution also contains provisions to assign Vocon Partners, LLC, of Cleveland, Ohio, a Commission certified FBE firm, to perform construction administration and inspection services and to assign Solar Testing Laboratories, Inc., of Brooklyn Heights, Ohio, to perform material testing services. With your permission, may the General Counsel please read the Resolved.

Vice Chairman: Please.

General Counsel: RESOLVED that the bid of **RFC Contracting, Inc.**, of **Strongsville, Ohio**, in the total Bid amount of **\$2,979,000.00** for the performance of Contract No. 53-14-02 & 53-14-03 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 **Vocon Partners, LLC**, of **Cleveland, Ohio**, to Contract No. 53-14-02 & 53-14-03 for the purpose of performing construction administration and inspection services pursuant to the Contract between the Commission and Vocon Partners, LLC specific to this Project, and to assign **Solar Testing Laboratories, Inc.**, of **Brooklyn Heights, Ohio**, to perform materials testing services in accordance with the 2013/2014 Miscellaneous Engineering Services Agreement between the Commission and said firm; and

FURTHER RESOLVED that a portion of Contract No. 53-14-02 & 53-14-03 is designated a Renewal and Replacement Project under the Commission's Master Trust Agreement, and a portion of the Project is designated a Service Plaza Capital Improvement Project.

Vice Chairman: Is there a Motion to adopt?

Mrs. Barber: So moved.

Vice Chairman: Is there a second?

Mr. Murphy: Second

Vice Chairman: Questions or discussions on the Resolution before the Commission?

Mr. Cole: I am just surprised that there is absolutely no MBE, especially on two plazas construction projects like this. I don't know if I am channeling Commission Member Dixon or not, but, you know there has been quite an effort across the state, across all agencies of the state to improve and increase MBE. We've talked about it a number of times here at the Commission Meetings, I am just a little bit surprised, is there an explanation?

Director Hodges: Mr. Vice Chairman, I would defer to our Chief Engineer. There is a great effort, we have made significant progress. However, the law of the land in construction is still the lowest bid.

Chief Engineer: Mr. Vice Chairman and Commission Member Cole, I would have to echo that, I really can't say why no MBE's bid until we put our policy in place and start enforcing something that the Commission feels is appropriate. I don't think there is anything else that we can do except go for the lowest and best bid.

Director Hodges: Mr. Vice Chairman, I might add that we are working with ODOT, specifically with Chief of Staff Murphy, who is heading up the effort on their end to do the necessary studies so that we can begin to put some tough standards into our policies, but the law says that we have to do those things first.

Mr. Cole: Mr. Vice Chairman, again, I commend the Commission for all of its efforts and attention in this area. I was just surprised that a firm knowing that this is happening across the state, and knowing what the Commission is working on, wouldn't propose any MBE participation.

Mr. Murphy: I have a question, I mean I guess I should know this, but I don't, when these contracts go out Tony or Kathy, does the Commission ask for a percentage of participation like we do at ODOT?

General Counsel: I will go ahead and respond. Mr. Vice Chairman and Commission Member Murphy, not at this time. We do not require a percentage of participation, but we do have documents within the bidding documents called the "MBE Project Employment Data Sheet" where we ask the contractor to identify the make-up of their own workforce and also to identify for the Commission any potential MBE participation that is going to occur in the project. The fact that it is indicated that there is no MBE participation with respect to this particular project doesn't mean that we can't continue to encourage RFC or any other vendor that does not initially indicate MBE participation as we move forward with awarding the contract. Tommie Jo, is not here today, but her staff will contact and work with RFC contracting to continue to push for them to try to produce some MBE opportunities under this contract and any future contract. As the Director stated, we are going to be working together with ODOT on what's called a disparity study. We need to perform this study, so that we can establish the proper percentage goals for the various types of construction contracts that the Commission performs. It is our intent to begin that process in the next year, so that we can move forward with goal

setting. That will provide the teeth we need in the construction contracts for us to insist on participation.

Mr. Murphy: So Tony, you remember when you were a consultant, if you did not meet the DBE/MBE EDGE goals you did not, you weren't even considered at ODOT. What is precluding us from doing that here? That disparity study?

Director Hodges: In compilation with the study we are moving in that direction. If you remember the Resolution said by January 1, 2015, that everything would be in place and we are dedicated to keeping with that schedule.

Mr. Cole: And again Mr. Vice Chairman, in parallel, the Commission is still taking all of its opportunities for outreach, for anything to get just a full MBE to bid, to try to increase the numbers in parallel with this disparity study right? We are not talking about postponing that outreach because, again, I know there has been significant discussion about that in meetings that Robin's working on and everything else to try to do that. Again, at the Controlling Board, we are seeing increased MBE participation that increased outreach across all areas of the State's operations and in all types of expenditures. It just caught me off guard a little bit when I saw the zero because I know you guys are working hard at it. I hope the vendor community recognizes that no matter where we are on setting firm polices and everything.

General Counsel: Right Mr. Vice Chairman and Commission Member Cole, I would agree with you this particular contract is disappointing, but I think overall that the Commission probably would agree that, over the last several months you have seen an increase in participation and an increase in notification to you that we have successfully procured MBE participation. While this one is disappointing we are going to continue to push hard and continue to do the outreach. I think the outreach has been magnificent this year and we will continue to work in that regard.

Vice Chairman: Any questions? Please call the roll.

Director Hodges: Secretary-Treasurer Barber

Mrs. Barber: Yes

Director Hodges: Mr. Murphy

Mr. Murphy: Yes

Director Hodges: Mr. Balog

Mr. Balog: Yes

Director Hodges: Mr. Paradiso

Mr. Paradiso: Yes

Director Hodges: Unanimous.

RESOLUTION NO. 41-2014

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

**Resolution Awarding Contract No. 53-14-02 and 53-14-03,
Renovations at the Great Lakes and Towpath Service Plazas in Cuyahoga County
and the Portage and Brady's Leap Service Plazas in Portage County**

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Service Plaza Renovations at the Great Lakes and Towpath Service Plazas (SP-6) (53-14-02) at Milepost 170.1 located in Cuyahoga County, Ohio, and at the Portage and Brady's Leap Service Plazas (SP-7) (53-14-03) at Milepost 197.0 located in Portage County, Ohio, herein designated **Contract No. 53-14-02 & 53-14-03**; and

WHEREAS, expenditures for the award to be made under Contract No. 53-14-02 & 53-14-03 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 two bids for the performance of said Contract, and said bids have been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 53-14-02 & 53-14-03 was submitted by **RFC Contracting, Inc.**, of **Strongsville, Ohio**, with a Combination (SP-6 and SP-7) Base Bid of \$2,930,000.00 and a Water Tower Add Alternate Bid of \$49,000.00, **for a total Bid of \$2,979,000.00**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Chief Engineer further states that this bidder has completed several projects for the Commission in the past, including the recent renovation of the Erie Islands and Commodore Perry Service Plazas and, based on previous years' work volume and work presently under contract, the Engineering Department has concluded that RFC Contracting has sufficient capacity to perform this construction project; and

