

**MINUTES OF THE 631st MEETING OF THE
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
AUGUST 15, 2016**

Chairman: Good morning. Will you please stand and join me in reciting the Pledge of Allegiance.

The meeting will come to order. Have all guests signed the sign-in sheet in the Lobby? If not, please do so prior to leaving, so we can maintain an accurate account of attendance.

Jennifer Townley is here today representing Mr. McAuliffe, who is unable to attend today's meeting. Also, we have a new Member on the Turnpike Commission and we are very pleased and happy to welcome Michael Angelo Peterson. In a little bit, we will talk about Michael and his being on the Board, but Michael welcome.

Mr. Peterson: Thank you.

Chairman: Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Chairman Hruby

Chairman Hruby: Here

Assistant Secretary-Treasurer: Vice Chairman Paradiso

Vice Chairman Paradiso: Here

Assistant Secretary-Treasurer: Commissioner Barber

Secretary-Treasurer Barber: Here

Assistant Secretary-Treasurer: Commissioner Dixon

Mr. Dixon: Here

Assistant Secretary-Treasurer: Mr. Peterson

Mr. Peterson: Here

Assistant Secretary-Treasurer: Ms. Townley

Ms. Townley: Here

Assistant Secretary-Treasurer: Mr. Kauffman

Mr. Kauffman: Here

Assistant Secretary-Treasurer: Senator LaRose (arrived at 1:05 p.m.)

Senator LaRose: Here

Assistant Secretary-Treasurer: Representative Dovilla

Representative Dovilla: Here

Chairman Hruby: This is the 631st Meeting of the Ohio Turnpike and Infrastructure Commission. We are meeting here at the Commission's headquarters, as provided for in the Commission's Code of Bylaws for a Commission Meeting.

Various reports will be received, and we will act on several resolutions. Draft copies have previously been sent to the Members and updated drafts are 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 20, 2016, Commission Meeting?

MOTION: A motion to adopt the Minutes of the June 20, 2016, Commission Meeting was made by Mr. Paradiso and seconded by Chairman Hruby. All Commission Members present voted to approve the Minutes.

Chairman: We do have new Member, Michael Peterson. Michael has been, for nearly three decades, a Security Consultant, Human Resource and Investigative Services with fourteen years in the private sector. Mr. Peterson's expertise is in fraud and theft investigations, compliance, security operations, and executive protection. Prior to joining the private sector, he broadened his human services behavior acumen through the experiences as a court investigator, an intensive probation supervisor and law enforcement officer, meaning that he is one of the good guys, serving both Vice and Criminal Intelligence. Mr. Peterson has served as the Executive level for two Fortune 500 Companies, one of them being our very own Goodyear Tire and Rubber Company and Director of Compliance and Ethics for Kelly Services, Inc. He brings to us a vast knowledge of not only security but working as an executive and working and doing investigations, but also in the Human Resource area. He has a Bachelor of Science Degree in Criminal Justice from Youngstown State University, he graduated with honors from Wharton Business School Executive Leadership Program. He serves on Executive Boards, he is a Fraud Examiner, so he is on various Fraud Examiner Associations, his claim to fame, he was part of the Homeland Security, he oversees Advisory Council, Chief Security Officers Roundtable. It just goes on and on. Michael we are very happy to have you on the Board. And, most importantly, he is married, has two daughters and he coaches them in lacrosse. A game I still don't understand.

Mr. Peterson: Neither do I.

Chairman: Welcome, Michael.

Mr. Peterson: Thank you.

Chairman: This morning, there was a memorial service in Cleveland for former Congressman Steven LaTourette. Steve was a prosecutor, he grew up in Cleveland Heights, he served his county well. You might remember the Lundgren murders that took place some years ago and before he became a Congressman he was the Prosecutor and dealing with those cases and decided to give in another way other than being elected Prosecutor, he ran for Congress. He was from Madison, Ohio. He was not the County's pick at the time. The County's pick was someone from Cuyahoga County and I being somewhat of a supporter of law enforcement, and I knew him as a prosecutor, I supported him in that race. In spite of that support, he won and was elected to Congress and served many terms overwhelmingly elected, reelected, elected, reelected. He was his own man. He was a moderate Republican. He said what he thought. I remember one speech that I went to see him in Washington and he got up and was talking and for some reason he was not happy with the media at the time and, I think, he referred to them as the "slime ball creations," if I remember correctly. He was not a man that would mix words. He would tell it like it is. We send our sympathies on to his family, his five children, his lovely wife. He was a champion. As Mr. Dixon and I were talking earlier, he was a champion of transportation, he was on the Transportation Committee and he brought a lot of dollars and a lot to the state of Ohio through his service there. We will really and truly will miss him. He is one man who has certainly, as Chairman Frost of the Cuyahoga County Republican Party referred to, as an icon in the world of politics, an icon in the State of Ohio. On behalf of the Turnpike Commission, we express our sympathy to his family and we will certainly miss him and we thank him for all that he has done for the area of transportation.

With that being said, we will move on to the report of our Secretary-Treasurer, Mrs. Barber.

Secretary-Treasurer: Thank you, Mr. Chairman. The following items have been sent to the Members since the last scheduled meeting of the Commission on June 20, 2016:

1. Five Resolutions;
2. Draft Minutes of the June 20, 2016, 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 2016;
2. Traffic and Revenue Report, June and July 2016;
3. Total Revenue by Month and Year, June and July 2016;
4. Investment Report, June and July 2016;
5. Financial Statement, June 2016;
6. Budget Report, Six Months 2016; and

7. Various News Articles.

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

Director Cole: Thank you, Mr. Chairman.

We are very happy to welcome a new Commission Member, Michael Peterson. It is the right time to have someone with his background and expertise join the Commission. We don't have any significant internal issues, but as we have all seen, in our increasingly networked world those connection points bring in opportunities for trouble from the outside. Increased use of credit cards by our customers, Cloud Computing for our operations and vendors, mobile electronic devices by our staff and connectivity of our customers all require careful planning and attention to security issues. Mike will be a great asset as we navigate those waters.

I would like to provide a brief "Tech Talk" to update the Commission on some current initiatives and preparations we are making for our future.

First, there are two internal projects you previously approved which are now well underway. MARCS radios have been deployed across the Turnpike and we are in final stages of integrating the new dispatch consoles. Once that is complete, training will ensue and we will turn off the old radio system. The adoption of MARCS allows us greater interoperability with ODOT, the Highway Patrol and local police and fire in the seventy communities across the Turnpike. In addition, a new VOIP phone system is active in the Technology Department. The first call I received from Bill Keaton and Chriss Pogorelc was so clear, it was as if they were in the same room. Once we know all the details about configuration and operating the new systems, the old phones across the Turnpike will be replaced. Sunoco, you will, I hope consider and approve the new Sunoco agreement. You will see new technology we are putting in that to communicate with customers, give people gas prices, and upgrade our facilities and operations there in a very noticeable way, also to the financial benefit of the Commission.

We are evaluating a new feature to improve safety for our toll collectors and customers. By the next meeting, I hope to have details for you about the installation of LED speed limit signs in certain lanes at select Toll Plazas along the Turnpike. If you have driven in Pennsylvania, you may have seen similar signs. They will not be used for enforcement purposes, like red light cameras or those school zone cameras, but will be placed prior to the toll booth to remind motorists of the need to slow down to 10 miles per hour and alert them of their current speed.

Since we last met in June, consultants have begun work on developing strategic plans for our toll system and customer service center, Geographic Information System and Intelligent Transportation System. We will be bringing you updates on each of the three in coming months, most importantly our toll system study, which will in large part be completed by the end of this year. It will lay the foundation for our direction in toll collection and customer service over the next decade or longer.

As we look at changes in transportation technology across the country and around the globe, Turnpike staff is preparing our enterprise to reap efficiency and safety benefits from the leading edge of disruptive changes in transportation technology. Disruptive technology like, drones, for example.

