

MINUTES OF THE 585th MEETING OF THE OHIO TURNPIKE COMMISSION

August 20, 2012

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

Secretary Hodges: Chairman Hruby.

Chairman Hruby: Here.

Secretary Hodges: Vice Chairman Balog.

Vice Chairman Balog: Here.

Secretary Hodges: Mr. Dixon.

Mr. Dixon: Here.

Secretary Hodges: Mrs. Barber.

Mrs. Barber: Present.

Secretary Hodges: Mr. Pakush.

Mr. Pakush: Here.

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

Secretary Hodges: Mr. Smith.

Secretary Hodges: Senator Patton. (not present due to State business)

Secretary Hodges: Representative Dovilla.

Representative Dovilla: Present.

Secretary Hodges: We have a quorum.

Chairman Hruby: Thank you. This is the 585th Meeting of the Ohio Turnpike Commission and we are meeting here at the Commission Headquarters as provided for in the Commission's Code of Bylaws for the Commission meeting. Various reports will be received

and we will act on several Resolutions draft copies of which have been previously sent to the members, with updated drafts are in the Members' folders. I will turn the meeting over to our General Counsel, Kathleen Weiss.

General Counsel: Thank you, Mr. Chairman. For our first order of business Mr. Chairman, in accordance with Article I of the Commission's Bylaws, the Commission generally elects a member of the Board to serve as the Secretary-Treasurer. With a full complement of Board Members serving at this time, I understand that it is the desire of the Board to open nominations for the election of a Board Member to serve as the Secretary-Treasurer. Prior to opening the nominations, the Board should act to rescind its previous appointment of Executive Director Hodges to serve as Secretary-Treasurer. Does the Board ascent to this decision? A roll call is not necessary, "ayes" will do.

All Commission Members responded "Aye" with no "Nay."

General Counsel: Mr. Chairman, it would now be appropriate at this time for the Board to entertain nominations and to elect a new Secretary-Treasurer.

Mr. Pakush: I would like to nominate Sandy Barber to fill that role.

Chairman Hruby: I'll second. Any other nominations? Hearing none, I move the nominations be closed. All those in favor of closing nominations signify by saying "aye."

All members responded "aye."

Mr. Pakush: I move that we elect Sandy Barber to the position of Secretary-Treasurer.

Chairman Hruby: Second. Any other comments or questions? Hearing none, roll call.

Secretary Hodges: Mr. Pakush.

Mr. Pakush: Yes.

Secretary Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Secretary Hodges: Vice Chairman Balog

Vice Chairman Balog: Yes.

Secretary Hodges: Mr. Dixon.

Mr. Dixon: Yes.

Secretary Hodges: Mrs. Barber.

Mrs. Barber: Yes.

Secretary Hodges: Unanimous. Congratulations are given by all Members.

General Counsel: Mr. Chairman, the Commission Bylaws also contemplate

that the Secretary-Treasurer will appoint the Assistant Secretary-Treasurer to which the Board will ascent. The Assistant Secretary-Treasurer need not be a Board Member. Therefore, at this time, if Commission Member Barber could recommend who the Assistant Secretary-Treasurer should be.

Secretary Barber: I would like to recommend the Executive Director, Richard Hodges.

Chairman Hruby: All those in favor, signify by saying "aye."

All Commission Members respond "aye" with no "nays."

General Counsel: Thank you. Mr. Chairman, with your permission I have a Resolution that will ratify the rescission of Director Hodge's previous appointment as Secretary-Treasurer and further confirm the election of Sandra Barber as the new Secretary-Treasurer as

well as her appointment of Director Hodges to serve as the Assistant Secretary-Treasurer. With your permission, I will read the Resolved.

Chairman Hruby: Please proceed.

General Counsel: RESOLVED, that the Commission hereby confirms rescission of the appointment of Richard A. Hodges to the position of Secretary-Treasurer that was previously made pursuant to Resolution No. 54-2011; and

FURTHER RESOLVED, that the election of Sandra K. Barber to serve as Secretary-Treasurer of the Ohio Turnpike Commission is confirmed as having taken place at this meeting in accordance with Ohio Revised Code Section 5537.02(C) and Article I, Section 1.00 of the Commission's Code of Bylaws dated March 17, 2003; and

FURTHER RESOLVED, that the Commission, in accordance with Article I, Section 1.00 of the Commission's Code of Bylaws, hereby assents to the appointment by the newly elected Secretary-Treasurer of Richard A. Hodges to serve as the Assistant Secretary-Treasurer; and

FURTHER RESOLVED, that the newly elected Secretary-Treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

Chairman Hruby: I move for adoption of the Resolution. Is there a second?

Mr. Pakush: I second.

Chairman Hruby: Any discussion or questions? Hearing none, roll call.

Secretary Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Secretary Hodges: Mr. Pakush.

Mr. Pakush: Yes.

Secretary Hodges: Vice Chairman Balog

Vice Chairman Balog: Yes.

Secretary Hodges: Mr. Dixon.

Mr. Dixon: Yes.

Secretary Hodges: Mrs. Barber.

Mrs. Barber: Yes.

Secretary Hodges: Unanimous. (Commission Member Barber continues in the meeting in her newly elected position as Secretary-Treasurer).

OHIO TURNPIKE COMMISSION

Resolution Confirming Election of Secretary-Treasurer and Appointment of Assistant Secretary-Treasurer

WHEREAS, on the date set forth herein below, the Commission has rescinded the prior appointment of Richard A. Hodges as Secretary-Treasurer that was previously made pursuant to Resolution No. 54-2011, and has accepted nominations and duly elected **Sandra K. Barber** to serve as Secretary-Treasurer of the Ohio Turnpike Commission, pursuant to Ohio Revised Code Section 5537.02(C) and Article I, Section 1.00 of the Commission's Code of Bylaws dated March 17, 2003, an office in which she shall serve until the next election which shall take place at the first meeting of the Commission to be held after the 30th day of June, 2016, or until a respective successor is elected and qualified, or until such officer individually shall cease to be a member of the Ohio Turnpike Commission; and

WHEREAS, pursuant to Article I, Section 1.00, the Secretary-Treasurer shall appoint the Assistant Secretary-Treasurer (who shall serve at the pleasure of the Secretary-Treasurer) with the assent of the Commission; and

WHEREAS, the practice had previously been established of appointing the Executive Director to serve as the Assistant Secretary-Treasurer of the Commission, and the Commission wishes to reinstate this practice by assenting to the newly elected Secretary-Treasurer's appointment of Richard A. Hodges to the position of Assistant Secretary-Treasurer.

NOW, THEREFORE BE IT

RESOLVED, that the Commission hereby confirms rescission of the appointment of Richard A. Hodges to the position of Secretary-Treasurer that was previously made pursuant to Resolution No. 54-2011; and

FURTHER RESOLVED, that the election of Sandra K. Barber to serve as Secretary-Treasurer of the Ohio Turnpike Commission is confirmed as having taken place at this meeting in accordance with Ohio Revised Code Section 5537.02(C) and Article I, Section 1.00 of the Commission's Code of Bylaws dated March 17, 2003; and

FURTHER RESOLVED, that the Commission, in accordance with Article I, Section 1.00 of the Commission's Code of Bylaws, hereby assents to the appointment by the newly elected Secretary-Treasurer of Richard A. Hodges to serve as the Assistant Secretary-Treasurer; and

FURTHER RESOLVED, that the newly elected Secretary-Treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

(Resolution No. 31-2012 adopted August 20, 2012)

Chairman Hruby: The next order of business is to adopt the Minutes of June 18, 2012.

Vice Chairman Balog: So moved.

Secretary Barber: Seconded.

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

Hearing none, roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Secretary-Treasurer Barber.

Secretary Barber: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Mr. Dixon.

Mr. Dixon: Yes

Director Hodges: Mr. Pakush.

Mr. Pakush: Yes.

Director Hodges: It's unanimous.

Chairman Hruby: We'll continue with the report of the Secretary-Treasurer. Mrs. Barber, do you have a report?

Secretary Barber: Yes, Mr. Chairman. I would like to start my report with the following items have been sent to the Members since the last scheduled meeting of the Commission on June 18, 2012:

1. Nine Resolutions;
2. Minutes of the June 18, 2012 Commission Meeting.

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

3. Traffic Crash Summary Report, June & July 2012;
4. Traffic and Revenue, June & July 2012;
5. Investment Report, June & July 2012;
6. Total Revenue by Month and Year, June & July 2012;
7. Budget Report, Six Months 2012;
8. Various News Articles.

That concludes my report.

Chairman Hruby: Thank you. Congratulations again and welcome to your new role. We will move on to the report of our Chief Engineer.

Chief Engineer: Good morning Mr. Chairman and Commission Members. I have five Resolutions for your consideration this morning. The first Resolution is to award Contract No. 71-12-01 for the Final Design of pavement replacement of the Westbound Center and Right Lanes from Milepost 90.0 to Milepost 90.9 in Sandusky County. On March 7, 2012 Letters of Interest were received from 18 firms and from this response, a short list of five companies were

compiled. These companies were asked to submit proposals in response to the Request for Proposals which were received on May 15, 2012. The Engineering staff ranked these proposals, and in this instance, two firms were scored as equally qualified. In accordance with our RFP procedures, both firms were invited to provide Fee Proposals to the Commission. The firm of Glaus, Pyle, Schomer, Burns, & Dehaven, Inc., dba GPD Group (“GPD Group”) of Cleveland, Ohio, provided the most cost effective proposal and was authorized in the amount of \$26,794.00 to complete Task 1 Investigative Services for the Project. The purpose of this task was to prepare an Engineering Report on current deficiencies to be included in the project, as well as to establish final project limits. This report was submitted to the Commission on August 6, 2012, and GPD was requested thereafter to prepare a Fee Proposal for the Task 2 Final Design documents. The Fee Proposal for Task 2 was submitted on August 8, 2012 in the amount of \$289,760.00. This amount was negotiated down from GPD’s initial request of \$325,001.00. Since this Phase will increase the total cost above the threshold of \$150,000.00, it is requested under Article V, Section 1 of the Commission’s Code of Bylaws that the Commission authorize such expenditures. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Commission concurs that GPD Group of Cleveland, Ohio, should perform the Task 2, Final Design and Construction Document Preparation Services for pavement replacement of the Westbound lanes and shoulder from Milepost 90.0 to Milepost 95.9 in Sandusky County under Project No. 71-12-01, and authorizes the Executive Director and the General Counsel to amend the Contract with GPD Group to perform said services, all in accordance with the terms and conditions of the Commission’s RFP for Project No. 71-12-01, GPD Group’s response thereto and its fee proposals therefor.

