

**MINUTES OF THE 610<sup>th</sup> MEETING OF THE  
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
AUGUST 18, 2014**

**Chairman:** (10:00 a.m.) Good morning. Please join me in standing and we'll say 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.

Will Ms. Carlin please call the roll?

**Ms. Carlin:** Chairman Hruby

**Chairman Hruby:** Here

**Ms. Carlin:** Mr. Balog

**Mr. Balog:** Here

**Ms. Carlin:** Mrs. Barber

**Mrs. Barber:** Here

**Ms. Carlin:** Mr. Paradiso

**Mr. Paradiso:** Here

**Ms. Carlin:** Mr. Murphy

**Mr. Murphy:** Here

**Ms. Carlin:** Mr. Kauffman

**Mr. Kauffman:** Here

**Ms. Carlin:** Senator Manning

**Senator Manning:** Here

**Ms. Carlin:** Representative Dovilla

**Representative Dovilla:** Present

**Ms. Carlin:** Mr. Dixon indicated that he will not be able to attend today's Commission Meeting.

**Chairman:** This is the 610<sup>th</sup> 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.

As you may or may not be aware, Richard Hodges has resigned as Executive Director of the Ohio Turnpike and Infrastructure Commission. He submitted his resignation based on the fact that he was named Director of the Department of Health by Governor Kasich. So, we wish him goodwill and we wish him continued wonderful success as he had here at the Commission. During the time that he served, we were in transition, and there was a lot of discussion going on as to what would be the future of the Ohio Turnpike Commission, would we be leased, would we be sold, what would be? Rick worked closely with the Governor's Office, the Director of ODOT, Jerry Wray, and Chief of Staff Murphy. He also worked closely with Senator Manning and Representative Dovilla and other members of the state legislature. Ultimately, a good decision was made on how we could further our prosperity, share our dollars and help the infrastructure in the State of Ohio and create jobs. Rick was an integral part of that while working closely with the legislature. He also reigned over a time when we had a lot of tragedy; some historic traffic crashes took place. Rick was there and helped the staff in dealing with each and every one of those situations. Labor negotiations also took place during Rick's tenure. I could just continue on and on. He did a remarkable job in getting us where we are today, the Ohio Turnpike and Infrastructure Commission, a ship that is guided very well and is running on a good course. It's unfortunate he couldn't be here with us, but I would ask this morning if our Legal Counsel would read a Resolution in his honor. However, the first Resolution we are going to consider is the appointment of Robin Carlin, our Deputy Executive Director, to serve as the Interim Executive Director. There was no question as to who should fill the position on an interim basis. Robin, as I am sure everyone recognizes, has been an integral part of each and every thing that Rick did and has been a wonderful and well operating Deputy Director, a strong personality. We are very fortunate that Robin has agreed to take the role as Interim Executive Director and Interim Assistant Secretary-Treasurer until such time as the permanent Executive Director is appointed by the Board. It is up to the Board to make that appointment. So without further delay, would the General Counsel please read the Resolved?

**General Counsel:** Just by way of preamble, in accordance with Article I, Section 2.00 of the Commission's Code of Bylaws, the Chairman has appointed the Commission's Director of Administration/Deputy Executive Director, Robin J. Carlin, to serve as the Interim Executive Director effective at 12:00 a.m., August 11, 2014, until the Commission conducts a search and appoints a permanent Executive Director. The Chairman has recommended that, with this Resolution, the Commission ratify his appointment of Ms. Carlin as the Interim Executive Director. In addition, former Executive Director, Richard A. Hodges, also served as the Assistant Secretary-Treasurer of the Commission, and the Secretary-Treasurer has recommended that the Interim Executive Director be appointed to serve as the Interim Assistant Secretary-Treasurer until such time as a permanent Executive Director is appointed, and that the

Commission assent to said interim appointment as required under Article I, Section 1.00 of the Commission's Code of Bylaws.

NOW, THEREFORE, BE IT

RESOLVED that, until such time as the Commission appoints a permanent Executive Director, the Commission hereby ratifies the appointment by the Chairman of Robin J. Carlin to serve as the Interim Executive Director of the Commission beginning on August 11, 2014, at 12:00 a.m., and she shall be authorized to perform all of the duties and powers granted to the Executive Director as governed by Article V, Section 1.00 of the Commission's Code of Bylaws dated July 1, 2013; and

FURTHER RESOLVED, that the Interim Executive Director is appointed to serve as the Interim Assistant Secretary-Treasurer, and is authorized to perform all duties set forth in Article I, Section 5.10 of the Commission's Code of Bylaws dated July 1, 2013.

**Chairman:** May I have a motion?

**Mr. Balog:** So moved.

**Chairman:** Moved by Mr. Balog. Is there a second?

**Mr. Paradiso:** Second.

**Chairman:** Seconded by Mr. Paradiso. Any questions or comments?

**Mr. Murphy:** I am just wondering Robin, do you have any back-stair skeletons that we need to know about before we make this official?

**Ms. Carlin:** I have been a bit of a boring person.

**Mr. Murphy:** Too much fun in Ireland a couple of years ago?

**Ms. Carlin:** That is out of the country.

**Chairman:** Chief of Staff, I just want you to know that all those bones have been buried. Any other questions or comments? I'll just make one. When you vote yes, which I am sure you will, it is historic. The first young lady to serve as Interim Director or Director of the Ohio Turnpike since it became the Ohio Turnpike, so congratulations for that feat too if, in fact, they vote yes. Let me offer you the wonderful opportunity to call the roll.

**Ms. Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Ms. Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Ms. Carlin:** Chairman Hruby

**Chairman:** Yes

**Ms. Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Ms. Carlin:** Mr. Murphy

**Mr. Murphy:** Yes. I was always going to vote yes.

**Ms. Carlin:** You are the best.

**Chairman:** That's a unanimous vote.

#### **RESOLUTION NO. 49-2014**

##### **Resolution Appointing Interim Executive Director and Assistant Secretary-Treasurer**

WHEREAS, on August 4, 2014, Executive Director Richard A. Hodges notified the Commission of his appointment by Governor Kasich to serve as the Director of the Ohio Department of Health, and of his intention to resign his position as Executive Director of the Commission effective at 11:59 p.m., August 10, 2014; and

WHEREAS, on behalf of the Commission, the Chairman has accepted the resignation of Richard A. Hodges; and

WHEREAS, in accordance with Article I, Section 2.00 of the Commission's Code of Bylaws, the Chairman has appointed the Commission's Director of Administration/Deputy Executive Director, Robin J. Carlin, to serve as the Interim Executive Director effective at 12:00 a.m., August 11, 2014, until the Commission conducts a search and appoints a permanent Executive Director; and

WHEREAS, the Chairman has recommended that, with this Resolution, the Commission ratify his appointment of Ms. Carlin as the Interim Executive Director until such time as the permanent Executive Director is appointed; and

WHEREAS, Richard A. Hodges also served as the Assistant Secretary-Treasurer of the Commission, and the Secretary-Treasurer has recommended that the Interim Executive Director be appointed to serve as the Interim Assistant Secretary-Treasurer until such time as a permanent Executive Director is appointed by the Commission, and that the Commission assent to said interim appointment as required under Article I, Section 1.00 of the Commission's Code of Bylaws.

NOW, THEREFORE, BE IT

RESOLVED that, until such time as the Commission appoints a permanent Executive Director, the Commission hereby ratifies the appointment by the Chairman of Robin J. Carlin to serve as the Interim Executive Director of the Commission beginning on August 11, 2014, at 12:00 a.m., and she shall be authorized to perform all of the duties and powers granted to the Executive Director as governed by Article V, Section 1.00 of the Commission's Code of Bylaws dated July 1, 2013; and

FURTHER RESOLVED, that the Interim Executive Director is appointed to serve as the Interim Assistant Secretary-Treasurer, and is authorized to perform all duties set forth in Article I, Section 5.10 of the Commission's Code of Bylaws dated July 1, 2013.

**(Resolution No. 49-2014 adopted August 18, 2014)**

**Chairman:** Congratulations. Did you want to say anything right now?

**Interim Director Carlin:** Just thank you.

**Chairman:** You are very welcome. We are going to move on. Can I have a motion to adopt the Minutes of the July 21, 2014, Commission Meeting?

**Mr. Paradiso:** Moved.

**Mr. Balog:** Second.

**Chairman:** Moved and seconded. Please call the roll.

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Unanimously passes the adoption of the Minutes. Just one comment before we move on to the Resolution expressing our gratitude to Rick Hodges. I am sure you all know that I was gone for almost a full month and while I was away, Joe Balog was acting as Chairman of the Commission, I just wanted you to know that, during that period of time, we lost our Executive Director, I could go on and on, but I just want to publicly thank Joe for what he did during the time that I was away. Thank you so very much, Joe.