On September 13th or 14th, depending on weather, the Ohio Turnpike will conduct its first Unmanned Aircraft System (or UAS) bridge inspection. The demonstration is a joint effort between the Ohio/Indiana UAS Center, the Ohio Turnpike and Infrastructure Commission, Ohio Department of Transportation and a leading UAS company, SenseFly. The Ohio/Indiana UAS Center's Program Director, Fred Judson, is coordinating all necessary clearances for this demonstration with the Federal Aviation Administration.

The Sandusky River Bridge is located at milepost 92.3 in Sandusky County. This bridge has an overall length of 970' with a maximum span of 102'. It currently receives a hands-on, in-depth inspection on a regular basis by AECOM. The majority of this bridge is over water and is too high to inspect the bridge by use of land-based ladders or man lifts. AECOM therefore uses a Snooper inspection vehicle in order to access the bridge, which itself presents a number of challenges. The Snooper vehicle drives on the bridge deck and therefore requires a lane closure and the associated maintenance of traffic costs. The Snooper's platform can only reach to about 40' towards the center of the bridge which does not permit our inspectors to necessarily get access to what they may want to see. AECOM's report and corresponding photos will be compared to the information obtained by the drone during the demonstration. We hope to determine if the use of a drone may reduce the time and expense and increase safety when performing these types of inspections on the Turnpike and on the ODOT system. In the future, we hope to evaluate other uses, like some construction services and incident response.

Looking a little further down the road, but not too far, we believe there is another emerging technology on the horizon. Turnpike Staff has been reviewing the Ohio Revised Code, our rules and policies and our physical and technology infrastructure in preparation for connected and autonomous vehicles. In both of these areas, there are features of the Ohio Turnpike that position us well for testing and deployment of connected and autonomous vehicles, both commercial vehicles and passenger cars.

Just to review, we have 160 miles of three lanes in both directions, eight interchanges have Long Combination Vehicle lots, which are perfect for staging. Our seven sets of service plazas also allow for staging and refueling without leaving our right of way. We continue to leverage and upgrade our 241-miles of fiber optic cable, which provides a unique asset that other corridors are only beginning to make investments in. Our mainline and interchanges have high quality and easily visible pavement markings that are fully re-stripped each year. We have begun installing Automatic Vehicle Locator equipment in our fleet.

Through partnership with ODOT, very soon we will be integrated with their Buckeye Traffic System and their OHGO application. We have begun working with the company WAZE to become a designated "Community Partner." This will ensure traffic conditions and incidents on the Ohio Turnpike are efficiently and immediately available to their 50 million subscribers. I want to ensure we are not doing this alone. On September 1st, we will host the second meeting of

the “Tri-State Intelligent Corridor” working group here in Berea. The group is a collaboration of transportation agencies and academic institutions from Ohio, Pennsylvania and Michigan. You see, we want to make sure anything we do here is aligned across a much larger region and not isolated to the Turnpike.

Why, you may ask, are we doing all of this? Well, for two reasons. The first is safety. The safety of our 950 employees, the Ohio State Highway Patrol, and our 54 million customers. As Lt. Weirtz will detail later in the meeting, motor vehicle travel can be dangerous and even deadly. As we have always done in the past, we consistently evaluate our policies, procedures, equipment and the latest technology to improve safety for everyone on the Ohio Turnpike. Right now, that evaluation is a little more dramatic and the options under consideration may lead to exponential improvements. Second, our marketing tag line is “A Better Way to Travel.”

Pursuing adoption of these emerging technologies helps ensure we maximize the value our customers receive when they choose to take the Turnpike and pay our tolls. The opportunity to provide additional services, safety and reliability to our customers positions the Turnpike for a very bright future. By partnering with ODOT and the Department of Public Safety, we help ensure that Governor Kasich has the support he needs to position the state of Ohio as a national leader in innovation and emerging transportation technologies.

We appreciate the support of the Commission as we proceed and we look forward to your guidance as we prepare for changes in the transportation industry unlike anything we have seen in our lifetimes.

Thank you, Mr. Chairman.

Chairman: Excellent report. Thank you very much. Are there any questions for our Executive Director? Hearing none, we will move on the report of our Chief Engineer, Tony Yacobucci.

Chief Engineer: Good Afternoon Mr. Chairman and Commission Members. I have four resolutions for your consideration this afternoon.

Prior to presenting the Resolutions, I would like to provide you with an update on the procurement of rock salt for the 2016-2017 snow and ice season. Under Resolution 41-2016, the Commission authorized our participation in ODOT’s Cooperative Purchasing Program for the procurement of Sodium Chloride for the 2016/2017 winter season. The Resolution required the Maintenance Engineer to issue a report back to the Commission indicating the results of the ODOT bidding process. A spreadsheet labeled “2016/2017 Sodium Chloride Contracts – Actual Bid Pricing” was included in your packets and reflects the actual bid prices received by ODOT for the Winter Use Contract. The Cooperative Purchasing Program contract for the procurement of Rock Salt requires the Commission to purchase a minimum of 90% of the Winter Use bid quantity, and provides the option to also purchase a maximum of 110% of the Winter Use bid quantity. As you will note on the spreadsheet, the Commission’s total expenditure for Rock Salt for the 2016/2017 Winter Season will be a minimum of \$1,405,011.60, and up to a maximum of \$1,717,236.40, which is significantly less than we originally anticipated. I would like to thank ODOT for

extending their purchasing agreement to us, and for obtaining the very favorable pricing. I would be happy to answer any questions relating to the rock salt procurement, otherwise I will begin presenting the four Resolutions for consideration.

Chairman: Any questions? Thank you, pass the word back to Director Wray, we appreciate the cooperation and the good work always that they do in procuring the salt for us. So, thank you. Please continue, Tony.

Chief Engineer: The first Resolution for your consideration is for authorization to modify Contract No. 71-15-03 with ms consultants, inc., of Youngstown, Ohio, relating to the rehabilitation of nine bridges between mileposts 222.8 and 240.8 in Mahoning County. On August 5, 2015, Procurement received eighteen Letters of Interest, from which four firms were deemed most qualified and invited to submit technical proposals. Engineering staff reviewed the technical proposals and concluded that ms consultants, inc. was the most qualified firm to perform the services. The Commission, through its Executive Director under the authority of Article V, Section 1.00 of the Bylaws, executed an Agreement for Phase 1A Services - Site Inspection and Engineering Report in an amount not to exceed \$71,417.00. On June 6, 2016, ms consultants submitted a fee proposal to perform Phase 1B Services, which includes Final Design and Plan Preparation in an amount not to exceed \$254,685.00. The additional costs to obtain the necessary Phase 1B Services for Project No. 71-15-03 will both increase the cost of the contract in excess of the Executive Director's contracting authority and exceed 10% of the original contract amount, therefore requiring Commission authorization of the contract modification. With your permission, may the General Counsel please read the title of the Resolution.

General Counsel: Resolution Authorizing a Modification to Contract No. 71-15-03 with ms consultants, inc. to obtain Phase IB – Design and Plan Preparations Services for Rehabilitating Nine Bridges in Mahoning County for the not-to-exceed amount of \$254,685.00.

Chairman: Any questions or comments?

Mr. Dixon: Thank you, Mr. Chairman. I am happy to see that we had DBE participation on this. What type of DBE was this? Is it female? Do you know?

Diana Anthony: This company was a DBE company, so the DBE company is a disadvantaged business company. Does that answer your question?

Mr. Dixon: No.

Diana Anthony: What was your question, I'm sorry I got discombobulated.

Mr. Dixon: What type of DBE was it? Was it a female, minority?

Diana Anthony: Female-owned company.

Mr. Dixon: So, it's a female company? So, KS Associates is what?

Diana Anthony: Also a DBE.

Mr. Dixon: Female?

Diana Anthony: Yes, DBE female.

Chief Engineer: Barr is a minority.