WHEREAS, the Commission has also been advised by the Director of Contracts Administration that bids for Contract No. 53-14-02 & 53-14-03 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of RFC Contracting for Contract No. 53-14-02 & 53-14-03 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 RFC Contracting; and

WHEREAS, the Executive Director has reviewed the reports of the Chief Engineer and the Director of Contracts Administration and, predicated upon such analysis, concurs with the

recommendation to award Contract No. 53-14-02 & 53-14-03 to the lowest responsive and responsible bidder, RFC Contracting, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **RFC Contracting, Inc.**, of **Strongsville, Ohio**, in the total Bid amount of **\$2,979,000.00** for the performance of Contract No. 53-14-02 & 53-14-03 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 **Vocon Partners, LLC**, of **Cleveland, Ohio**, to Contract No. 53-14-02 & 53-14-03 for the purpose of performing construction administration and inspection services pursuant to the Contract between the Commission and Vocon Partners, LLC specific to this Project, and to assign **Solar Testing Laboratories, Inc.**, of **Brooklyn Heights, Ohio**, to perform materials testing services in accordance with the 2013/2014 Miscellaneous Engineering Services Agreement between the Commission and said firm; and

FURTHER RESOLVED that a portion of Contract No. 53-14-02 & 53-14-03 is designated a Renewal and Replacement Project under the Commission's Master Trust Agreement, and a portion of the Project is designated a Service Plaza Capital Improvement Project.

(Resolution No. 41-2014 adopted July 21, 2014)

Vice Chairman: Please continue.

Chief Engineer: The second resolution for your consideration is to award Contract No. 56-14-01 for the Pavement and Drainage Improvements at the Amherst Maintenance Building located at Milepost 141.0 in Lorain County, Ohio. This work is included in the 2014 Capital Improvement Budget. On June 27, 2014, six bids were received via Bid Express, and the apparent low bid was submitted by Karvo Paving Company ("Karvo"), of Stow, Ohio, in the amount of \$523,433.70. The bid submitted by Karvo is approximately thirteen (13) percent less than the Engineer's Estimate. Karvo has successfully performed similar work for the Commission in the past and, based on a review of their current projects under contract and previous year's work volume, it appears they have the sufficient capacity to perform the work for this Project. Therefore, it is recommended that Contract No. 56-14-01 be awarded to Karvo Paving Company, of Stow, Ohio, in the amount of \$523,433.70. This Resolution also contains provisions to assign Somat Engineering of Ohio, Inc., of Cleveland, Ohio, a Commission

certified MBE firm, to perform construction administration, inspection and material testing services. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED that the bid of **Karvo Paving Company**, of **Stow, Ohio**, in the total bid amount of **\$523,433.70** for the performance of Contract No. 56-14-01 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 non-winning 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 **Somat Engineering of Ohio, Inc.**, of **Cleveland, Ohio**, to Contract No. 56-14-01 for the purpose of performing construction administration, inspection and materials testing, with such assignment in accordance with the 2013-2014 Miscellaneous Engineering Services Agreement between the Ohio Turnpike and Infrastructure Commission and said engineering firm; and

FURTHER RESOLVED that Contract No. 56-14-01 is designated a Renewal and Replacement Project under the Commission's 2013 Master Trust Agreement.

Vice Chairman: Is there a motion to adopt?

Mr. Paradiso: So moved.

Vice Chairman: Is there a second?

Mr. Murphy: Second.

Vice Chairman: Any questions?

Senator Manning: Thank you Vice Chairman. Just a quick one. This is in my district and I had met with the administration in Amherst and some of the Townships because they are working together, and they are very pleased this will certainly alleviate some of their water problems there.

Vice Chairman: Glad to hear that.

Mrs. Barber: Just a note, this is a MBE/FBE contract.

Vice Chairman: Thank you. Any further comments or questions? Please call the roll?

Vice Chairman: Any questions? Please call the roll.

Director Hodges: Mr. Paradiso
Mr. Paradiso: Yes
Director Hodges: Mr. Murphy
Mr. Murphy: Yes
Director Hodges: Mr. Balog
Mr. Balog: Yes
Director Hodges: Secretary-Treasurer Barber
Mrs. Barber: Yes
Director Hodges: Four to zero.

RESOLUTION NO. 42-2014

Resolution Awarding Contract No. 56-14-01, Pavement and Drainage Improvements at the Amherst Maintenance Building in Lorain County

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Pavement and Drainage Improvements at the Amherst Maintenance Building at Milepost 141.0 located in Lorain County, Ohio, herein designated **Contract No. 56-14-01**; and

WHEREAS, expenditures for the award to be made under Contract No. 56-14-01 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. 56-14-01 was submitted by **Karvo Paving Company**, of **Stow, Ohio**, in the total bid amount of **\$523,433.70**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the Director of Contracts Administration that bids for Contract No. 56-14-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Karvo Paving Company for Contract No. 56-14-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by Karvo Paving Company; and

WHEREAS, the Executive Director has reviewed the reports of the Chief Engineer and the Director of Contracts Administration and, predicated upon such analysis, concurs with the recommendation to award Contract No. 56-14-01 to the lowest responsive and responsible bidder, Karvo Paving Company; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Karvo Paving Company**, of **Stow, Ohio**, in the total bid amount of **\$523,433.70** for the performance of Contract No. 56-14-01 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 non-winning 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 **Somat Engineering of Ohio, Inc.**, of **Cleveland, Ohio**, to Contract No. 56-14-01 for the purpose of performing construction administration, inspection and materials testing, with such assignment in accordance with the 2013-2014 Miscellaneous Engineering Services Agreement between the Ohio Turnpike and Infrastructure Commission and said engineering firm; and

FURTHER RESOLVED that Contract No. 56-14-01 is designated a Renewal and Replacement Project under the Commission's 2013 Master Trust Agreement.

(Resolution No. 42-2014 adopted July 21, 2014)

Vice Chairman: Please continue.

Chief Engineer: The third Resolution for your consideration is to reject the bid received for Contract No. 43-14-08 for the repair and rehabilitation of the Ohio Turnpike mainline bridge deck over Norfolk Southern Railroad at Milepost 147.9 in Lorain County, Ohio. Procurement received one bid for this Project, with the sole bid being submitted by BECDIR Construction Company, of Berlin Center, Ohio, in the amount of \$1,866,672.00. This bid was nearly 10% over the Engineer's Estimate of \$1,700,000.00. Due to the lack of competitive bids and the apparent higher bid amount submitted by BECDIR, it appears the Commission may not have received an economical bid. The Commission could garner more interest in this Project if the Commission were to incorporate this work into next year's pavement replacement project. Furthermore, it would provide the bidders with significantly more lead time to have the deck joints fabricated, which was a concern for at least one potential bidder who decided not to submit a bid. Both of these items would very likely provide the Commission with better, more competitive pricing, resulting in a more economical project. Therefore, it is recommended the

bid submitted by BECDIR Construction Company for Project No. 43-14-08 be rejected, and the scope of work for this project be considered for incorporation into next year's pavement replacement project. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED that the above-mentioned bid heretofore received pursuant to the advertisement for bids upon Contract No. 43-14-08, be and the same hereby is rejected, and the Director of Contracts Administration is authorized to notify **BECDIR Construction Company**, of **Berlin Center, Ohio**, in writing of said action, and to return to the bidder its bid security; and

FURTHER RESOLVED that the Chief Engineer and Director of Contracts Administration hereby are authorized to take any and all action necessary, at the appropriate time, to consider and evaluate re-packaging the work to be performed under Contract No. 43-14-08 with a 2015 base replacement project scheduled in that area of the Turnpike.