**Mr. Balog:** My pleasure.

**Chairman:** Could the General Counsel please read the Resolved regarding Richard Hodges.

**General Counsel:** RESOLVED that the Ohio Turnpike and Infrastructure Commission hereby acknowledges and expresses its gratitude to Richard A. Hodges for his nearly three years of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services that he rendered; and

FURTHER RESOLVED that the Commission extends its best wishes to Richard A. Hodges, his wife, Susan, and children Kitt and Caleb, and desires that Richard A. Hodges have much success and well-being in all matters and activities that he shall undertake in the future; and

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

**Chairman:** I will move its adoption.

**Mr. Balog:** Second.

**Chairman:** Seconded by Mr. Balog. Any discussion or comments?

**Mr. Murphy:** Mr. Chairman, I guess I would add that I met Rick before he became Executive Director and, since then, we have grown to become pretty good friends. He, as you mentioned in your opening comments, held the team together here at the Turnpike while many things were being discussed and that was not an easy task, so I wish he was here to say this to him directly, but he did a great job. Largely, it's funny because we were talking about a lot of different things through that year and a half, and Rick and I were having lunch at a Columbus Restaurant, and he said, how about the Turnpike just pays for your projects? It wasn't exactly what came out, but essentially that is what we ended up going with. He's a brilliant man and certainly has that steady hand that the Turnpike needed through these great times as it turned out to be.

**Chairman:** Thank you Mr. Murphy. Anyone else?

**Mrs. Barber:** I would just like to speak on a personal level. I have known Rick since he was in Junior High and through high school, but he came to me as a very young man in high school interested in politics and history and he got active politically. I saw at a very early age how intelligent he was and he had such a command of the English language. He was a good communicator, and not only that, he was a young man of integrity and character. I knew that someday Rick would achieve great success. It has been such a pleasure for me to be able to work with him on the Ohio Turnpike and Infrastructure Commission and see the great things that he was able to accomplish, not only with the Commission, but with the staff because he is the type of person that can bring people together and work together and make a decision for the benefit of everyone. I will truly miss him on the Commission, but I certainly know that moving to the Department of Health, Rick is capable of accepting any challenge that comes before him and that he will do an excellent job.

**Chairman:** Thank you. Anyone else? Yes, Senator.

**Senator Manning:** I have only known Rick Hodges since serving with the Commission, so I look forward to the future where I will have the opportunity to work with him at the Department of Health and that will be great to be able to have that connection, so I look forward to that too.

**Chairman:** Without a question, Senator, the Governor recognized his talents and moved him to the Department of Health to do there what he did here I am sure. So, I am sure you will experience a lot more of Rick in the future.

**Senator Manning:** I will.

**Chairman:** Anyone else? Hearing none. Please call the roll.

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Director Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Passes unanimously.

**RESOLUTION NO. 50-2014**

**Resolution Honoring the Distinguished Service of  
Executive Director, Richard A. Hodges**

WHEREAS, the Ohio Turnpike Commission (now known as the Ohio Turnpike and Infrastructure Commission) appointed Richard A. Hodges to serve as Executive Director beginning November 7, 2011, a position which he held through August 10, 2014, when he resigned to accept an appointment by Governor Kasich to serve as the Director of the Ohio Department of Health; and

WHEREAS, the Commission wishes to formally acknowledge Mr. Hodges' distinguished service; and

WHEREAS, in addition to his untiring efforts at improving the efficiency of Turnpike operations, during Mr. Hodges's tenure as the Executive Director, his dedicated leadership was integral in crafting the legislation and preparing the subsequent \$1 billion bond issue that enabled the Commission to bring Governor Kasich's Ohio Jobs and Transportation Plan to fruition, and which has helped to fund \$1 billion in transportation infrastructure projects in Northern Ohio; and

WHEREAS, the members and staff of the Commission wish to give formal and public recognition for the honorable, exceptionally dedicated, and effective service of Richard A. Hodges as Executive Director for the Commission.

NOW, THEREFORE, BE IT

RESOLVED that the Ohio Turnpike and Infrastructure Commission hereby acknowledges and expresses its gratitude to Richard A. Hodges for his nearly three years of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services that he rendered; and

FURTHER RESOLVED that the Commission extends its best wishes to Richard A. Hodges, his wife, Susan, and children Kitt and Caleb, and desires that Richard A. Hodges have much success and well-being in all matters and activities that he shall undertake in the future; and

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

**(Resolution No. 50-2014 adopted August 18, 2014)**

**Chairman:** Let's move on to the reports. The first one will be from our Interim Executive Director.

**Interim Executive Director:** Thank you, Chairman Hruby. In accordance with our Bylaws, and as part of our ongoing commitment to the Strategic Planning Process, the Director of Audit and Internal Control submitted his report under Critical Issue 2: Workflow Processes – stating that the objectives of the Bylaw pertinent to the review and update of Standard Operating Procedures had been met for the current year.

We have completed our first Kaizen during the week of July 14-18 regarding the procurement process for purchases up to \$50,000. Fifteen employees worked for four days alongside participants from the Lottery Commission and the Federal Reserve. The Kaizen process was facilitated by LeanOhio. The group was able to reduce the number of steps from an astounding 127 steps to a more manageable 22 steps, while maintaining the integrity of the procurement process. Three Kaizen team members will share with you, at the September meeting, the outcome of their work and the anticipated cost savings to the Commission.

CFO/Comptroller, Marty Seekely, will present in September regarding our newly-developed Metrics Dashboard. Marty has been leading our Metrics movement and we are excited to share with you our numbers and progress. Special thanks to Mr. Murphy because we were able to use a lot of what ODOT does, so that we can start measuring ourselves as well.

Our efforts to improve minority and female business participation have been encouraging. Director of Contracts Administration, Tommie Jo Marsilio, continues to meet with minority and female owned businesses, explaining our procurement and contracting process. We plan to have a special report at our October meeting updating the Commission Members on our MBE/FBE progress and ongoing commitment.

We will hold our first Management Development Program September 3-5. As you may remember, succession planning and training was a significant piece to Critical Issue 4 from our Strategic Planning Process. LeanOhio will join us once again providing White Belt training to our managers. Marty will explain the budgeting, finance, and bonding process to them. Strategic thinking and leadership development, as well as communicating during a crisis will be additional topics covered during the 2-1/2 day training. We believe that training should be viewed as an investment rather than an expense and we are very excited to offer this to our managers.

Lastly, I'd like to thank the Chairman and each of the Commission Members for your confidence in me to serve as the Interim Executive Director. The Ohio Turnpike is an incredibly wonderful place to work. I have been very lucky to serve under the previous Executive Director, Mr. Hodges, and the management staff here is just absolutely outstanding.

This concludes my report. Thank you, Mr. Chairman.

**Chairman:** Thank you Robin. Any questions for the Interim Director? No. Okay we will move on then to the report of our Chief Engineer, Mr. Yacobucci.

**Chief Engineer:** Good Morning Mr. Chairman and Commission Members. I have four resolutions for your consideration this morning. The first resolution is to award Contract No. 56-14-02 for furnishing and installing of a Self-Supporting Salt Storage Building at the Canfield Maintenance Building located at Milepost 228.1 in Mahoning County, Ohio. This project is included in the 2014 Renewal & Replacement Section of the Capital Improvement Budget. Procurement received two bids in response to this Contract. The apparent low bid was submitted by Seitz Builders, Inc., of Broadview Heights, Ohio, in the amount of \$335,000.00. This bid is below the Engineer's Estimate, and this bidder has satisfactorily performed similar work for the Commission in the past. This Resolution also contains a provision to assign ACA Engineering, Inc., of Boardman, Ohio, to perform materials testing for this project. With your permission, may the General Counsel please read the Resolved?

**Chairman:** Please.

**General Counsel:** RESOLVED that the bid of **Seitz Builders, Inc., of Broadview Heights, Ohio**, in the total bid amount of **\$335,000.00** for the performance of Contract No. 56-14-02 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Interim 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 bidder of its bid security when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Interim Executive Director and the Chief Engineer to assign **ACA Engineering, Inc., of Boardman, Ohio**, to Contract No. 56-14-02 for the purpose of performing 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. 56-14-02 is designated a Renewal and Replacement Project under the Commission's 2013 Master Trust Agreement.

**Chairman:** Is there a motion to adopt?

**Mrs. Barber:** So moved.

**Chairman:** Is there a second?

**Mr. Balog:** Second.

**Chairman:** Seconded by Mr. Balog. Questions or comments? Hearing none. Please call the roll.

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Passes unanimously.

**RESOLUTION NO. 51-2014**

**Resolution Awarding Contract No. 56-14-02, Canfield Maintenance Building Salt Storage Dome in Mahoning County**

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for furnishing and installing a self-supporting salt storage building at the Canfield Maintenance Building at Milepost 228.1 located in Mahoning County, Ohio, herein designated **Contract No. 56-14-02**; and

WHEREAS, expenditures for the award to be made under Contract No. 56-14-02 will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received 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. 56-14-02 was submitted by **Seitz Builders, Inc.**, of **Broadview Heights, Ohio**, in the total bid amount of **\$335,000.00**, 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. 56-14-02 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Seitz Builders, Inc. for Contract No.

