

MINUTES OF THE 575th MEETING OF THE OHIO TURNPIKE COMMISSION

September 19, 2011

Chairman: (11:00 a.m.) Good morning. Will the meeting please come to order?
Will the Interim Assistant Secretary-Treasurer, please call the roll?

Interim Assistant Secretary-Treasurer: Mr. Hruby

Mr. Hruby: Here

Interim Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Here

Interim Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Here

Interim Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Here

Interim Assistant Secretary-Treasurer: Mr. Smith

Mr. Smith: Here

Interim Assistant Secretary-Treasurer: Mr. Cole

Mr. Cole: Present

Interim Assistant Secretary-Treasurer: Representative Dovilla

Representative Dovilla: Present

Chairman: Thank you. We have a number of guests here today and keeping with the past practice, I would like ask everyone to introduce themselves; I guess we'll start with Marty.

Those in attendance: Martin Seekely, CFO/Comptroller, Ohio Turnpike; Eric Erickson, Fifth Third; Debby Sideris, Executive Office, Ohio Turnpike; Jennifer Diaz, Legal Department, Ohio Turnpike; Tom Breckenridge, Plain Dealer; Kathy Weiss, Director of Contracts Administration and Government Affairs, Ohio Turnpike; David Miller, Director of Toll Audit, Ohio Turnpike; Neil Gresham, URS; Doug Hedrick, Assistant Chief Engineer, Ohio Turnpike; Captain Chris Zurcher, Ohio State Highway Patrol; Tim Ujvari, Maintenance Engineer, Ohio Turnpike; Rob Fleischman, GPI; Chris Hopkins, KeyBank; Chris Near,

HMSHost; Don Taggart, IUOE Local 18; Dave Russell, IUOE Local 18; Frank Lamb, Huntington Bank; Chad Armstrong, Public Affairs & Marketing Manager, Ohio Turnpike.

Chairman: Thank you. This is the 575th meeting, if you are counting, of the Ohio Turnpike Commission. We have been meeting here at the Commission's headquarters as provided in the Commission's Code of Bylaws for a Special Meeting. Various reports will be received. We will act on several resolutions, draft copies of which previously have been sent to the Members and updated drafts are also in the Members' folders. The resolutions will be explained during the appropriate reports. Can I have a motion to adopt the Minutes of July 1st, 2011, Commission Meeting, if there are no additions or corrections?

Mr. Balog: So moved.

Chairman: Moved and seconded.

Mr. Pakush: Second.

Chairman: Any questions, comments, any additions? Hear none roll call.

Interim Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Interim Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

Interim Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Interim Assistant Secretary-Treasurer: Mr. Hruby

Mr. Hruby: Yes

Chairman: Let's proceed with the report of the Treasurer-Secretary, Mr. Castrigano.

Chief Engineer: Thank you Mr. Chairman. The following items have been sent to the Members since our last meeting on July 1, 2011, the minutes of that meeting, the following reports for June, July and August, 2011.

1. Traffic and Revenue Report
2. Total Revenue by Month and Year
3. Investment Report
4. Traffic Crash Summary Report
5. Financial Statement

6. Budget Report for the first six months of 2011
7. Various News Articles

That completes my report Mr. Chairman.

Chairman: Okay then, let's move on as your roll as Chief Engineer, Dan, with all the hats you wear now.

Chief Engineer: Thank you Mr. Chairman.

Chairman: With the resolutions please and your report.

Chief Engineer: I have five resolutions for your consideration this morning before I get into those resolutions I do have a brief report on some housekeeping matters. On January 24, 2011, the Commission passed a Resolution 2-2011, awarding disabled vehicle service contracts, during the Commission's deliberations on this contract the Commission requested that the then Executive Director investigate possibly revisions to the contract terms that could be undertaken. Included in your folders this morning is a draft summary of the research performed, if the Commission would like to review the document and possibly discuss it at our next scheduled meeting in October. Also.

Chairman: Can I interrupt you for a second please? Would the minutes reflect then that Senator Patton is here? Senator it is nice to have you with us.

Senator Patton: Thank you Chairman.

Chairman: Congratulations on your recent promotion within the Senate.

Senator Patton: Likewise, first chance I have had to see you, congratulations on yours.

Chairman: Move back on, Sir I thank you for your time.

Chief Engineer: Certainly. At our July 1st meeting the Commission passed Resolution 32-2011 awarding three contracts for sodium chloride or rock salt for our 2011-2012 winter season, during the deliberations the Chairman inquired how our past bid, how our bid price compared to ODOT. The data was not available at the time of the award, included in your folders is the requested information that has been compiled by our Director of Contracts Administration with assistance from our Maintenance Department. The final item I have this morning prior to the resolutions is also at the July 1, 2011, meeting the Vice Chairman requested a summary of our actual versus budget revenue and expenses data. This data has been compiled and will be presented by the CFO/Comptroller in his report Mr. Chairman. I'd be happy to answer any questions on those issues before I move on to the resolutions.

Chairman: Are there any questions? Hearing none, move on.

Chief Engineer: Okay. Mr. Chairman, the first resolution I have this morning is a resolution awarding diesel fuel, ultra low sulfur diesel fuel and biodiesel fuel blend pursuant to Invitation 4168. This material is for use in OTC maintenance vehicles for a 12-month period, with two possible one-year renewal options. This invitation is a re-advertisement of the diesel portion of Invitation 4162. The Commission may recall that the pricing mechanism cited in the OPIS Price Index at the time was no longer consistently published for B100 biodiesel fuel, and we re-advertised using a different benchmark for this material. The bids were divided into two groups and bidders were permitted to bid on one or both groups. Ultra low sulfur diesel fuel was bid on a price differential as published by the OPIS or Oil Price Information Services and the B100 biodiesel was revised to the price per pound of crude soybean oil as published by the Wall Street Journal. We received two bids in response to this subject invitation. The apparent low bid in response to both groups was submitted by Petroleum Traders Corporation of Fort Wayne, Indiana, the total contract, in a total estimated amount of 386,400 gallons. We are recommending a blanket purchase in the amount of \$1,500,000 to account for price fluctuation in the material. If the General Counsel would please read the Resolved?

General Counsel: RESOLVED that the bids of **Petroleum Traders Corporation** for both Group I and Group II under Invitation No. 4168 are deemed by the Commission to be the lowest responsive and responsible bids received and are accepted, and the Interim Executive Director and the Director of Contracts Administration, or either of them, is hereby authorized to: 1) execute a Contract with Petroleum Traders Corporation in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; 2) incur expenditures under the Contract in the quantities estimated by the Maintenance Department's staff for the purchase of Ultra Low Sulfur Diesel and Ultra Low Sulfur Biodiesel Blend fuel; 3) direct the return to the bidders of their bid security at such time as Petroleum Traders Corporation has entered into a Contract; 4) exercise the first and second of the two renewal options predicated upon satisfactory performance reviews by the Maintenance Department; and 5) take any and all action necessary to properly carry out the terms of said Contract.