Chairman Hruby: What is the wish of the Commission?

Mr. Pakush: I move that we approve.

Chairman Hruby: I'll second. Any discussion or questions? Having none,
roll call.

Director Hodges: Mr. Pakush.

Mr. Pakush: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Mr. Dixon.

Mr. Dixon: Yes

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Unanimous.

OHIO TURNPIKE COMMISSION

Resolution Authorizing Final Design Phase Expenditures with GPD Group for Pavement Replacement in the Westbound Lanes from Milepost 90.0 to Milepost 95.9 in Sandusky County under the Existing Contract for Project No. 71-12-01

WHEREAS, on February 22, 2012, the Commission published notice of its Request for Proposals ("RFP") for Project No. 71-12-01 seeking Professional Engineering Services necessary for the planned 2013/2014 pavement reconstruction projects from Milepost 90.0 to Milepost 95.9, Eastbound and Westbound located in Sandusky County; and

WHEREAS, on March 7, 2012, Letters of Interest were received from eighteen firms expressing their interest in serving as the Commission's Design Consultant for Project No. 71-12-01, of which five were selected as qualified and invited to submit proposals in response to the RFP by May 15, 2012; and

WHEREAS, the Commission's Engineering staff reviewed the technical proposals received in response to the RFP and concluded that two of the firms had submitted proposals that demonstrated they were equally the most qualified to perform the above-described services, namely **Euthenics, Inc. of Cleveland, Ohio, and Glaus, Pyle, Schomer, Burns, & Dehaven, Inc., dba GPD Group ("GPD Group") of Cleveland, Ohio;** and

WHEREAS, the Commission's procedures contemplate that, in the unlikely event two technical proposals are equally ranking as most qualified, fee proposals will be solicited from both firms to determine which is the best proposal; and

WHEREAS, on July 3, 2012, **GPD Group** submitted the most competitive fee proposal of the two equally most qualified firms to perform Task 1, Preliminary Engineering Services in the not-to-exceed amount of **\$26,794.00**, which the Chief Engineer deemed reasonable and acceptable and, therefore, the Contract for Project No. 71-12-01 was awarded to GPD Group; and

WHEREAS, GPD Group has submitted a fee proposal dated August 8, 2012, in the not-to-exceed amount of **\$289,760.00** to perform the Task 2, Final Design and Construction Document Preparation Services for the Westbound lanes and shoulder from Milepost 90.0 to Milepost 95.9 in Sandusky County, which fee proposal has been deemed to be reasonable and acceptable by the Chief Engineer, and he, therefore, has recommended that the Contract with GPD Group be amended to proceed with performance of these Task 2 Services; and

WHEREAS, continued expenditures by the Commission under the Contract will now exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, the Commission must authorize the amendment of the Contract for GPD Group to perform said Task 2 Services under Project No. 71-12-01; and

WHEREAS, the General Counsel has advised the Commission that the RFP process and the selection of GPD Group conformed with the requirements of Ohio Revised Code Sections 153.65 to 153.71, and that the proposals were solicited on the basis of the same terms and conditions with respect to all respondents and potential respondents; and

WHEREAS, the Commission will be presented with a subsequent resolution to authorize the additional expenditures that will be required for GPD Group to perform the necessary Task 3, Construction Administration and Inspection Services for Project No. 71-12-01 when the attendant construction project for pavement replacement of the Westbound lanes and shoulder from Milepost 90.0 to Milepost 95.9 in Sandusky County is presented for award; and

WHEREAS, the Executive Director has reviewed the recommendations submitted by the Chief Engineer and the General Counsel, and concurs that the Contract should be amended to allow for GPD Group to perform the required Task 2, Final Design and Construction Document Preparation Services for pavement replacement of the Westbound lanes and shoulder from Milepost 90.0 to Milepost 95.9 in Sandusky County, and, when appropriate, the attendant Task 3, Construction and Administration Services under Project No. 71-12-01; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission concurs that **GPD Group of Cleveland, Ohio**, should perform the Task 2, Final Design and Construction Document Preparation Services for pavement replacement of the Westbound lanes and shoulder from Milepost 90.0 to Milepost 95.9 in Sandusky County under Project No. 71-12-01, and authorizes the Executive Director and the General Counsel to amend the Contract with GPD Group to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-12-01, GPD Group's response thereto and its fee proposals therefor.

(Resolution No. 32-2012 adopted August 20, 2012)

Chief Engineer: Our next Resolution is for Authorization of Additional Funds for Project No. 71-08-03. This authorization is for the design and pavement replacement for the Eastbound center and right lanes between Milepost 164.8 and Milepost 169.7 in Cuyahoga County. As a brief recap, Project No. 71-08-03 is a continuation of the work performed by Resource International beginning with the overall pavement study and continuing through with specific project designs. As illustrated by the previous Resolution, the Commission is now expanding the participation of design firms for these projects in hopes of accelerating this program. In June 2011, Resource International submitted a Fee Proposal in the amount of \$295,217.00 for Phase 2, Task 2 for this design of the Westbound center and right lanes for this same section. The Commission has previously approved the expenditure for this work, and that section of work is currently under construction. This additional expenditure will complete the design for this section of the Turnpike and allow this work to be ready for our 2013 Capital

Improvement schedule. Resource International has submitted a Fee Proposal on June 27, 2012 in the amount of \$168,170.00 for Phase 2, Task 2 services. This fee was negotiated down from the original proposal amount of \$177,208.00. This fee was determined to be reasonable for the scope of services. Since this phase is in excess of the \$150,000.00 threshold, and represents an increase in excess of ten percent of the original expenditure, it is required under Article V, Section 1 of the Commission's Code of Bylaws that the Commission authorizes such expenditures. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Commission concurs that **Resource International, Inc. of Cleveland, Ohio**, should perform the Phase 2, Task 2, Final Design Services for the replacement of pavement in the Eastbound lanes and shoulder from Milepost 164.8 to Milepost 169.7 in Cuyahoga County, as specified herein and as contemplated under Project No. 71-08-03, and authorizes the Executive Director and the General Counsel to amend the Contract with Resource International, Inc. to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-08-03, Resource's response thereto and its fee proposal dated June 27, 2012.

Mr. Pakush: Mr. Chairman, I move that we approve.

Secretary Barber: Second.

Chairman Hruby: Seconded by Mrs. Barber. Any further discussion, comments or questions? Hearing none, roll call.

Director Hodges: Mr. Pakush.

Mr. Pakush: Yes.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.
Director Hodges: Mr. Dixon.
Mr. Dixon: Yes
Director Hodges: Unanimous.

OHIO TURNPIKE COMMISSION

Resolution Authorizing Final Design Phase Expenditures with Resource International, Inc. for Pavement Replacement in the Eastbound Lanes from Milepost 164.8 to Milepost 169.7 in Cuyahoga County under the Existing Contract for Project No. 71-08-03

WHEREAS, via Resolution 52-2008, the Commission awarded a Contract for Project No. 71-08-03 to **Resource International, Inc. (“Resource”)** of **Cleveland, Ohio**, for Engineering Design and Construction Administration and Inspection Services pertaining to Program Management Services that were required to develop a testing and evaluation program for the original two lanes of the now 56-year-old concrete pavement of the Ohio Turnpike mainline, and preparation of a Master Plan for the orderly replacement of this pavement where necessary; and

WHEREAS; Resource completed Phase 1 (Evaluation and Preparation of the Master Plan Report) and Phase 2, Task 1 (Preliminary Engineering Design Services), which were performed in the not-to-exceed amount of **\$278,082.00**; and

WHEREAS, Resource submitted a fee proposal in July 2010, in the not-to-exceed amount of **\$269,066.00** for the performance of Phase 2, Task 2 Services for the Westbound lanes and shoulder from Milepost 95.9 to Milepost 101.2, located in Sandusky County, which included preparation of Construction Plans and Specifications required for complete replacement of the original concrete pavement at the locations specified, which Final Design Services work was authorized by the Commission via Resolution No. 26-2010; and

WHEREAS, Resource submitted fee proposals dated June 3, 2011, in the not-to-exceed amount of **\$172,184.00** for the performance of Phase 2, Task 2 Services for the Eastbound lanes and shoulder from Milepost 95.9 to Milepost 101.2 in Sandusky County, and in the amount of **\$295,217.00** for the performance of Phase 2, Task 2 Services for the Westbound lanes and shoulder from Milepost 164.8 to Milepost 169.7 in Cuyahoga County, which Final Design Services work was authorized by the Commission via Resolution No. 35-2011; and

WHEREAS, Resource has submitted a new fee proposal dated June 27, 2012, in the not-to-exceed amount of **\$168,170.00** for the performance of Phase 2, Task 2 Services for the Eastbound lanes and shoulder from Milepost 164.8 to Milepost 169.7 in Cuyahoga County, which fee proposal the Chief Engineer has deemed to be reasonable and acceptable, and he, therefore, has recommended that the Commission amend the Contract for Project No. 71-08-03 to proceed with Phase 2, Task 2 Services for the locations specified; and

WHEREAS, pursuant to Article V, Section 1.00 of the Commission's Code of Bylaws, additional expenditures under any previously authorized contract that exceed 10% of the original authority granted by the Commission to the Executive Director require Commission approval unless, among other exceptions, the increase is a result of "circumstances that would create a life, safety or health-threatening situation, and, therefore, the Commission must authorize the recommended amendment to the Contract for Project No. 71-08-03; and

WHEREAS, the Executive Director has reviewed the recommendation submitted by the Chief Engineer and concurs that the Contract with Resource for Project No. 71-08-03 should be amended to allow for performance of the required Phase 2, Task 2, Final Design Services for the Eastbound lanes and shoulder from Milepost 164.8 to Milepost 169.7 in Cuyahoga County.