56-14-02 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 Seitz Builders, Inc.; and

WHEREAS, the Interim 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. 56-14-02 to the lowest responsive and responsible bidder, Seitz Builders, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Seitz Builders, Inc.**, of **Broadview Heights, Ohio**, in the total bid amount of **\$335,000.00** for the performance of Contract No. 56-14-02 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Interim 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 bidder of its bid security when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that the Commission hereby authorizes the Interim Executive Director and the Chief Engineer to assign **ACA Engineering, Inc.**, of **Boardman, Ohio**, to Contract No. 56-14-02 for the purpose of performing 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. 56-14-02 is designated a Renewal and Replacement Project under the Commission's 2013 Master Trust Agreement.**

**(Resolution No. 51-2014 adopted August 18, 2014)**

**Chairman:** Please continue.

**Chief Engineer:** The second resolution for your consideration is for the withdrawal of the low bid and rejection of remaining bid received for Contract No. 43-14-06 for substructure repairs to four bridges on the Ohio Turnpike, all in Lorain County, Ohio. On August 4, 2014, Procurement received two bids in response to this Project. The apparent low bid was submitted by Suburban Maintenance and Construction, Inc., of North Royalton, Ohio, in the amount of \$472,761.00. Although the total amount bid was below the Engineer's Estimate for this project, after the bid opening, the bidder contacted the Commission and requested to withdraw its bid due to a substantial omission in the line item for "jacking and temporary support." Engineering staff reviewed the bid tabulations and has considerable reason to believe that substantial costs were omitted in their bid for the "jacking and temporary support" line item. The Director of Contracts Administration has advised that the request by the apparent low bidder, Suburban Maintenance

and Construction, Inc., to withdraw its bid has met the requirements of the Bidding Documents, as well as Ohio Revised Code Section 9.31, and further advises that the Commission may lawfully accept the request by Suburban to withdraw its bid. The apparent second low bid was submitted by Becdir Construction Company, of Berlin Center, Ohio, in the amount of \$727,833.00. This bid is more than 10% over the Engineer's Estimate of \$600,000.00 and cannot be considered for award. Therefore, it is recommended that the Commission accept Suburban Maintenance and Construction, Inc.'s, request to withdraw its bid, and the remaining bid submitted by Becdir Construction Company be rejected, and the scope of work for this project be re-advertised following a review of the Specifications. With your permission, may the General Counsel please read the Resolved?

**Chairman:** Please.

**General Counsel:** RESOLVED that the request by **Suburban Maintenance & Construction, Inc., of North Royalton, Ohio,** to withdraw its bid in the amount of **\$472,761.00,** for Contract No. 43-14-06, is hereby granted, and the Interim Executive Director and the Director of Contracts Administration, or either of them, are hereby authorized to notify this bidder in writing of said action, and to return to this bidder its bid security; and

FURTHER RESOLVED that the bid submitted by **Becdir Construction Company, of Berlin Center, Ohio,** in the amount of **\$727,833.00,** heretofore received pursuant to the advertisement for bids for the above-mentioned Contract, is hereby rejected, and the Interim Executive Director and the Director of Contracts Administration, or either of them, are hereby authorized to notify this bidder in writing of said action, and to return to this bidder its bid security; and

FURTHER RESOLVED that the Interim Executive Director and Director of Contracts Administration hereby are authorized to take any and all action necessary to re-advertise for bids for **Contract No. 43-14-06** for bridge substructure repairs of the above-mentioned bridges in Lorain County, following review and possible modifications to the specifications.

**Chairman:** Is there a motion to adopt?

**Mr. Balog:** So moved.

**Chairman:** Moved by Mr. Balog. Is there a second?

**Mrs. Barber:** Second.

**Chairman:** Seconded by Mrs. Barber. Any questions? Go ahead Mr. Balog.

**Mr. Balog:** What is the procedure for withdrawing your bid? What do you need to show to be able to withdraw your bid?

**General Counsel:** Mr. Chairman and Commission Member Balog, there is a statute that governs this, it is O.R.C. 9.31, and it is also clearly enumerated in our Instructions to

Bidders that the bidder must within a certain period of time contact the Commission and demonstrate that an unintentional and substantial omission occurred in its bidding that resulted in a substantial mathematical error, which is what this bidder did. Suburban was able to demonstrate that to the Commission and it was a proper request to withdraw. It would have resulted in a bad project moving forward because the bid was so low. Therefore, it was appropriate and lawful for us to accept the request for withdrawal.

**Mr. Balog:** I saw on the line item, they were about \$100,000.00 below the other bidder on that line item. There is no mechanism for adjusting the bids?

**General Counsel:** Mr. Chairman and Commission Member Balog, that would not be appropriate because then the second low bidder would have the opportunity to complain that we afforded that opportunity to the low bidder. In this instance, the second low bidder was more than ten percent above the Engineer's Estimate. Had that second low bidder fallen under the ten percent limitation, we would have been able to lawfully award the Contract to that bidder.

**Mr. Balog:** It just seems like you look at the bids after the fact and wow, I am real low compared to the other bidder.

**General Counsel:** Correct.

**Mr. Balog:** So, he has an opportunity to look back at his bid. It will be interesting to see what happens next time this is bid.

**General Counsel:** Mr. Chairman and Commission Member Balog, our engineering folks immediately picked up on the error as well.

**Mrs. Barber:** How often does a contractor withdraw his bid?

**Chief Engineer:** Mr. Chairman and Commission Member Barber, not very often. The last time I am aware of this happening was in 2005.

**Chairman:** If I understood the General Counsel, do you just say an error was made by Suburban.

**General Counsel:** Mr. Chairman, that is correct. The bidder made the error. It was an unintentional omission on their part. They were able to demonstrate that in their correspondence to the Commission and that's what is required by the Bidding Documents and the statute. They need to show us that in order to withdraw their bid.

**Chairman:** So, it is our belief that our Specifications were clear?

**General Counsel:** Mr. Chairman, yes our Specifications were clear. There was not a problem with them. I do believe, I'm sorry, I don't mean to correct you, Tony, but I do believe we had a bid withdrawal in 2011 for our service plaza project, but it is very rare. We had to go digging back a little bit in looking over how we responded. So, it is very rare.

**Senator Manning:** Mr. Chairman.

**Chairman:** Yes Senator Manning.

**Senator Manning:** How much will this delay the project?

**Chief Engineer:** Mr. Chairman and Senator Manning, our intent right now is to look at putting this back into the pavement replacement project. It originally was part of it, but we pulled it out to try and get a smaller contractor involved and also to do it early, but the pavement replacement project next year is in that area. Those bridges are actually included so, basically, this is a six to eight month delay.

**Senator Manning:** Thank you.

**Chairman:** Any other questions Senator? All set? Anybody else? Hearing none.  
Roll call.

**Interim Director Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Passes unanimously.

**RESOLUTION NO. 52-2014**

**Resolution Accepting Request to Withdraw Low Bid and Rejecting Remaining Bid Received for Contract No. 43-14-06, Bridge Substructure Repairs in Lorain County**

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Bridge Substructure Repairs of the Ohio Turnpike over State Route 57 at Milepost 145.1; the Ohio Turnpike over State Route 301 (Abbe Road) at Milepost 147.3; the Ohio Turnpike over U.S. 20 at Milepost 148.0; and the Ohio Turnpike Ramp over the Ohio Turnpike at Milepost 151.8, located in Lorain County, Ohio, herein designated **Contract No. 43-14-06**; and

WHEREAS, expenditures for the award to be made under Contract No. 43-14-06 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 award of the Contract or the rejection of bids; and

WHEREAS, the Commission received two bids via Bid Express 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 apparent low bid for the performance of Contract No. 43-14-06 was submitted by **Suburban Maintenance & Construction, Inc.**, of **North Royalton, Ohio**, in the amount of **\$472,761.00**, however, this bidder has requested to withdraw its bid due to a substantial omission in the line item for "jacking and temporary support," and he has further reported that the second low bid from **Beddir Construction Company**, of **Berlin Center, Ohio**, in the amount of **\$727,833.00**, is in excess of ten percent above the Engineer's Estimate and cannot be considered for award; and

WHEREAS, the Director of Contracts Administration advises that the request by the apparent low bidder, Suburban Maintenance & Construction, Inc., to withdraw its bid has met the requirements of the Bidding Documents, as well as Ohio Revised Code Section 9.31 in that this bidder has indicated that it unintentionally omitted "a substantial quantity of Work, labor or material made directly in the compilation of the Bid amount" as required by Article 4.2.1 of the Instructions to Bidders, and, therefore, the Commission may lawfully accept the request by Suburban Maintenance & Construction, Inc. to withdraw its bid for the aforesaid Contract; and

WHEREAS, the Chief Engineer and Director of Contracts Administration have advised that it is in the best interest of the Commission to approve the Suburban Maintenance & Construction, Inc. request to withdraw its bid; and

WHEREAS, the Commission's Director of Contracts Administration further concurs with the Chief Engineer's recommendation that, pursuant to the Bidding Documents for Contract No. 43-14-06 and Ohio Revised Code Section 5537.07(A), the Commission has expressly reserved the right to reject any and all bids, and that pursuant to Ohio Revised Code Section 153.12, the

Commission legally must reject bids if they are greater than ten percent above the Engineer's Estimate; and

WHEREAS, the Chief Engineer and the Director of Contracts Administration, therefore, recommend that the Suburban Maintenance & Construction, Inc. request to withdraw its bid be approved by the Commission and that the remaining bid of Becdir Construction Company be rejected, and that this contract be re-advertised following review and possible modifications to the specifications; and

WHEREAS, the Commission's Interim Executive Director has reviewed the aforesaid recommendations of the Chief Engineer and Director of Contracts Administration and has predicated her recommendations to the Commission based upon their analysis.