Mr. Dixon: Barr is a minority?

Chief Engineer: Yes, Mr. Chairman and Commission Member Dixon, Barr is a minority and KS Associates is a Female Business Enterprise.

Mr. Dixon: Okay. Thank you.

Chairman: Any other questions? Hearing none, please call the roll.

MOTION: A motion to adopt the *Resolution Authorizing a Modification to Contract No. 71-15-03 with ms consultants, inc. to obtain Phase IB – Design and Plan Preparations Services for Rehabilitating Nine Bridges in Mahoning County for the not-to-exceed amount of \$254,685.00*, was made by Mrs. Barber, seconded by Mr. Paradiso, and unanimously approved by all Commission Members present. Resolution No. 51-2016 is attached hereto as an Exhibit.

Chairman: Please continue, Tony.

Chief Engineer: The second Resolution for your consideration is for authorization to award two contracts for General Engineering Services. On April 4, 2016, the Procurement Department issued an invitation to respond to a Request for Proposals to select up to two firms to perform General Engineering Services on a task order basis. On April 18, 2016, Procurement received sixteen Letters of Interest from firms expressing interest in performing these services, from which five firms were deemed most qualified and invited to submit technical proposals. Engineering staff reviewed the technical proposals and concluded that LJB, Inc. (“LJB”) and AECOM Technical Services, Inc. (“AECOM”) were the two most qualified firms to perform the services. The GES contracts will provide an extension of staff to the Commission’s Engineering and Maintenance Departments during a time when our Capital Program is at its highest level in 15 years. Furthermore, it provides immediate access to numerous specialized disciplines that we do not possess internally, such as mechanical, electrical, and geotechnical engineers. Some anticipated tasks include, but are not limited to, drainage analysis and review, contract document and construction schedule review, and miscellaneous design tasks. The term of the agreement is for a two-year period and the total amount payable for all task orders of each contract shall not exceed \$400,000 over the two-year period. With your permission, may the General Counsel please read the title of the Resolution.

General Counsel: Resolution Authorizing Contracts with AECOM and LJB, Inc. to Perform General Engineering Services on an Assignment Basis for a Two-Year Period each in an Amount Not-to-Exceed \$400,000.00.

Chairman: Any questions or comments? Hearing none, please call the roll.

MOTION: A motion to adopt the *Resolution Authorizing Contracts with AECOM and LJB, Inc. to Perform General Engineering Services on an Assignment Basis for a Two-Year Period each in an Amount Not-to-Exceed \$400,000.00*, was made by Chairman Hruby, seconded by Ms. Townley, and unanimously approved by all Commission Members present. Resolution No. 52-2016 is attached hereto as an Exhibit.

Chairman: Please continue, Tony.

Chief Engineer: The third resolution for your consideration is for the award of Contract No. 4277 for the furnishing of organic-based, corrosion-inhibiting, liquid de-icing/anti-icing material. The bid invitation was divided into four items, which are based on the geographical location of the Commission's maintenance buildings, as well as approximate quantities at each location. The bidders were permitted to submit bids on one or any combination of the four items. We received two bids in response to each item. The apparent low bid for Items 1, 2, 3, and 4 was submitted by Chloride Solutions, LLC, of Webberville, Michigan, however, the material the apparent low bidder proposes to furnish does not comply with the bid specifications 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 Items 1, 2, 3, and 4 was submitted by K-Tech Specialty Coatings, Inc. of Ashley, Indiana. This bidder proposes to furnish material and services in accordance with specifications. This bidder has supplied products to the Commission in the past and has performed well. It is therefore recommended that Contract No. 4277 be awarded to K-Tech Specialty Coatings, Inc., of Ashley, Indiana for Items 1, 2, 3, and 4 in the total blanket amount of \$160,000.00. With your permission, may the General Counsel please read the title of the Resolution?

General Counsel: Resolution Selecting the Bid of K-Tech Specialty Coatings, Inc. to Furnish the Commission's Requirements for Organic-Based, Corrosion-Inhibited Liquid De-Icing/Anti-Icing Material in the Estimated Amount of \$160,000.00 under Invitation No. 4277.

Chairman: Any questions or comments?

Mr. Dixon: What exactly do we use it for? Tell me what the application for.

Chairman: Would you explain it, Tony.

Chief Engineer: Mr. Chairman and Commission Member Dixon, it is basically?

Executive Director: It is beet juice.

Chief Engineer: With a salt brine and it is added to our salt to help the salt to actually start the process faster. It is also used for anti-icing our bridge decks. We will spread it on the bridge decks prior to a storm.

Chairman: The theory behind it was to save the use of salt, but the most important aspect of it was to get this down on the road first and so while the trucks are coming out and in, you put this down before the snow, and then as it starts to snow, it melts it and then you get your trucks to follow-up on it. It really is a good product.

Mr. Dixon: Got it. Thank you.

Executive Director: I assure the Commission that no one's car turns red, no one's shoes turn red, it is not like that. It is not like cans of beet juice.

Mr. Dixon: Does it look red when you apply it?

Executive Director: I don't think so, I think it has been so dissolved and treated. I have never noticed anything on the road. I do not know what it looks like in the truck. Chris?

Chris Matta: No, there is color.

Mr. Dixon: Thank you, Mr. Chairman.

Chairman: Any further questions? Hearing none, please call the roll.

MOTION: A motion to adopt the *Resolution Selecting the Bid of K-Tech Specialty Coatings, Inc. to Furnish the Commission's Requirements for Organic-Based, Corrosion-Inhibited Liquid De-Icing/Anti-Icing Material in the Estimated Amount of \$160,000.00 under Invitation No. 4277*, was made by Mr. Paradiso, seconded by Mrs. Barber, and unanimously approved by all Commission Members present. Resolution No. 53-2016 is attached hereto as an Exhibit.

Chief Engineer: The final Resolution for your consideration seeks the Commission's authorization to extend Contract SS-12 for the provision of Service Station and Retail Operations with Sunoco Retail LLC for the first of two, 5-year renewal options. I would like to ask Mr. Drew Herberger, our Service Plaza Operations Manager, to step up to the podium and provide you with the details on this Resolution.

Andrew Herberger: Good afternoon Mr. Chairman and Commission Members.

As Tony has already mentioned, this Resolution seeks the Commission's authorization to extend Contract SS-12 for the provision of Service Station and Retail Operations with Sunoco Retail LLC for the first of two additional 5-year options. Under Resolution 52-2010, the Commission approved the selection of Sunoco, Inc. on Dec. 20, 2010, to operate service stations, kiosks and convenience stores at the Commission's fourteen service plazas. Contract No. SS-12 provided an initial term commencing January 1, 2011, and continuing through December 31, 2016, with the option to extend the Agreement for up to two additional five year renewal terms. In June of 2016, Sunoco submitted a proposal requesting to extend the contract for the first five-year renewal option through December 31, 2021. The proposal was based upon negotiated modifications to the scope of services and terms that are more favorable to the Commission. The proposal also provides additional services to our customers. These modifications represent an

estimated 18% increase in the total Contract value to the Commission. In addition to renegotiated financial terms and additional services, this recommendation is also based upon Sunoco's commitment to pay the renewal bonus to the Commission as set forth its original 2010 proposal in the amount of \$1 million dollars; to make approximately \$6.4 Million dollars in capital improvements to the Commission's facilities during the renewal term; to provide \$100,000.00 in annual marketing support; and will assume certain routine maintenance responsibilities upon execution of the Commission's option to renew through December of 2021. With your permission, may the General Counsel please read the title of the Resolution.

General Counsel: Resolution Authorizing the Executive Director to Modify the Terms of the Service Station Contract No. SS-12 with Sunoco Retail LLC when Exercising the Commission's First of Two Options to Renew the Contract for an Additional Five Year Period.

Chairman: Any questions or comments?

Mr. Paradiso: Why? This is surprising. This is good news. Why was Sunoco interested in increasing the ante? This is impressive.