Chairman: You've heard the resolution is there a motion?

Mr. Balog: I am sorry.

Chairman: No go ahead.

Mr. Balog: I will make the motion to adopt.

Mr. Pakush: Second.

Chairman: Motion to adopt, which is seconded. Any discussion? Hearing none, roll call.

Interim Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Interim Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

Interim Assistant Secretary-Treasurer: Mr. Hruby

Mr. Hruby: Yes

Interim Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

RESOLUTION NO. 41-2011

**Resolution Awarding a Contract for the Furnishing of
Ultra Low Sulfur Diesel Fuel and Ultra Low Sulfur Biodiesel Blend Fuel
Pursuant to Invitation No. 4168**

WHEREAS, the Commission has re-advertised for bids under Invitation No. 4168 for the furnishing of ultra low sulfur diesel (“ULSD”) fuel and ultra low sulfur biodiesel blend fuel (“Biodiesel”) to the Commission’s eight maintenance buildings for a twelve (12) month period, with two possible one-year renewal options; and

WHEREAS, the expenditures of the Commission under this Contract and its extensions will exceed \$150,000.00 and, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such Contract; and

WHEREAS, bidders were asked to submit bids for two (2) Groups that are based on geographical location of the Commission’s maintenance buildings and, for each Group, to state the price differential per gallon they would charge for ULSD from the weekly reports published by the Oil Price Information Service (“OPIS”), Cleveland, Ohio, and the price differential per gallon they would charge for the B-100 grade of Biodiesel as based on the price per pound of crude soybean oil indicated in the commodity cash prices published daily in the *Wall Street Journal* converted to gallons; and

WHEREAS, two bids were received in response to the Invitation, which were reviewed and analyzed by the Maintenance Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Maintenance Engineer states that the lowest responsive and responsible bids for both Group I and Group II were submitted by **Petroleum Traders Corporation of Fort Wayne, Indiana**, and that this bidder proposes to furnish materials and services in accordance with the Commission's Specifications; and

WHEREAS, the Maintenance Engineer has estimated the quantities of diesel fuel required for the next year at **386,400 gallons** and, based on these quantities, has been able to

estimate expenditures with Petroleum Traders Corporation in the amount of **\$1,439,670.00**, however the Maintenance Engineer has recommended that a cushion be built-in to account for the volatility of the diesel fuel market and that the Commission authorize expenditures up to **\$1,500,000.00**; and

WHEREAS, should the quantities of diesel fuel purchased exceed the number of gallons estimated by the Maintenance Department staff by more than ten percent (10%), or the cost of the diesel fuel exceed the \$1,500,000.00 in expenditures allocated for the first contract year by more than ten percent (10%), the Commission will be presented with a new resolution to increase said estimated quantities and/or expenditures; and

WHEREAS, the Director of Contracts Administration has advised the Commission that both bidders qualify for consideration under the Commission's Domestic and Ohio Preference Policy; and

WHEREAS, the Commission's Director of Contracts Administration has further advised that bids for Invitation No. 4168 were solicited on the basis of the same terms and conditions and the same specifications, that the bids of Petroleum Traders Corporation for Group I and Group II conform to the requirements of Ohio Revised Code Section 5537.07 and Section 9.312; and that a bid guaranty with good and sufficient surety has been submitted by the aforementioned bidder; and

WHEREAS, the Interim Executive Director has reviewed the reports of both the Maintenance Engineer and the Director of Contracts Administration and, predicated on such analysis, has recommended to the Commission that the Contract for Invitation No. 4168 be awarded to the lowest responsive and responsible bidder for both Group I and Group II, Petroleum Traders Corporation, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bids of **Petroleum Traders Corporation** for both Group I and Group II under Invitation No. 4168 are deemed by the Commission to be the lowest responsive and responsible bids received and are accepted, and the Interim Executive Director and the Director of Contracts Administration, or either of them, is hereby authorized to: 1) execute a Contract with Petroleum Traders Corporation in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; 2) incur expenditures under the Contract in the quantities estimated by the Maintenance Department's staff for the purchase of Ultra Low Sulfur Diesel and Ultra Low Sulfur Biodiesel Blend fuel; 3) direct the return to the bidders of their bid security at such time as Petroleum Traders Corporation has entered into a Contract; 4) exercise the first and second of the two renewal options predicated upon satisfactory performance reviews by the Maintenance Department; and 5) take any and all action necessary to properly carry out the terms of said Contract.

Chief Engineer: Thank you. The second resolution this morning is a resolution authorizing the purchase of three front-end wheel loaders under the Ohio Department of Administrative Services Cooperative Purchasing Program and disposal of existing wheel loaders. This purchase was included on our 2011 Capital Budget. The Purchasing Manager has identified that the wheel loaders are available under the Ohio Department of Administrative Services Cooperative Purchasing Program. Pursuant to Resolution 32-2003 the Commission is authorized to participate in said program. The Purchasing Manager has obtained pricing from seven wheel loader vendors listed under the applicable ODAS contract; the low bid was submitted by McLean Company of Hudson, Ohio, furnishing Hyundai Model 740-TM-9 wheel loaders in the unit price of \$100,750.82 for a total expenditure of \$302,252.46. The existing equipment will be disposed of in accordance with the OTC Property Disposal Policy; specifically the units will be auctioned. If the General Counsel will please read the Resolved?

General Counsel: RESOLVED that the Commission's Interim Executive Director and Purchasing Manager are hereby authorized to proceed with issuing a Purchase Order for three Hyundai 740-TM-9 wheel loaders to **McLean Company of Hudson, Ohio**, via the Commission's membership in the ODAS Cooperative Purchasing Program, specifically, through **State Term Contract Index No. STS515, Schedule No. 7751500109**, and to take any and all action necessary to properly carry out the terms of said purchase.

FURTHER RESOLVED that the Commission's Interim Executive Director and Purchasing Manager are authorized to proceed with the disposal of the wheel loader equipment identified for replacement by the Commission's Maintenance Engineer in accordance with the Commission's Property Disposal Policy.

Chairman: Resolution has been read is there a motion?

Mr. Balog: I'll make the motion.

Chairman: Moved and seconded?

Mr. Pakush: I will second it.

Chairman: Discussion? Mr. Balog.

Mr. Balog: The question I have is "where are these machines being built?"

Chief Engineer: Mr. Chairman, Commission Member Balog I believe Korea, Tim?

Maintenance Engineer: Yes I believe that is correct.

Mr. Balog: I see where we are replacing eight with three, can you explain that?

Chief Engineer: Go ahead Tim.

