

**MINUTES OF THE 656<sup>th</sup> MEETING OF THE  
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
NOVEMBER 19, 2018**

**Chairman:** Good morning. Please stand and join me in reciting the *Pledge of Allegiance*.

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

Mr. Coviello and Mr. Peterson are unable to attend today's meeting.

Will the Assistant Secretary-Treasurer please call the roll?

**Assistant Secretary-Treasurer Randy Cole:** Chairman Hruby

**Chairman Jerry Hruby:** Here

**Assistant Secretary-Treasurer:** Vice Chairman Paradiso

**Commissioner Timothy Paradiso:** Here

**Assistant Secretary-Treasurer:** Secretary-Treasurer Barber

**Secretary-Treasurer Sandra Barber:** Here

**Assistant Secretary-Treasurer:** Ms. Johnson

**Commissioner Vickie Eaton Johnson:** Here

**Assistant Secretary-Treasurer:** Mr. Pakush

**Commissioner Myron Pakush:** Here

**Assistant Secretary-Treasurer:** Mr. Potter

**Commissioner Quentin Potter:** Here

**Assistant Secretary-Treasurer:** Representative Patton

**Representative Thomas Patton:** Here

**Assistant Secretary-Treasurer:** Senator LaRose

**Senator Frank LaRose:** Here (arrived 10:02 a.m.)

**Chairman:** We have a quorum. This is the 656<sup>th</sup> Meeting of the Ohio Turnpike and Infrastructure Commission. We are meeting at the Commission's headquarters, as provided for in the Commission's Code of Bylaws for a Commission Meeting.

Various reports will be received. We will act on several resolutions. Draft copies have previously been sent to the Members and updated versions are in the Members' folders. The resolutions will be explained during the appropriate reports.

May I have a motion to adopt the Minutes of the October 22, 2018, Commission Meeting? Any questions, comments, or additions? Hearing none, please call the roll.

**MOTION:** A motion to adopt the Minutes of the October 22, 2018, Commission Meeting was made by Mr. Pakush and seconded by Mrs. Johnson. All Commission Members present voted to approve the Minutes.

**Chairman:** The Minutes are adopted. If there are no questions, we will proceed with the report of the Secretary-Treasurer, Mrs. Barber.

**Secretary-Treasurer:** The following items have been provided to the Members since the last scheduled meeting of the Commission on October 22, 2018:

1. Five Resolutions;
2. Draft Minutes of the October 22, 2018, Commission Meeting; and
3. Agenda for today's meeting.

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

1. Traffic Crash Summary Report, October 2018;
2. Traffic and Revenue Report, October 2018;
3. Total Revenue by Month and Year, October 2018;
4. Investment Report, October 2018; and
5. Financial Statement, October 2018.

That concludes my report, Mr. Chairman.

**Chairman:** Any questions for Mrs. Barber? Hearing none, we will move on to the report of the Executive Director, Randy Cole.

**Director Cole:** Good morning, Mr. Chairman and Commission Members. Also, included in your packets is a copy of the budget submittal that went to the Governor and OBM, so

you have all of that. Of course, in December you will have a detailed presentation of the budget by our CFO, Marty Seekely. I do not really have a report today. I want everyone to have a very safe travel season. Everyone knows the Turnpike will have a lot of travelers this week. Maintenance is ready with snow and ice operations. Our Toll Department is fully staffed and ready for all of the travelers and our vendors are going out of their way to make sure they are staffed and are ready for the heavy traffic. On Wednesday, we will be having a customer appreciation day at Middle Ridge and Vermilion Valley to greet some of the extra travelers who are off visiting their families. It is an exciting time as everyone else gets to relax a little bit more a lot of the staff of the Turnpike has to work even more and they do a great job every year. We are ready for that holiday traffic. Again, be safe. I hope everyone has a great Thanksgiving and we will see you in December. We have a lot to do at the December meeting to wrap up the year.

**Chairman:** Thank you. Any questions for the Director? Hearing none, we will move on to the report of our Chief Engineer, Tony Yacobucci.

**Chief Engineer:** Good morning, Mr. Chairman and Commission Members. I have four resolutions for your consideration this morning.