NOW, THEREFORE, BE IT

RESOLVED that the Commission concurs that **Resource International, Inc.** of **Cleveland, Ohio**, should perform the Phase 2, Task 2, Final Design Services for the replacement of pavement in the Eastbound lanes and shoulder from Milepost 164.8 to Milepost 169.7 in Cuyahoga County, as specified herein and as contemplated under Project No. 71-08-03, and authorizes the Executive Director and the General Counsel to amend the Contract with Resource International, Inc. to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-08-03, Resource's response thereto and its fee proposal dated June 27, 2012.

(Resolution No. 33-2012 adopted August 20, 2012)

Chairman Hruby: Thank you. Please proceed.

Chief Engineer: The third Resolution is for the Award of Contract No. 53-12-02 for the Renovations to the Erie Islands and Commodore Perry Service Plazas located at Milepost 100. This work is included in the 2012 Capital Budget, and as a brief history this set of Service Plazas were the first of the Commission's newly constructed plazas that were completed and open to the public in 1999. As part of the current contract with our concessionaires, a capital improvements charge is assessed and placed into an account for the purpose of funding projects

to maintain the quality of these general public areas. As these facilities have been in continuous service now for over thirteen years, a need was determined to update the finishes and other general improvements were desired. The Commission prepared documents and secured bids under Contract No. 53-12-02 to perform such improvements including the painting, re-lighting, relocation of the Travel Mart and other modifications. On August 7, 2012 bids were received from four contractors for this renovation work. The apparent low bid was submitted by RFC Contractors of Strongsville, Ohio, in the amount of \$942,000.00. This amount was below the Engineer's Estimate of \$1,100,000.00. The bid submitted by RFC, however, did not provide adequate information for a complete evaluation, and based upon this lack of information, this bid was deemed to be incomplete and, as such, nonresponsive. A review of the remaining bids indicates that only the Spieker Company of Perrysburg, Ohio, provided a bid below the Engineer's Estimate. However, this bid of \$1,095,300.00 was in excess of fifteen percent greater than the low bid submitted by RFC. Due to this significant difference between the first and second bidders, it is recommended to reject all bids, and perform a review of the contract documents. At such time as this review has been completed, we will re-bid this project. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the above-mentioned bids heretofore received pursuant to the advertisement for bids upon Contract No. 53-12-02, be and the same hereby are rejected, and the General Counsel is authorized to notify the bidders in writing of said action, and to return to the bidders their bid security; and

FURTHER RESOLVED that the Executive Director and the General Counsel hereby are authorized to take any and all action necessary, at the appropriate time, to re-advertise for bids for Contract No. 53-12-02.

Chairman Hruby: For the Resolution.

Vice Chairman Balog: Move to adopt.

Chairman Hruby: I'll second. Any discussion, questions or comments? Mr. Dixon.

Mr. Dixon: What types of materials were not included for the RFC?

General Counsel: Mr. Chairman and Commissioner Dixon, the contract documents contain what is known as a Confidential Experience and Financial Questionnaire. Several points that were requested in that document, including references and financial information, were not included. Therefore, we could not properly evaluate the bid.

Mr. Dixon: We have no working relationship with this company in the past.

General Counsel: Mr. Chairman and Commissioner Dixon yes, we have worked with RFC Contracting, but it's been approximately ten years since we've worked with them.

Mr. Dixon: Thank you.

Chairman Hruby: Anyone else? Roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Commissioner Pakush.

Mr. Pakush: Yes.

Director Hodges: Unanimous.

OHIO TURNPIKE COMMISSION

Resolution Rejecting the Bids Received for Contract No. 53-12-02

WHEREAS, the Commission has duly advertised according to law an invitation for bids upon a Contract for Service Plaza Renovations, Erie Islands and Commodore Perry, Milepost 100, Sandusky County, herein designated **Contract No. 53-12-02**; and

WHEREAS, the Commission received four bids for the performance of said Contract from **RFC Contracting, Inc.** of Strongsville, Ohio, **The Spieker Company** of Perrysburg, Ohio, **Tusing Builders, Ltd.** of Monroeville, Ohio, and **S.M. Fox Construction, Inc.** of Elyria, Ohio; and

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

WHEREAS, the Commission's Chief Engineer reports that the apparent lowest bid received from **RFC Contracting, Inc.** was in the amount **\$942,000.00**, however, this bidder did not include required, material information with its bid and was, therefore, deemed non-responsive; and

WHEREAS, the Commission's Chief Engineer further reports that the second lowest bid from **The Spieker Company** in the amount of **\$1,095,300.00** was more than fifteen percent (15%) or \$153,300.00 above the lowest bid, and he, therefore, recommends that all bids be rejected and that the staff be directed to review the Invitation and re-advertise for bids for Contract No. 53-12-01 as soon as practicable; and

WHEREAS, the Commission's General Counsel concurs with the Chief Engineer's analysis and has submitted a report advising the Commission that, pursuant to Ohio Revised Code Section 5537.07(A) and the Bidding Documents for Contract No. 53-12-02, the Commission has expressly reserved the right to reject any and all bids; and

WHEREAS, predicated upon the analysis of the reports submitted by both the Chief Engineer and the General Counsel, the Executive Director concurs with their recommendation to reject all bids and re-advertise for new bids under Contract No. 53-12-02 as soon as possible; and

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the above-mentioned bids heretofore received pursuant to the advertisement for bids upon Contract No. 53-12-02, be and the same hereby are rejected, and the General Counsel is authorized to notify the bidders in writing of said action, and to return to the bidders their bid security; and

FURTHER RESOLVED that the Executive Director and the General Counsel hereby are authorized to take any and all action necessary, at the appropriate time, to re-advertise for bids for Contract No. 53-12-02.

(Resolution No. 34-2012 adopted August 20, 2012)

Chairman Hruby: Thank you. Please continue, Mr. Hedrick.

Chief Engineer: The next Resolution is to authorize amendment to Contract No. 64-08-01 for the Purchase of Eight Additional Automatic Toll Payment Machines or ATPM's. This project is included in the 2012 Capital Budget. Contract No. 64-08-01 was originally awarded under Resolution No. 8-2008 to TransCore, LP of Hummelstown, PA. It included the furnishing and installation of an electronic toll collection system as well as a five-year maintenance contract. As part of this original contract, TransCore installed twenty Automated Toll Payment Machines ("ATPM's) at various low volume interchanges across the Turnpike system. This deployment of ATPM's was intended to fully automate these low volume toll plazas and would be the initial installation for a program that anticipated future additions. With the success of this program established, this installation of additional ATPM's at the next group of lower volume interchanges is now desired. In order to maintain a consistency for both our customers, as well as the interface with the existing *EZPass*[®] system, the purchase of eight ATPM's from the manufacturer of the original twenty units is recommended. On July 23, 2012, TransCore submitted a Proposal to furnish and install eight additional ATPM units at Toll Plazas 52, 91, 152 and 193 in the amount of \$1,331,193.92. This detail cost was reviewed and

determined to be reasonable based upon the scope of services. It should also be noted that this proposal does not include the necessary structure modifications to the toll booths to allow the installation. We are currently out to bid for this work and, should this work exceed the \$150,000.00 threshold, we will return to seek the Commission's approval for those modifications. It is therefore recommended to approve the amendment to Contract No. 64-08-01. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Executive Director and the General Counsel are hereby authorized by the Commission to prepare and execute an amendment in the amount of **\$1,331,193.92** to Contract No. 64-08-01 with **TransCore, LP**, under which TransCore shall proceed with the manufacture, delivery and installation of eight additional ATPMs pursuant to the terms and conditions of the Contract originally awarded via Resolution No. 8-2008, as modified by its First Addendum to add Maintenance Services.

[FURTHER RESOLVED that the aforementioned amendment to Contract No. 64-08-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.]

Chairman Hruby: What is the Board's wish?

Vice Chairman Balog: Motion to adopt.

Chairman Hruby: I'll second. Any questions or comments? Hearing none, roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Commissioner Pakush.

Mr. Pakush: Yes.

Director Hodges: Unanimous.