Maintenance Engineer: Yes. Right now we are actually disposing of eight of our smaller coyote loaders and we have an over abundance per se because of the reduction in the

fleet we are using those old as spare parts. We actually have three of them right now that do not operate and we have a fourth one that failed. At this point the new loaders will be located at our division and Amherst locations.

Mr. Balog: I guess my question is as I look at the names of the bidders and I see John Deere, see Caterpillar, see Case, New Holland, I don't know where the individual machines are manufactured, but I'm uncomfortable buying a Korean loader. You know there's other issues besides price, as you look at the price of the different loaders, I kind of, you know, I guess my comment would be is we are in America, why aren't we looking at purchasing a United States machine? You see some of the foreign cars; at least the foreign car manufacturers have plants that are located in the United States. I'm just uncomfortable buying a Korean loader for the Ohio Turnpike.

Chief Engineer: Mr. Chairman, if I may.

Chairman: Please go ahead.

Chief Engineer: The Hyundai loaders, the Commission may recall the last time we went out for loader bids it was obviously based on a performance specification. I believe we awarded John Deere at that instance, we do currently operate some Hyundai loaders and from what I understand they are operating satisfactorily. I would like to bring to the Commission's attention that the second low bid submitted by Case, by Southeastern Equipment does not meet the specifications, so you are looking at an increase of approximately \$44,000, assuming that the John Deere meets the specifications, per unit.

Mr. Dixon: If I may?

Chairman: This is through the, if I could, this is through the state purchasing program is that not correct?

Chief Engineer: That's correct Mr. Chairman.

Chairman: The state puts these out for bid and the bid results are then submitted into the program and you buy through that rather than go out for your own individual bidding?

Chief Engineer: That's correct

Chairman: Is that correct? Mr. Dixon.

Mr. Dixon: You're on the same on my line of thinking. I am an advocate of the state purchasing program, the cooperative program for the most part we get the lowest price there, but do we, but when something is on that, we see it listed on that program, we can buy through that program, do we not do any independent outside of that questioning as far as pricing is concerned?

Chief Engineer: Mr. Chairman I would defer to the Director of Contracts Administration.

Chairman: If you would.

Director of Contracts Administration: Mr. Chairman, Commissioner Dixon with respect to these wheel loaders in particular we did contact the office of State Purchasing, whether they had issues with the fact that the loaders may not be manufactured domestically and in this case they indicated there wasn't an issue, there is also issues with where the distributors are located since it is an Ohio distributor. Our policy with respect to Buy Ohio, if we had performed an bid invitation process for these particular wheel loaders, we would have been looking at that 5% differential as to whether or not the price was reasonable, the next highest price in this case, the next highest price of a loader that would meet spec is significantly above that 5% threshold. We also did independently go out and verify what pricing would have been or might have been had we gone out to bid and conducted our own bid invitation process and this pricing was right along the same lines, so it was more economical for us to go through the State Cooperative Purchasing Program and not incur all the costs of advertising, that's why we belong to the purchasing program.

Mr. Dixon: And I agree with that a 100%, I agree with that a 100% I just, you know, I think there are some concerns about it being a Korean manufacturer and in certain instances it may, the State tool the state program is definitely a tool maybe we can do some independent inquiries to see because quite frankly there has been instances where we have bought and it's price has been different and it was actually lower than the state, than the state program and don't ask me why that is, okay and it hasn't happened a lot, but there have been sometimes where it has been lower than the state program.

Director of Contracts Administration: Mr. Chairman, Mr. Dixon, we did in fact go out and obtain some independent quotes, not formally conducted through bid invitation process but we did do a price comparison on this pricing that was available through the state purchasing program was right in line with what we should be paying for the loaders.

Mr. Dixon: And I am great with that, that's what I am getting out, thank you, that's fine.

Chairman: Mr. Balog.

Mr. Balog: My last comment would be is that someone in the construction industry, certain equipment holds its value more so than others I realize that we're quite often we are getting rid of them or auctioning them or scrapping them, but you know there is no comparison on a Caterpillar bulldozer compared to another manufacturer, In the industry it is thought of as a much better quality machine and I realize that specifications are part of it but I'm just disappointed that we are using a foreign manufacturer and not going ahead and looking at a machine that at least assembled or manufactured in the United States.

Mr. Cole: Mr. Chairman.

Chairman: Yes sir, Mr. Cole.

Mr. Cole: What was the make, the manufacturer of the equipment that is being replaced, those eight loaders again?

Chief Engineer: Mr. Chairman, Commission Member Cole, those are Coyotes I believe at the time those were manufactured in Germany.

Mr. Cole: And the age of that equipment, Mr. Chairman?

Chief Engineer: Mr. Chairman, Commission Member Cole, 1996 model units.

Mr. Cole: And the expected life of these?

Chief Engineer: Mr. Chairman, Commission Member Cole, I would anticipate approximately 15 to 20 years.

Chairman: Are there any other...

Mr. Cole: One last question.

Chairman: Yes sir, go ahead Mr. Cole.

Mr. Cole: If General Counsel or Kathy can provide me with the disposal, that is just a point of personal inquiry not related to this request, but as Controlling Board President, I've been surprised with what some state agencies have as disposal policies themselves and so it would just be curious to see that for reference.

General Counsel: No problem we can get that to you, we actually modeled it on DAS, ODOT's and Federal Disposal Policy to tighten it up; we did that a few years ago.

Mr. Cole: Great. Thank you.

Chairman: You know there are times in municipal government the same thing we would go through the state or through the bidding process, we certainly like to buy American and we like to buy a product made in Ohio if we could, but the system somewhat precludes us from doing that and at times the price. Senator.

Senator Patton: This is more philosophical just to tag along Chairman with what you just said. When we look at the purchase of police cars at the local level or at the state through the Highway Patrol over the years I have seen the shift from mostly Crown Victoria's which by the way I think are being discontinued, I think I read that somewhere, to Impalas. But at one point I don't really ever recall in my lifetime seeing a foreign police car and I'm sure that they would make something that would meet "specs" going to what Mr. Balog said, specs are one thing I can say I want a spec for a glass of water, I can have a paper cup or I could have a Waterford glass filled with water or something in between, it is just glass, so that specs can

sometimes be loosely interpreted. And I just don't know that we could not include in the specs that you are looking for, we are at a point now where the unemployment rate in Ohio, and this is not you know to just make a political speech, we just went from 9 to 9.1 again and I think that taxpayers of Ohio are looking at, as the stewards that you are of making sure you spend the money correctly and in this case you are saving \$41,000 by purchasing a foreign product and that's a lot of money to save, but yet all that being said, you know the value of buying American and at least making specifications or allocations for said, would be something similar and if I may direct to the ODOT District 12 Director while we are here, cause I have no idea, "What does ODOT do as relates to these types of purchases? Have you had....