The first resolution for your consideration seeks the Commission's authorization to award Contract No. 45-19-01 for the Sign Structure Repair and Replacement of two (2) signs at Toll Plaza 142, as well as five (5) signs between Mileposts 214.0 and 220.5, in Lorain, Trumbull and Mahoning Counties. This work will be included in the 2019 Capital Improvement Budget. On November 7, 2018, two bids were received via Bid Express, and the apparent low bid was submitted by M.P. Dory Company ("M.P. Dory"), of Columbus, Ohio, in the amount of \$287,550.00. The bid submitted by M.P. Dory is approximately 11% below the Engineer's Estimate. Engineering staff reviewed the bid tabulations and concluded that M.P. Dory's bid is the lowest responsive and responsible bid. M.P. Dory has successfully performed similar work for the Commission in the past and, based on a review of their current projects under contract and previous years' work volume, it appears they have the sufficient capacity to perform the work for this project. It is recommended that Contract No. 45-19-01 be awarded to M. P. Dory Company of Columbus, Ohio, in the amount of \$287,550.00. In addition, M.P. Dory has committed to exceed the 4% SBE goal as set by the Office of Equity and Inclusion. With your permission, may the General Counsel please read the title of the Resolution.

**General Counsel:** Resolution Approving the Selection of M. P. Dory Company to Repair and Replace Various Sign Structures in the Amount of \$287,550.00 Under Project No. 45-19-01.

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

**MOTION:** A motion to adopt the *Resolution Approving the Selection of M. P. Dory Company to Repair and Replace Various Sign Structures in the Amount of \$287,550.00 Under Project No. 45-19-01*, was made by Mr. Paradiso, seconded by Mrs. Barber, and approved by all Commission Members present. Resolution No. 65-2018.

**Chairman:** The resolution passes unanimously. Please continue, Tony.

**Chief Engineer:** The second resolution for your consideration seeks the Commission's authorization to award Contract No. 43-19-06 for the rehabilitation and widening of the Mainline Bridges over Poland-Unity Road at Milepost 237.8 and Columbiana-New Castle Road at Milepost 238.1 in Mahoning County along with the widening of the pavement from Milepost 237.17 to Milepost 238.63. The bridge and pavement widening on this Project is part of the Toll Collection System Modernization and Pavement Replacement Project for the reconfigured Toll Plaza at Eastgate. This work will be included in the 2019 Capital Improvement Budget. On November 5, 2018, Procurement received three (3) bids in response to this Project. The apparent low bid was submitted by Shelly and Sands, Inc., of North Jackson, Ohio, in the amount of \$13,988,600.98, which is about 24% below the Engineer's Estimate of \$18,500,000.00. This bid was evaluated by both the design consultant, Jobes Henderson & Associates, Inc., of Bedford, Ohio, as well as Commission staff and was found to contain no errors or anomalies. Shelly and Sands has satisfactorily performed projects of similar scope for the Commission in the past and based on previous years' work volume and work presently under contract, it appears Shelly and Sands has sufficient capacity to perform this project. It shall be noted that the Contract Documents include a line item for an access credit and Shelly & Sands included a line item deduct in the amount of \$150,000.00, for this access credit. However, the information contained within the bid did not have sufficient information to fully evaluate this proposal, therefore it is not recommended the Commission accept this bid item at this time. More information is needed to fully evaluate the proposed access credit and once the information is submitted and evaluated, Engineering staff will review and determine if the access credit is acceptable. It should be noted that the bid submitted by Shelly & Sands is still the apparent low bid with or without this access credit. Therefore, it is recommended that the Commission award Contract No. 43-19-06 to Shelly and Sands, Inc., of North Jackson, Ohio, in the amount of \$13,988,600.98. In addition, Shelly & Sands has committed to exceed the 12% SBE goal as set by the Office of Equity and Inclusion. This resolution also contains provisions to assign Jobes Henderson & Associates, Inc., of Bedford, Ohio, to perform construction administration and inspection services, and ACA Engineering, Inc., of Boardman, Ohio, to perform material testing services. With your permission, may the General Counsel please read the title of the resolution.

**General Counsel:** Resolution Approving the Selection of Shelly & Sands, Inc. to Perform the Bridge Rehabilitation and Third Lane Widening Under Project No. 43-19-06 for the Total Amount of \$13,988,600.98 and Approving the Assignments of Jobes Henderson & Associates, Inc. and ACA Engineering, Inc. to Perform Professional Services on the Project.