Andrew Herberger: I think we have a great business partnership with Sunoco right now. The first term of the contract, we've seen a good growth in the fuel volume out there as well. They have realized \$6.8 million in the retail sales as well. There is opportunity for growth. We are adding additional services to our commercial customers, as well as our passenger vehicles and they think there is growth opportunity. It is a benefit to the Commission and Sunoco.

Mr. Paradiso: What do we think it is going to improve for us? Do we have an idea in terms of revenue for the Commission?

Andrew Herberger: It is about 18% total contract value. It is roughly \$400,000.00 per year in additional revenue to the Commission. That is through the addition of additional services, one of those being DEF, which is Diesel Exhaust Fluid, dispensing stations at our fourteen plazas, as well as some retail initiatives as well.

Mr. Paradiso: Historically, the fueling stations on the Turnpike, prices were much higher than off of the Turnpike. That is not the case anymore. Do we have rules in our contract as to what type of pricing they can charge?

Andrew Herberger: We do. We survey roughly 130 to 140 off-road service stations that are within five miles of our interchanges, we average those prices from a western division and an eastern division, and the prices are capped at no more than \$.03 over that survey average for the region.

Executive Director: Just to add to that, Mr. Chairman and Commission Member Paradiso, those prices then are set at 9:00 a.m. on Monday, Wednesday and Friday, so because they are set at the times and based on that whole survey, there are a number of times that the myth that you get gouged for prices on the Turnpike is wrong because if gas prices go up at a local

station, ours are set until that next change in time. So, part of what we are getting under this contract is more price disclosure. We already do it through social media, we have the static signs that are there, but we are partnering with Sunoco to both capture the data and display through LEDs the current price of gas at each of the stations in real time out on the roadway because we need to continue to beat back that myth that you are gouged or the prices are higher on the Turnpike. And then, again, the DEF that Drew talked about is an additive that almost all of the large commercial fleets are using now and if we don't have that through dispensing stations that is a reason for them to get off at an interchange and fuel at a different truck plaza instead of staying on the Turnpike and that is one of the reasons Sunoco, the addition of that they are paying to help provide that because it is one more reason truckers will stay and use our service plazas and the related services.

Chairman: Mr. Director, would you be kind enough to explain what this relationship is as far as who employs who, and how this contract really works and what benefit it is to us and then, of course, it is to Sunoco in selling their product. If you could explain it to the Commission.

Executive Director: I would be happy to and if necessary Drew can clarify. So, the facilities themselves for fueling both for commercial, which a lot of people don't pay attention to as passenger cars, but that is set off separately on the side of the service plazas, first the passenger kiosk and fueling area is right up at the front near the road. Sunoco operates, maintains, and hires all of the staff for all of those facilities. They own all of the fuel and the related products. Then they have a kiosk for commercial sales. So, again, they own all of that, they run all of that, and then the pricing itself is based on market prices and these conditions in our agreement. We receive some value from the sales, we receive the lease of that facility and as a partnership, I just had the fortune of attending the IBTTA conference in Boston, and at that I got to talk to an awful lot of other toll authorities and review on a few sessions what is happening with service plazas across the country. What is exciting is Sunoco's commitment to other toll roads and, more specifically, to the Turnpike. We are again at the leading edge of an awful lot of that investment and that work on providing customer value, so that the passenger cars and the truck fleets receive great discounts, fare pricing, and top quality services and reliability of fuel at our plazas and then it is one more reason, again, once they stop for that then we get the foot traffic into our extremely clean restrooms, our extremely clean and up-to-date facilities and, hopefully that additional pockets spend for our other vendors at our service plazas.

Chairman: How do we audit to know that we are getting, in fact, our fair share?

Executive Director: I am going to defer to Drew and Marty.

CFO/Comptroller/DED: We have an opportunity in our Internal Audit Department to audit them on a periodic basis. We do that occasionally to make sure we are getting the proper amount.

Executive Director: Monthly, we report our fuel volumes the Ohio Department of Taxation.

CFO/Comptroller/DED: Yes, they report to us monthly how much fuel is sold and we get a percentage of that, I think it is \$.03 per gallon going up to \$.05 per gallon. Then we report that to the Department of Transportation, and we, in turn, get \$.05 per gallon in gas tax for all of the fuel sold on the Turnpike.

Chairman: Any further questions from the Commission. Hearing none, please call the roll.

MOTION: A motion to adopt the *Resolution Authorizing the Executive Director to Modify the Terms of the Service Station Contract No. SS-12 with Sunoco Retail LLC when Exercising the Commission's First of Two Options to Renew the Contract for an Additional Five Year Period*, was made by Chairman Hruby, seconded by Mr. Paradiso, and unanimously approved by all Commission Members present. Resolution No. 54-2016 is attached hereto as an Exhibit.

Chairman: Thank you for your presentation, Drew. Please continue, Tony.

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

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

CFO/Comptroller/DED: Thank you, Mr. Chairman. I have an update on our traffic and revenue for the months of June and July.

This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Passenger car vehicle miles traveled were 2.0% higher than last year in June and 0.8% higher than last year in July.

Commercial traffic was 1.0% higher than last year in June and 4.6% lower than last year in July. July had two fewer weekdays this year and the 4th of July holiday was on a weekday this year and on the weekend last year.

This chart shows the total vehicle miles traveled through the month of July during each year over the past decade. Total vehicle miles traveled for the first seven months of this year were 2.1% higher than the amount from last year. If you subtract February 29th from this year's total, total vehicle miles traveled are up 1.7% over last year.

The increase in traffic combined with the toll rate increase on January 1 of this year caused passenger car toll revenue to increase 3.6% in June and 2.4% in July from the corresponding month last year.

The change in commercial traffic combined with the toll rate increase resulted in commercial vehicle toll revenues increasing 3.1% in June and decreasing 2.5% in July from the corresponding month last year.

This chart shows the year-to-date toll revenues through the month of July during each year over the past decade. Toll revenues through July were \$5.3 million or 3.3% above the amount from last year. If you subtract February 29th from this year's total, total toll revenues are up \$4.6 million or 2.9% over last year.

That completes my report Mr. Chairman.

Chairman: Thank you. Any questions for Marty? Hearing none, we will move on to the report of our General Counsel, Jennifer Stueber.

General Counsel: Mr. Chairman, I have a resolution for your consideration authorizing the renewal of insurance policies for the Commission's Property and Casualty Insurance Program. I have invited and I ask for your permission for Mr. Dan Buser from Crain Langner to come forward and present all of the details on the insurance renewals.

Chairman: Welcome, Mr. Buser.

Dan Buser: Thank you and good afternoon, Mr. Chairman and Members of the Commission. My name is Dan Buser from Crain Langner Company and we are the insurance consultant for the Commission. It is our pleasure to be here today to review the 2016 Property Casualty Renewal Program for the Commission. We review this every year. This is a year where competitive proposals were not received for all lines of coverage. We have good results to share with the Members of the Commission. See PowerPoint presentation attached hereto as an Exhibit.

Chairman: Any questions or comments?

Mr. Dixon: Has there been any changes in the companies that represent us for insurance from last year to this year?

Mr. Buser: Have any of the carriers changed?

Mr. Dixon: Yes,

Mr. Buser: Yes. The bridge and occupancy insurance coverage was with Travelers, it is now with Lexington. That was achieved for a couple of outstanding reasons. The fixed cost is down by over \$10,000.00, and a couple of the coverages that Lexington offered and are superior to what Travelers was offering.

Mr. Dixon: Any changes in the brokers?

Dan Buser: Yes. We have Hylant replaces the property coverage, Gallagher replaces the casualty coverages, Wells Fargo had placed the top two layers of excess liability coverage. It has been our recommendation for some time and we have had discussions with General Counsel and the Risk Management Coordinator of attempting to consolidated the number of brokers that serve the Commission, provided they are capable and able to do this well. The top two layers of excess coverage are some of the easiest to place. There is very little servicing that gets done and

we like to have the broker that places the excess coverage to be the same carrier that places the primary, so there is no disconnect.