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the request by **Suburban Maintenance & Construction, Inc.**, of **North Royalton, Ohio**, to withdraw its bid in the amount of **\$472,761.00**, for Contract No. 43-14-06, is hereby granted, and the Interim Executive Director and the Director of Contracts Administration, or either of them, are hereby authorized to notify this bidder in writing of said action, and to return to this bidder its bid security; and

FURTHER RESOLVED that the bid submitted by **Becdir Construction Company**, of **Berlin Center, Ohio**, in the amount of **\$727,833.00**, heretofore received pursuant to the advertisement for bids for the above-mentioned Contract, is hereby rejected, and the Interim Executive Director and the Director of Contracts Administration, or either of them, are hereby authorized to notify this bidder in writing of said action, and to return to this bidder its bid security; and

FURTHER RESOLVED that the Interim Executive Director and Director of Contracts Administration hereby are authorized to take any and all action necessary to re-advertise for bids for **Contract No. 43-14-06** for bridge substructure repairs of the above-mentioned bridges in Lorain County, following review and possible modifications to the specifications.

**(Resolution No. 52-2014 adopted August 18, 2014)**

**Chairman:** Thank you. Move on please.

**Chief Engineer:** My third resolution is for the award of Contract No. 4225 for the furnishing of guardrail materials. The Bid Invitation was divided into two groups, Group I included galvanized guardrail parts and Group II included guardrail blocks. The bidders were permitted to bid on one or both groups. Procurement received four 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 The Firelands Supply Company, of Norwalk, Ohio, in the amount of \$160,116.00. This bidder proposes to furnish equipment and services in accordance with Specifications. The apparent low bidder for Group II, E.M.M./Black's Distributor of Dayton,

Ohio, did not submit a bid guaranty in the correct amount and is, therefore, deemed non-responsive and the bid must be rejected. The apparent lowest responsive and responsible bid for Group II was submitted by R. G. Steel Corp., of Pulaski, Pennsylvania, in the amount of \$10,500.00. 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 Group I of Contract No. 4225 be awarded to Firelands Supply Company, of Norwalk, Ohio, in the amount of \$160,116.00 and Group II of Contract No. 4225 be awarded to R. G. Steel Corp., of Pulaski, Pennsylvania, in the amount of \$10,500.00. With your permission, may the General Counsel please read the Resolved?

**Chairman:** Please.

**General Counsel:** RESOLVED that the bid of E.M.M./Black's Distributor for Group II of Invitation No. 4225 is deemed not responsive and is hereby rejected; and

FURTHER RESOLVED that the bids of **The Firelands Supply Company, of Norwalk, Ohio, for Group I** of Invitation No. 4225 in the amount of **\$160,116.00**, and of **R.G. Steel Corp., of Pulaski, Pennsylvania, for Group II** of Invitation No. 4225 in the amount of **\$10,500.00**, and are by the Commission, determined to be the lowest responsive and responsible bids received for the performance of said Contracts, and are accepted, and that the Interim Executive Director and the Director of Contracts Administration, or either of them, hereby are authorized to: 1) notify E.M.M./Black's Distributor that its low bid for Group II of Invitation No. 4225 has been rejected; 2) execute a Contract for Group I with The Firelands Supply Company of Norwalk, Ohio, and a Contract for Group II with R.G. Steel Corp., of Pulaski, Pennsylvania, in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, 3) direct the return to the bidders of their bid guaranty, when appropriate, and 4) take any and all action necessary or proper to carry out the terms of said bid and of said Contract.

**Chairman:** You've heard the Resolution. Is there action?

**Mr. Balog:** Move to adopt.

**Chairman:** Moved by Mr. Balog. Is there is second?

**Mr. Paradiso:** Second.

**Chairman:** Seconded by Mr. Paradiso. Any questions or comments?

**Mrs. Barber:** Was there much differential between the bid that was rejected and the bid that awarded to R.G. Steel? Were they fairly close?

**Chief Engineer:** Mr. Chairman and Commission Member Barber, I believe it was a couple hundred, three hundred dollars roughly.

**Mr. Balog:** Seven hundred dollars.

**Mr. Paradiso:** This is really a soft toss to you, Mr. Murphy, I noticed ODOT bid on this, I don't know if you noticed that or not.

**Mr. Murphy:** I did not.

**Mr. Paradiso:** How does that work? What type of services and products would ODOT have available and what type of relationship do we have with ODOT and would we prefer to use that relationship?

**Mr. Murphy:** Tony, I would defer that to you.

**Chief Engineer:** I will let the General Counsel explain.

**General Counsel:** Mr. Chairman and Commission Member Paradiso, we are a member of the ODOT Cooperative Purchasing Program. By statute, we are permitted to purchase from their Co-Op. When we have an Invitation like this, we go out and look at the pricing that they have for these same goods and, if we think we can beat it, we will go out and do an Invitation. We don't always do that. We do not always beat the pricing, sometimes it is a little better and sometimes it is a little worse, but we always check to make sure that we are competitive in the pricing that we are obtaining.

**Chairman:** Our city is a part of the State Cooperative Program and, for example, when we are out looking for a car, we look at the State Cooperative Purchasing bid number and then we can also go out and bid it. If we get a lower number, we can take that or just automatically take the state bid. So what happens with this is that ODOT also goes on and bids several things and then they offer them to us and we consider them as we do any other bid. So that's how that works. It's a great program. It saves a lot of money to municipal governments. It is well managed.

**Mr. Paradiso:** Thank you.

**Chairman:** Anybody else? Hearing none. Roll call please.

**Interim Director Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Passes unanimously.

**RESOLUTION NO. 53-2014**

**Resolution Awarding a Contract for the Furnishing of Guardrail Materials  
Under Invitation No. 4225**

WHEREAS, the Commission has advertised for bids for furnishing to the Commission guardrail materials; and

WHEREAS, expenditures for the award to be made under Contract No. 4225 will exceed \$150,000.00 and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such Contract; and

WHEREAS, the Commission received four bids for the performance of Group I and five bids for the performance of Group II for said Invitation, 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 Maintenance Engineer reports that the lowest responsive and responsible bid for the performance of **Group I** under Contract No. 4225 was submitted by **The Firelands Supply Company**, of **Norwalk, Ohio**, in the amount of **\$160,116.00**; and

WHEREAS, the Maintenance Engineer reports that the apparent low bid for the performance of Group II under Contract No. 4225 was submitted by **E.M.M./Black's Distributor**, of **Dayton, Ohio**, however, this Bidder submitted a bid guaranty in an incorrect amount, and therefore, its bid is non-responsive and must be rejected; and

WHEREAS, the Maintenance Engineer reports that the second low bid, which is a responsive and responsible bid for the performance of **Group II** under Contract No. 4225, was submitted by **R.G. Steel Corp.**, of **Pulaski, Pennsylvania**, in the amount of **\$10,500.00**; and

WHEREAS, the Maintenance Engineer further reports that both The Firelands Supply Company and R.G. Steel Corp. propose to furnish materials in accordance with the specifications, that the amounts bid are below the estimated expenditures for both Groups, and both bidders have furnished similar materials to the Commission in the past and have performed satisfactorily; and he, therefore, recommends that a Contract be awarded to the lowest responsible and responsive bidder for Group I, **The Firelands Supply Company**, in the amount of **\$160,116.00** and to the lowest responsible and responsive bidder for Group II, **R.G. Steel Corp.**, in the amount of **\$10,500.00**; and

WHEREAS, the Director of Contracts Administration has advised the Commission that both The Firelands Supply Company and R.G. Steel Corp. qualify for consideration under the Commission's "Domestic and Ohio Preference" Policy; and

WHEREAS, the Commission has also been advised by the Director of Contracts Administration that bids for Contract No. 4225 were solicited on the basis of the same terms and conditions and the same specifications, that the bids of both The Firelands Supply Company and R.G. Steel Corp. for Contract No. 4225 conform to the requirements of Ohio Revised Code Sections 5537.07 and 9.312 and that a bid guaranty and performance bond of good and sufficient surety has been submitted by The Firelands Supply Company and that a bid security in the form of a cashier's check in the appropriate amount has been submitted by R.G. Steel Corp.; and

WHEREAS, the Interim Executive Director has reviewed the reports of the Maintenance Engineer and the Director of Contracts Administration and, predicated upon such analysis, concurs with the recommendation to award the Contract for Group I of Invitation 4225 to the lowest responsive and responsible bidder, The Firelands Supply Company and award the Contract for Group II of Invitation 4225 to the lowest responsive and responsible bidder, R.G. Steel Corp.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of E.M.M./Black's Distributor for Group II of Invitation No. 4225 is deemed not responsive and is hereby rejected; and

FURTHER RESOLVED that the bids of **The Firelands Supply Company**, of **Norwalk, Ohio**, for **Group I** of Invitation No. 4225 in the amount of **\$160,116.00**, and of **R.G. Steel Corp.**, of **Pulaski, Pennsylvania**, for **Group II** of Invitation No. 4225 in the amount of **\$10,500.00**, and are by the Commission, determined to be the lowest responsive and responsible bids received for the performance of said Contracts, and are accepted, and that the Interim Executive Director and the Director of Contracts Administration, or either of them, hereby are authorized to: 1) notify E.M.M./Black's Distributor that its low bid for Group II of Invitation No. 4225 has been rejected; 2) execute a Contract for Group I with The Firelands Supply Company of Norwalk, Ohio, and a Contract for Group II with R.G. Steel Corp., of Pulaski, Pennsylvania, in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, 3) direct the return to the bidders of their bid guaranty, when appropriate, and 4) take any and all action necessary or proper to carry out the terms of said bid and of said Contract.