OHIO TURNPIKE COMMISSION

Resolution Authorizing Amendment of the Contract with TransCore, LP for the Purchase of Eight Additional Automated Toll Payment Machines

WHEREAS, pursuant to Resolution No. 8-2008, Contract No. 64-08-01 was awarded by the Commission to **TransCore, LP** of **Hummelstown, Pennsylvania**, following a Request for Proposal (“RFP”) process to select an Integrator to furnish, install and maintain a new Toll Collection System (“TCS”) and Customer Service Center (“CSC”), which includes electronic toll collection (*E-ZPass*); and

WHEREAS, TransCore furnished and installed the new TCS and CSC, and the Systems were “final accepted” on June 1, 2010 (with the exception of twenty new Automated Toll Payment Machines (“ATPM’s”), which were final accepted as of June 1, 2011); and

WHEREAS, the RFP for Contract No. 64-08-01 contemplated that the Commission could enter into an extended Maintenance Contract with TransCore, and a five-year Maintenance Contract was thereafter authorized by the Commission in the annual amount of \$2,454,947.00 via Resolution No. 3-2011, with the possibility of one, additional five-year renewal term; and

WHEREAS, the Commission’s Chief Engineer has recommended that the Commission should further automate toll lanes at low volume interchanges (Toll Plazas 52, 91, 152 and 193 respectively located in Lucas, Sandusky, Lorain and Portage Counties) with the addition of eight ATPMs to be manufactured by the same TransCore subcontractor that provided the initial twenty ATPMs purchased for the TCS; and

WHEREAS, TransCore has submitted a quotation dated July 23, 2012, in the amount of **\$1,331,193.92** for the eight ATPMs that includes manufacture, shipping and installation, which quotation has been deemed appropriate and reasonable by the Chief Engineer who, therefore, recommends that the Commission proceed with the purchase under the TransCore Contract; and

WHEREAS, pursuant to Article V, Section 1.00 of the Commission’s Code of Bylaws, additional expenditures under any previously authorized contract that exceed 10% of the original authority granted by the Commission to the Executive Director require Commission approval unless, among other exceptions, the increase is a result of “circumstances that would create a life, safety or health-threatening situation;” and

WHEREAS, the General Counsel has advised the Commission that the additional recommended expenditures are appropriate and reasonable and should be considered as a sole source inasmuch as the new ATPM equipment must be provided by the same manufacturer whose ATPM equipment was originally installed, integrated and final accepted into the TCS in June 2011; and

WHEREAS, the Executive Director has reviewed the recommendations submitted by the Chief Engineer and the General Counsel and concurs with their recommendations; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Executive Director and the General Counsel are hereby authorized by the Commission to prepare and execute an amendment in the amount of **\$1,331,193.92** to Contract No. 64-08-01 with **TransCore, LP**, under which TransCore shall proceed with the manufacture, delivery and installation of eight additional ATPMs pursuant to the terms and conditions of the Contract originally awarded via Resolution No. 8-2008, as modified by its First Addendum to add Maintenance Services.

[FURTHER RESOLVED that the aforementioned amendment to Contract No. 64-08-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.]

(Resolution No. 35-2012 adopted August 20, 2012)

Chief Engineer: My last Resolution for your consideration is for the Purchase of Four Truck Cab and Chassis (Group I), and the Installation of Dump Bodies, Front and Wing Plows, Central Hydraulic and Lighting Systems (Group II) for these four units. These expenditures are included in the 2012 Capital Budget, and this is the first phase of two purchases to replace older model, single axle trucks. Four bids total for Invitation 4185 were received on June 28, 2012. Two of the four bids received were for Group I units. The apparent low bid for Group I was Cleveland Peterbilt of Brooklyn, Ohio, in the amount of \$360,796.00 or, \$90,199.00 per unit. During the review of this bid, however, the Engineering staff determined that the units submitted did not meet critical dimensional specifications for the bid invitation process. Based upon this lack of conformance to the specifications, the bid submitted by Cleveland Peterbilt is

determined to be non-responsive and should be rejected. The apparent second low bid was submitted by Cleveland Freightliner in the amount of \$360,872.00 or, \$90,218.00 per unit. This bidder proposed to furnish four Western Star Model 4700 Cab and Chassis that are in compliance with the bid specifications. In regards to the bids for Group II, there were also two bids received for this group. The apparent low bid was submitted by Henderson Products, Inc. from Bucyrus, Ohio, in the amount of \$390,288.00 or, \$97,572.00 per unit. This bidder proposes to provide four Dump Bodies, Front and Wing Plows, Central Hydraulic System and Lighting System all in accordance with the bid specifications. Therefore, based upon my review, it is recommended that the bid from Cleveland Peterbilt of Brooklyn, Ohio, be deemed non-responsive and the bid for Group I for the Cab and Chassis and that Group I be awarded to Cleveland Freightliner of Brookpark, Ohio, in the total amount of \$360,872.00; and that the Group II bid for the Dump Bodies, Front and Wing Plows, Central Hydraulic System and Lighting System be awarded to Henderson Products, Inc. of Bucyrus, Ohio, in the amount of \$390,288.00. If the General Counsel would please read the Resolved.

General Counsel: Mr. Chairman, Doug, if I may take a moment to state that we did receive four bids for Group I and two bids for Group II.

RESOLVED that the apparent low bid of **Cleveland Peterbilt of Brooklyn, Ohio**, for Group I of Invitation No. 4185 is deemed not responsive and is hereby rejected; and

RESOLVED that the bid of **Cleveland Freightliner, Inc. of Brook Park, Ohio**, in the total amount of **\$360,872.00** for **Group I** (for furnishing four truck cab and chassis) under Invitation No. 4185, is, and is by the Commission, determined to be the lowest responsive and responsible bid received, and is accepted, and the Executive Director and the General Counsel, or either of them, hereby is authorized to: 1) notify Cleveland Peterbilt that its bid for Group I has been rejected; 2) at the earliest time permitted under the Bidding Documents or, in the event objections are filed with the General Counsel by the rejected bidder, only after the Commission's affirmation of the rejection, execute a Contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; 3) direct the return to the bidders of their bid security when appropriate; and 4) take any and all action necessary or proper to carry out the terms of said Contract.

FURTHER RESOLVED that the bid of **Henderson Products, Inc.** of **Bucyrus, Ohio**, in the total amount of **\$390,288.00** for **Group II** (for furnishing four dump bodies, front plows, wing plows, central hydraulic and lighting systems) under Invitation No. 4185, is, and is by the Commission, determined to be the lowest responsive and responsible bid received, and is accepted, and the Executive Director and the General Counsel, or either of them, hereby is authorized to: 1) execute a Contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; 2) direct the return to the bidders of their bid security when appropriate; and 3) take any and all action necessary or proper to carry out the terms of said Contract.

Chairman Hruby: For the Resolution, is there any action to be taken by the Board?

Vice Chairman Balog: Motion to adopt.

Mr. Pakush: I'll second.

Chairman Hruby: Any discussion or questions? Yes, Mr. Balog.

Vice Chairman Balog: On the rejection, I saw in the notes that it was rejected because of the fuel tank extended thirteen inches beyond the cab, and we have a maximum of four. Is that a safety issue?

Chief Engineer: Mr. Chairman and Vice Chairman Balog, it's not necessarily a safety issue as it is the way the equipment is installed, the balance of the Group II equipment and how that fits into the unit itself.

Vice Chairman Balog: So, it's an issue that makes it problematic for us. That is the reason we are rejecting that bid?

Chief Engineer: Yes, that is correct.

Vice Chairman Balog: Thank you.

Chairman Hruby: Any other questions or comments? Hearing none, roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Commissioner Pakush.
Mr. Pakush: Yes.
Director Hodges: Chairman Hruby.
Chairman Hruby: Yes.
Director Hodges: Commissioner Dixon.
Commissioner Dixon: Yes.
Director Hodges: Secretary Barber.
Secretary Barber: Yes.
Director Hodges: Unanimous.

OHIO TURNPIKE COMMISSION

Resolution Awarding Contracts for the Purchase of Four Truck Cab and Chassis, and for Furnishing and Installing Four Dump Bodies, Front Plows, Wing Plows, Central Hydraulic and Lighting Systems under Invitation No. 4185

WHEREAS, the Commission has advertised in accordance with law for bids in response to Invitation No. 4185 for the furnishing to the Commission of four truck cab and chassis, 48,000 lb. minimum GVWR (*Group I*); and furnishing and installing four dump bodies, front plows, wing plows, central hydraulic and lighting systems (*Group II*); and

WHEREAS, expenditures for the Contracts to be awarded under Invitation No. 4185 will exceed \$150,000, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of said Contracts; and

WHEREAS, on June 28, 2012, the Commission received six bids in response to the Invitation, and said bids were reviewed and analyzed by the Commission's Mechanical Engineer, who has submitted a report concerning said analysis; and

WHEREAS, the Mechanical Engineer has reported that the apparent low bid for the **Group I** truck cab and chassis was submitted by **Cleveland Peterbilt** of **Brooklyn, Ohio**, in the amount of **\$360,796.00 (four, at \$90,199.00 each)**, however, this bidder proposes a model that is not compliant with the Bid Specifications, and therefore, this bid is not responsive and must be rejected; and

WHEREAS, the Mechanical Engineer has further reported that the second low bid for **Group I** was submitted by **Cleveland Freightliner, Inc.** of **Brook Park, Ohio**, in the amount of **\$360,872.00 (four, at \$90,218.00 each)**, and that this bidder proposes to furnish a 2013 Western Star Model 4700 cab and chassis in accordance with the Commission's Specifications, and he has, therefore, recommended award of the Contract for Group I to the lowest responsive and responsible bidder, Cleveland Freightliner; and

WHEREAS, the Commission's Mechanical Engineer has reported that the apparent low bid for **Group II** was submitted by **Henderson Products, Inc.** of **Bucyrus, Ohio**, in the amount of **\$390,288.00 (four dump bodies, front plows, wing plows, central hydraulic and lighting systems at \$97,572.00 per unit)**, and that this bidder proposes to furnish equipment and services in accordance with the Commission's Specifications, and he has, therefore, recommended award of the Contract for Group II to the lowest responsive and responsible bidder, Henderson Products; and