Mr. Pakush: If I could Mr. Chairman? We do purchase off of these same contracts, so we are in the same line and I don't recall us having this particular model, but we purchase off of these also.

Senator Patton: But if it is the same contract, you'd have to buy the same model.

Mr. Pakush: It is if it came in at the price, but I have not personally seen this at District 12 that we've purchased.

Senator Patton: If I can just follow-up with Kathy, is this price like the locked in 12 month of the year price? I mean is this the contract price that is never going to change?

Director of Contracts Administration: Mr. Chairman, Senator Patton, this price actually was negotiated by the buyer at State Purchasing, they went back and actually this loader if I may add was purchased by ODOT as well and they have gone back to make sure that we had gotten the very best price we could get for the Hyundai loader and negotiate that, you'll notice in there that we got a 20-day term discount, which brought the price down even a little more for us, so yeah that price is fixed for the moment, if other agencies wanted to purchase this same loader, that same buyer would be assigned to that purchase and she would probably and if it is over a \$100,000 purchase she makes sure they get the best price possible.

Senator Patton: Thank you.

Chairman: You did the second bid on the state bid program was Case, did I not hear that?

Director of Contracts Administration: Mr. Chairman that is correct, Case was the second low bid.

Chairman: But they did not meet the specifications?

Director of Contracts Administration: That's correct.

Chairman: What about Caterpillar or some of these other companies that were mentioned? They just weren't part of that program, were they not?

Maintenance Engineer: The Caterpillars would have met spec.

Director of Contracts Administration: They are listed as one of the seven, Mr. Chairman but they were considerably more expensive.

Chairman: Okay. Any further discussion? Hearing none, roll call.

Interim Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: No

Interim Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

Interim Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Interim Assistant Secretary-Treasurer: Mr. Hruby

Mr. Hruby: Yes

RESOLUTION NO. 42-2011

**Resolution Authorizing the Purchase of Three
Wheel Loaders under ODAS Cooperative Purchasing Program and
Disposal of Existing Obsolete Equipment**

WHEREAS, the Commission's Maintenance Engineer has determined that eight wheel loaders originally purchased in 1996 for use at the Commission's maintenance buildings, salt domes and other remote locations (several of which are inoperable) should be disposed of in accordance with the Commission's Property Disposal Policy; and

WHEREAS, the Maintenance Engineer has further recommended that the obsolete equipment be replaced with three new wheel loaders for which specifications were prepared by his staff; and

WHEREAS, the Commission's Purchasing Manager has identified the wheel loaders as available under the Ohio Department of Administrative Services ("ODAS") Cooperative Purchasing Program via State Term Contract; and

WHEREAS, pursuant to Resolution No. 32-2003 adopted on July 21, 2003, the Commission's Executive Director was authorized to participate in State Contracts under the ODAS Cooperative Purchasing Program, through which members may purchase supplies, services, equipment and other materials pursuant to Ohio Revised Code Section 125.04, and the

Commission continues to maintain a current membership in said Cooperative Purchasing Program; and

WHEREAS, the Purchasing Manager has obtained pricing from seven different wheel loader vendors listed under the applicable ODAS State Term Contract, and the Maintenance Engineer has reviewed the pricing and determined that the best purchase price for the specified wheel loaders is under **State Term Contract Index No. STS515, Schedule No. 7751500109** through **McLean Company of Hudson, Ohio**, which proposes to provide the Commission with the **Hyundai 740-TM-9** wheel loader, in the amount of **\$302,252.46 (\$100,750.82 each)**, which price includes a one percent discount if the invoice is paid within twenty days; and

WHEREAS, the expenditures by the Commission for the three wheel loaders will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission authorization of this purchase is required; and

WHEREAS, the Commission's Director of Contracts Administration has reviewed the proposed equipment purchase and has advised the Commission that said purchase is in conformance with Commission Resolution No. 32-2003; and

WHEREAS, the Interim Executive Director has reviewed the reports of both the Maintenance Engineer and the Director of Contracts Administration and concurs with their recommendation that the Commission approve the purchase of the three wheel loaders via the ODAS Cooperative Purchasing Program from McLean Company; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission's Interim Executive Director and Purchasing Manager are hereby authorized to proceed with issuing a Purchase Order for three Hyundai 740-TM-9 wheel loaders to **McLean Company of Hudson, Ohio**, via the Commission's membership in the ODAS Cooperative Purchasing Program, specifically, through **State Term Contract Index No. STS515, Schedule No. 7751500109**, and to take any and all action necessary to properly carry out the terms of said purchase.

FURTHER RESOLVED that the Commission's Interim Executive Director and Purchasing Manager are authorized to proceed with the disposal of the wheel loader equipment identified for replacement by the Commission's Maintenance Engineer in accordance with the Commission's Property Disposal Policy.

Chief Engineer: Thank you the next resolution I have this morning is for the purchase of eight current model utility truck cabs and chassis with mounted service bodies and disposal of eight existing vehicles. These vehicles are utilized as incident response vehicles on the Ohio Turnpike by our maintenance forces. These vehicles were also included on our 2011 Capital Improvement Budget. Again as with the past contract, this equipment was available on the ODAS Cooperative Pricing Program and furthermore the Ohio Department of Administrative Services has authority for approval of vehicles of this size, specifically vehicles less than 12,000 gross vehicle weight rating and must give approval for the replacement of this size vehicle. The

ODAS has given its approval to the Commission to proceed with the purchase of the vehicles. The best unit pricing for furnishing the vehicles was submitted by Middletown Ford, Incorporated of Middletown, Ohio furnishing Ford Model F350 Extended Cab, cab and chassis at the unit price of \$27,677.72. The best unit price for the service bodies was submitted by Altec Industries, Incorporated of Indianapolis, Indiana at the unit price of \$13,664, total expenditure under this contract is \$330,653.76, again the existing equipment will be disposed of in accordance with the Commission's Property Disposal Policy via auction. If the General Counsel would please read the Resolved?

General Counsel: RESOLVED that the Commission's Interim Executive Director and Purchasing Manager are hereby authorized proceed with the purchase under ODAS State Term Contract Index No. GDC093, Schedule No. RS900411 of the eight utility truck cabs and chassis from Middletown Ford, Inc. of Middletown, Ohio in the amount of \$221,341.76, and the purchase under ODAS State Term Contract Index No. STS515U, Schedule No. 7751501908 of the eight attendant service bodies from Altec Industries, Inc. of Indianapolis, Indiana in the amount of \$109,312.00, for a total expenditure in the amount of \$330,653.76, and to take any and all action necessary to properly carry out the terms of said Contracts; and

FURTHER RESOLVED that the Commission's Interim Executive Director and Purchasing Manager are authorized to proceed with the disposal of the eight incident response vehicles identified for replacement by the Commission's Maintenance Engineer in accordance with the Commission's Property Disposal Policy.

Chairman: Through the resolution is there action on the board?