**(Resolution No. 53-2014 adopted August 18, 2014)**

**Chairman:** Go ahead.

**Chief Engineer:** My final resolution for your consideration seeks authorization to award Contract No. 4223 for furnishing cut and rolled magnetic toll tickets that are used at our

31 toll plazas. The contract has a one-year term, with two possible one-year renewal terms. We received one bid in response to the subject Invitation. The apparent low bid was submitted by Electronic Data Magnetics, Inc., of High Point, North Carolina, in the amount of \$199,075.00. The sample submitted by the bidder satisfactorily passed compliance testing. This bidder has satisfactorily performed work of this nature for the Commission in the past and the total amount bid is below the estimate for these goods. With your permission, may the General Counsel please read the Resolved?

**Chairman:** Please.

**General Counsel:** RESOLVED that the bid of **Electronic Data Magnetics, Inc.**, of **High Point, North Carolina**, in the total annual amount of **\$199,075.00** under Invitation No. 4223 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted, and the Interim Executive Director and the Director of Contracts Administration are hereby authorized to: 1) execute a Contract with the successful bidder for a one-year period in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, 2) exercise up to two possible, one-year renewal options upon satisfactory performance evaluations by the Toll Operations Department, and 3) take any and all action necessary to properly carry out the terms of said Contract.

**Chairman:** You've heard the Resolution. Is there any action to be taken?

**Mr. Balog:** So moved.

**Chairman:** Moved by Mr. Balog. I will second. Any questions or comments? Hearing none. Please call the roll.

**Interim Director Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Passes unanimously.

**RESOLUTION NO. 54-2014**

**Resolution Awarding a Contract for the Furnishing of Cut and Rolled Magnetic Toll Tickets under Invitation No. 4223**

WHEREAS, the Commission has advertised for bids for Invitation No. 4223 for furnishing to the Commission cut and rolled magnetic toll tickets for a one-year period with two possible, one-year renewal terms; and

WHEREAS, it is anticipated that total Contract expenditures by the Commission for the above-described materials under Invitation No. 4223 will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such Contract; and

WHEREAS, the lone bid received was reviewed by the Commission's Toll Operations Department, which also had sample tickets provided by the bidder field-tested for compliance with specifications and requirements set forth in the Commission's Bid Invitation; and

WHEREAS, the lowest bid was submitted by **Electronic Data Magnetics, Inc.**, of **High Point, North Carolina**, in the annual amount of **\$199,075.00**, based on the estimated quantities to be ordered by the Commission as set forth in the Invitation; and

WHEREAS, the Director of Toll Operations has advised that the sample tickets submitted by Electronic Data Magnetics, Inc., meet the specifications and requirements set forth in the Invitation, and further reports that the bid of Electronic Data Magnetics, Inc. is below the Commission's estimated expenditures for this Contract; and

WHEREAS, the Director of Toll Operations, therefore, has concluded that the bid of Electronic Data Magnetics, Inc. is the lowest responsive and responsible bid received and recommends award of the Contract for Invitation No. 4223 to said bidder; and

WHEREAS, the Commission has been advised by the Director of Contracts Administration that bids for Contract No. 4223 were solicited on the basis of the same terms and conditions and the same specifications, and that the lone bid received conforms to the Commission's Domestic and Ohio Preference Policy; and

WHEREAS, the Director of Contracts Administration has further advised that the bid of Electronic Data Magnetics, Inc., conforms to the requirements of Ohio Revised Code Sections 5537.07 and 9.312, and that a bid guaranty and performance bond of good and sufficient surety has been submitted by said bidder; and

WHEREAS, the Interim Executive Director has reviewed the reports of the Director of Toll Operations and the Director of Contracts Administration and, predicated upon such analysis, has made her recommendation to the Commission that Contract No. 4223 be awarded to the

lowest responsive and responsible bidder, Electronic Data Magnetics, Inc., of High Point, North Carolina; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Electronic Data Magnetics, Inc., of High Point, North Carolina**, in the total annual amount of **\$199,075.00** under Invitation No. 4223 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted, and the Interim Executive Director and the Director of Contracts Administration are hereby authorized to: 1) execute a Contract with the successful bidder for a one-year period in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, 2) exercise up to two possible, one-year renewal options upon satisfactory performance evaluations by the Toll Operations Department, and 3) take any and all action necessary to properly carry out the terms of said Contract.

**(Resolution No. 54-2014 adopted August 18, 2014)**

**Chairman:** Is there anything else?

**Chief Engineer:** That completes my report Mr. Chairman.

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

**CFO/Comptroller:** Thank you, Mr. Chairman. I have a brief update on our traffic and revenue for the month of July. This first chart shows the monthly passenger car miles travelled on the Ohio Turnpike over the past two years. Passenger car traffic increased for the fourth straight month as passenger vehicle miles travelled were 1.7% higher than July of last year. Commercial traffic was up a very strong 6.7% over July of last year. That makes it six straight months of improvement over last year. This chart shows the total vehicle miles travelled through the month of July during each year over the past decade. Total vehicle miles travelled for the first seven months of this year were 0.8% higher than the amount from last year. The increase in passenger car traffic and the toll rate increase on January 1 were partially offset by the effect of increased *E-ZPass*<sup>®</sup> use. As a result, passenger car toll revenue increased 2.7% from July of last year. The 6.7% increase in commercial traffic combined with the toll rate increase resulted in commercial vehicle toll revenues increasing 8.8% from last year. This chart shows the year-to-date toll revenues through the month of July during each year over the last decade. Toll revenues through July were \$4.4 million or 3% above the amount from last year. That completes my report, Mr. Chairman.

**Chairman:** Thank you. Any questions?

**Mr. Balog:** We had a 6.7% increase in commercial traffic and sometimes we will talk about a month and you will say it's because of this or because of that. I heard your other

comment that we have like five or six months of increased commercial traffic. Do you believe that's just the economy getting slightly better continuously, or was there anything with Fourth of July and things like that might have caused more commercial traffic for the month?

**CFO/Comptroller:** Mr. Chairman and Commission Member Balog, I think it is the economy improving and it has been a steady trend which seems to be improving commercial traffic continuously, so I think it's the economy improving. I think it will continue to improve for the rest of the year.

**Mr. Balog:** I will make my investments based on that. Thank you.

**Chairman:** You heard it here right. Any other questions or comments? Thank you for your report, Marty. I would like to amend the Agenda. We will leave the General Counsel until the last report and then I would like to move on to the reports. Is there any objection to that? Hearing none. We will move on to the report of our Financial Advisor, Bethany Pugh.

**Financial Advisor:** No report, Mr. Chairman.

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

**General Consultant:** No report, Mr. Chairman.

**Chairman:** Our Trustee, Mr. Lamb.

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

**Chairman:** Ohio State Highway Patrol, Lieutenant Weirtz.

**Lieutenant Weirtz:** Good morning, Mr. Chairman and Commission Members. I just have a brief report on a few incidents to highlight some of the work our Troopers have been doing on the Turnpike. The first one was on Sunday, July 27, a double homicide suspect turned himself in at Exit 71 and he advised the Toll Collector that he believed there was a warrant for his arrest out of Pennsylvania for shooting two individuals.

**Mr. Murphy:** He admitted to it?

**Lieutenant Weirtz:** He admitted to it, yes sir. Trooper Ross and Sergeant Fitzgerald from the Swanton Post responded. The suspect was interviewed and, in fact, he did murder two individuals in McKeesport, Pennsylvania. He was then arrested, taken into custody and he was later extradited to Allegheny County, Pennsylvania. On Tuesday, August 5, 2014, at approximately 3:00 p.m., the Swanton Post received a report of a motorist pointing a gun at another motorist. Trooper St. Clair from the Swanton Post stopped the suspect vehicle and the suspect admitted to having a gun in the vehicle. A consent search was conducted and a loaded Glock 40 caliber was located in the glove box. The suspect was arrested for aggravated menacing and carrying a concealed weapon. On the same date, August 5, Trooper Mike Trader, who is out of the Berea criminal patrol, stopped a vehicle for a marked lanes violation at

Milepost 136 and during a pat down for weapons of the passenger, the suspect then admitted that she had heroine on her person. A prophylactic device containing sixty grams of heroin was confiscated. Two suspects were charged with trafficking in drugs and possession of drugs. That concludes my report.

**Chairman:** Any questions or comments for the Lieutenant? Thank you for your continued good work, pass that on please. Now we will move to the report of our General Counsel, Kathleen Weiss.

**General Counsel:** Good morning again, Mr. Chairman. I am really pleased today to be able to present the marketing results for the Commission's 2014 and 2015 Property and Casualty Insurance Program. I do have a presentation to make today. Joe Disantis, our Risk Management Coordinator is here, as well as Dan Buser from Crain, Langner, who is our Independent Insurance Consultant.

I will start off. The Ohio Turnpike and Infrastructure 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. The Risk Management Coordinator, the Commission's Independent Insurance Consultant, Crain, Langner & Co., and I determined that the Commission should seek competitive proposals for the Commission's Comprehensive Property and Casualty Insurance Program this year for the following reasons:

1. The relevant insurance markets continue to be somewhat stable, giving slightly increased premiums to accounts with good claims experience.
2. The Commission realized a minimal decrease in total premium as a result of the 2011 marketing process. Many insurance market observers say policy pricing has hardened since that time. We would not expect the sum total of all policy premiums to be significantly lower or higher than 2013, but a slight increase or decrease in premium would be expected.
3. The Commission has been on a three-year competitive marketing process cycle. Due to this practice/policy, the marketing process was due to be conducted in 2014. Absent compelling reasons, we support conducting a competitive marketing process no more frequently than every three years. Such reasons would include an insurer declining to renew coverage, an insurer materially changing essential insurance coverage, material across the board pricing changes, or an unsatisfactory claim experience.