Vice Chairman: Is there a motion to adopt?

Mrs. Barber: So moved.

Vice Chairman: Is there a second?

Mr. Murphy: Second

Vice Chairman: Questions or discussion? Please call the roll.

Director Hodges: Secretary-Treasurer Barber

Mrs. Barber: Yes

Director Hodges: Mr. Murphy

Mr. Murphy: Yes

Director Hodges: Mr. Balog

Mr. Balog: Yes

Director Hodges: Mr. Paradiso

Mr. Paradiso: Yes

Director Hodges: Four to zero.

RESOLUTION NO. 43-2014

Resolution Rejecting the Bid Received for Contract No. 43-14-08, Bridge Deck Repair and Rehabilitation of Bridge Over the Norfolk and Southern Railroad in Lorain County

WHEREAS, the Commission has duly advertised according to law an invitation for bids upon a Contract for Bridge Deck Repair and Rehabilitation on the Ohio Turnpike over the Norfolk and Southern Railroad at Milepost 147.9 in Lorain County, Ohio, herein designated **Contract No. 43-14-08**; and

WHEREAS, the Commission received one bid for the performance of said Contract from **BECDIR Construction Company, of Berlin Center, Ohio**; and

WHEREAS, the bid has been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning said analysis is before the Commission; and

WHEREAS, the Commission's Chief Engineer reports that the bid received from BECDIR Construction Company in the amount **\$1,866,672.00** was nearly ten percent over the Engineer's estimate, and he is of the opinion that consideration should be given to re-packaging the Specifications for this Invitation with a scheduled 2015 base replacement project in that area of the Turnpike, and he, therefore, recommends that the lone bid received be rejected; and

WHEREAS, the Commission's Director of Contracts Administration has submitted a report advising the Commission that, pursuant to Ohio Revised Code Section 5537.07(A) and the Bidding Documents for Contract No. 43-14-08, the Commission has expressly reserved the right to reject any and all bids; and

WHEREAS, predicated upon the analysis of the reports submitted by both the Chief Engineer and the Director of Contracts Administration, the Executive Director concurs with their recommendation the lone bid be rejected and that consideration should be given to re-packaging the Specifications for the project with a scheduled 2015 base replacement project in that area of the Turnpike; and

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the above-mentioned bid heretofore received pursuant to the advertisement for bids upon Contract No. 43-14-08, be and the same hereby is rejected, and the Director of Contracts Administration is authorized to notify **BECDIR Construction Company, of Berlin Center, Ohio**, in writing of said action, and to return to the bidder its bid security; and

FURTHER RESOLVED that the Chief Engineer and Director of Contracts Administration hereby are authorized to take any and all action necessary, at the appropriate time, to consider and evaluate re-packaging the work to be performed under Contract No. 43-14-08 with a 2015 base replacement project scheduled in that area of the Turnpike.

(Resolution No. 43-2014 adopted July 21, 2014)

Vice Chairman: Please continue.

Chief Engineer: My next Resolution for your consideration is for authorization to award Project No. 71-14-05 for Engineering Services relating to the investigation, evaluation and rehabilitation of four overhead bridges between Mileposts 21.4 and 27.3 in Williams and Fulton Counties. On December 3, 2013, Procurement received twelve Letters of Interest for Project No. 71-14-05, from which seven firms were deemed most qualified and invited to submit technical proposals. Engineering staff reviewed the technical proposals and concluded that DGL Consulting Engineers, LLC, of Maumee, Ohio, was most qualified to perform the services. Fee negotiations commenced between DGL and our Engineering staff, and on May 29, 2014, a final fee proposal was submitted in the amount of \$198,400.00 for Phase I services. The services for Phase I include the site investigation, evaluation, design and plan preparation for the rehabilitation of these four structures. Therefore, we are requesting Commission authorization for the award of Project No. 71-14-05 to DGL Consulting Engineers, LLC, of Maumee, Ohio, for Phase I of this Project in the amount of \$198,400.00. Commission authorization will be requested in the future for Construction Administration and Inspection Services of the Project. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED that the Commission concurs that **DGL Consulting Engineers, LLC**, of **Maumee, Ohio**, is most qualified to perform the professional engineering services required under the above-mentioned RFP, and authorizes the Executive Director and the Director of Contracts Administration to execute a Contract for Project No. 71-14-05 with DGL, all in accordance with the terms and conditions of the Commission's Request for Proposals, DGL's response thereto and its ensuing fee proposals therefor.

Vice Chairman: Is there a motion to adopt?

Mr. Paradiso: So moved.

Vice Chairman: Is there a second?

Mr. Murphy: Second

Vice Chairman: Any questions.

Director Hodges: If I may weigh in. This is a package of thirteen bridges Tony out in the west?

Chief Engineer: Fourteen.

Director Hodges: Fourteen bridges in the west and there were a total of four Resolutions two of which were awarded last month. Two of which you are considering this month. As a package, about a quarter of that work is being done MBE.

Vice Chairman: Please call the roll.

Director Hodges: Mr. Paradiso
Mr. Paradiso: Yes
Director Hodges: Mr. Murphy
Mr. Murphy: Yes
Director Hodges: Mr. Balog
Mr. Balog: Yes
Director Hodges: Secretary-Treasurer Barber
Mrs. Barber: Yes
Director Hodges: Four to zero.