Mr. Pakush: Move to approve.

Chairman: Moved and seconded?

Mr. Balog: Seconded.

Chairman: Second, any further discussion? Roll call.

Interim Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

Interim Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Interim Assistant Secretary-Treasurer: Mr. Hruby

Mr. Hruby: Yes

Interim Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

RESOLUTION NO. 43-2011

Resolution Authorizing the Purchase under the ODAS Cooperative Purchase Program of Eight Current Model Utility Truck Cabs and Chassis and the Attendant Service Bodies, and the Disposal of Eight Existing Incident Response Vehicles

WHEREAS, the Commission's Maintenance Engineer has recommended replacement of eight utility trucks that are utilized as incident response vehicles on the Ohio Turnpike; and

WHEREAS, Ohio Revised Code Section 125.832 grants "exclusive authority" to the Ohio Department of Administrative Services ("ODAS") "over the acquisition and management of all motor vehicles used by state agencies," with state agencies defined under this Code section to include the Ohio Turnpike Commission; and

WHEREAS, unless delegated by ODAS to a state agency, such exclusive authority includes the requirement that the Commission obtain approval from ODAS prior to the purchase or lease of any motor vehicle that has a gross vehicle weight rating ("GVWR") of less than 12,000 lbs.; and

WHEREAS, ODAS has given its approval to the Commission to proceed with the proposed purchase of eight utility truck cabs and chassis and attendant service bodies under ODAS State Term Contract to replace the eight existing incident response vehicles; and

WHEREAS, pursuant to Resolution No. 32-2003 adopted on July 21, 2003, the Ohio Turnpike Commission's Executive Director was authorized to participate in state contracts under the ODAS Office of State Purchasing Cooperative Purchasing Program, through which members may purchase supplies, services, equipment and other materials pursuant to Ohio Revised Code Section 125.04, and the Commission continues to maintain a current membership in said Cooperative Purchasing Program; and

WHEREAS, the expenditures by the Commission for the eight utility truck cabs and chassis and the eight attendant service bodies will exceed \$150,000, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is also necessary for such procurements; and

WHEREAS, the best unit pricing from among three dealers for the cabs and chassis is for the current production Ford Model F-350 extended cab (10,500 lb. GVWR), and is available under ODAS State Term Contract Index No. GDC093, Schedule No. RS900411 from **Middletown Ford, Inc. of Middletown, Ohio** at the unit price of **\$27,677.72** each (including delivery to the service body provider), for a total of **\$221, 341.76**; and

WHEREAS, the best unit pricing from among four dealers for the attendant service bodies is for the Altec Model BFXB 60LS, and is available under ODAS State Term Contract Index No. STS515U, Schedule No. 7751501908 from **Altec Industries, Inc. of Indianapolis**,

Indiana at the unit price of **\$13,664.00** each (which price includes delivery to the Commission's Elmore and Hiram maintenance buildings), for a total of **\$109,312.00**; and

WHEREAS, the eight incident response vehicles identified for replacement shall be disposed of in accordance with the Commission's Property Disposal Policy; and

WHEREAS, the Commission's Director of Contracts Administration has reviewed the proposed vehicle purchases, and has advised the Commission that said purchases are in conformance with Commission Resolution No. 32-2003; and

WHEREAS, The Commission's Interim Executive Director has reviewed the reports of the Maintenance Engineer and the Director of Contracts Administration and recommends that the Commission authorize the purchase of the eight utility truck cabs and chassis from Middletown Ford, Inc. and the eight attendant service bodies from Altec Industries, Inc. in accordance with Resolution 32-2003, as well as the disposal of the eight incident response vehicles identified for replacement in accordance with the Commission's Property Disposal Policy; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission's Interim Executive Director and Purchasing Manager are hereby authorized proceed with the purchase under ODAS State Term Contract Index No. GDC093, Schedule No. RS900411 of the eight utility truck cabs and chassis from **Middletown Ford, Inc. of Middletown, Ohio** in the amount of **\$221,341.76**, and the purchase under ODAS State Term Contract Index No. STS515U, Schedule No. 7751501908 of the eight attendant service bodies from **Altec Industries, Inc. of Indianapolis, Indiana** in the amount of **\$109,312.00**, for a total expenditure in the amount of **\$330,653.76**, and to take any and all action necessary to properly carry out the terms of said Contracts; and

FURTHER RESOLVED that the Commission's Interim Executive Director and Purchasing Manager are authorized to proceed with the disposal of the eight incident response vehicles identified for replacement by the Commission's Maintenance Engineer in accordance with the Commission's Property Disposal Policy.

Chief Engineer: Thank you. The third resolution is a resolution rejecting bids received pursuant to Contract Numbers 59-11-05 A, B and C. These three contracts were for longitudinal joint repairs and resurfacing of the mainline roadway at various locations across the state. We received four bids in response to the subject contracts. All bids received were greater than 10% above the Engineer's estimate and therefore cannot be considered for award and must be rejected. 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. 59-11-05 A, Contract No. 59-11-05 B and Contract No. 59-11-05 C, be and the same hereby are rejected, and the Director of Contracts

Administration 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 Interim Executive Director and Director of Contracts Administration hereby are authorized to take any and all action necessary, at the appropriate time, to re-advertise for bids for Contract No. 59-11-05 A, Contract No. 59-11-05 B and Contract No. 59-11-05 C.

Chairman: You've heard the resolution is there action to be taken, Mr. Balog or Myron?

Mr. Balog: Motion to adopt.

Chairman: Is there a second?

Mr. Pakush: Second.

Chairman: Mr. Pakush. Any further discussion? Hearing none, roll call.

Interim Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Interim Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

Interim Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Interim Assistant Secretary-Treasurer: Mr. Hruby

Mr. Hruby: Yes

RESOLUTION NO. 44-2011

Resolution Rejecting the Bids Received for Contract No. 59-11-05 A, Contract No. 59-11-05 B and Contract No. 59-11-05 C

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Longitudinal Joint Repairs and Resurfacing of Eastbound and Westbound Roadways, Milepost 71 to Milepost 80 and Milepost 101 to Milepost 110, located in Wood, Ottawa, Sandusky and Erie Counties, herein designated **Contract No. 59-11-05 A**; a Contract for Longitudinal Joint Repairs and Resurfacing of Eastbound and Westbound Roadways, Milepost 118 to Milepost 126 and Milepost 136 to Milepost 144, located in Erie and Lorain Counties,

herein designated as **Contract No. 59-11-05 B**; and a Contract for Longitudinal Joint Repairs and Resurfacing of Eastbound and Westbound Roadways, Milepost 161 to Milepost 165 and Milepost 172 to Milepost 177, located in Cuyahoga and Summit Counties, herein designated as **Contract No. 59-11-05 C**: and