**Chairman:** Any questions or comments?

**Mr. Paradiso:** The bid was 24% below the estimate, correct. It is kind of exciting coming into a new year. We felt, I think over the last year and a half, a demand for aggregate and contractors have been up, our pricing crept up, this is surprising. Do we expect that to continue? Why do you think we are that far below the Engineer's Estimate?

**Chief Engineer:** Mr. Chairman and Commission Member Paradiso, this project is the first of many projects with regard to our toll modernization and pavement replacement projects over the next couple of years. This project better positions the contractor for the next project which will probably be double, if not two and a half times the size of this one. So the competitive

environment we expected the bids to come in lower, 24% lower is a little bit bigger than we expected, but with a competitive environment set themselves up for the next project that will be bid next year. We believe the bid we received is a reasonable and valid bid.

**Mr. Paradiso:** It's a great strategy. Thank you.

**Director Cole:** Mr. Chairman, just to add to that, both this one and you will see on the structural steel, if you remember about three years ago, we made the strategic decision to work a lot with contractors during the year about the next year's bids, but also got out in front of a lot of the other construction. The fact that we are bidding this now and awarding it allows them to get their materials, get their steel, put a staffing plan in place at this year's rates, lock in a lot of quantity and things they need and I think we have seen continued dividends of changing that strategy, we can't do it with everything we bid out, but on some of these big jobs it continues to pay great dividends for the Turnpike, getting out in front of a lot of the other 2019 construction schedule.

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

**MOTION:** A motion to adopt *Resolution Approving the Selection of Shelly & Sands, Inc. to Perform the Bridge Rehabilitation and Third Lane Widening Under Project No. 43-19-06 for the Total Amount of \$13,988,600.98 and Approving the Assignments of Jobes Henderson & Associates, Inc. and ACA Engineering, Inc. to Perform Professional Services on the Project*, was made by Mrs. Barber, seconded by Pakush, and approved by all Commission Members present. Resolution No. 66-2018.

**Chairman:** The resolution passes unanimously. Please continue, Tony.

**Chief Engineer:** The third resolution for your consideration seeks the Commission's authorization to award Contract No. 4325 for the furnishing of bridge structural steel for an upcoming deck replacement and bridge widening project at Mileposts 47.4 and 47.5. The upcoming Project, 43-19-07, will be out for bid shortly, and in order to complete the Project in a single construction season and keep the Toll Collection System Modernization on schedule, it is necessary to procure the bridge structural steel in advance. This is due to the lead time required to obtain raw materials, fabricate and deliver the steel and ensure that the construction contractor would have timely access to the required materials. On September 28, 2018, Procurement received six bids for these materials under Bid Invitation No. 4325. The apparent low bid was submitted by The Ohio Bridge Corp. ("Ohio Bridge"), of Cambridge, Ohio, in the total amount of \$426,096.00.00. The Ohio Bridge Corp. proposes to furnish the bridge structural steel and services in accordance with the Specifications. Although Ohio Bridge has not supplied these materials directly for the Commission in the past, the Maintenance Department has reached out to Contractors that have been supplied bridge structural steel by Ohio Bridge for similar projects and favorable feedback was received. Therefore, I am recommending that an award be made to The Ohio Bridge Corp., of Cambridge, Ohio, in the amount of \$426,096.00. With your permission, may the General Counsel please read the title of the resolution?

**General Counsel:** Resolution Approving the Selection of The Ohio Bridge Corp. to Furnish Bridge Structural Steel Under Bid Invitation No. 4325 for the Total Amount of \$426,096.00.

**Chairman:** Any questions or comments?

**Senator LaRose:** The 68% below estimate is a big number. That is surprising, I thought that steel was heading up in price due to decisions made at the Federal level. Do we know the origin of the steel? Is this Ohio steel, is this U.S. Steel, is that something that we don't have the ability to know at this point? Do our Buy Ohio Preferences figure in to a decision like this? Perhaps not with is being 68% below estimate that is a big discount.