RESOLUTION NO. 44-2014

Resolution Authorizing a Contract for Engineering and Construction Administration and Inspection Services for the Rehabilitation of Four Bridges in Williams and Fulton Counties, (Project No. 71-14-05)

WHEREAS, on November 15, 2013, the Commission published notice of its Request for Proposals (“RFP”) for Project No. 71-14-05 seeking Engineering and Construction Administration and Inspection Services relating to the Rehabilitation of Four Bridges between Milepost 21.4 and Milepost 27.3 in Williams and Fulton Counties; and

WHEREAS, on December 3, 2013, Letters of Interest were received from twelve firms expressing their interest in serving as the Commission’s Engineering Design Consultant for this Project, of which seven were deemed most qualified and invited to submit proposals in response to the RFP, with responses due on December 31, 2013; and

WHEREAS, on the basis of the proposals received, the Engineering staff concluded that **DGL Consulting Engineers, LLC, of Maumee, Ohio (“DGL”)**, is most qualified to perform the above-mentioned services for Project No. 71-14-05, and conducted a Scope of Services meeting with said firm to discuss the parties’ mutual understanding of the Phase I Services consisting of Design/Plan Preparation; and

WHEREAS, DGL submitted its fee proposal dated May 29, 2014, for Phase I Services in the not to exceed amount of **\$198,400.00**, 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. 71-14-05 to DGL; and

WHEREAS, total Contract expenditures 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 has been advised by the Director of Contracts Administration that said RFP selection process and the selection of DGL 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 Director of Contracts Administration, and concurs that the proposed Contract with DGL to perform Phase I Services for Project No. 71-14-05 should be approved by the Commission; and

WHEREAS, at the time the construction contract(s) for the rehabilitation of the four overhead bridges from Milepost 21.4 to Milepost 27.3 in Williams and Fulton Counties is/are awarded, the Commission will be requested to authorize DGL 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 **DGL Consulting Engineers, LLC**, of **Maumee, Ohio**, is most qualified to perform the professional engineering services required under the above-mentioned RFP, and authorizes the Executive Director and the Director of Contracts Administration to execute a Contract for Project No. 71-14-05 with DGL, all in accordance with the terms and conditions of the Commission's Request for Proposals, DGL's response thereto and its ensuing fee proposals therefor.

(Resolution No. 44-2014 adopted July 21, 2014)

Chief Engineer: My fifth Resolution for your consideration is for authorization to award Project No. 71-14-06 for Engineering Services relating to the investigation, evaluation and rehabilitation of three overhead bridges between Mileposts 41.9 and 42.9 in Fulton County. On December 3, 2013, Procurement received twelve Letters of Interest for Project No. 71-14-06, from which seven firms were deemed most qualified and invited to submit technical proposals. Engineering staff reviewed the technical proposals and concluded that Poggemeyer Design Group, of Bowling Green, Ohio, was most qualified to perform the services. Fee negotiations commenced between Poggemeyer and our Engineering staff, and on June 3, 2014, a final fee proposal was submitted in the amount of \$99,895.00 for Phase I services. The services for Phase I include the site investigation, evaluation, design and plan preparation for the rehabilitation of these three structures. Therefore, we are requesting Commission authorization for the award of Project No. 71-14-06 to Poggemeyer Design Group, of Bowling Green, Ohio, for Phase I of this Project in the amount of \$99,895.00. Commission authorization will be requested in the future

for Construction Administration and Inspection Services of the Project. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED that the Commission concurs that **Poggemeyer Design Group, of Bowling Green, Ohio**, is most qualified to perform the professional engineering services required under the above-mentioned RFP, and authorizes the Executive Director and the Director of Contracts Administration to execute a Contract for Project No. 71-14-06 with Poggemeyer, all in accordance with the terms and conditions of the Commission's Request for Proposals, Poggemeyer's response thereto and its ensuing fee proposals therefor.

Vice Chairman: Is there a motion to adopt?

Mrs. Barber: So moved.

Vice Chairman: Is there a second?

Mr. Murphy: Second.

Vice Chairman: Discussions or questions? Please call the roll.

Director Hodges: Secretary-Treasurer Barber

Mrs. Barber: Yes

Director Hodges: Mr. Murphy

Mr. Murphy: Yes

Director Hodges: Mr. Balog

Mr. Balog: Yes

Director Hodges: Mr. Paradiso

Mr. Paradiso: Yes

Director Hodges: Four to zero.

RESOLUTION NO. 45-2014

Resolution Authorizing a Contract for Engineering and Construction Administration and Inspection Services for the Rehabilitation of Three Bridges in Fulton County, Ohio
(Project No. 71-14-06)

WHEREAS, on November 15, 2013, the Commission published notice of its Request for Proposals (“RFP”) for Project No. 71-14-06 seeking Engineering and Construction Administration and Inspection Services relating to the Rehabilitation of Three Bridges between Milepost 41.9 and Milepost 42.9 in Fulton County; and

WHEREAS, on December 3, 2013, Letters of Interest were received from twelve firms expressing their interest in serving as the Commission’s Engineering Design Consultant for this Project, of which seven were deemed most qualified and invited to submit proposals in response to the RFP, with responses due on December 31, 2013; and

WHEREAS, on the basis of the proposals received, the Engineering staff concluded that **Poggemeyer Design Group, of Bowling Green, Ohio (“Poggemeyer”)**, is most qualified to perform the above-mentioned services for Project No. 71-14-06, and conducted a Scope of Services meeting with said firm to discuss the parties’ mutual understanding of the Phase I Services consisting of Design/Plan Preparation; and

WHEREAS, Poggemeyer submitted its fee proposal dated June 3, 2014, for Phase I Services in the not to exceed amount of **\$99,895.00**, 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. 71-14-06 to Poggemeyer; and

WHEREAS, total Contract expenditures will eventually 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 has been advised by the Director of Contracts Administration that said RFP selection process and the selection of Poggemeyer 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 Director of Contracts Administration, and concurs that the proposed Contract with Poggemeyer to perform Phase I Services for Project No. 71-14-06 should be approved by the Commission; and

WHEREAS, at the time the construction contract(s) for the rehabilitation of the three overhead bridges from Milepost 41.9 to Milepost 42.9 in Fulton County is/are awarded, the Commission will be requested to authorize Poggemeyer 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 **Poggemeyer Design Group, of Bowling Green, Ohio**, is most qualified to perform the professional engineering services required under the above-mentioned RFP, and authorizes the Executive Director and the Director of Contracts Administration to execute a Contract for Project No. 71-14-06 with Poggemeyer, all in accordance with the terms and conditions of the Commission's Request for Proposals, Poggemeyer's response thereto and its ensuing fee proposals therefor.

(Resolution No. 45-2014 adopted July 21, 2014)

Chief Engineer: My next Resolution for your consideration seeks authorization to award a Contract for Geotechnical Engineering Services for the Mainline Pavement Replacement Program. On May 23, 2014, Procurement received eleven Letters of Interest for these Services, from which three firms were deemed most qualified and invited to submit technical proposals. Engineering staff reviewed the technical proposals and concluded that Resource International, Inc., of Cleveland, Ohio, was most qualified to perform the services. Fee negotiations commenced between Resource International and our Engineering staff, and on July 10, 2014, a final fee proposal was submitted in the amount of \$349,685.00, which amount includes \$317,052.00 in geotechnical engineering services for the two, 2015 Mainline Pavement Replacement Projects, as well as \$32,633.00 for post-construction geotechnical testing for the two, 2014 Mainline Pavement Replacement Projects. Therefore, we are requesting Commission authorization for the award of a Contract to Resource International, Inc., of Cleveland, Ohio, in the amount of \$349,685.00 for geotechnical engineering services for the Mainline Pavement Replacement Program. Commission authorization will be requested in the future for longer-term, Program wide tasks for the Mainline Pavement Replacement Program, as well as geotechnical engineering services for up to eight additional Mainline Pavement Replacement Program project sections. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED that the Commission concurs that **Resource International, Inc., of Cleveland, Ohio**, is most qualified to perform the Geotechnical Services for the Pavement Replacement Program Projects, and authorizes the Executive Director and the Director of Contracts Administration to execute an Agreement for Geotechnical Engineering Services with Resource International, all in accordance with the terms and conditions of the Commission's Request for Proposals, Resource International's response thereto and its fee proposals therefor; and

FURTHER RESOLVED that the Commission will be requested to authorize additional expenditures with Resource International to perform longer-term, Program-wide tasks for the Pavement Replacement Program Projects, as well as to perform Geotechnical Engineering Services for up to eight, additional Pavement Replacement Program Project sections, in

accordance with the Commission's Code of Bylaws, when Resource International submits fee proposals deemed reasonable and appropriate by the Chief Engineer.