WHEREAS, the Mechanical Engineer has further advised that, in accordance with the Commission's Property Disposal Policy, the four trucks being replaced will be disposed of via auction to the highest bidder(s); and

WHEREAS, the Commission has been advised by the General Counsel that bids for Invitation No. 4185 were solicited on the basis of the same terms and conditions and the same specifications, that the lowest responsive and responsible bids of Cleveland Freightliner and Henderson Products conform to the requirements of Ohio Revised Code Sections 5537.07 and 9.312, that a bid guaranty with good and sufficient surety has been submitted by the aforementioned bidders, and that both of the bidders qualify for consideration under the Commission's recently revised Domestic and Ohio Preference Policy; and

WHEREAS, the General Counsel has also indicated that, as provided for in the Bidding Documents, only after the opportunity for objections by the rejected bidder for Group I has passed, or the Commission affirms the rejection after the conduct of a meeting that may be requested by the rejected bidder, the Commission may then legally enter into a Contract with for Cleveland Freightliner, Inc.; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the Mechanical Engineer and the General Counsel and, predicated upon such analysis, has made his recommendation to the Commission to reject the bid of Cleveland Peterbilt for Group I, and award the Contracts for Invitation No. 4185 to Cleveland Freightliner for Group I, and Henderson Products for Group II; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the apparent low bid of **Cleveland Peterbilt** of **Brooklyn, Ohio**, for Group I of Invitation No. 4185 is deemed not responsive and is hereby rejected; and

RESOLVED that the bid of **Cleveland Freightliner, Inc.** of **Brook Park, Ohio**, in the total amount of **\$360,872.00** for **Group I** (for furnishing four truck cab and chassis) under Invitation No. 4185, is, and is by the Commission, determined to be the lowest responsive and responsible bid received, and is accepted, and the Executive Director and the General Counsel, or either of them, hereby is authorized to: 1) notify Cleveland Peterbilt that its bid for Group I has been rejected; 2) at the earliest time permitted under the Bidding Documents or, in the event objections are filed with the General Counsel by the rejected bidder, only after the Commission's affirmation of the rejection, execute a Contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; 3) direct the return to the bidders of their bid security when appropriate; and 4) take any and all action necessary or proper to carry out the terms of said Contract.

FURTHER RESOLVED that the bid of **Henderson Products, Inc.** of **Bucyrus, Ohio**, in the total amount of **\$390,288.00** for **Group II** (for furnishing four dump bodies, front plows, wing plows, central hydraulic and lighting systems) under Invitation No. 4185, is, and is by the Commission, determined to be the lowest responsive and responsible bid received, and is accepted, and the Executive Director and the General Counsel, or either of them, hereby is authorized to: 1) execute a Contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; 2) direct the return to the bidders of their bid security when appropriate; and 3) take any and all action necessary or proper to carry out the terms of said Contract.

(Resolution No. 36-2012 adopted August 20, 2012)

Chairman Hruby: Thank you, Mr. Hedrick. Anything else?

Chief Engineer: That is all I have for you Mr. Chairman, thank you.

Chairman Hruby: We'll move on to the report of our CFO/Comptroller, Mr. Seekely.

CFO/Comptroller: Good morning, Mr. Chairman and Commission Members, I have an update on Traffic and Revenue for the past two months, and the Commission's financial results for the second quarter. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the last two years. Passenger car vehicle miles traveled were 4.7% higher than last year in June, and 4% lower than last year in July. The July 4th holiday fell on a

Wednesday this year, while it was on a Monday last year, which greatly impacted the number of holiday travelers this year. As a result, the passenger car vehicle miles traveled were down 9.5% for the first seven days of July. Commercial traffic was .8% lower than last year in June, and 1.3% higher than last year in July. For the first seven months of this year, commercial vehicle miles traveled are 2.1% higher than last year.

Passenger car toll revenue was 13.7% higher than last year in June but, only 4.2% higher than last year in July. Commercial vehicle toll revenues continue to increase because of the January toll rate increase, and were 7.9% higher than last year in June and 10.4% higher than last year in July. This chart shows the year-to-date toll revenues through the month of July during each year over the past decade. Toll revenues for the first seven months of this year were \$14 million or, 10.7% above the amount from last year. If you subtract February 29th from this year's total, toll revenues are up 10.2% over the same number of days as last year.

This report shows the actual budgeted revenues and expenditure and transfers for the General Fund for the first six months of the year. Total revenues for the first half of the year are \$5.1 million or 4.2% above budget, and \$12.7 million or 10.9% above last year. Almost all of the revenue increase is due to the increase in toll revenues.

Expenditures for the first half of the year, including debt service payments, were \$2.9 million, or 3.2% lower than budgeted, and \$3.4 million, or 4% higher than last year. Most of these savings from budget were related to lower toll collector salary expense, and lower snow and ice removal costs due to the mild winter of 2012. These savings are partially offset by higher workers' compensation cost due to the accident involving three workers in January. The increase in costs from last year, are primarily due to the increase in workers' compensation expense, higher equipment maintenance costs and higher debt service payments. These higher

costs were partially offset by the lower snow and ice removal costs this year. If the increase in workers' compensation expense because of the accident is excluded, operation, maintenance and administrative expenses are \$1 million less this year than last year.

After paying our operating expenses and debt service, the balance of the revenue is used to fund our 2012 Capital Expenditures. \$41.3 million was transferred to our Capital Funds in the first half of the year, which is \$8.1 million higher than budget. That completes my report, Mr. Chairman. I would be happy to answer any questions anyone might have.

Chairman Hruby: Any questions or comments.

Director Hodges: I would just like to add to Marty's comments regarding the workers' compensation charge-off that we've, at least preliminarily, reserved \$3.2 million that shows as an expense. We are hoping that the gentlemen recover more quickly than statistics will indicate, and that we would have a cost reduction, as well that would be booked at the end of the year.

General Counsel: And, if I might add Mr. Chairman, the Commission will work very diligently to subrogate and collect back those expenses from the parties who were responsible for the accident.

Chairman Hruby: Anything further for Marty? Hearing none, thank you for your report, Marty. Is there a report from our Consulting Engineer, Scott Buchanan?

Mr. Buchanan: No report, Mr. Chairman.

Chairman Hruby: Thank you. Mr. John Adams, our Financial Advisor.

Mr. Adams: No report, Mr. Chairman.

Chairman Hruby: Is there a report from our Trustee? Mr. Lamb is not here, is there anyone here on his behalf? None. We'll move on to the report of the Ohio State Highway Patrol.

St. Lt. Morgan: Thank you, Sir. Commission Members, since our last meeting back in July, we previously reported five traffic fatalities that occurred on the Ohio Turnpike. Unfortunately, we have two more to report – and these are provisional traffic crashes. One is being investigated as a suicide that occurred on August 4th at Milepost 51 in Fulton County. Our personnel are working with the County Coroner's Office over there to determine, in fact, whether it was going to be a traffic fatality. She was struck by a commercial vehicle while standing within the lanes on the Ohio Turnpike.

Also, on August 8th at Milepost 91 in Sandusky County, we had a single vehicle crash involving a pick-up truck that occurred in the early afternoon hours with a 52 year-old male. That is also being investigated as a potential medical condition that existed prior to the traffic crash that may be the cause. Again, we are still working with county coroner offices on both of those issues. Provisionally, we stand at seven traffic fatalities and seven killed. That may be adjusted or changed depending upon the outcome and rulings of the county coroner's office.

Also, a significant note is that a tow truck operator from Xpress Towing was seriously injured on the Ohio Turnpike recently. He was servicing a commercial vehicle on the shoulder of the Turnpike. From what we can see so far, he completed his service activities and then he and the driver of the other commercial vehicle were standing in between the tow truck and the commercial vehicle being serviced. Unfortunately, another commercial vehicle drifted off the right side of the roadway and struck the rear of the disabled commercial vehicle pinning both the tow truck driver and the driver of the disabled commercial vehicle driver between the two

vehicles. There were very serious injuries to the tow truck operator as a result of that. He is still hospitalized and in very serious condition. He has lost one limb, and potentially he may have lost another leg as well. That investigation is continuing. The commercial vehicle operator that was being serviced at that particular location, appears to be out of danger, and is not suffering any life threatening injuries at the moment.

This morning I would also like to introduce to you the person that has been placed here at the direction of the Superintendent, Colonel John Bourne. Lt. James Sivak comes to us from Northeast Ohio. He has served as a Commander in the Ashtabula and Chardon Posts. He is a very experienced and seasoned veteran with the Patrol. Jim was asked specifically to come here to the Ohio Turnpike to be the patrol liaison. He didn't have to do that. He lived about five to eight minutes from his home to his current assignment, and now we're pushing him an hour to drive here to fill this role that we consider very valuable and very important to the Highway Patrol and the Ohio Turnpike Commission. Jim has had the opportunity to meet some of you this morning. We will be around afterwards if you would like to ask some questions of us, or get to know Jim. He has met most of the Directors here at the Commission since he started here about two weeks ago. So, he hit the ground running and he has been involved in several meetings so far. I will be in place for a little bit longer to assist Jim with getting acclimated with some of the procedures and processes here on the Ohio Turnpike. But, he was chosen specifically to fill this role. He does have a specific skill set of knowledge, skills and abilities that are important to us as an organization, and we think they are very important to you in this partnership with the Ohio Turnpike Commission. That's all I have this morning.

Chairman Hruby: On behalf of the Commission, Lt. Morgan, thank you for your service. We look forward to the days ahead as you move about getting to do something else.

St. Lt. Morgan: This is all part of our redistricting process where we are re-establishing the number of Districts that we have within the Highway Patrol throughout the State of Ohio. Part of this reorganization involves moving personnel resources around, and I will be part of that process. When my services are done here, I will be moving on to Northeast Ohio.