**Chief Engineer:** Mr. Chairman and Senator LaRose, the first thing I would like to add is the 68% estimate, this is not something that we have done in the past. It is new to us, so when trying to estimate what the actual cost was, it was somewhat difficult. Franklin County did this a year ago and we used some of their information to help procure that estimate, but also with the tariffs that are being implemented we were uncertain of the implications, so we did increase our estimate.

**Senator LaRose:** So, we estimated high?

**Chief Engineer:** Yes, absolutely.

**Chairman:** But we do not know the origin of the steel?

**Chief Engineer:** Mr. Chairman, I do not know that answer as to the origin. I do not believe our contract documents actually have anything specific about that. We obviously have the Buy Ohio provisions that we have in place, but I do not believe any of that came into play on this in particular.

**Mr. Pakush:** Is the costs for delivered materials or is it for manufacturing only and storage?

**Chief Engineer:** Mr. Chairman and Commission Member Pakush, it is delivered. The way that the contract is set up is Ohio Bridge Corp. will procure, fabricate and then deliver the steel on the date of our request.

**Mr. Pakush:** Do we have a storage location for that?

**Chief Engineer:** Mr. Chairman and Commission Member Pakush, the storage location is actually at the facility of the fabricator and the documents are set up so that we pay \$10.00 a day beyond a certain date, but we anticipate the materials will delivered well before then.

**Chairman:** Has this company been around for a while? We have not known of them before I take it, but have they been around?

**Chief Engineer:** Mr. Chairman, I am very well aware of this company, but again, because we usually have the contractor procure the steel and materials, we have never had the opportunity to buy from them.

**Mrs. Barber:** It is my understanding that we own that steel now and that we will have to have another resolution or a bidding process to have the installation, is that correct? It may not necessarily be Ohio Bridge.

**Chief Engineer:** Mr. Chairman and Commission Member Barber, yes, the 43-19-07 project, which will be out on the street in the next couple of weeks and likely go to the Commission in January, is where that steel be installed as part of that project.

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

**MOTION:** A motion to adopt *Resolution Approving the Selection of The Ohio Bridge Corp. to Furnish Bridge Structural Steel Under Bid Invitation No. 4325 for the Total Amount of \$426,096.00*, was made by Mr. Paradiso, seconded by Ms. Johnson, and approved by all Commission Members present. Resolution No. 67-2018.

**Chairman:** The resolution passes. Please continue, Tony.

**Chief Engineer:** The fourth and final resolution for your consideration seeks the Commission's authorization to expand the pilot uniform and laundry service from Cintas Corporation, of Mason, Ohio, to all eight maintenance facilities and to Berea Maintenance workers. By taking advantage of DAS Contract No. RS900118 pricing, the Commission issued a twelve-month Blanket Purchase Order to Cintas Corporation, of Mason, Ohio, which has an expiration date of January 31, 2019. To-date, the Contractor has satisfactorily performed the services required. The Commission's Blanket Purchase Order with Cintas Corporation currently includes two of the Commission's eight maintenance facilities on a trial basis and has an estimated participation rate of approximately ninety-five percent (95%). This is in contrast with an approximate fifty percent (50%) participation rate for the Commission's current standard uniform program, wherein the Commission staff must procure uniforms, order uniforms, stock uniforms, issue uniforms, procure laundry service, and incur other administrative costs. Furthermore, a review of the two programs indicates an estimated total cost for the Cintas program that is below the cost of the standard uniform program, even with its limited participation. Based on the Contractor's satisfactory performance and favorable unit prices, I am recommending that the Commission extend its uniform rental and laundry service to all eight maintenance facilities and to Berea Maintenance workers to the Cintas Corporation, of Mason, Ohio, in the total estimated amount of \$317,000.00 through December 31, 2022. With your permission, may the General Counsel please read the title of the resolution?

**General Counsel:** Resolution Authorizing Modification of the Contract with Cintas Corporation Under the DAS Cooperative Purchasing Program for Laundry Services Through December 31, 2022 for an Estimated Amount of \$293,000.00.

**Chairman:** Any questions or comments? I was looking at the numbers. You had read \$317,000.00 and it said \$293,000.00, but then I looked at the letter and I see the increase by \$24,000.00. So, the actual amount is \$317,000.00?

**General Counsel:** The amount on the resolution is \$293,000.00, but it is an estimated amount depending on what we use.