Vice Chairman: Is there a motion to adopt?

Mr. Paradiso: So moved.

Vice Chairman: Is there a second?

Mr. Murphy: Second

Vice Chairman: Any discussions or questions?

Director Hodges: If I may, this is a high profile contract for us and happily Resource International is a MBE/DBE firm, so we feel real good about that.

Vice Chairman: Comments or questions? Please call the roll.

Director Hodges: Mr. Paradiso

Mr. Paradiso: Yes

Director Hodges: Mr. Murphy

Mr. Murphy: Yes

Director Hodges: Mr. Balog

Mr. Balog: Yes

Director Hodges: Secretary-Treasurer Barber

Mrs. Barber: Yes

Director Hodges: Four to zero.

RESOLUTION NO. 46-2014

Resolution Authorizing Geotechnical Engineering Services Agreement with Resource International, Inc., for Pavement Replacement Program

WHEREAS, on May 14, 2014, the Commission published notice of its Request for Proposals ("RFP") to provide Geotechnical Engineering Services for up to ten Pavement Replacement Program Projects, each encompassing five to six-mile sections located along the mainline of the Ohio Turnpike; and

WHEREAS, on May 23, 2014, Letters of Interest were received from eleven firms expressing their interest in serving as the Commission's Geotechnical Services Engineer, of which three were deemed qualified and invited to submit Technical Proposals in response to the RFP by July 2, 2014; and

WHEREAS, the three proposals submitted by the short-listed firms were reviewed by an evaluation team consisting of the Highway Projects Engineer, the Roadway Engineer and the Environmental Engineer, which team ranked the proposal received from **Resource International, Inc., of Cleveland, Ohio**, ("Resource International"), as the best proposal received, which proposal has been deemed reasonable and appropriate by the Chief Engineer who, therefore, recommends that the Commission award the Contract for Geotechnical Engineering Services for the Pavement Replacement Program Projects to Resource International; and

WHEREAS, Resource International has submitted a fee proposal dated July 10, 2014, to perform Geotechnical Engineering Services for the Commission's Pavement Replacement Projects in the amount of **\$349,685.00 (which amount includes \$317,052.00 in Geotechnical Engineering Services for the two, 2015 Pavement Replacement Projects, and \$32,633.00 for post-construction Geotechnical Testing for the two, 2014 Pavement Replacement Projects)**; and

WHEREAS, total Contract expenditures 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 requested for said Contract award; and

WHEREAS, longer-term, Program-wide tasks to be performed by Resource International, and proposals to perform Geotechnical Engineering Services for up to eight, additional Pavement Replacement Program Project sections, require additional discussion and negotiation and, when Resource International submits fee proposals deemed reasonable and appropriate by the Chief Engineer for those services, in accordance with the Commission's Code of Bylaws, the Commission will be requested to authorize such expenditures with Resource International; and

WHEREAS, the Commission has been advised by its Director of Contracts Administration that the RFP selection process and the selection of Resource International conformed with the requirements of Ohio Revised Code Sections 153.65 to 153.71, and that 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 reviewed the recommendation submitted by the Chief Engineer and the Director of Contracts Administration, and concurs that the Agreement for Geotechnical Engineering Services for the Pavement Replacement Program Projects should be awarded to Resource International; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission concurs that **Resource International, Inc.**, of **Cleveland, Ohio**, is most qualified to perform the Geotechnical Services for the Pavement Replacement Program Projects, and authorizes the Executive Director and the Director of Contracts Administration to execute an Agreement for Geotechnical Engineering Services with Resource International, all in accordance with the terms and conditions of the Commission's Request for Proposals, Resource International's response thereto and its fee proposals therefor; and

FURTHER RESOLVED that the Commission will be requested to authorize additional expenditures with Resource International to perform longer-term, Program-wide tasks for the Pavement Replacement Program Projects, as well as to perform Geotechnical Engineering Services for up to eight, additional Pavement Replacement Program Project sections, in accordance with the Commission's Code of Bylaws, when Resource International submits fee proposals deemed reasonable and appropriate by the Chief Engineer.

(Resolution No. 46-2014 adopted July 21, 2014)

Chief Engineer: My seventh and final resolution for your consideration seeks authorization to award Contract No. 4224 for two portable asphalt recycling machines and eight asphalt hotbox/reclaimer trailers. The purchase of this equipment is included in the 2014 Capital Improvement Budget. The bid invitation was divided into two groups, Group I included the portable asphalt recycling machines and Group II included the eight asphalt hotbox/reclaimer trailers. The bidders were permitted to bid on one or both groups. Procurement received two bids in response to Group I and five bids in response to Group II for the bid invitation. The apparent low bid for Group I was submitted by KM International, of North Branch, Michigan in the amount of \$147,000.00. This bidder proposes to furnish equipment and services in accordance with specifications. The two lowest bidders for Group II did not submit a bid for equipment that meets the specifications or an Approved Equal as required by the bid invitation, therefore, they are deemed non-responsive and cannot be considered for award. The apparent lowest responsive and responsible bid for Group II was submitted by KM International of North Branch, Michigan in the amount of \$250,588.00. This bidder proposes to furnish equipment and services in accordance with specifications. The total recommended award amount for both groups is below the total estimate for both groups. It is therefore recommended that Contract No. 4224 be awarded to KM International for both Groups I and II in the amount of \$397,588.00. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED that the bids of Falcon Road Maintenance Equipment and Spaulding MFG., Inc. for *Group II* of Invitation No. 4224 are deemed not responsive and are hereby rejected; and

RESOLVED that the bids of **KM International**, of **North Branch, Michigan**, in the total amount of **\$397,588.00** (**\$147,000.00** for furnishing two portable asphalt recycling machines under *Group I*, and **\$250,588.00** for furnishing eight asphalt hotbox/reclaimer trailers under *Group II*) for Invitation No. 4224, are, and are by the Commission, determined to be the lowest responsive and responsible bids received, and are accepted, and the Executive Director

and the Director of Contracts Administration, or either of them, hereby is authorized to: 1) notify Falcon Road Maintenance Equipment and Spaulding MFG, Inc. that their bids for *Group II* have been rejected; 2) at the earliest time permitted under the Bidding Documents or, in the event objections are filed with the Director of Contracts Administration by the rejected bidders for *Group II*, only after the Commission's affirmation of the rejection, execute a Contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; 3) direct the return to the bidders of their bid security when appropriate; and 4) take any and all action necessary or proper to carry out the terms of said Contract.