Mr. Dixon: Do we go out with RFPs? How do we do that?

Mr. Buser: Yes, Mr. Dixon. We do go out for RFPs. We did not this year. The year 2017 puts us back on cycle to issue the next RFP. I think we run a three-year cycle. In 2017, we will conduct an RFP process, where the marketplace is opened up to any number of brokers in the whole world of carriers.

Mr. Dixon: Is there any DBE or minority participation in any of these policies or brokers?

Dan Buser: No, Mr. Dixon, there is not. Neither Gallagher nor Hylant are DBEs.

Mr. Dixon: That's the conversation we had last year and we said we were going to try and do better this year. We had the same conversation a year ago.

Dan Buser: Mr. Disantis advises me that Hylant, which places the property coverage through Affiliated FM, utilizes in a partnership manner Pinkney Perry, which is a minority broker here in Northeast Ohio.

Mr. Dixon: Pinkney Perry is not involved in this, are they?

Dan Buser: Yes, Mr. Dixon, they are.

Mr. Dixon: No, no Pinkney Perry called me and asked me. I'm just a little curious. I know that you want to tell me the truth, I know you would not misrepresent, so I know you are telling me the truth. Maybe we need to double check that?

Mr. Buser: Yes, Mr. Dixon, we can do that.

Mr. Dixon: Thank you.

Mr. Buser: You're welcome.

Chairman: Any other questions or comments?

General Counsel: Resolution Authorizing the Renewal of Insurance Policies for the Commission's Property and Casualty Insurance Program, as identified in the draft Resolution that was distributed by email prior to the Commission Meeting.

Chairman: Any further questions or comments? Hearing none, please call the roll.

MOTION: A motion to adopt the *Resolution Authorizing the Renewal of Insurance Policies for the Commission's Property and Casualty Insurance Program*, was made by Chairman Hruby,

seconded by Mrs. Barber, and unanimously approved by all Commission Members present. Resolution No. 55-2016 is attached hereto as an Exhibit.

Chairman: Thank you, Dan and please get back to the Executive Director regarding the question that was raised by one of the Members.

Dan Buser: Yes, Mr. Chairman, I will.

Chairman: Thank you. Next we will have the report of the Ohio State Highway Patrol, S/Lt. Weirtz.

S/Lt. Weirtz: Good morning, Mr. Chairman and Commission Members. Yes, we have been very busy. As Director Cole pointed out earlier, I have a more detailed report on four crashes that we have investigated since our last Commission Meeting, that unfortunately resulted in fatalities.

The first one occurred on June 23, 2016, at Milepost 32 in Fulton County. It involved four commercial vehicles. A tanker hauling liquid hydrogen was rear-ended by another commercial vehicle causing a fire. A 50-year old male from Springfield, Ohio that rear-ended the hydrogen tanker died as a result of the crash.

On June 28, 2016, at Milepost 108 in Erie County, a motorcycle struck the barrier wall and the driver was ejected. A 50-year old male from Hudson, Michigan, later died from his injuries on July 7, 2016. It is believed that was drug related as five pounds of marijuana was seized from saddlebags on his vehicle.

On August 7, 2016, at Milepost 194 in Portage County, a motorcycle struck a concrete barrier wall. The 74-year old male driver from Wooster, Ohio, was ejected and later died as a result of his injuries.

On August 14, 2016, at Milepost 110 in Erie County, an accident occurred involving a commercial vehicle and ten vehicles. The commercial vehicle did not stop for slowing traffic and collided with nine other vehicles. There were numerous injuries in this crash and, unfortunately, a 14-year old girl lost her life yesterday. This crash still remains under investigation.

Just to put things into perspective, comparative this year to last year, at this time last year we had investigated ten fatal crashes with eleven deaths. Year-to-date so far comparative this year we have investigated five fatal crashes involving six deaths. While one death on the Ohio Turnpike is unacceptable, I can assure you that the Ohio State Highway Patrol is doing or part as far as enforcement and education to ensure that we reduce those numbers. The year-to-date, I am glad to report that our enforcements are up by 7%. Out seatbelt enforcement is up by 15%, and our patrol hours are up by 15% and that is inclusive even of the things that we have been torn away from as far as the RNC and other incidents that have taken up away from our normal duties. I assured Director Cole I would end on a positive note, so I want to highlight three of our most recent criminal patrol cases.

The first one occurred on June 26, 2016, in Portage County, Troopers stopped a New York registered Nissan Pathfinder for a speed violation. Criminal indicators were present and a K9 was called to the scene. The K9 gave a positive alert and a search revealed eight new iPhones, thirteen fraudulent debit/credit/ID cards and two grams of marijuana. The Cleveland FBI office was contacted and advised there was an open investigation on the suspects, who are associated with a criminal ring where fraudulent ID's and credit cards are used to purchase iPhones, which are then sold overseas. The case was adopted by the Cleveland Office of the FBI.

On August 6, 2016, in Sandusky County, Troopers stopped a 2005 Mitsubishi Endeavor SUV bearing Illinois registration for speed and following too close violation. Criminal indicators were present and a K9 was requested. The K9 gave a positive alert. During the search a hidden compartment was discovered in the dash. The compartment was accessed and revealed three vacuum sealed packages of heroin that weighed approximately six pounds with a street value of \$198,000.

On August 9, 2016, in Wood County, Troopers stopped a rented 2015 Kia for marked lanes and no turn signal. Criminal indicators were present and a K9 was requested. The K9 gave a positive alert. A probable cause search revealed marijuana residue, a manmade false bottom jug, bleach tablets, black dye, ultraviolet light, unknown vials of liquid, off-white powder, four sheets of white paper with \$100.00 bill markings imprinted, thousands of pieces of currency size black paper and numerous other criminal tool items. The vehicle and suspects were transported to the Bowling Green Patrol Post where the United States Secret Service responded to assist. The United States Secret Service confirmed the items were consistent with "Black Cash" currency scams. The driver from Guinea and passenger from Liberia refused to cooperate with the United States Secret Service and they were incarcerated in the Wood County Justice Center on multiple counts of criminal tools and forgery.

Mr. Chairman, that concludes my report.

Chairman: Thank you. Again, thank you so much for all you do. It is rather amazing how you are able to handle crashes of that magnitude in the professional manner that you do, it is just amazing. Keep up the good work on getting the bad guys.

The next meeting of the Commission will be on September 19, 2016, at 10:00 a.m. Any questions? Hearing none, may I have a motion to adjourn.

MOTION: A motion to adjourn is made by Mr. Dixon, seconded by Chairman Hruby and unanimously approved by all Commission Members present.

Time of adjournment: 1:58 p.m.

Attendees for Record Keeping Purposes:

Mike Burgess, Prime; Dan Buser, Crain Langner; Gary Kincaid; Jim Gates, ODOT; Tim McDonald, ODOT; Rick Boylan, RLB Group, Inc.; Bethany Pugh, PFM; Michael (?), G(?); Gene Baxendale, Hill; Hamid Homaei, KS Associates; Doug Talbott, RLB Group, Inc.; Halle Jones Capers, G. Stephens; Jasmine Brown, G. Stephens; Ginger Christ, The Cleveland Plain Dealer; Frank Snyder, Thomas Fok; Stephen Lettieri, Thomas Fok; Stefan Holmes, First Merit; S/Lt. Bill Weirtz, OSHP; Beth Fulton, TRC; Preston Yuzwa, IUOE 18; Jacob Siesel, IUOE Local 18; Jennifer Stueber, Ohio Turnpike; Anthony Yacobucci, Ohio Turnpike; Martin Seekely, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Matt Cole, Ohio Turnpike; Helen Guggenbiller, Ohio Turnpike; Joseph Disantis, Ohio Turnpike; Mark Musson, Ohio Turnpike; Diana Anthony, Ohio Turnpike; Chris Matta, Ohio Turnpike; Joseph Mannion, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Dinola Phillips, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; and Brian Newbacher, Ohio Turnpike.