The Commission issued its Notice of Request for Letters of Interest to twenty-seven Insurance Brokers on May 8, 2014, whereby interested insurance agent/brokerage firms could request that the Commission assign certain insurance companies ("markets") to them to obtain proposals for coverage under the Commission's Comprehensive Property and Casualty Insurance Program.

The Commission received requests for market assignments from eight insurance agent/brokerage firms on or before May 22, 2014. Forty-nine Markets were assigned to all of the agents/brokerage firms that requested such assignments during a mandatory pre-bid conference held on June 2, 2014, at which the Request for Proposals (“RFP”) for the Commission’s Comprehensive Property and Casualty Insurance Program was also issued. It is noteworthy that one of the firms is a MBE, and another of the firms partnered with a MBE. This slide depicts the level of coverage we obtained in markets and the opportunities afforded to all eight requesting insurance agent/brokerage firms. I realize the print is a little bit small, and I apologize for that, but really what’s represented here by the colors is to show you the level of coverage we were able to obtain through the brokerage process.

Responses to the RFP were due on or before July 1, 2014, with six agent/brokerage firms submitting on behalf of twelve different insurance carriers. The responses have been reviewed and analyzed by Crain, Langner, the Commission’s Independent Insurance Consultant, and Joe Disantis, the Commission’s Risk Management Coordinator.

Crain, Langner has made its recommendations as to the best proposals received. Joe Disantis and I concur with the recommendations. Joe will now provide the Board with an overview of the Commission’s Comprehensive Property and Casualty Insurance Program to be followed by Dan Buser of Crain Langner, who will discuss the results of our marketing process for new policies to commence September 1, 2014, and then I will wrap it up with our Resolved.

**Joseph Disantis:** Good morning Mr. Chairman and Commission Members. As required by Article 5, Section 5.05, 5.06, 5.07 of the Trust Agreements, the Commission maintains a Comprehensive Property and Casualty Insurance Program. Pursuant to that requirement the Commission maintains coverages as follows:

1. General Liability – protects the Commission from claims by third parties for bodily injury and property damage, which includes slip and falls at Turnpike facilities and incidents on the roadway not involving Commission vehicles. There has been a low incidence of major claims since 2010 and the Commission has an excellent safety procedure record as viewed by the insurer.
2. Employers Liability is coverage for sums that the Commission would be required to pay due to bodily injury by accident or disease sustained by an employee in the course of employment that would not be covered by Workers’ Compensation.
3. Employee Benefits Liability covers the Commission for errors or omissions in the administration of the employee benefit program, such as failure to enroll a Commission employee into a benefit program.
4. Automobile Liability protects the Commission for financial loss due to liability for automobile related injuries to others or damage to their

property by an automobile and for damage to Commission vehicles. The Commission has vehicles with a value of over \$21 million.

5. Public Officials Liability is coverage for the Commission for any wrongful acts, such as breach of duty or negligence by a Commission member, officer or employee of the Commission acting in his or her official capacity.
6. Employment Practices Liability is coverage for wrongful acts arising from the employment process. The most frequent types of claims alleged under this type of policy include wrongful termination, discrimination and sexual harassment.
7. The Crime policy covers loss of the Commission's money and securities from within the premises or from the bank or safe depository. It includes coverage for employee dishonesty, theft, safe burglary, forgery, credit card fraud and computer and wire transfer fraud.
8. The Umbrella and Excess layers of insurance cover the Commission over and above the General Liability, Employers Liability, Employee Benefits Liability, Automobile and Public Officials Liability lines of coverage.
9. The Commission's Property insurance policy covers the Commission's physical assets on a full replacement cost basis, including coverage for business income.
10. The Bridge Insurance and Use & Occupancy coverage is mandated by the Trust Agreement. It covers the replacement cost values of the Commission's eight major bridges and business interruption.
11. The Cyber Liability coverage is first party coverage and includes network extortion, business income, restoration of electronic data, notification expense, credit monitoring expense, data forensic expense, public relations and crisis management liability. Third party coverage includes website publishing liability, network security breach liability, privacy liability, and regulatory defense liability.
12. The Pollution Liability coverage includes first party remediation expenses; third party bodily injury, property damage and remediation expenses; emergency response expenses; and business interruption.

With that I would like to have Dan Buser, who is our Insurance Consultant with Crain, Langner & Co., describe for you the bids that were received in regard to the RFP process.

**General Counsel:** Before Dan begins Commission Members I would note that this graph that is on the PowerPoint is also within the materials that we provided to you, if it is difficult to view. Again, we wanted to give you a flavor for how this turned out.

**Dan Buser:** Good morning, Mr. Chairman, Commission Members, Kathy and Mr. Disantis. Thank you for allowing us to be here today. I am going to spend a few minutes going through results of the marketing process generally in terms of what the market is doing and how we performed and the results achieved through the process. Market conditions for Property Casualty Insurance are for the Commission rather stable and we are very comfortable and pleased with those results. Those results are a function of what we do and how well we do it. That is not necessarily the case for all commercial enterprises as complex as the Commission. The property market can be volatile for certain folks given various loss exposures, which are not necessarily just ours. Earthquake exposures, tornado exposures, flooding in Europe, all of those things can affect what we do and how we do it. If you recall ten months ago, the Midwest suffered a number of large catastrophic tornadoes. Those events yield large loss exposures, which affect the property casualty market in its entirety, including folks like the Commission.

Pricing for 2014 is relatively stable. We have not seen skyrocketing changes in the premiums being charged. So, we are very pleased with the results achieved in this marketing process. It is not necessarily what all insureds are receiving or obtaining through their renewals throughout this year. It is considerably different from what was achieved or achievable by enterprises about three or four years ago, much like many parts of the economy where things were a little more volatile. Policy terms, and by that we mean the terms and conditions of insurance policies we purchase, are relatively the same and that is a wonderful thing. It is not always the case that your coverage remains the same year to year, carrier to carrier. Many entities have experienced a narrowing of other policy terms. It is impossible to predict with any degree of certainty what will happen in the future. I will tell you that we are very comfortable on a ten year track record as to how well the Commission has performed in these various areas, which is a function of good management and good performance. It is not just good luck. We would like to think that, as the economy remains strong and robust, the insurance coverage costs we pay, and the terms and conditions that we receive inside the insurance policies remain good. Four or five years ago we had a number of insureds of all shapes and sizes throughout the country having narrowing of terms and conditions and paying more for it. That is not what we experienced today across the board. Year to year, the premiums summary chart, with the towers on it, is very telling. The column to the furthest of the right on the chart reveals that our fixed costs. The premium dollars, \$941,000.00 is within striking distance of what we paid last year and it is less than what the Commission paid nearly ten years ago. So, when you take the net present value of those dollars and what we do, we are paying less than what we paid ten years ago. That is a testament at what we do, how well we do it. It is also, however, a reflection of the market. The market is treating most insureds who manage their business well in terms of pricing and terms and conditions. As the General Counsel explained, a number of individuals and enterprises were offered to participate in the process. Six unrelated, meaning separate discreet brokerages submitted proposals: Gallagher, Dawson, Hoffman, Hylant with its MBE partner Pinkney-Perry, Wells Fargo and Willis all submitted proposals for coverage. That doesn't mean a full proposal or a proposal for every line of coverage was submitted. Some offer just a proposal for a property or casualty piece. We are real pleased with the graph with all of the color

on it that the General Counsel explained. A lot of folks, agents and brokers and their carriers, are very interested in writing the Turnpike Commission. I cannot say that about every type of public entity. When you have a lot of folks interested in you, and underwriters who want to write and quote the coverage, again, it's evidence of a well-run organization and we are pleased with that.

The coverage results chart lists the type of coverages down the left that coincides with what Mr. Disantis described in terms of what the coverages are for the Commission. The Commission has a very wide array of property casualty coverages in place. In 2012, we added two critical coverages, cyber liability and pollution liability. The addition of those two coverages rounded out the property casualty program for the Commission. Virtually all of the things that we do can result in some type of harm or a loss. We comfortably believe we have transferred that loss to the purchase of commercial insurance from the qualified carriers that are listed here. The A.M. Best Rating is akin to the Standard & Poor's and Moody's rating. We buy good coverage from superior carriers, A++ is the highest rating offered by A.M. Best. We have lots of choices of carriers, every three years that we manage a marketing process. We are very fortunate to be able to buy quality coverage from quality carriers, folks who want to write this and write a broad set of coverages for a rather complex organization. The next slide reveals the numbers that were achieved. The bottom line is, our renewal in general, in the aggregate, is relatively flat. By that I mean, the coverages, terms and conditions and pricing for this renewal are going to be comparable to, within striking distance of the numbers that we had last year. That's a wonderful outcome. Again, it is not one I get to share with all my boards and commissions and insurance buyers. There are no real outliers in our program. By that I mean we didn't have offsetting exceptions. One line of coverage would go up considerably in premium only to be offset by a decrease in another line of coverage. Rather, all of them were relatively close in terms of success, slight increases to slight decrease. Again, revealing that the business of the Commission has remained largely the same year over year, as the Chief Financial Officer explains. We have slight increases and our revenue and our driving records are, in fact, indicators for the Property & Casualty Insurance carriers of what we do and what they need to charge in terms of premium for our business. We are real pleased that the premiums do not necessarily go up or increase just as the size of the organization by any metric increases. Again, it is a testament to a well-run organization. That, Mr. Chairman concludes my report. If you have any questions, I would be more than happy to answer them.