Chairman Hruby: Well, Lieutenant, thank you again for your service. We really appreciate, and congratulate you for the fine job you've done. And welcome Lt. Sivak. I know how serious you must be about this position to sacrifice the driving and so forth. We appreciate that and look forward to a great relationship with you. Thank you and congratulations.

Mr. Pakush: Mr. Chairman, the new Lieutenant came out of the Post Commander for the Chardon Post, which covers Lake and Geauga Counties and is two counties in District 12. We've had a relationship with the Lieutenant in ODOT District 12, and I can vouch also that he will be a good person to work with and an asset to the Ohio Turnpike. We'll miss him out of Chardon, but I know he is going to do a great job for us here at the Turnpike.

Director Hodges: If I may, I do think it is important to note that Patrol is going through their own reorganization, and it has been a challenge for them. But, their service to the Turnpike has not suffered and is exemplary as we all know. We appreciate Lt. Morgan, and we look forward to Lt. Sivak. We are grateful to the Ohio State Highway Patrol for the great service they provide, and the way they handled themselves during this transition for us.

Chairman Hruby: Thank you, again. Is there any new business? Hearing none, report of our General Counsel, Kathleen.

General Counsel: Thank you, Mr. Chairman. I have three Resolutions today. The first two we will proceed with. I have two Resolutions involving the Commission's insurance program. As the Commission does not enjoy sovereign immunity, and also is required by

Section 5.05 of the Master Trust Agreement to maintain a Comprehensive Property and Casualty Insurance Program. I would like to ask our Risk Management Coordinator, Joseph Disantis to present the Renewal of our Property and Casualty Insurance Program to the Board for the 2013 policy year which begins in September. Also, here today is Mr. Dan Buser of Crain, Langner & Company, who is our insurance consultant, and who will also answer any questions you may have.

Mr. Disantis: Good morning Mr. Chairman and Commission Members. After a several year slide in insurance rates in almost all lines of business, premium pricing began rising in the third quarter of 2011 and this has continued into the third quarter of 2012. Insurance companies have been hit by high catastrophic losses and reduced returns on their investment. The current state of the market, insurance claims in the industry and the increase in the values of the Commission's assets has resulted in an increase in overall premium. The overall premium increase for the entire Property and Casualty insurance program is 13%, without adjusting for any increase in various Commission values.

The first column on the slide pertains to the Commission's Property insurance policy. This policy insures Commission property for its loss on a full replacement cost basis including coverage for business income. As you can see, the Commission is insuring over a half billion dollars in physical assets including \$460 million in buildings; \$31 million in *E-ZPass*[®] equipment; \$12 million in maintenance equipment; \$13 million in office equipment; \$7 million in computer equipment, and other assets including salt domes and radio towers. The Commission's values increased over 7% from last year primarily due to over \$30 million in two new service plazas and other facilities, but its actual rate of insurance only increased a little over 1%.

The next column is for the Commission Bridge Insurance and Use & Occupancy or Business Interruption coverage. The Commission is mandated by the Trust Agreement to maintain this type of coverage. The past two times the Commission bid this insurance in 2008 and 2011, it only received one bid for this policy and relatively few insurers offer this coverage. The replacement cost values of the Commission's eight major bridges increased over \$5 million. This along with a perceived increase in terrorism risk by the insurer, such as the planned bombing of the State Route 82 Bridge in Cuyahoga County, resulted in a \$34,000 premium increase or about 30%.

General Liability protects the Commission from claims by third parties for bodily injury and property damage which would include slip and falls at Turnpike facilities and incidents on the roadway not involving Commission vehicles. The low incidence of claims and the Commission's excellent safety procedures as viewed by the insurer resulted in a reduction in premium for this coverage.

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. There is a slight increase in premium for this coverage.

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. There is also a small increase in premium for this coverage.

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. The Premium for this line of coverage increased due to an increase in vehicle values and some large claims.

Public Officials Liability is coverage for the Commission for any wrongful acts such as breach of duty or negligence in his or her capacity as a public official or employee of the Commission. The premium increase in this line of coverage is due to market conditions and an overall higher incidence of claims against public officials in this market segment.

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. There is a premium increase in this line of coverage due to the defense of current claims by the Commission.

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 or wire transfer fraud. There is a slight premium increase in this line of coverage due to market conditions.

Finally, the Umbrella and Excess layers of insurance cover the Commission up to \$65 million over and above the General Liability, Employers Liability, Employee Benefits Liability, Automobile and Public Officials Liability lines of coverage. The Umbrella and Excess liability layers have increased and they generally increase or decrease in correlation with the aforementioned primary layer policies. If you have any questions, I would be happy to answer them for you.

Chairman Hruby: Thank you. Any questions?

General Counsel: If not Mr. Chairman, if I may read the Resolved please.

Chairman Hruby: Please do.

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

FURTHER RESOLVED that a certified copy of this resolution shall be transmitted to the trustee for the bondholders.

Chairman Hruby: For the Resolution.

Vice Chairman Balog: I move to adopt.

Mr. Pakush: Second.

Chairman Hruby: Any questions or comments? Mr. Dixon.

Mr. Dixon: Can you give me a short explanation on the process that we used to choose the companies that will be supplying the insurance.

General Counsel: Certainly. Mr. Chairman and Commissioner Dixon, this is actually a renewal process that we are conducting. Last year in 2011, the Commission conducted its competitive selection process. We started with selecting brokers. We put out what is known as a Letter of Interest request and numerous brokerage firms submitted proposals to the Commission seeking to write certain lines of coverage. After reviewing those proposals, we selected the brokerage firms that we thought could submit good proposals to the Commission for the various lines that you just heard about. Once we received those proposals for the various lines, we chose the brokerage firms and the specific insurance companies for which they were seeking to write insurance. This year's renewal process that we have gone through for the

second in a three year contract with the various insurance brokers and their companies. We have to go back to them every year because the policies are renewed on an annual basis.

Mr. Dixon: Are any of these companies minorities?

General Counsel: Mr. Chairman and Commissioner Dixon, none of the brokerage firms are minorities; however, we have reached out very extensively to minority firms especially in this area and have met with them. They have not chosen to supply proposals to the Commission in the past. There are two in particular, the Washington firm and the Pinkney-Perry Insurance Agency that we have reached out to.

Mr. Dixon: Neither one of them were able to?

General Counsel: Neither one of them proposed.

Mr. Dixon: Okay. Thank you.

Chairman Hruby: Any other questions or comments? Hearing none, roll call.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Commissioner Pakush.

Mr. Pakush: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Unanimous.

OHIO TURNPIKE COMMISSION

Resolution Authorizing the Renewal of Insurance Policies 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, Section 5.05 of the 1994 Master Trust Agreement; and

WHEREAS, the Commission has received proposals for the renewal of the Property and Casualty Insurance Program for the 2013 policy year as identified in the attached schedule of insurance coverage whereby the Commission will continue to maintain coverage for Commercial General Liability, Automobile Liability, Public Officials Errors & Omissions, Employment Practices Liability, Employers Liability, Employee Benefits Liability, Bridge and Use & Occupancy, Multi-Peril Property, Data Processing, Maintenance/Contractor's Equipment, Boiler & Machinery, Money and Securities/Crime Insurance and Umbrella/Excess Liability Insurance coverage, which will result in an overall thirteen percent increase in premium as compared to the cost paid for the same insurance coverage during the 2012 policy year; and

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

1. Commercial General Liability including terrorism coverage, Automobile Liability, Public Officials Errors and Omissions, Employment Practices Liability, Employers Liability, Employee Benefits Liability, Broad Form Money and Securities/Crime Insurance, and Umbrella Liability Insurance coverage proposed by Arthur J. Gallagher Risk Management Services, Inc. on behalf of the Travelers Group for an annual premium of \$349,001 beginning on September 1, 2012;
2. Multi-Peril/Property Insurance, including terrorism coverage, proposed by The Hylant Group on behalf of Affiliated F.M. Insurance Company for an annual premium of \$239,525 beginning on September 1, 2012;
3. Bridge and Use & Occupancy Insurance, including terrorism coverage, proposed by The Hoffman Group on behalf of the Travelers Group for an annual premium of \$148,023 beginning on September 1, 2012; and
4. Excess Liability Insurance Coverage, including terrorism coverage, proposed by Wells Fargo Insurance Services USA, Inc., on behalf of The North River Insurance Company and Great American Insurance Company for an annual premium of \$106,200 beginning on September 1, 2012.

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

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

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

FURTHER RESOLVED that a certified copy of this resolution shall be transmitted to the trustee for the bondholders.

(Resolution No. 37-2012 adopted August 20, 2012)

General Counsel: Mr. Chairman, I have a second Resolution for presentation to you today. Mr. Dan Buser of Crain, Langner & Company is here and he is going to talk to the Board about two lines of coverage that we believe strongly we should be pursuing both in the Pollution Liability realm and also for Cyber Liability.