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

Sandra K. Barber, Secretary-Treasurer

EXHIBITS

1. Resolution Authorizing a Modification to Contract No. 71-15-03 with ms consultants, inc. to obtain Phase IB – Design and Plan Preparations Services for Rehabilitating Nine Bridges in Mahoning County for the not-to-exceed amount of \$254,685.00;
2. Resolution Authorizing Contracts with AECOM and LJB, Inc. to Perform General Engineering Services on an Assignment Basis for a Two-Year Period each in an Amount Not-to-Exceed \$400,000.00;
3. Resolution Selecting the Bid of K-Tech Specialty Coatings, Inc. to Furnish the Commission’s Requirements for Organic-Based, Corrosion-Inhibited Liquid De-Icing/Anti-Icing Material in the Estimated Amount of \$160,000.00 under Invitation No. 4277;
4. Resolution Authorizing the Executive Director to Modify the Terms of the Service Station Contract No. SS-12 with Sunoco Retail LLC when Exercising the Commission’s First of Two Options to Renew the Contract for an Additional Five Year Period;
5. PowerPoint Presentation from Dan Buser, Crain Langner & Co., regarding Risk Management and Insurance Issues Update; and
6. Resolution Authorizing the Renewal of Insurance Policies for the Commission’s Property and Casualty Insurance Program.

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Authorizing a Modification to Contract No. 71-15-03 with ms consultants, inc. to obtain Phase IB – Design and Plan Preparations Services for Rehabilitating Nine Bridges in Mahoning County for the not-to-exceed amount of \$254,685.00

WHEREAS, the Commission, through its Executive Director based on a recommendation of its Chief Engineer, awarded a Contract to **ms consultants, inc.**, of **Youngstown, Ohio** (“**ms consultants**”) for Project No. 71-15-03 relating to the Rehabilitation of Nine Bridges between Milepost 222.8 and Milepost 240.8 in Mahoning County; and

WHEREAS, ms consultant’s fee proposal for Phase IA services consisting of inspections, ratings, reporting and making recommendations for the rehabilitations in the not-to-exceed amount of **\$71,417.00** was accepted by the Commission, through its Executive Director and Chief Engineer, and incorporated into the Contract; and

WHEREAS, ms consultants submitted a fee proposal, dated June 6, 2016, to perform Phase IB – Design and Plan Preparation Services in the not-to-exceed amount of **\$254,685.00**, which amount has been deemed to be reasonable and necessary by the Chief Engineer; and

WHEREAS, the additional cost to obtain the necessary Phase IB Services under Project No. 71-15-03 will both increase the cost of the contract in excess of the Executive Director’s contracting authority and exceed ten percent of the original Contract amount, and the Commission must authorize the amendment to the Contract requiring such additional amounts in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws; and

WHEREAS, the Executive Director has reviewed the recommendation submitted by the Chief Engineer, and concurs that the Commission should authorize the additional expenditures with ms consultants for the completion of the Phase IB Services under Project No. 71-15-03; and

WHEREAS, in the event that the Commission awards any construction contracts for the rehabilitation of the nine bridges between Milepost 222.8 and Milepost 240.8 in Mahoning County arising from the Phase IB Services of ms consultants, the Commission may be requested to approve an additional modification authorizing ms consultants to perform Phase II - Contract Administration and Inspection Services for the construction; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the fee proposal from **ms consultants, inc.**, of **Youngstown, Ohio** to perform Phase IB – Design and Plan Preparation Services under Contract No. 71-15-03 for the Rehabilitation of Nine Bridges in Mahoning County in the not-to-exceed amount of **\$254,685.00** is accepted and approved, and the Executive Director is authorized to amend the Contract with ms consultants to perform the Phase

IB Services and increase the total not to exceed amount payable under the Contract to \$326,102.00 in accordance with the terms and conditions of the Commission's RFP for Project No. 71-15-03 and the responding proposals from ms consultants, inc.

(Resolution No. 51-2016 adopted August 15, 2016)

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Authorizing Contracts with AECOM and LJB, Inc. to Perform General Engineering Services on an Assignment Basis for a Two-Year Period each in an Amount Not-to-Exceed \$400,000.00

WHEREAS, on April 4, 2016, the Commission issued a request for Letters of Interest in receiving an invitation to respond to a Request for Proposals (“RFP”) to select up to two engineering firms to perform General Engineering Services on task order projects based on assignments from the Chief Engineer; and

WHEREAS, on April 18, 2016, Letters of Interest were received from sixteen firms expressing their interest in performing the General Engineering Services, and five of which were deemed most qualified and invited to submit proposals in response to the RFP, with responses due on June 3, 2016; and

WHEREAS, on the basis of the proposals received, the Engineering staff concluded that **LJB, Inc., of Cleveland, Ohio (“LJB”)**, and **AECOM Technical Services, Inc. of Akron, Ohio (“AECOM”)** are the two most qualified firms to perform the general engineering services; and

WHEREAS, the contracts to be established with both LJB and AECOM for the performance of these services in accordance with the original RFP and their responses of June 3, 2016 shall be for a two-year period and the total amount payable for all task orders shall not exceed **\$400,000.00 each**; and

WHEREAS, Commission action is necessary to award the contracts in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws because the estimated expenditures will exceed \$150,000.00; and

WHEREAS, the Director of Contracts Administration advises that the selection of both LJB and AECOM conforms with the requirements of Ohio Revised Code Sections 153.65 to 153.71, and 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 recommendations submitted by the Chief Engineer, and concurs that the Commission should approve awarding contracts to both LJB and AECOM to perform General Engineering Services; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that **LJB, Inc., of Cleveland, Ohio**, and **AECOM Technical Services, Inc. of Akron, Ohio** are the two most qualified firms to perform the General Engineering Services as required under the RFP for a two

year period, and authorizes the Executive Director to execute contracts with LJB and AECOM each in the not-to-exceed amount of \$400,000.00 in accordance with the terms and conditions of the Commission's RFP and their respective responses thereto.

(Resolution No. 52-2016 adopted August 15, 2016)

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Selecting the Bid of K-Tech Specialty Coatings, Inc. to Furnish the Commission's Requirements for Organic-Based, Corrosion-Inhibited Liquid De-Icing/Anti-Icing Material in the Estimated Amount of \$160,000.00 under Invitation No. 4277

WHEREAS, the Ohio Turnpike and Infrastructure Commission ("Commission") advertised by public notice an Invitation for Bids upon a Contract to furnish its requirements for organic-based, corrosion-inhibited liquid de-icing/anti-icing material, designated as **Contract No. 4277**; 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 Maintenance Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Commission's Maintenance Engineer reports that Chloride Solutions, LLC, of Webberville, Michigan, submitted the apparent low bids for Items 1, 2, 3 and 4 under Invitation 4277, but the material this Bidder proposes to furnish does not conform to the bid specifications, and therefore this bidder is deemed non-responsive and rejected; and

WHEREAS, the Commission's Maintenance Engineer further reports that the second lowest bid received for Items 1, 2, 3 and 4 under Invitation No. 4277 was submitted by **K-Tech Specialty Coatings, Inc.**, of **Ashley, Indiana**, in the estimated amount of **\$160,000.00**, which bid he recommends the Commission accept for award; and

WHEREAS, the Director of Contracts Administration advises that bids for Contract No. 4277 were solicited on the basis of the same terms, conditions and specifications, that the bid of K-Tech Specialty Coatings, Inc., for Items 1, 2, 3 and 4 for Contract No. 4277 conforms to the requirements of Ohio Revised Code Section 5537.07 and Section 9.312, as the lowest responsive and responsible bid received and supported by good and sufficient surety; and

WHEREAS, the expenditures estimated under the bid of K-Tech Specialty Coatings, Inc. on Items 1, 2, 3 and 4 for Contract No. 4277 exceed \$150,000 and Commission action is necessary to approve the Contract in accordance with Article V, Section 1.00 of the Commission's Bylaws; and

WHEREAS, the Executive Director has reviewed the reports of the Maintenance Engineer and the Director of Contracts Administration and concurs with the recommendation to award Contract No. 4277 to K-Tech Specialty Coatings, Inc., as the lowest responsive and responsible bidder for Items 1, 2, 3 and 4 under Contract No. 4277; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bid of **K-Tech Specialty Coatings, Inc.**, in the estimated amount of **\$160,000.00** for Items 1, 2, 3 and 4 under Invitation to Bid No. 4277 to furnish to the Commission its requirements for organic-based, corrosion-inhibited liquid de-icing/anti-icing material, is selected as the lowest responsive and responsible bid received and the Executive Director is authorized to execute a Contract on the basis of said bid.