**Mr. Chairman:** Thank you.

**General Counsel:** Mr. Chairman, just to complete the presentation, noteworthy on slide 8 in the tower section, as well in one of the last slides, is that, even though we are a little bit below where we were ten years ago, you will recall that two years ago we added both pollution and cyber liability insurance, which are both very important types of coverage, and we are still below where we were ten years ago. I think that is a very important point, as well as the fact that, on the automobile side, some of the policies and procedures that we have put into place, and how our vehicle fleet is managed have, I believe, caught the attention of Travelers in writing the automobile insurance policy and we actually got a lower premium. I wanted to bring those two points to your attention. As summarized by Dan, the total premium for this year is \$941,020.00. The Resolution before you today summarizes the various costs and without going through those I would just say to you that I believe that the process that was conducted was a very fair and

equitable process. We had great participation, I am very pleased with that and with your permission, I would like to read the Resolved.

**Chairman:** First, are there any questions? Please read the Resolved.

**General Counsel:** RESOLVED, that the Commission, in accordance with the Trust Agreements, which require it to maintain comprehensive property and casualty insurance coverage, has duly considered the recommendations of its Independent Insurance Consultant, General Counsel and Risk Management Coordinator; and

FURTHER RESOLVED that the Commission hereby authorizes the Interim Executive Director and General Counsel to purchase the above-specified insurance policies through:

1. Arthur J. Gallagher Risk Management Services, Inc., for Public Entity General and Automobile Liability Insurance, Public Officials/Errors and Omissions Insurance, first layer of Umbrella/Excess Liability Insurance, Broad Form Money and Securities/Crime Insurance, Pollution Liability Insurance, and Cyber Liability Insurance;
2. The Hylant Group (partnering with Pinkney-Perry Insurance Agency), for Multi-Peril Property Insurance;
3. The Hoffman Group for Bridge and Use & Occupancy Insurance; and
4. Wells Fargo Insurance Services USA, Inc., for second and third layers of Umbrella/Excess Liability Insurance,

all in accordance with the terms and conditions set forth in the RFP, the responding insurance agent brokers' proposals, and at the premiums quoted therein.

**Chairman:** Is there a motion to adopt?

**Mr. Paradiso:** So moved.

**Chairman:** Is there a second?

**Mr. Balog:** Second.

**Chairman:** Seconded by Mr. Balog. Any questions or comments?

**Mr. Paradiso:** Kathy, I would like to acknowledge you and your team. I think this is just a fantastic, very thorough job. I think it's very important that we get the right price, but it is more important that we get the right coverages. Your diligence and your thoroughness on this, you know I have been watching this through the process, you have done a very good job, congratulations.

**General Counsel:** Thank you, Mr. Chairman and Commission Member Paradiso. I want to thank Dan Buser and Joe for their diligent and hard work. We could not have done that work without their efforts.

**Chairman:** Any other comments or questions? Hearing none. Please call the roll.

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Passes unanimously.

#### **RESOLUTION NO. 55-2014**

#### **Resolution Authorizing the Purchase of Insurance Policies Pursuant to Request for Proposals for the Commission's Comprehensive 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 issued a Notice of Request for Letters of Interest for Insurance Broker Market Assignments on May 8, 2014, whereby interested insurance agent/brokerage firms could request that the Commission assign certain markets (insurance companies) to them to obtain proposals for coverage under the Commission's Comprehensive Property and Casualty Insurance Program; and

WHEREAS, the Commission received requests for market assignments from eight insurance agent/brokerage firms on or before May 22, 2014, and markets were assigned to all of the agents/brokerage firms that requested assignments during a pre-bid conference held on June 2, 2014, with the Request for Proposals (“RFP”) for the Commission’s Comprehensive Property and Casualty Insurance Program being issued to the eight agent/brokers that same day; and

WHEREAS, responses to the RFP were submitted on or before July 1, 2014, by six agent/brokerage firms on behalf of the various insurance companies, and such responses have been reviewed and analyzed by Crain, Langner & Co., of Richfield, Ohio, (the Commission’s Independent Insurance Consultant), the Commission’s General Counsel and the Risk Management Coordinator; and

WHEREAS, Crain Langner & Co., the General Counsel and the Risk Management Coordinator recommend that the best interests of the Commission would be served by the acceptance of the proposals submitted by the following agent/brokerage firms on behalf of insurance carriers for policies commencing on September 1, 2014, pursuant to the following premium quotes:

1. Public Entity General and Automobile Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Travelers Indemnity Company, for an annual premium of \$246,039, representing a cost increase of 2%;
2. Public Officials/Errors and Omissions Insurance proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Travelers Indemnity Company, for an annual premium of \$19,408, representing a cost increase of 5%;
3. Umbrella/Excess Liability Insurance Coverage, including terrorism coverage, proposed by Arthur Gallagher Risk Management Services, Inc., on behalf of Travelers Indemnity Company (first excess layer), for an annual premium of \$73,072; and by Wells Fargo Insurance Services USA, Inc., on behalf of The North River Insurance Company (second excess layer) and Great American Insurance Company (third excess layer), for a combined annual premium of \$105,989, with the total premiums for all Umbrella/Excess Liability coverage representing an overall cost decrease of 1%;
4. Bridges and Use & Occupancy Insurance, including terrorism coverage, proposed by The Hoffman Group, on behalf of Travelers Property Casualty Company of America, for an annual premium of \$170,021, representing a cost increase of 9%;
5. Multi-Peril/Property Insurance, including terrorism coverage, proposed by The Hylant Group (partnering with Pinkney-Perry Insurance Agency), on behalf of Affiliated F.M. Insurance Company, for an annual premium of \$234,530, representing a cost reduction of 10%;

6. Broad Form Money and Securities/Crime Insurance proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Travelers Casualty and Surety Company of America, for an annual premium of \$34,639, representing a flat renewal;
7. Pollution Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Ironshore Specialty Insurance Company, continuing under a two-year premium of \$27,405, representing a flat renewal; and
8. 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 \$43,619, representing a cost increase of 6%.

WHEREAS, the Commission has been advised by the General Counsel that the RFP process was conducted in a manner that was fair and equitable to all participating insurance agents/brokerage firms and insurance carriers and that the Commission may lawfully purchase the respective insurance policies.

NOW, THEREFORE, BE IT

RESOLVED, that the Commission, in accordance with the Trust Agreements, which require it to maintain comprehensive property and casualty insurance coverage, has duly considered the recommendations of its Independent Insurance Consultant, General Counsel and Risk Management Coordinator; and

FURTHER RESOLVED that the Commission hereby authorizes the Interim Executive Director and General Counsel to purchase the above-specified insurance policies through:

1. Arthur J. Gallagher Risk Management Services, Inc., for Public Entity General and Automobile Liability Insurance, Public Officials/Errors and Omissions Insurance, first layer of Umbrella/Excess Liability Insurance, Broad Form Money and Securities/Crime Insurance, Pollution Liability Insurance, and Cyber Liability Insurance;
2. The Hylant Group (partnering with Pinkney-Perry Insurance Agency), for Multi-Peril Property Insurance;
3. The Hoffman Group for Bridge and Use & Occupancy Insurance; and
4. Wells Fargo Insurance Services USA, Inc., for second and third layers of Umbrella/Excess Liability Insurance,

all in accordance with the terms and conditions set forth in the RFP, the responding insurance agent brokers' proposals, and at the premiums quoted therein.

**(Resolution No. 55-2014 adopted August 18, 2014)**

**General Counsel:** Thank you Mr. Chairman and Commission Members. I do have an additional Resolution for your consideration this morning, but prior to the Commission entertaining that Resolution, I would request Commission Member Barber to make a motion.

**Mrs. Barber:** I move that we hold an Executive Session to discuss litigation matters under the provisions of Ohio Revised Code Section 121.22(G)(3). At the end of such Executive Session, the Commission shall resume its open meeting.

**Chairman:** I will second that motion. Any questions or comments? Please call the roll.

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Director Carlin:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Motion is approved. We will go into Executive Session. After which there will be further action taken by the Board. A Resolution will be put before us, so if anyone wishes to stay to hear that, please do. If not, our next Commission Meeting will be held on Monday, September 15, 2014, at 10:00 a.m. We are in Executive Session. (10:56 a.m.)

**Mrs. Barber:** I move that we conclude the Executive Session pursuant to the provisions of Ohio Revised Code Section 121.22(G)(3) and resume the open meeting of the Commission.