Mr. Buser: Thank you. Good morning Mr. Chairman and Commission Members. My name is Dan Buser and I am with Crain, Langner & Company as Mrs. Weiss advised. In furtherance of the 2011 marketing process under advice and counsel from our firm, we continued discussions with respect to two coverages in particular: Pollution Legal Liability coverage and Cyber Liability coverage. I will address Pollution Liability coverage first. This coverage is intended to respond to losses or liabilities you suffer as an entity with respect to spills, releases and regulatory fines and penalties assessed. Many entities this size and most this

size and larger, seek proposals for and purchase Pollution Legal Liability coverage to the extent that they participate in themselves or with others in activities which can result in any number of pollution losses. The Commission and its roadway activities fall squarely within those activities and those exposures which can result in a Pollution Legal Liability loss. The Commission has enjoyed a fine history of being somewhat immune from significant environmental pollution loss exposure due to efforts by counsel and the Risk Management Coordinator to transfer risk where we can in terms of Pollution Liability Coverage; that is to say, transferred to your contracted parties, construction firms, professionals and the like. However, there are at least two activities which you cannot transfer to others and that is: customers on the roadway and accidents and events which can arise at the hands of our employees themselves. Those are uninsured exposures, hence the desire and the explanation for the process to obtain proposals. Proposals were obtained from two brokers both of which participated in the 2011 marketing process. The superior proposal was delivered by Arthur J. Gallagher with Ironshore Insurance Company. It is a very large insurance company and Gallagher is a very large broker. Both are well versed in the issuance of this type of coverage. The coverages are displayed before you on the screen: Coverage is for third party claims filed against you; First Party Remediation, that is to say financial loss we suffer arising out of a spill on our property; Emergency Response expenses which speaks for itself; and Business Interruption should the roadway be delayed or closed for a period of time and we suffer a financial loss resulting from that closure. This insurance is intended to respond to that as well. Ironshore has offered a two year proposal term and that was intentionally requested so we can put this contract, if approved by the Commission, on cycle with the balance of the program that Mr. Disantis described a moment ago. Limits are displayed in front of you and they are consistent with what we see other entities this size purchase. This

coverage sits on top of a rather large deductible that is described before you as well. The coverage is intended to respond above and beyond that which others are required to provide for the Commission, i.e., contractors and any other service providers with which the Commission contracts.

The second coverage that I would like to discuss is with respect to Cyber Liability, also known as Breach of Privacy Liability. It is a relatively new coverage in that it has only been around eight to ten years. Proposals were received from the same two brokers and both participate in this market segment and are familiar with the placement of this coverage and obtaining proposals for it. This is a rather complex and new set of coverages borne out of activities we engage in do today versus activities that did not rise to these types of liabilities as few as ten years ago. Two very common loss examples are when the insured releases personal identifying information of others, and we have that personal identifying information of many individuals. Another loss exposure is corruption of data or corruption of your own I.T. Department and loss that can result from that. There are a variety of coverages embedded in this type of program and they are changing considerably from year-to-year. By that I mean there is not a standard Cyber Liability Breach of Privacy policy out there. In two years if this remains in cycle and if approved today for purchase, we would expect this to change a bit in pricing, terms and conditions. The proposal is for a one-year policy term. These carriers do not issue multi-year policies and would be renewed on an annual basis, if accepted. Its limits are displayed in front of you. It is subject to a \$2 million limit overall and the superior proposal received was from Axis Insurance.

I can entertain any questions from the Commission or staff.

Mr. Cole: Mr. Chairman, I expressed this as a concern last year when we bid Property and Casualty Insurance and was concerned that we didn't have Cyber Liability Coverage. I thought the explanation at that point was TransCore and *EZPass*[®] is responsible directly for the customer transaction, the customer data and, that the Ohio Turnpike Commission doesn't really hold any of that data and we don't really do the financial transactions. And, so, that is why we didn't have the coverage. Has something changed in our relationships there, or is it just further evaluation of our exposure that is leading to the purchase of the coverage this year? Again, it is something that I supported a year ago, so I don't understand what has changed.

General Counsel: I believe I was present for that meeting, and I apologize for not recalling the exact text of the conversation that occurred here at the table. The Commission is responsible for the transactions that occur through our Customer Service Center. TransCore is not indemnifying us for those transactions. So, if that impression was left with you, I'm not exactly sure how that came about. This is primarily directed at those transactions that are occurring with the credit cards through the Customer Service Center which could include the release of any personal identifying personal information. Presently, our only protection that we have is through the purchase of something known in the industry as an SSL certificate, which protects visitors to our website but which is woefully inadequate. This coverage that Mr. Buser has described to you is far more comprehensive. It will cover those activities in the Customer Service Center and other activities as well that might occur through, for instance, obtaining a permit to haul a vehicle that might be overweight on the Turnpike. People apply for permits through our website and there are other things that we are proposing at looking at doing to make us more online friendly for our customer base. We need this coverage and I believe that it is

cost-beneficial in terms of what has been proposed to the Commission for the type of liability it is going to cover. Is there anything else Dan that I missed in terms of what this coverage is?

Mr. Buser: No, I think that is accurate. For TransCore, as well as contractors who transport materials which could result in pollution loss, the Commission has a well written and very well enforced set of insurance requirements. With respect to TransCore, they also have Professional Liability coverage which is intended to protect them, and indirectly the Commission for loss and liability arising out of what they might or might not do. However, that is only one loss exposure as Mrs. Weiss explained. There are a number of other things which can go wrong. Irrespective of that contractual relationship and the multitude of transactions, this coverage is much broader and expansive as displayed on the graph in front of you.

Mr. Pakush: I would like to ask a question for clarification on the pollution coverage. I'm just trying to understand the coverage in an accident or some type of spill on the roadway. Is this coverage above what the insurance company of that driver would carry, or does our insurance cover the spills? What is the difference between the driver or the truck that caused the spill versus this coverage here?

Mr. Buser: Mr. Chairman and others, if it is an accident involving a commercial driver transporting material on our roadway in a lawful manner, Federal regulations require that individual to carry coverage – it's an MCS90 requirement. Above and beyond that, and that limit is not endless, the amount of coverage that entity carries, this coverage will respond above and beyond it. A greater concern our office has had that we've discuss internally from time-to-time is the illicit transport on our roadway that is to say, someone who doesn't carry the coverage and they have no insurance and they harm our waterway or property abutting it.

Chairman Hruby: Does it also cover our employees then? Anything that we would do?

Mr. Buser: Mr. Chairman, the answer is yes provided it is not an intentional or malicious act. You cannot intentionally damage your property and expect to be covered under the policy.

Chairman Hruby: Other than that, we are covered if an employee, in good faith, something happens like a truck dumps over and we have a spill of some kind, we're covered?

Mr. Buser: That's the expectation, yes sir.

Chairman Hruby: Let me just go a little bit with Mr. Cole's question about *EZPass*[®]. Has something changed in the coverage since last year, or is it just the same way that it has been and we are protecting ourselves, or did we not protect ourselves before?

General Counsel: Mr. Chairman, I believe that nothing has really changed. I don't know if perhaps there was a misunderstanding as far as explaining to the Board what types of liabilities and risks we were incurring through the Customer Service Center. We have certainly Error and Omissions and Public Officials Liability insurance, but we strongly believe that we need coverage to protect the specific types of acts, the specific release of the personal identifying information that comes out of the Customer Service Center. Is there any further explanation you can offer, Dan?

Mr. Buser: No, that is accurate. It is a very fluid environment in terms of who is being held responsible for what, and the regulatory actions imposed upon folks for that release of personal identifying information. When I say "fluid," it is a very dynamic environment and our vendors carry this coverage for it. A loss, however, can be incredibly large and the costs associated with that loss could easily exceed that which they carry. We have evidence of what

they carry but, if they suffer multiple losses with a number of their customers and we happen to be one of them, we do not know if that they, in fact, have all the limits and all the coverage that we would expect. The Commission is very similar to many other entities. It takes times and a fair amount of deliberation at higher administrative levels to vet this coverage. The Commission, in that respect, is very consistent with others. This is not a knee jerk purchase at all.

Chairman Hruby: Did we set a level prior to this? I mean do we have a level of coverage that, when we entered into this agreement with them, we have a certain level that they have to cover, an amount for example, or is there an insurance requirement?

General Counsel: Mr. Chairman, I believe if you are speaking to our contract with TransCore for maintenance services. TransCore is required to indemnify the Commission for any type of liability the Commission may incur for whoever it is responsible. But, there are certain types of liabilities that it would not be responsible for that we can incur. We keep talking about the Customer Service Center because we interact and have credit card information there. TransCore helps us with the software there but, it could be that an outside party hacks in and causes the release for which we require the insurance. It could just as easily, and more likely be, something that TransCore wouldn't be responsible for for which we could not look to them for indemnification. That is why we believe the added coverage is necessary.

Chairman Hruby: Any additional comments?

Mr. Cole: My last question would be similar to the one on Pollution Liability where it's above and beyond what the commercials would have, and/or we're worried about illicit transport. Here we're covered you said, unless it was a willful and malicious act by one of our employees, and then we wouldn't be covered. What about the same thing here? A third

party hacker getting into the system we are covered, but what if an employee, against the policy of the Turnpike, improperly used data – is this coverage still in effect?

Mr. Buser: Unfortunately, the answer is going to depend a little bit on the Cyber Liability coverage. If, in fact, an employee over whom we have responsibility, the expectation is that the employee is not going to maliciously release information or corrupt others, and then it is going to depend on where the release comes from to some degree. If we have no evidence and no expectation that an employee in a particular area would commit such an act then, it is not a predictable loss exposure. If, however, the head of I.T. or, someone in a role where we have a higher expectation, I think our carrier would view it a little bit differently.

Chairman Hruby: So, you are saying that a loss maybe isn't a loss? In other words, they can tell us what they are going to cover and what they are not going to cover depending on the incident?

Mr. Buser: Mr. Chairman, insurance carriers will often discuss, dissect and characterize the loss of the insured.

Director Hodges: Mr. Chairman, if I may. We will get a summary to you regarding the numbers and, also so I can directly respond to Mr. Cole's question that we have new folks in charge of some of these areas and, I think, there is just a growing sensibility and awareness of the entirety of our exposure. I know it's important to me and our senior leadership team. I appreciate the advice we've received and for putting this together.