(Resolution No. 53-2016 adopted August 15, 2016)

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Authorizing the Executive Director to Modify the Terms of the Service Station Contract No. SS-12 with Sunoco Retail LLC when Exercising the Commission’s First of Two Options to Renew the Contract for an Additional Five Year Period

WHEREAS, the Commission selected Sunoco, Inc. under Resolution No. 52-2010, adopted on December 20, 2010, for award of Service Station Contract No. SS-12 to operate the service stations located at the fourteen Service Plazas along the Ohio Turnpike; and

WHEREAS, the Commission consented to the assignment and assumption of Contract No. SS-12 to accommodate a corporate restructuring that caused the rights, duties and obligations of Sunoco, Inc. (R&M) to transfer to Sunoco Retail LLC (“Sunoco”); and

WHEREAS, Contract No. SS-12 provided for an initial term commencing January 1, 2011 and continuing through December 31, 2016 and, as provided in Resolution No. 52-2010, gave the Commission the option to renew Contract No. SS-12 for up to two (2) additional five (5) year renewal terms two (2), successive five (5) year periods pursuant to the same terms and conditions of the Contract; and

WHEREAS, Sunoco has proposed to renew the contract for its first five-year renewal period through December 31, 2021 based upon negotiated modifications to the terms and conditions that are administratively and financially more favorable to the Commission and summarized as follows:

<u>Current Terms</u>		<u>Renewal Terms</u>
<u>Gas Sales Revenue Share</u>	<u>Diesel Sales Revenue Share</u>	<u>Combined Gas and Diesel Sales Revenue Share</u>
\$0.03/gallon < 35 million gal.	\$0.025/gallon < 16 million gal.	\$0.03/gallon < 50 million gallons
\$0.025/gallon > 35 < 45 million gal.	\$0.030/gallon > 16 million gal.	\$0.04/gallon > 50 < 57.75 million gallons
\$0.03/gallon > 45 million gal.		\$0.05/gallon > 57.75 million gallons
<u>Kiosk Revenue Share</u>		<u>Kiosk Revenue Share</u>
4% of Gross Sales		6% of Gross Sales plus 50% of margin on beverages
<u>Convenience Store Revenue Share</u>		<u>Convenience Store Revenue Share</u>
6% of Gross Sales below \$1.5 Mil per Plaza Set		6% of Gross Sales up to \$6.8 Million at All Plazas
4% of Gross Sales over \$1.5 Mil per Set		7% of Gross Sales over \$6.8 Million at All Plazas
1% of Gross Sales for Capital Improvement Fund		1% of Gross Sales for Capital Improvement Fund
<u>Capital Investment Commitment</u>		<u>Capital Investment Commitment</u>
\$5.9 Million during first term		\$6.4 Million during renewal term
<u>Marketing Support</u>		<u>Marketing Support</u>
Ad Hoc Event Participation		\$100,000 per year

WHEREAS, in addition to renegotiating the financial terms as described above, Sunoco maintains its commitment to pay the renewal bonus as originally set forth its proposal incorporated by reference into Contract SS-12 in the amount of \$1,000,000.00 and assume maintenance responsibilities

for the dumbwaiters servicing the convenience stores upon execution of the Commission's option to renew through December 31, 2021; and

WHEREAS, the Executive Director has reviewed the contract terms submitted by the Director of Contracts Administration, and concurs that the Commission should approve the renewal of the contract based on the foregoing terms; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the Executive Director is authorized to exercise the first option to renew Contract SS-12 with Sunoco through December 31, 2021, incorporating the revised terms and conditions set forth above, and retains the power and discretion to exercise the Commission's option to renew the Contract for its final five-year period upon the terms and conditions deemed appropriate.

(Resolution No. 54-2016 adopted August 15, 2016)

Ohio Turnpike & Infrastructure Commission

Risk Management & Insurance Issues Update

Commission Meeting

August 15, 2016

Crain, Langner & Co.



Current Property & Casualty Marketplace

- Market Conditions – Overall continues to show signs of a stable, somewhat soft market
 - Few recent catastrophic losses
 - Abundant capital supply
- Overall Stable Pricing in 2016
 - Property – Largely flat or moderate decreases; some increases for accounts with losses
 - General Liability and Umbrella – Flat to slight increases (higher risk accounts)
 - Auto Liability – Flat
 - Executive Risk – Flat to slight increases

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Current Property & Casualty Marketplace – cont'd.

- Policy Terms
 - Remain the same or have improved in select areas
- Future Market Conditions
 - Do not expect carriers to reduce coverage terms/conditions
 - Certain market segments are more volatile than others

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Property and Casualty Renewal

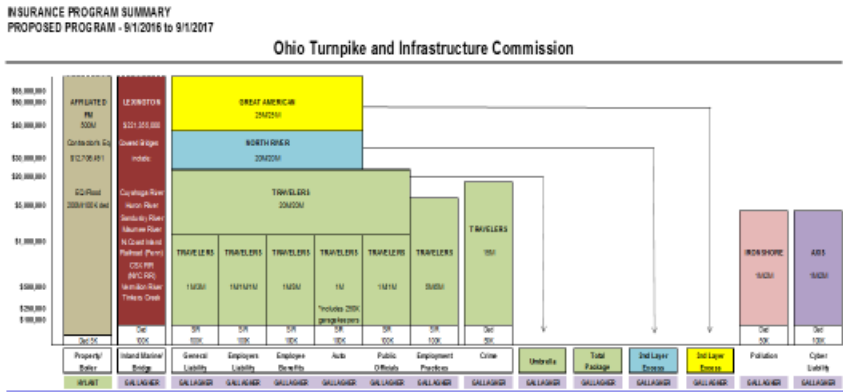
Policy Period – Sept. 1, 2016 to Sept. 1, 2017

- Renewal Proposals Received
 - Arthur J. Gallagher**
 - Travelers Package including General Liability including Terrorism, Employers Liability, Employee Benefits Liability, Auto, Public Officials Liability, Employment Practices Liability, Crime, and Umbrella Liability
 - Ironshore Pollution Liability
 - Axis Cyber Liability
 - Travelers/Chubb/Lexington Bridges, Use & Occupancy
 - North River and Great American Excess Liability
 - Hylant**
 - Affiliated FM Property, Boiler & Machinery

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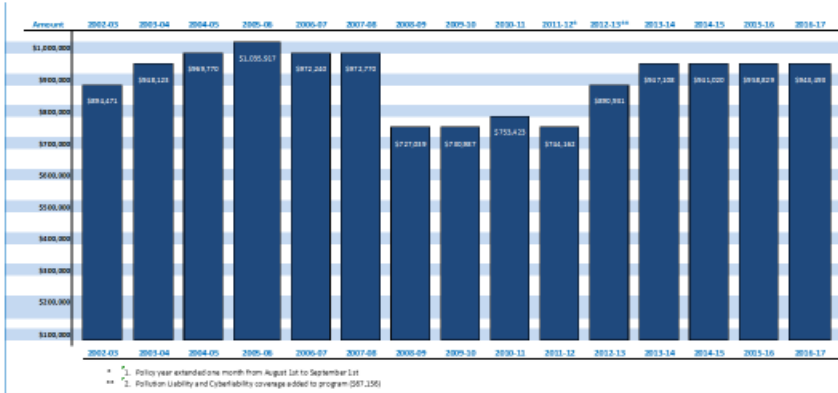
3

Insurance Program Graph



Crain, Langner & Co.