**Mr. Balog:** I second that motion.

**Chairman:** Instead of a roll call let us just go with a voice vote. All in favor signify by saying "aye."

**Mr. Balog:** Aye

**Mrs. Barber:** Aye

**Mr. Paradiso:** Aye

**Mr. Murphy:** Aye

**Chairman:** Aye. We are back in session (11:46 a.m.) Please read the Resolution.

**General Counsel:** Thank you, Mr. Chairman and Commission Members. I am presenting a Resolution to you today requesting that you authorize expenditures for the settlement of claims related to the completion of Contract No. 53-11-01 and 53-11-02. Pursuant to Resolution No. 39-2012, the Commission authorized me to do or cause to be done all things that may be appropriate or necessary, whether by agreement or through legal proceedings to defend the Commission when necessary and to assert any claims the Commission may have against others as a result of Reginella Construction Company's default under Contract No. 53-11-01 and 53-11-02, and to pursue the recovery of all costs or expenses incurred by the Commission and undertaking our legal defense with respect to any claims against the Commission and any claims asserted by the Commission. That Resolution further authorized the continued retention of Calfee, Halter & Griswold under my supervision to provide legal services required in connection with the aforementioned claims. The reconstructed Mahoning Valley and Glacier Hills Service Plazas that are the subject of the Contract were open to the public in May 2013, and we have diligently pursued warranty issues with the various prime contractors since that time under procedures set forth in Article 8 of the General Conditions of Contract. Four of the prime contractors, Miller Bros. Construction Company, Roth Brothers, Conti Corporation, and Penn-Ohio, have filed claims with the Commission. Miller Bros. has also commenced suit against the Commission in the Cuyahoga County Court of Common Pleas and we filed a Counter-Claim against Miller Bros., as well as third party claims against Reginella Construction Company and its surety, Travelers Casualty and Surety, Penn-Ohio Electrical and its surety, Cincinnati Insurance. All of the parties to this litigation, as well as Roth Brothers and the Conti Corporation have agreed to participate in a mediation of the claims in September 2014, and I have recommended to the Board that it is in our best interest to actively participate in this mediation and to pursue the possible settlement of any and all claims of prime contractors. In addition to the authority that you previously granted to me, this Resolution will grant full settlement authority to me for purposes of the mediation. Any litigation that has resulted or will result from the claims of the prime contractors under Contract 53-11-01 and 53-11-02 and with your permission, Mr. Chairman, I will read the Resolved.

**Chairman:** Please.

**General Counsel:** RESOLVED that, in addition to the instructions of the Commission and authority previously granted to the General Counsel under Resolution No. 39-2012, the General Counsel is hereby fully authorized to pursue and engage in any settlement, as she deems appropriate, of any or all claims asserted against the Commission by the prime

contractors under Contract No. 53-11-01 and 53-11-02 through mediation and/or in the course of litigation that has been filed or will be filed by said prime contractors against the Commission.

**Chairman:** So moved. Is there a second?

**Mr. Balog:** Second.

**Chairman:** Any discussion? Hearing none. Please call the roll.

**Interim Director Carlin:** Chairman Hruby

**Chairman Hruby:** Yes

**Interim Executive Director:** Mr. Balog

**Mr. Balog:** Yes

**Interim Director Carlin:** Mrs. Barber

**Mrs. Barber:** Yes

**Interim Director Carlin:** Mr. Paradiso

**Mr. Paradiso:** Yes

**Interim Director Carlin:** Mr. Murphy

**Mr. Murphy:** Yes

**Chairman:** Unanimously passes.

#### **RESOLUTION NO. 56-2014**

#### **Resolution Authorizing Expenditures for the Settlement of Claims Related to the Completion of Contract No. 53-11-01 and 53-11-02**

WHEREAS, on January 24, 2011, by Resolution No. 1-2011, the Commission awarded multiple trade contracts, designated as Contract No. 53-11-01 and 53-11-02, for the reconstruction of the Mahoning Valley and Glacier Hills Service Plazas located at Milepost 237.2 in Mahoning County, as follows:

<b><u>Bid Package</u></b>	<b><u>Prime Contractor</u></b>	<b><u>Amount</u></b>
A - Site Work	Miller Brothers Construction Company, Inc. Archbold, Ohio	\$12,686,701.39
B - General Trades	Reginella Construction Company, Ltd. Pittsburgh, Pennsylvania	9,930,730.00

C - HVAC/Mechanical	Roth Bros., Inc. Youngstown, Ohio	2,399,660.00
D - Plumbing	The Conti Corporation Lowellville, Ohio	1,209,622.00
E - Electrical Masury, Ohio	Penn-Ohio Electrical Company	3,426,369.00
		\$29,653,082.39

WHEREAS, on May 21, 2012, the Commission terminated the Contract of Reginella Construction Company (“Reginella”) due to its default under the terms and conditions of the General Trades Contract for Contract No. 53-11-01 and 53-11-02; and

WHEREAS, the terms and conditions of Contract No. 53-11-01 and 53-11-02 and the Contract Bond provided by Reginella required Travelers Casualty and Surety Company of America (“Travelers”), as Surety for the Project, to undertake completion of the Project, and effective June 3, 2012, Travelers entered into a “Takeover Agreement” with the Commission; and

WHEREAS, the Contract with Reginella, as taken over by Travelers, requires Travelers to, “indemnify and hold harmless the Commission from and against all claims, damages, losses and expenses, direct, indirect or consequential arising out of or resulting from the work” performed or not performed by Reginella under the Contract, and further entitles the Commission to recover liquidated damages for Reginella’s or Travelers’ failure to meet the Project completion deadlines; and

WHEREAS, pursuant to Resolution No. 39-2012, the Commission authorized the General Counsel, “to do or cause to be done all things that may be appropriate or necessary, whether by agreement or through legal proceedings, to defend the Commission when necessary and to assert any claims the Commission may have against others as a result of Reginella’s default under Contract No. 53-11-01 and 53-11-02; and to pursue the recovery of all costs or expenses incurred by the Commission in undertaking its legal defense with respect to any claims against the Commission, and similarly with respect to any claims asserted by the Commission;” and

WHEREAS, Resolution No. 39-2012 further authorized the continued retention of **Calfee, Halter and Griswold, of Cleveland, Ohio**, under the supervision of the General Counsel, to provide “legal services required in connection with the aforementioned claims associated with Contract No. 53-11-01 and 53-11-02[;]” and

WHEREAS, the reconstructed Mahoning Valley and Glacier Hills Service Plazas Reconstruction were opened to the public in May 2013, and the Commission has diligently pursued warranty issues with the various prime contractors since that time in an effort to close-out the Project; and

WHEREAS, under procedures set forth in Article 8 of the General Conditions of Contract for Contract No. 53-11-01 and 53-11-02, four of the prime contractors (Miller Brothers Construction Company, Roth Brothers, The Conti Corporation and Penn-Ohio Electrical Company) have filed claims with the Commission; and

WHEREAS, Miller Brothers Construction has also commenced suit against the Commission in the Cuyahoga County Court of Common Pleas, and the Commission has filed a counterclaim against Miller Brothers Construction, as well as Third Party Claims against Reginella Construction Company and its surety Travelers Casualty and Surety, Penn-Ohio Electrical Company and its surety Cincinnati Insurance; and

WHEREAS, all of the parties to the litigation, as well as Roth Brothers and The Conti Corporation have agreed to participate in a mediation of the claims in September 2014, and the General Counsel has recommended to the Commission that it is in its best interest to actively participate in the mediation and to pursue the possible settlement of any or all claims of the prime contractors, either through the mediation, or, if unsuccessful, then during the course of the litigation; and

WHEREAS, in addition to the authority previously granted to the General Counsel under Resolution No. 39-2012, this Resolution grants full settlement authority to the General Counsel for purposes of the aforementioned mediation and/or any litigation that has resulted or will result from the claims of the prime contractors under Contract No. 53-11-01 and 53-11-02; and

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

NOW, THEREFORE, BE IT

RESOLVED that, in addition to the instructions of the Commission and authority previously granted to the General Counsel under Resolution No. 39-2012, the General Counsel is hereby fully authorized to pursue and engage in any settlement, as she deems appropriate, of any or all claims asserted against the Commission by the prime contractors under Contract No. 53-11-01 and 53-11-02 through mediation and/or in the course of litigation that has been filed or will be filed by said prime contractors against the Commission.

**(Resolution No. 56-2014 adopted August 18, 2014)**

**Chairman:** Any further business to be brought before the Commission? Hearing none. Motion to adjourn?

**Mr. Balog:** So moved.

**Chairman:** Can I have a second?

**Mrs. Barber:** Second.

**Chairman:** All in favor signify by saying aye.

**Mr. Balog:** Aye

**Mrs. Barber:** Aye

**Mr. Paradiso:** Aye

**Mr. Murphy:** Aye

**Chairman:** Aye. Meeting is adjourned.

Time of adjournment: 11:49 a.m.

**Attendees for Record Keeping Purposes:**

Scott Buchanan, URS; Frank Lamb, Huntington Bank; Tom Perevosnik, IUOE Local 18; Bethany Pugh, PFM; Jennifer Townley, ODOT; Tim McDonald, ODOT; Halle Jones Capers, G. Stephens; Joe Casto, IUOE Local 18; Lieutenant Weirtz, OSHP; Pete Comodeca. Calfee, Halter & Griswold; Dan Buser, Crain, Langner; Michael J. Jagodzinski, Crain, Langner; Vic Spinabelli, Hill International; Sarah Brown, HNTB; Beth Fulton, URS; Allison Grant, Cleveland Plain Dealer; Terry Fercano, EDG; Frank Bronzo, EDG; Marty Seekely, Ohio Turnpike; David Miller, Ohio Turnpike; Tony Yacobucci; Ohio Turnpike; Kathleen Weiss, Ohio Turnpike; Robin Carlin, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Mark Musson, Ohio Turnpike; Tommie Jo Marsilio, Ohio Turnpike; Joseph Disantis, 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

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Sandra K. Barber, Secretary-Treasurer