Vice Chairman: Is there a motion to adopt?

Mrs. Barber: So moved.

Vice Chairman: Is there a second

Mr. Murphy: Second

Vice Chairman: Discussions or questions?

Mr. Cole: I have a comment Mr. Vice Chairman. The comment I would make is a shared services pitch. Specifically, with this type of equipment, last week the Ohio Auditor of State launched Share Ohio, a free equipment sharing website that any government agency in the state can sign up and find out the terms and availability of public works equipment specifically throughout the State of Ohio. Fourteen communities very near here, Portage and Summit Counties have extensive equipment sharing agreements and, in fact, are taking the next step of looking at their long term capital plans so they can then purchase the equipment together. I would just suggest to the engineer and staff to watch how often this equipment is used and make, consider making equipment available to engineers and municipalities that might be able to use this for a week or two every summer. It's a great opportunity for exactly that kind of outreach and partnership. I think even Legends talked about where maybe it's bartering and sharing and other things. It's a great opportunity for partnership throughout the Turnpike.

Vice Chairman: I saw that on the information that this is new equipment, so we previously used vendors for this and now we are going to do the work ourselves? Is that the intention?

Chief Engineer: Mr. Vice Chairman and Commission Members, actually we had reclaimers many years ago, and we disposed of them and have not had them for quite some time. We were just buying the hot mix asphalt from our vendors, where now with the reclaimers we can actually take our millings, add a little bit of asphalt emulsion and make our own asphalt. Also, during night work operations that we just started, this will give us the opportunity now, where in the past you had to look for a plant that was open at night, to perform some of these ourselves. Most of the asphalt that we are getting is not enough quantity to have a plant open all night. The hotbox trailers, on the other hand, are something that gives us the opportunity to store asphalt for about a twenty-four hour period and keep it hot, so that we can use it over a couple of days.

Director Hodges: Mr. Vice Chairman, I appreciate Mr. Cole's comments. I wasn't aware of the Auditor's initiative and we will certainly be part of that.

General Counsel: Mr. Vice Chairman and Commissioner Cole, you raise a good point and we actually have developed an agreement whereby we can, for minor consideration loan out certain equipment. The one that comes to mind is the salt conveyors, something that we did with ODOT last year. So we actually can create agreements whereby we could work with others to allow them to use our equipment or hopefully, vice versa.

Mr. Cole: Thank you. Again, the Auditor's office has done an extensive amount of work on the agreements to make sure the accounting, depreciation, and labor laws, among other things, are all considered. It is new ground for all of us, but generates great opportunities to create whole new efficiencies in our operations and to raise equipment utilization throughout the course of a year that may not get that kind of utilization by any one agency.

Vice Chairman: Any further questions or comments. Please call the roll.

Director Hodges: Secretary-Treasurer Barber

Mrs. Barber: Yes

Director Hodges: Mr. Murphy

Mr. Murphy: Yes

Director Hodges: Mr. Balog

Mr. Balog: Yes

Director Hodges: Mr. Paradiso

Mr. Paradiso: Yes

Director Hodges: Four to zero.

RESOLUTION NO. 47-2014

Resolution Awarding Contract for Furnishing Two Portable Asphalt Recycling Machines and Eight Asphalt Hotbox/Reclaimer Trailers under Invitation No. 4224

WHEREAS, the Commission has advertised in accordance with law for bids in response to Invitation No. 4224 for the furnishing to the Commission of two portable asphalt recycling machines (*Group I*); and eight asphalt hotbox/reclaimer trailers (*Group II*); and

WHEREAS, expenditures for the Contract to be awarded under Invitation No. 4224 will exceed \$150,000, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of said Contract; and

WHEREAS, on June 26, 2014, the Commission received two bids for *Group I*, and five bids for *Group II* in response to the Invitation, and said bids were reviewed and analyzed by the Commission's Maintenance Engineer, who has submitted a report concerning said analysis; and

WHEREAS, the Maintenance Engineer has reported that the apparent low bid for *Group I* was submitted by **KM International**, of **North Branch, Michigan**, in the amount of **\$147,000.00 (two, at \$73,500.00 each)**, and that this bidder proposes to furnish equipment and services in accordance with the Specifications; and

WHEREAS, the Maintenance Engineer has reported that the two lowest bidders for *Group II* (Falcon Road Maintenance Equipment, of Midland, Michigan, and Spaulding MFG., Inc., of Saginaw, Michigan) did not submit a bid for equipment that meets specifications or an Approved Equal as required in the Bid Invitation, therefore, they are deemed non-responsive and cannot be considered for award; and

WHEREAS, the Maintenance Engineer has further reported that the apparent third low bidder for *Group II* was submitted by **KM International**, of **North Branch, Michigan**, in the amount of **\$250,588.00 (eight, at \$31,323.50 each)**, and that this bidder proposes to furnish equipment and services in accordance with the Commission's Specifications, and he has, therefore, recommended award of the Contract for *Group II* to KM International; and

WHEREAS, this equipment is new to the Commission and, therefore, it is not replacing any existing equipment and there is no property subject to disposal; and

WHEREAS, the Commission has been advised by the Director of Contracts Administration that bids for Invitation No. 4224 were solicited on the basis of the same terms and conditions and the same specifications, that the bids of KM International for both *Group I* and *Group II* conform to the requirements of Ohio Revised Code Sections 5537.07 and 9.312, that a bid guaranty with good and sufficient surety has been submitted by the aforementioned bidder, and that this bidder qualifies for consideration under the Commission's Domestic and Ohio Preference Policy; and

WHEREAS, the Director of Contracts Administration has also indicated that, as provided for in the Bidding Documents, only after the opportunity for objections by the rejected bidders for *Group II* has passed, or the Commission affirms the rejection after the conduct of a meeting that may be requested by the rejected bidders, the Commission may then legally enter into a Contract with KM International for *Group II*; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the Maintenance Engineer and the Director of Contracts Administration and, predicated upon such analysis, has made his recommendation to the Commission to reject the bids of Falcon Road

Maintenance Equipment and Spaulding MFG., Inc., for *Group II*, and that a contract for both *Group I* and *Group II* should be awarded to KM International; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bids of Falcon Road Maintenance Equipment and Spaulding MFG., Inc. for *Group II* of Invitation No. 4224 are deemed not responsive and are hereby rejected; and

RESOLVED that the bids of **KM International**, of **North Branch, Michigan**, in the total amount of **\$397,588.00** (**\$147,000.00** for furnishing two portable asphalt recycling machines under *Group I*, and **\$250,588.00** for furnishing eight asphalt hotbox/reclaimer trailers under *Group II*) for Invitation No. 4224, are, and are by the Commission, determined to be the lowest responsive and responsible bids received, and are accepted, and the Executive Director and the Director of Contracts Administration, or either of them, hereby is authorized to: 1) notify Falcon Road Maintenance Equipment and Spaulding MFG, Inc., that their bids for *Group II* have been rejected; 2) at the earliest time permitted under the Bidding Documents or, in the event objections are filed with the Director of Contracts Administration by the rejected bidders for *Group II*, only after the Commission's affirmation of the rejection, execute a Contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; 3) direct the return to the bidders of their bid security when appropriate; and 4) take any and all action necessary or proper to carry out the terms of said Contract.