WHEREAS, the Commission received four bids for the performance of said Contracts from **Gerken Paving, Inc.** of Napoleon, Ohio; **The Shelly Company – Northwest Division** of Findlay, Ohio; **Kokosing Construction Co., Inc.** of Elyria, Ohio; and **The Shelly Company** of Twinsburg, Ohio; and

WHEREAS, said 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 all bids for Contract No. 59-11-05 A, Contract No. 59-11-05 B and Contract No. 59-11-05 C were greater than ten percent (10%) above the Engineer's estimate and, therefore, cannot be considered for award and must be rejected; and

WHEREAS, the Commission's Director of Contracts Administration concurs with the Chief Engineer's recommendation and has submitted a report advising the Commission that, pursuant to Ohio Revised Code Section 5537.07(A) as well as the Bidding Documents for Contract No. 59-11-05 A, Contract No. 59-11-05 B and Contract No. 59-11-05 C, the Commission has expressly reserved the right to reject any and all bids, and that pursuant to Ohio Revised Code Section 153.12(A), the Commission legally must reject all bids if they are greater than ten percent (10%) above the Engineer's estimate; and

WHEREAS, predicated upon the analysis of the reports submitted by both the Chief Engineer and the Director of Contracts Administration, the Commission concurs with such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the above-mentioned bids heretofore received pursuant to the advertisement for bids upon Contract No. 59-11-05 A, Contract No. 59-11-05 B and Contract No. 59-11-05 C, be and the same hereby are rejected, and the Director of Contracts Administration 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 Interim Executive Director and Director of Contracts Administration hereby are authorized to take any and all action necessary, at the appropriate time, to re-advertise for bids for Contract No. 59-11-05 A, Contract No. 59-11-05 B and Contract No. 59-11-05 C.

Chief Engineer: Thank you. The final resolution I have this morning is a resolution awarding Contract 59-11-06 is for resurfacing the parking area at the Middle Ridge Service Plaza located at Milepost 139 in Lorain County, Ohio. This project was included on our 2011 Capital Improvement Budget. We received three bids in response to the subject bid and contract. The

apparent low bid was submitted by Erie Blacktop Incorporated of Sandusky, Ohio in the total amount of \$733,229.75, the total amount bid is below the Engineer's estimate for this project. Furthermore this contractor has performed satisfactorily for the Commission in similar projects in the past. If the General Counsel would please read the Resolved?

General Counsel: RESOLVED that the bid of **Erie Blacktop, Inc.** of **Sandusky, Ohio**, in the amount of **\$733,229.75** for the performance of Contract No. 59-11-06 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Director of Contracts Administration, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, 2) direct the return to the bidders of their bid security, when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that Project No. 59-11-06 is designated a Service Plaza Capital Improvement Fund Project.

Chairman: You've heard the resolution. Is there a motion?

Mr. Pakush: Move to approve.

Mr. Balog: Second.

Chairman: Moved and seconded. Is there any discussion? Hearing none, roll call.

Interim Assistant Secretary-Treasurer: Mr. Pakush

Mr. Pakush: Yes

Interim Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Interim Assistant Secretary-Treasurer: Mr. Dixon

Mr. Dixon: Yes

Interim Assistant Secretary-Treasurer: Mr. Hruby

Mr. Hruby: Yes

RESOLUTION NO. 45-2011

Resolution Awarding Contract No. 59-11-06

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Repairs and Resurfacing at the Middle Ridge Service Plaza, Milepost 139.5 located in Lorain County, Ohio, herein designated **Contract No. 59-11-06**; and

WHEREAS, expenditures for the award to be made under Contract No. 59-11-06 will exceed \$150,000.00 and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for said Contract award; and

WHEREAS, the Commission received three (3) bids for the performance of said Contract, and said bids have been reviewed and analyzed by the Commission's Chief Engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 59-11-06 was submitted by **Erie Blacktop, Inc. of Sandusky, Ohio**, in the amount of **\$733,229.75**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the Director of Contracts Administration that bids for Contract No. 59-11-06 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Erie Blacktop, Inc. for Contract No. 59-11-06 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by Erie Blacktop, Inc.; and

WHEREAS, the Commission has reviewed the reports of the Chief Engineer and the Director of Contracts Administration and, predicated upon such analysis, concurs with the recommendation to award Contract No. 59-11-06 to the lowest responsive and responsible bidder, Erie Blacktop, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Erie Blacktop, Inc. of Sandusky, Ohio**, in the amount of **\$733,229.75** for the performance of Contract No. 59-11-06 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said Contract, and is accepted, and that the Chairperson and Director of Contracts Administration, or either of them, hereby is authorized to: 1) execute a Contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, 2) direct the return to the bidders of their bid security, when appropriate, and 3) take any and all action necessary or proper to carry out the terms of said bid and of said Contract; and

FURTHER RESOLVED that Project No. 59-11-06 is designated a Service Plaza Capital Improvement Fund Project.

Chief Engineer: Mr. Chairman that completes my report this morning.

Chairman: Thank you. We will move on to the report of the General Counsel, Noelle?

General Counsel: No report Mr. Chairman.

Chairman: Okay. We will move on to the Comptroller, Mr. Seekely.

CFO/Comptroller: Good morning Mr. Chairman and Commission Members I have two reports today. My first report is an update on traffic and revenue through the month of August. The first chart shows the monthly passenger car miles traveled on the Turnpike over the past two years. The high price of gas and the faltering economy continues to have a negative impact on passenger car traffic, as passenger car vehicles miles traveled for the last three months were 3.8% less than last year. Commercial vehicle miles traveled have generally been higher this year and they were .8% higher over the last three months than last year. The decrease in passenger car miles traveled combined with an increase in percentage of E-ZPass use cause passenger car toll revenues to decline 5.6% over the last three months compared to last year. Toll revenues from commercial vehicles were up .9% over the last three months compared to last year. Total toll revenues which were higher than last year, earlier in the year have been trending lower. Total toll revenues compared to last year were down 2.2% in June, 2.9% in July, and 1.9% in August. This chart shows the year-to-date toll revenues through the month of August during each year over the past decade. Toll revenues for the first eight months of this year were 1.5 million or 1% below the amount from last year. That completes my report on traffic and revenue, if there are no questions Mr. Chairman I will go on to my second report.

Chairman: Any questions? Please.