Year over Year Premium Summary



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2016 Renewal

Coverage	Broker	Insurer	AM Best Rating
General Liability	Gallagher	Travelers	A++ (Superior) XV
Employee Benefits Liability	Gallagher	Travelers	A++ (Superior) XV
Employers Liability	Gallagher	Travelers	A++ (Superior) XV
Auto	Gallagher	Travelers	A++ (Superior) XV
Public Officials Liability and EPLI	Gallagher	Travelers	A++ (Superior) XV
Employee Dishonesty and Crime	Gallagher	Travelers	A++ (Superior) XV
Umbrella Liability – 1 st Layer – 20M	Gallagher	Travelers	A++ (Superior) XV
Umbrella Liability – 2 nd Layer – 20M	Gallagher	North River	A (Excellent) XIII
Umbrella Liability – 3 rd Layer – 25M	Gallagher	Great American	A+ (Superior) XIII
Bridge Use and Occupancy	Gallagher	Lexington	A (Excellent) XV
Property, Boiler Machinery	Hylant	Affiliated FM	A+ (Superior) XV
Site Pollution Liability	Gallagher	Ironshore	A (Excellent) XIV
Cyber Liability Breach Response	Gallagher	Axis	A+ (Superior) XV

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2016 Renewal – Detail

Coverage	Insurer	Expiring	Renewal	\$ Change	%Change
General Liability	Travelers	\$ 74,072	\$ 76,208		
Employee Benefits Liability	Travelers	included	included		
Employers Liability	Travelers	included	included		
Auto	Travelers	\$115,612	\$122,713		
TOTAL GL & AUTO		\$189,684	\$198,921	\$ 9,237	4.86%
Public Officials Liability and EPLI	Travelers	\$ 78,444	\$ 80,354		
Employee Dishonesty and Crime	Travelers	\$ 35,219	\$ 36,100		
TOTAL EXEC RISK & CRIME		\$113,663	\$116,454	\$ 2,791	2.45%
Umbrella – 1 st Layer – 20M	Travelers	\$ 72,036	\$ 74,944		
Umbrella – 2 nd Layer – 20M	North River	\$ 66,580	\$ 63,920		
Umbrella – 3 rd Layer – 25M	Great Amer	\$ 39,722	\$ 37,500		
TOTAL UMBRELLA		\$178,338	\$176,364	\$ (1,974)	(1.1%)

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2016 Renewal – Detail cont'd.

Coverage	Insurer	Expiring	Renewal	\$ Change	%Change
Property, Boiler Machinery	Affld FM	\$238,408	\$230,484		
Bridge Use and Occupancy**	Lexington	\$179,094**	\$161,462		
TOTAL PROPERTY		\$417,502	\$391,946	\$ (25,556)	(6.12%)
Site Pollution Liability*	Ironshore	\$ 13,703*	\$ 14,125*		
Cyber Liability Breach Response	Axis	\$ 45,939	\$ 45,683		
TOTAL OTHER LIABILITY		\$ 59,642	\$ 59,808	\$ 166	< 1%

*Annual amount shown for comparison purposes, two year policy, premium prepaid
 **Was with Travelers 2015-16

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Premium Totals Year over Year

Policy Year	Total Premium	Diff. Year over Year	Difference in %
● 2012 - 2013	\$ 890,931	\$146,769	20%*
● 2013 - 2014	\$ 947,108	\$ 56,177	6%
● 2014 - 2015	\$ 941,020	\$ (6,088)	(<1%)
● 2015 - 2016	\$ 958,829	\$ 17,809	2%
● 2016 - 2017	\$ 943,493	\$ 15,336	(1.5%)

Exposures slightly higher in 2016

- TIV up 0.30%
- Bridges TIV up 4%

* Pollution Liability and Cyber Liability coverage added to program

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Questions & Answers



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OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Authorizing the Renewal of Insurance Policies for the Commission's Property and Casualty Insurance Program

WHEREAS, the Commission is required to maintain comprehensive property and casualty insurance coverage in accordance with Article 5, Sections 5.05, 5.06 and 5.07 of the Master Trust Agreement dated April 8, 2013, as well as the Junior Lien Master Trust Agreement dated August 1, 2013 (collectively, the "Trust Agreements"); and

WHEREAS, the Commission received proposals for the renewal of the Property and Casualty Insurance Program for the 2016/2017 policy year as described below whereby the Commission will continue to maintain coverage for Commercial General Liability, Automobile Liability, Public Officials Errors & Omissions, Employment Practices Liability, Employers Liability, Employee Benefits Liability, Bridge and Use & Occupancy, Multi-Peril Property, Data Processing, Maintenance/Contractor's Equipment, Boiler & Machinery, Money and Securities/Crime Insurance, Umbrella/Excess Liability, Pollution Liability and Cyber Liability Insurance coverage, which will result in an overall 1.5 percent decrease in premium as compared to the cost paid for the same insurance coverage during the 2015/2016 policy year; and

WHEREAS, the General Counsel and the Risk Management Coordinator have recommended that the Commission accept the proposals received for the purchase of said insurance policies by the following agent/brokerage firms on behalf of insurance carriers at the corresponding premium quotes:

1. Commercial General Liability including terrorism coverage, Automobile Liability, Public Officials Errors and Omissions, Employment Practices Liability, Employers Liability, Employee Benefits Liability, Broad Form Money and Securities/Crime Insurance, and Umbrella Liability Insurance coverage proposed by Arthur J. Gallagher Risk Management Services, Inc. on behalf of the Travelers Group for an annual premium of \$390,319.00 beginning on September 1, 2016;
2. Multi-Peril/Property Insurance, including terrorism coverage and engineering fees, proposed by The Hylant Group on behalf of Affiliated F.M. Insurance Company for an annual premium of \$230,484.00 beginning on September 1, 2016;
3. Bridge and Use & Occupancy Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc. on behalf of the Lexington Insurance Company for an annual premium of \$161,462.00 beginning on September 1, 2016;
4. Excess Liability Insurance Coverage, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc. on behalf of The North River Insurance Company and Great American Insurance Company for a total annual premium of \$101,420.00 beginning on September 1, 2016;

5. Pollution Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc. on behalf of Ironshore Specialty Insurance Company, under a two-year premium of \$28,250.00; and
6. Cyber Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc. on behalf of Axis Insurance Company, for an annual premium of \$45,683.00 beginning September 1, 2016.

WHEREAS, the Executive Director has reviewed the recommendations submitted by the General Counsel and the Risk Management Coordinator and concurs with their recommendations; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the Executive Director and General Counsel to purchase the above-specified insurance policies through: Arthur J. Gallagher Risk Management Services, Inc. for Commercial General Liability, Automobile Liability, Public Officials Errors & Omissions, Employment Practices Liability, Employers Liability, Employee Benefits Liability, Broad Form Money and Securities/Crime Insurance, Umbrella Liability, Excess Liability, Bridge and Use & Occupancy Insurance, Pollution Liability and Cyber Liability Insurance; and The Hylant Group for Multi-Peril/Property Insurance; all in accordance with the terms and conditions set forth in the renewal proposals and at the premiums quoted by the respective agent brokerage firms; and

FURTHER RESOLVED that a certified copy of this Resolution shall be transmitted to the Trustee for the bondholders in accordance with the requirements of our Trust Agreements.

(Resolution No. 55-2016 adopted August 15, 2016)