Chairman Hruby: Would the General Counsel please read the Resolved.

General Counsel: RESOLVED that the Commission hereby authorizes the Executive Director and General Counsel to purchase the above-specified pollution liability insurance and cyber liability insurance policies as quoted through Arthur J. Gallagher Risk Management Services, Inc., in accordance with the terms and conditions set forth in the proposals and at the premiums quoted by said agent brokerage firm.

FURTHER RESOLVED that a certified copy of this resolution shall be transmitted to the trustee for the bondholders.

Mr. Pakush: I move that we adopt the Resolution.

Vice Chairman Balog: Second.

Chairman Hruby: Moved and seconded. Any further discussion? We will be getting a summary from the Executive Director on all of this that will help us all, I'm sure. Any further discussion or questions? Hearing none, roll call.

Director Hodges: Commissioner Pakush.

Mr. Pakush: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Unanimous.

OHIO TURNPIKE COMMISSION

Resolution Authorizing the Purchase of Insurance Policies for Pollution and Cyber Liability Insurance Coverage

WHEREAS, on June 27, 2012, the Commission's Risk Management Coordinator requested proposals for Pollution and Cyber Liability insurance coverage from agents/brokerage firms that were awarded market assignments in accordance with the competitive marketing process conducted in 2011, to provide; and

WHEREAS, proposals were submitted on or before July 27, 2012, by two (2) agent/brokerage firms on behalf of different insurance carriers, and were reviewed and analyzed by the Commission's independent Insurance Consultant, Crain, Langner & Company of Richfield, Ohio, and the Commission's General Counsel and Risk Management Coordinator; and

WHEREAS, Crain, Langner & Co. has made a recommendation for the award of such insurance policies based upon its review and analysis of the proposals received, and the Commission's General Counsel and Risk Management Coordinator concur with the recommendation; and

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

WHEREAS, the Commission's Independent Consultant, General Counsel and Risk Management Coordinator recommend that the best interests of the Commission would be served by the acceptance of the proposals submitted by **Arthur J. Gallagher Risk Management Services, Inc. of Independence, Ohio**, on behalf of insurance carriers for policies commencing on September 1, 2012 at the corresponding premium quotes submitted as follows:

1. Pollution Liability Insurance, including terrorism coverage, proposed on behalf of **Ironshore Specialty Insurance Company of Boston, Massachusetts**, for a **two-year premium of \$27,405**; and
2. Cyber Liability Insurance, including terrorism coverage, proposed on behalf of **Axis Insurance Company of Chicago, Illinois**, for an **annual premium of \$39,751**.

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

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the Executive Director and General Counsel to purchase the above-specified pollution liability insurance and cyber liability insurance policies as quoted through Arthur J. Gallagher Risk Management Services, Inc., in accordance with the terms and conditions set forth in the proposals and at the premiums quoted by said agent brokerage firm.

FURTHER RESOLVED that a certified copy of this resolution shall be transmitted to the trustee for the bondholders.

(Resolution No. 38-2012 adopted August 20, 2012)

General Counsel: Mr. Chairman, I do have one more Resolution for your consideration but, if it would please the Board, it would be appropriate to entertain a Motion for Executive Session as this time.

Mr. Pakush: I move that we hold an Executive Session to discuss litigation and personnel matters under the provision of Ohio Revised Code §121.22(G)(3). The Executive Session has concluded and the Commission shall resume its open meeting.

Director Hodges: Commissioner Pakush.

Mr. Pakush: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Unanimous.

Chairman Hruby: We are in Executive Session. We will return to continue the public meeting. (Commission Members adjourn to the Caucus Room at 11:04 a.m. for an Executive Session.)

Mr. Pakush: We have adjourned the Executive Session as 11:37 a.m. I move that we resume the open meeting of the Commission.

Secretary-Treasurer Barber: Second.

Chairman Hruby: Moved and seconded. All those in favor signify by saying “aye.” (All Commission Members respond with “aye”) We reconvene our meeting. We will move on then. Does the General Counsel have any further action?

General Counsel: Yes, Mr. Chairman. I have one further Resolution for your consideration this morning. As the Commission is aware, the General Trades contractor, Reginella Construction Company of Pittsburgh, Pennsylvania, for Contract No. 53-11-01 and 53-11-02, was terminated in May 2012 due primarily to this contractor’s failure to provide sufficient manpower and project supervision, which lead to non-conforming work. In addition, numerous subcontractors were not paid leading to the filing of several mechanic liens against the Project which also entailed litigation in which the Commission became involved. Lastly, Reginella’s failure to meet major Project Milestones coupled with the liens, caused the Project to come to a halt and, ultimately led to that contract’s termination. It is anticipated that the Commission, which has already had to address the litigation involving the lienholders, will be involved in additional claims resulting from the delays of this Project. Therefore, the Resolution before you requests the Board to authorize continued expenditures with Calfee, Halter and Griswold of

Cleveland, Ohio, and for my office to take whatever actions are necessary to defend the Commission, if needed, and most importantly to pursue any claims the Commission may have as a result of Reginella's termination. With your permission Mr. Chairman, I would like to read the Resolved.

Chairman Hruby: If you would, please.

General Counsel: RESOLVED that the General Counsel be, and she is hereby instructed 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

FURTHER RESOLVED, that the continued retention of **Calfee, Halter and Griswold of Cleveland, Ohio**, is authorized by the Commission, under the supervision of the General Counsel, for the purpose of providing legal services required in connection with the aforementioned claims associated with Contract No. 53-11-01 and 53-11-02.

Chairman Hruby: What is the Board's recommendation?

Vice Chairman Balog: Motion to adopt.

Mr. Pakush: Second.

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

Director Hodges: Vice Chairman Balog.

Vice Chairman Balog: Yes.

Director Hodges: Commissioner Pakush.

Mr. Pakush: Yes.

Director Hodges: Chairman Hruby.

Chairman Hruby: Yes.

Director Hodges: Commissioner Dixon.

Mr. Dixon: Yes.

Director Hodges: Secretary Barber.

Secretary Barber: Yes.

Director Hodges: Unanimous.

OHIO TURNPIKE COMMISSION

**Resolution Authorizing Legal Expenditures Relative
To the Completion of Contract No. 53-11-01 and 53-11-02**

(i) 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:

(ii)

| <u>Bid Package</u> | <u>Bidder</u> | <u>Amount</u> |
|---------------------------|--|----------------------|
| 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 | Penn-Ohio Electrical Company Masury, Ohio | 3,426,369.00 |
| | <hr/> | \$29,653,082.39 |

(iii) 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 require 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 defend, indemnify, protect and hold harmless the Commission from any and all claims, causes of actions, judgments, damages, costs and expenses of any nature, kind, or description to which the Commission may be subject to by reason of the performance or non-performance of the Reginella's work under the Contract, and further entitles the Commission to recoup liquidated damages for Reginella's failure to meet completion deadlines; and

WHEREAS, as a result of Reginella's failure to pay subcontractors and material suppliers, the Commission engaged the firm of **Calfee, Halter and Griswold of Cleveland, Ohio**, for the purpose of assisting the Commission in the defense of several mechanics lien claims, and the General Counsel advises that additional claims will likely result from the delay in Project completion; and

WHEREAS, the General Counsel further advises that, in compliance with Article V, Section 1.00 of the Commission's Code of Bylaws, the Commission is being requested to authorize continued expenditures with said firm, which expenditures the General Counsel indicates the Commission will seek to recoup through the indemnification and liquidated damage clauses of the aforementioned Takeover Agreement with Travelers; and

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

NOW, THEREFORE, BE IT

RESOLVED that the General Counsel be, and she is hereby instructed 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

FURTHER RESOLVED, that the continued retention of **Calfee, Halter and Griswold of Cleveland, Ohio**, is authorized by the Commission, under the supervision of the General Counsel, for the purpose of providing legal services required in connection with the aforementioned claims associated with Contract No. 53-11-01 and 53-11-02.

(Resolution No. 39-2012 adopted August 20, 2012)

Chairman Hruby: Thank you. Anything else?

General Counsel: No, Mr. Chairman. Thank you very much.

Chairman Hruby: The next Commission Meeting will be held on Tuesday, September 18, 2012 at 1:00 p.m.

Director Hodges: This is a Special Meeting in recognition of Rosh Hashanah on Monday.

Chairman Hruby: If there is no further business, I will accept a Motion to adjourn.

Vice Chairman Balog: So moved.

Secretary-Treasurer Barber: Second.

Chairman Hruby: Moved and seconded. All those in favor signify by saying “aye.” (All Members respond “aye.”) We are adjourned.

Attendees For Record Keeping Purposes:

Dan Buser, Crain, Langner & Company; John Adams, Fifth Third; Tim Pope, Fifth Third Securities; Scott Buchanan, URS; Neal Gresham, URS; Gary Hribar, URS; Don Taggart, IUOE 18; Tom Parevosnik, IUOE 18; Joe Casto, IUOE 18; Chris New, HMS; Tom Breckenridge, Plain Dealer; Hamid Homae, Transystems Corporation; Farah Majidzadeh, RDI; Kamram Majidzadeh, RDI; Joe Rice, Rice Consultants; Staff Lieutenant Monte Morgan, Ohio State Highway Patrol; Lieutenant Jim Sivak, Ohio State Highway Patrol; Marty Seekely, Ohio Turnpike; Joseph Disantis, Ohio Turnpike; Dale Perram, Ohio Turnpike; Donna Fritz, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Tony Yacobucci, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Dave Miller, Ohio Turnpike; Lauren Hakos, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Robin Carlin, Ohio Turnpike.

Time of adjournment: 11:37 a.m.

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

Sandra K. Barber, Secretary-Treasurer