(Resolution No. 47-2014 adopted July 21, 2014)

Vice Chairman: Anything further?

Chief Engineer: No, that completes my report Mr. Vice Chairman.

Vice Chairman: Thank you. CFO/Comptroller:

CFO/Comptroller: Thank you Mr. Vice Chairman. I have an update on our traffic and revenue the month of June, our financial results through the first six months of the year and one resolution for your consideration this morning.

This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years.

Passenger car traffic increased for the third straight month. As a result passenger car vehicle miles traveled were 2.3% higher than June of last year. Commercial traffic improved for the fifth straight month and was 3.7% higher than June of last year.

This chart shows the total vehicle miles traveled through the month of June during each year over the past decade. Total vehicle miles traveled for the first six months of this year were .3% higher than the amount from last year.

The 2.3% increase in passenger car traffic and the 2.7% toll rate increase on January 1 were partially offset by the effect of increased *E-ZPass*[®] use. As a result, passenger car toll revenue increased 3.3% from June of last year.

The increase in Commercial traffic combined with the toll rate increase resulted in Commercial vehicle toll revenues increasing 5.7% from last year.

This chart shows the year-to-date toll revenues through the month of June during each year over the past decade. Toll revenues through June were \$2.9 million or 2.4% above the amount from last year.

This report shows the actual and budgeted revenues, expenditures and transfers for the General Fund for the first six months of the year.

Total revenues for the first six months of the year are \$750,000 or 1.7% above budget, and \$4 million or .6% above last year. Toll revenue improved significantly in the second quarter and more than offset the \$2.3 million shortfall to budget that we had at the end of the first quarter. Other revenues are higher due to increased *E-ZPass*[®] transponder fee revenues.

Expenditures for operation, maintenance and administration for the first six months of the year were \$400,000 or .7% lower than budgeted, and \$3.0 million or 5.4% higher than last year.

Most of these savings from budget were related to lower toll collector salary expense, lower utility costs and lower compensated absence costs. These lower costs were partially offset by higher than budgeted snow and ice removal costs.

The increase in costs from last year are primarily due to higher snow and ice removal costs, higher employee health insurance costs, higher service plaza operations costs due to the opening of the Mahoning Valley and Glacier Hills service plazas in May of last year and the payment of the one-time union employees bonus in February of this year.

Debt service payments are \$18 million higher than last year due to the additional debt service payments associated with last year's debt issuance.

After paying our operating expenses and debt service, the balance of the revenue is used to fund our 2014 capital expenditures.

\$30.5 million was transferred to our capital funds in the first six months of the year, which is \$800,000 higher than budget.

That completes my review of the financial results for the first half of the year and if there are no questions I would like to present the Financial Condition Resolution.

Vice Chairman: Any questions? Please continue.

CFO/Comptroller: Our Trust Agreements require that we perform a mid-year review of our financial condition and certify to our Trustee, The Huntington National Bank, that projected revenues for the year will be sufficient to meet our obligations under our Trust Agreements. Our 2013 pledged revenues are shown at the top of this slide.

The data in the first column on the bottom of this slide shows our actual pledged revenues of \$104.3 million for the first six months of this year. Based on the most recent toll revenue projection from Jacobs Engineering, our traffic consultant, I have estimated the pledged revenues for the last six months of 2014 at about \$169 million. This yields estimated gross pledged revenues for calendar year 2014 of \$273 million.

The calculations on the next two slides demonstrate that, based on our projected pledged revenues for 2014, we expect to meet all four requirements under section 4.04 of both the Master Trust Agreement and the Junior Lien Trust Agreement.

The first requirement is that 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 revenues exceed the sum of our annual debt service requirement plus the renewal and replacement requirement.

The third requirement is that our estimated senior lien 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 200%. A coverage ratio of at least 200% is generally recognized as a threshold needed to help maintain our double-A credit rating on our senior lien bonds.

The projected debt coverage ratio of 287% does satisfy the current requirement under our Master Trust Agreement.

The fourth and final requirement is that our estimated Composite debt coverage ratio equal at least 120%.

During our presentation to the rating agencies last year, we indicated that it was our intent to always maintain a ratio of at least 170%. The projected composite debt coverage ratio of 187% does satisfy the current requirement under our Junior Lien Trust Agreement.

There is a proposed resolution in your materials entitled “Resolution Concerning the Financial Condition of the Commission” and with your permission Mr. Vice Chairman, I would like to ask our 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 2014 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreements, and hereby authorizes

and directs the CFO/Comptroller to issue the certificate required by §4.04(b) of the Trust Agreements; 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.

Vice Chairman: You've heard the Resolution. Is there a motion to adopt?

Mrs. Barber: So moved.

Vice Chairman: Is there a second?

Mr. Murphy: Second.

Vice Chairman: Moved and seconded. Any questions or comments.

Mr. Paradiso: Yes, Mr. Vice Chairman I have a question for Marty. I noticed you mentioned that the Commission has a Resolution that we are targeting a 200% debt service ratio on our Senior Lien Bonds, do we have a similar goal or Resolution for our Junior Lien Bonds because it is at 187%?

CFO/Comptroller: No, we do not have an official Resolution by the Commission for the Junior Lien. Although, like I mentioned, when we met with the rating agencies, we indicated that our goal is 170%, so that is what the rating agencies understand that we are shooting to achieve, but the Commission has not established a goal for the Junior Lien.

Vice Chairman: Would it be helpful to have a goal or would you rather leave it as it is.

CFO/Comptroller: No, not at this time, I don't think it would be helpful. I think the rating agencies are fine with our internal goal of management to say that we are going to try to achieve 170%. Our projection over the next thirty years shows that we will not go below 170% based on our bond issuance and our debt payments going forward. I think, we are good with that.

Vice Chairman: Thank you.

Mr. Paradiso: Just for the record Mr. Vice Chairman, I am real proud of the 187% as the requirement is 120%, I think we are performing very well. You had mentioned that on the Senior Bonds, and I just wanted to know if there is any kind of correlation to the Junior bonds, so thank you.

Vice Chairman: Any further questions or comments? Please call the roll.

Director Hodges: Secretary-Treasurer Barber

Mrs. Barber: Yes
Director Hodges: Mr. Murphy
Mr. Murphy: Yes
Director Hodges: Mr. Balog
Mr. Balog: Yes
Director Hodges: Mr. Paradiso
Mr. Paradiso: Yes
Director Hodges: Four to zero.