CFO/Comptroller: The Commission requested at the July Commission Meeting that I present a comparison of the projection that was prepared in 2008, when the new toll rate structure was adopted and the actual results that have been achieved since then. I searched the former CFO/Comptroller's files and found a projection labeled, "Projected Toll Revenue Assuming New Toll Rates and Elimination of Volume Discount Effect October 1, 2009". This projection was prepared on November 11, 2008, which was a week before the new toll rate structure was presented to the Commission. Included in your folder and on the screen is a comparison of the first three years of that projection to the actual results achieved for 2009 and 2010 and the Commission's budget for 2011. The first section of the slide shows the projected vehicle miles traveled, looking in the variance column you can see that the actual budgeted passenger car vehicle miles traveled is somewhat higher than what was projected, but commercial vehicle miles traveled are much lower than projected. The projection was done at the end of 2008, which was the beginning of the recession and the long lasting effect of the recession on commercial traffic was not known at the time. The middle section of this slide shows the projected E-ZPass penetration rate, actual E-ZPass usage is lower than what was

projected. The bottom section shows the projected toll revenues. The passenger car toll revenues are higher than projected because of the higher passenger car miles travel and the lower E-ZPass usage. Commercial vehicle toll revenues are lower because of the much lower than projected commercial vehicle miles traveled. Total toll revenues were lower than the projection by \$11.4 million in 2009, and \$1.3 million in 2010, and are budgeted to be \$1.8 million lower than the projection in 2011. This next slide shows the projected toll revenues, operating expenses and the resulting net revenue before capital expenditures and debt service expenditures compared to the corresponding actual and budgeted information for 2009 through 2011. The first line contains toll revenues which were reviewed in detail in the previous slide. Concession revenues are less than projected, while state fuel tax revenue and special toll permit revenue are higher than the projection. Investment income is much lower than the projection because the Federal Reserve reduced the short term interest rates to combat the recession. Miscellaneous Revenues are higher primarily because of one-time grant money that was received. Total toll revenues were lower than the projection by \$12.5 million in 2009, \$2 million in 2010, and are budgeted to be \$4.1 million lower than the projection in 2011. Operation, maintenance and administrative expenses are lower than what was projected because of the expense reductions that were made in 2008 and 2009 in response to lower revenues; lower than anticipated wage increases and labor reductions achieved because of E-ZPass and the new toll rate system. The lower than projected revenues, offset by the lower than projected operating expenses results in net revenues before capital and debt service expenditures that are \$3.1 million lower than projected in 2009, \$7.7 million higher than projected in 2010, and \$4.2 million higher than projected in 2011. That completes my report Mr. Chairman I would be happy to answer any questions anyone might have.

Chairman: Okay. Thank you. Questions?

Senator Patton: Chairman.

Chairman: Senator Patton, sorry.

Senator Patton: If I can ask. Did we anticipate that there would be an increase when we went to 70 miles per hour for the commercial vehicles obviously that didn't occur? Was that even factored in?

CFO/Comptroller: No I don't believe so; it wasn't contemplated at the time.

Senator Patton: Alright. If anyone has this information, I'd like to know just out of curiosity. When we went from 60 to 65 we did see an increase in commercial vehicles coming back. Obviously this is going to be something we will look for going forward, whether or not that 70 mile an hour increase, because I am looking at the Turnpike as an example of how we should look at the statewide, whether or not we should look at 70. Because that's always a discussion going on but my hope I think was when this Commission voted to go to 70 miles an hour we would drag a lot of the traffic off the other, you know parallel roads and bring them back and obviously that has not happened as yet.

CFO/Comptroller: Commercial traffic is up about almost 1% this year I don't know what it is on other freeways.

Senator Patton: Point eight is what I think you said. Yeah that is what I heard. Thank you Mr. Chairman.

Chairman: You are welcome. Mr. Balog.

Mr. Balog: What's the scheduled rate hike for January 1st now?

CFO/Comptroller: It's approximately a 10% increase across the board.

Mr. Balog: All the way across the board for commercial vehicles? E-ZPass users also?

CFO/Comptroller: Yes it's across the board.

Mr. Balog: You know, I guess I'm looking at the bottom line, I certainly acknowledge the fact that revenues are down for 2008, 09 or 09, 10 and 11, but because of the reduction in the operation cost our overall income is for the last two years, skipping 2009 because of the recession issue, is projected to be about \$12 million dollars greater than what we had budgeted. I think the Commission ought to look and give some thought, you know it's just an idea I'd like to put out "is do we want to delay increasing a 10% rate increase all the way across the board for a period of time?" That's a substantial number when we're still dealing with what I consider to be a very fragile economy, especially from a commercial standpoint. I hate to see the commercial vehicles go ahead and again because we put a 10% increase, that's a big number a 10% increase, on a truck going across the State of Ohio and push more of that vehicle, more of that traffic onto the parallel commercial roads. We don't need to make a decision today but I think that's an issue that the Commission ought to look at, especially in light of their 2012 budget plan. One of the questions I would have is "what are we carrying in a reserve presently?"

CFO/Comptroller: I believe our reserves are about \$84 million dollars in total between our Non-Trust Fund and our General Reserves.

Mr. Balog: Are there any restrictions on that money?

General Counsel: Mr. Chairman, Mr. Vice Chairman, there are some restrictions because of the issue regarding one of the bond issues was insured and the debt service reserve account. We've been monitoring the ratings of the insurance carrier and in the event that they were down graded, we would have to supplement that insurance policy with cash and that would become restricted.

Mr. Balog: One of them was downgraded.

General Counsel: Right and we deposited cash to backup the insurance policy.

Mr. Balog: That was give or take \$8 million dollars.

General Counsel: Correct.

CFO/Comptroller: Six million dollars.

General Counsel: Correct, but the other policy is substantially larger.

Mr. Balog: Right.

CFO/Comptroller: The other policy is approximately \$50 million dollars.

Mr. Balog: And what has happened in the rating agency and the rating process for the other insurer?

Financial Advisor: Let me just make a comment on that, because last week it was reported in Bloomberg that Standard & Poor's was going to review all the insurance companies ratings. That's not saying that they are going to downgrade or upgrade, but they did make an announcement that they are going to review all the bond insurers ratings.

Mr. Balog: And when would you anticipate that to be?

Financial Advisor: Before the end of the year, I suspect.

Mr. Balog: I think when we had that issue, it has been a few years and they down rated the one insurer. They said that they were looking at the other ones at that point in time but there hasn't been any action taken on that correct?

Financial Advisor: That's correct.

CFO/Comptroller: But the other one is still rated high enough for us to be able to use them as an insurer.

Mr. Balog: Right. So then what you are basically telling me is that of the debts, of our reserve dollars and cents, impaired today is about \$6 million dollars?

General Counsel: It was...

CFO/Comptroller: I'm sorry.

General Counsel: Yes.

CFO/Comptroller: The debt service reserve that we currently have?

Mr. Balog: No, our total reserves that you had provided us a number.

CFO/Comptroller: There are \$84 million dollars in total and we'd like to reserve at a minimum \$50 million dollars in case we would have this issue with the Debt Service Fund requirements.

Mr. Balog: I guess where I am headed is that as we talk about capital expenditures for 2012, and what we need to continue capital expenditures to the level we are providing service now. When we look at overall expense dollar and cents being down, that we could probably go ahead and use some of the reserve to continue funding the capital expenditures we are doing at the same level, if we needed to.

CFO/Comptroller: I believe we are permitted to use the reserves for that purpose, yes, it is just a matter of how low do you want to go to maintain a safe reserve amount in case your revenues are lower one year, that you have enough money to cover your obligations.

Mr. Balog: I'd still like the Commission to consider the freezing of the toll rates for a one-year period of time, specifically for the E-ZPass and commercial vehicles. I certainly acknowledge that runs into some issues as far as the process that we need to go through; but you know a 10% increase is a very substantial number. I think we are going to drive commercial traffic off the Turnpike and onto the parallel roads. When you go ahead and increase your rates 10%, I'm not saying that this is not a cost of living increase, 10% is a very large number at one time with our economy being the way it is today. I don't think the truck industry can go ahead and take a 10% increase and not expect to see commercial traffic leaving the Ohio Turnpike.

Chairman: Senator Patton.

Senator Patton: If I can just ask Dan, or whoever else would have this information. Per mile truck charges are, when someone comes from Indiana to Ohio, then onto Pennsylvania, I was lead to believe in the past that our rates, especially after the Governor many years ago order them downward, that we were pretty low compared to the neighboring states.

Chief Engineer: Mr. Chairman, Commission Member Patton, yes our truck tolls are the lowest in the country of any major toll facility. Our car tolls are among the one or two lowest.

Senator Patton: I would then respectively ask the Commission in deference to Mr. Balog's request, that I would also ask the Commission that we keep in mind that we are already as low as we are, so in the face of having to dig into reserves, you know I am never one to say let's raise, if these were already scheduled though I think it is important to, you know as long as we're not, you know where we currently are compared to the neighboring states, you know I'd offer that for the opposite point of view.

Chairman: Not only were they scheduled Senator, you are correct on that also, it was taken into consideration and the budget was taken into consideration at that time that the debt was, some of the debt was incur, some of the notes were incurred and the lenders expected that there would be this increase coming along. So any other discussion on the part of anyone else regarding this issue? Okay, thank you Mr. Balog. Anybody else, any other questions or

comments for our Comptroller? Hearing none, I will move on to the Financial Advisor, Mr. Erickson.

Financial Advisor: No report today, Mr. Chairman.

Chairman: Alright sir. General Consultant, Scott?

General Consultant: Scott is not here today.

Chairman: Okay.

General Consultant: There's no report today.

Chairman: Alright, thank you. Trustee Huntington, Mr. Lamb?

Trustee: No report, Mr. Chairman.

Chairman: Thank you. Our wonderful Highway State Patrol Captain?

Captain Zurcher: Briefly Mr. Chairman we did experience our third fatality Friday night on the Ohio Turnpike. A gentlemen and his wife traveling from New York to Iowa, which was their home, traveled off the right side of the roadway and struck a guardrail, came back across all three lanes and struck the concrete medial, very likely it is a possibility it was a medical condition before the crash and ultimately the coroner will rule on that but we are at our third fatality. Obviously three is a very low number; we are very excited about that, we have had a very successful year on the Turnpike and we hope to keep those numbers down. I would like to report crashes are up on the Turnpike 16% for year-to-date, which is 229 more crashes. Doing some research on that it appears to me that the majority of those numbers are up this year because the construction zones are up this years, obviously we didn't have much construction last year and there is a lot of construction this year. We worked really hard with Maintenance and Safety Services Division to keep those numbers down, working the zones and have had very good success with that. That's all I have.

Chairman: Thank you Captain, let me ask you another question if I could? We experienced also because of the winter, the freeze thaw, the freeze thaw and a lot of black ice and a lot of extra accidents in our community. Do you have similar situation why that number would be added or not?

Captain Zurcher: The numbers actually were not up in the winter, they were up a little bit, and they started going up in the spring.

Chairman: Okay.

Captain Zurcher: They do a great job up here with the salting obviously so crashes aren't that terrible in the winter. We do get a lot of them in the rain though. If it rains we get a

lot of crashes, obviously if you combine speed and most times bald tires quite frankly and the numbers do go up and we did have a lot of rain in April and May.

Chairman: But it is construction is what it looks like?

Captain Zurcher: It certainly appears to be that to me, there's a lot, had a lot of crashes in the zone, not a lot of really bad ones, but you know fender benders.

Chairman: The rainfall to, has been up dramatically this year. Okay, any questions for the Captain? Thank you very much for your report I appreciate it. Any other matters to come before the Commission by the Members of the Commission, our advisors?

Mr. Pakush: Mr. Chairman if I could, information for the Members of the Commission, I just want to give a quick update for everybody, what ODOT and OBM are working on in regards to the hiring an advisor to study the potential lease of the Turnpike. I just want to let everybody know that ODOT put out a request to hire an advisor back in June; we received 14 Letters of Interest. Those Letters of Interest will be short listed to, I'm not sure they even have a number that they want to short list to in Columbus, probably three to five short listed firms and teams, which will be interviewed. The shortlist will happen probably by the end of this week, interviews will probably occur within a month and ODOT and OBM are looking to have somebody under contract as an advisor probably by the end of the year. I think as we go through this process, myself, I will try to provide periodic updates on what that advisor team is doing and in parallel to hiring that team, that advisory team that is going to be assisting ODOT and OBM as they go through the process. ODOT representatives out of the Central Office working with the staff to gather information so that when that team comes on board they have already done a lot of homework and I think there has already been some reaching out to the Chief Engineer and others within the Commission. And we just wanted to acknowledge that, appreciate the cooperation. That information that is being gathered for that ODOT will be utilized, but I just wanted to give a quick update on where they are at on that process.

Chairman: I would appreciate that Myron. Thank you for your report it is important to the Commission I am sure to know exactly you know what the status is of this matter. I will tell you this I've been asked several times since I, I am short term here as Chairman. But I have been asked you know is the Commission taking a position and obviously the Commission is here to do what we do and to provide information for the Governor, provide information for the Legislature, we understand the staff is doing that and will continue to do that. It's a matter that is in the hands of the Governor and the State Legislature and that's the position of our Commission and we'll continue to be that position. But we do appreciate the update and look forward to you continuing to do that. Any other matters or any questions for Mr. Pakush? Anything else? Good order. Hearing none, move to adjourn.

Mr. Balog: So moved.

Mr. Pakush: Second.

Chairman: Move to adjourn. All those in favor.

Mr. Balog: I

Mr. Pakush: I

Chairman: I

Mr. Dixon: I, I

Chairman: I, I. We are adjourned. The next meeting is I'm sorry, October 17th at 10:00 a.m. and thank you all for being in attendance.

Time of adjournment is 11:49 a.m.

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

Daniel F. Castrigano, Interim Assistant Secretary-Treasurer