RESOLUTION NO. 48-2014

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

WHEREAS, §4.04(b) of the Master Trust Agreement, as amended and restated dated April 8, 2013, and the Junior Lien Master Trust Agreement, dated August 1, 2013, both of which are between the Commission and The Huntington National Bank, as Trustee, (the “Trust Agreements”) require 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 Agreements; 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 2014 will be sufficient to meet the requirements of §4.04(a) of the Trust Agreements, 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 2014 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreements, and hereby authorizes and directs the CFO/Comptroller to issue the certificate required by §4.04(b) of the Trust Agreements; 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. 48-2014 adopted July 21, 2014)

Vice Chairman: Thank you. Anything further?

CFO/Comptroller: Lastly, you will find a copy of our 2013 Comprehensive Annual Financial Report (“CAFR”) in your folder. This year’s CAFR has a new look courtesy of our Marketing Department, which worked closely with our new printer Mark Advertising to add more pictures and graphics to the front part of the CAFR. A couple of highlights for this year are:

The Turnpike had an increase in net position or net income in 2013 of \$49,584,000. This increases our total net position or equity to \$957,335,000.

You will notice on the front cover under where it says Ohio Turnpike and Infrastructure Commission it has in parentheses, “A Component Unit of the State of Ohio.” Because of the Jobs and Transportation Plan that was enacted last year, the State will now financially benefit from the Ohio Turnpike and Infrastructure Commission. As a result, according to Governmental accounting rules, the Ohio Turnpike and Infrastructure Commission is now a component unit of the State of Ohio and our financial results will be included in the State’s CAFR.

With your permission Mr. Vice Chairman I would like to introduce Rhonda Hall from Ciuni and Panichi who is here to discuss the results of their annual audit of our financial statements.

Rhonda Hall: Good morning Mr. Vice Chairman and Commission Members, My name is Rhonda Hall, I am the Partner in Charge for the Commission and I have with me Frank Eich, he is the Manager in Charge of the Audit. Ciuni and Panichi performed the Audit for the Ohio Turnpike and Infrastructure Commission for year ended December 31, 2013. We issued an unmodified opinion on the CAFR prepared by Marty and his Department. The opinion is included in the CAFR on page 26 and 27. We also issued a number of other reports that can be found in the spiral bound reports that you also have in your packet. In Section A, you will find the report on internal control and financial reporting over complaints. We did not note any significant deficiencies or material weaknesses in internal control, nor did we have any non-compliance issues with laws, contracts, or grants applicable to the Commission. Frank is going to go over some of the other items.

Frank Eich: Section B is our report stating that the Commission complied with Section IV of the Senior and Junior Master Trust Agreements. In Section C, Pages 1 and 2, shows our report stating that the Commission complied with the Net System Pledged Revenues outlined in the Senior and Junior Mater Trust Agreements. As shown on Page 3, the Commission is safely greater than the 120% minimum required for the Pledged Revenues as a percentage of the annual

debt service requirements for both the Senior debt requirements, as outlined in the Senior Master Trust Agreement and the Composite Debt requirements as outlined in the Junior Master Trust Agreement. In addition, we met with the Audit Committee to review our letter to those charged with governance that discusses the process of the financial audit. Are there any questions?

Vice Chairman: Any questions? What I have seen, it looks very good. I appreciate the work you have done for us. Thank you.

Frank Eich: Thank you.

Vice Chairman: Anything further?

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

Vice Chairman: Thank you. Any questions for the Comptroller? Financial Advisor, Bethany Pugh?

Financial Advisor: No report Mr. Vice Chairman.

Vice Chairman: Thank you. General Consultant, Mr. Buchanan?

General Consultant: No report Mr. Vice Chairman.

Vice Chairman: Trustee, Mr. Lamb?

Trustee: No report Mr. Vice Chairman.

Vice Chairman: Thank you, Mr. Lamb. General Counsel?

General Counsel: Mr. Vice Chairman and Commission Members, in your folders is your Confidential Litigation Report for the Second Quarter. If you have any questions after having reviewed it, please let me know. Thank you.

Vice Chairman: Thank you. Ohio State Highway Patrol. Welcome aboard Lieutenant.

Lieutenant Weirtz: Mr. Vice Chairman and Members of the Commission, thank you for the warm welcome. I have nothing to report as far as any significant drug seizures this month. I do have to report two recent retirements both from the Hiram Post: Trooper Kenneth Collins with more than twenty-two years of services. He retired July 11th, and Lieutenant Joe Mannion with more than twenty-seven years of service, retired effective today. Director Hodges asked that I give you a little bit of background about myself. I am in my twenty-fifth year of service with the Ohio State Highway Patrol. It is a pleasure to be back here serving on the Turnpike. I was a former Commander at the Hiram Post back in 2009 and served there for about a year and a half. Just sitting here thinking about it today, my career has spanned from the Ohio River all of the way up to Lake Erie. I have served at the New Philadelphia Post, Marietta,

Canton, Hiram and now Berea, so it's a pleasure to be back and I hope to continue that strong partnership between the Highway Patrol and the Ohio Turnpike. Any questions?

Vice Chairman: Any questions? Thank you. The next Commission Meeting is set for Monday, August 18, 2014, at 10:00 a.m. If anyone has anything further bring it up. If not, we will entertain a motion to adjourn.

Mrs. Barber: So moved.

Vice Chairman: Is there a second?

Mr. Paradiso: Second.

Vice Chairman: All in favor say aye.

Mrs. Barber: Aye

Mr. Paradiso: Aye

Mr. Murphy: Aye

Vice Chairman: Aye. Meeting is adjourned.

Time of adjournment: 10:55 a.m.

Attendees for Record Keeping Purposes:

Dan Castrigano, GPI; Scott Buchanan, URS; Frank Lamb, Huntington Bank; Tom Perevosnik, IUOE Local 18; Bethany Pugh, PFM; George Manias, Legends Sales and Marketing; Josh Moore, Legends Sales and Marketing; Brooke Cuevas, Legends Sales and Marketing; Rhonda Hall, Ciuni & Panichi; Frank Eich, Ciuni & Panichi; Jennifer Townley, ODOT; Ryan Kozak, PNC; Kamran Majidzadeh, Resource International; Farah Majidzadeh, Resource International; Mike McCarthy, Hatch Mott; Hamid Homae, TranSystems; Halle Jones Capers, G. Stephens; Zoltan Szabo, Hatch Mott; Joe Casto, IUOE Local 18; Lieutenant Weirtz, OSHP; Rick Hodges, Ohio Turnpike; Marty Seekely, Ohio Turnpike; Tony Yacobucci, Ohio Turnpike; Kathleen Weiss, Ohio Turnpike; Robin Carlin, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Mark Musson, Ohio Turnpike; Helen Guggenbiller, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Chris Matta, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; Brian Newbacher, Ohio Turnpike.

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

Sandra K. Barber, Secretary-Treasurer