**Chairman:** But I heard \$317,000.00 from one of you and \$293,000.00 from the other.

**Chief Engineer:** May I clarify? Mr. Chairman, we issued a \$24,000.00 Purchase Order under the Executive Director's authority and then \$293,000.00 is an addition to that for a total of \$317,000.00.

**Chairman:** Okay. I just wanted to make sure as one was one thing and one was the other. So, we are moving on an additional \$293,000.00?

**Chief Engineer:** That's correct, Mr. Chairman.

**Chairman:** Any other questions or comments?

**Senator LaRose:** With two of the eight maintenance facilities participating in this trial so far, obviously there is a good participation rate at 95% versus 50% that to me indicates that the hardworking men and women at these facilities like the new uniforms, they are functional, comfortable, all of the things that our men and women that are working so hard to keep the Turnpike running need, is that their assessment of it from a human standpoint they like these?

**Chief Engineer:** Mr. Chairman and Senator LaRose, absolutely. That is exactly why we moved to this because they did like the style, the comfort and in doing our analysis turns out to be more cost effective.

**Chairman:** Anything else? Hearing none, please call the roll.

**MOTION:** A motion to adopt *Resolution Authorizing Modification of the Contract with Cintas Corporation Under the DAS Cooperative Purchasing Program for Laundry Services Through December 31, 2022 for an Estimated Amount of \$293,000.00*, was made by Mr. Paradiso, seconded by Mrs. Barber, and approved by all Commission Members present. Resolution No. 68-2018.

**Chairman:** The resolution passes unanimously. Anything further, Tony?

**Chief Engineer:** No, Mr. Chairman that concludes my report.

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



**CFO/Comptroller/DED:** Thank you, Mr. Chairman. I have a brief update on our traffic and revenue for the month of October and one resolution for your consideration this morning.

This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Passenger car vehicle miles traveled were down 2.9% in October. There was one less weekend day in October of this year.

Commercial traffic continued to benefit from the strong economy and was 5% higher in October. There was also one more weekday in October this year.

The decrease in passenger car traffic in October more than offset the effect of the toll rate increase and as a result Passenger car toll revenue was down 1.9% from last year.

The increase in commercial traffic combined with the toll rate increase caused Commercial vehicle toll revenues to increase 7.4% in October.

This chart shows year-to-date toll revenues through the month of October during each year over the past decade. Year-to-date total toll revenues were \$9.6 million or 3.9% above the amount from last year. That completes my report on traffic and revenue.

Next, I have a resolution authorizing the redemption of the remaining 2009 Turnpike Revenue Bonds.

When we refunded the 2009 Senior Lien Bonds in 2017, we determined that it was more economical to redeem the 2020 maturity of those bonds on the earliest call date of February 15, 2019 rather than issue refunding bonds.

The Commission currently has enough funds in the General Fund to pay the \$14,110,000 for the 2020 maturity in February of 2019, instead of making twelve monthly deposits to the debt service account over the period of March 2019 through February 2020.

The 2020 maturity of the 2019 bonds have a 5% interest rate. Since we are currently earning less than 2.25% interest on our investments in the General Fund, we will have a net savings of approximately \$350,000.00 by redeeming these bonds on February 15, 2019.

When we refunded the 2009 bonds there were also parts of the 2021, 2022, 2023 and 2024 maturities that could not be advance refunded because they had been previously advance refunded.

We asked PFM to analyze whether those bonds should also be redeemed in February of 2019 or possibly refunded in our next debt issuance. At this time, I would like to ask Bethany Pugh of PFM to review their analysis.

**Bethany Pugh:** Good morning, Mr. Chairman and Commission Members. I believe you have a presentation in your packets that lays out the summary results of our analysis, which is looking at (as Marty alluded to) the 2021 through 2024 portions of the 2009 Series A Bonds, which

could be currently callable in February 2019. Essentially, the purpose of our analysis was to identify the lowest cost option for the Commission which would be cash, defeasing those bonds, refunding those bonds in February of 2019, holding those bonds to maturity (i.e., doing nothing) or refunding those bonds the next time you were otherwise in the market for bonds, which is anticipated to be in conjunction with the financing of the toll collection system.

On page 2 of the presentation, the remaining bonds, the 2021 through 2024 maturities is what is left outstanding that could potentially be refunded in February which is about \$6.6 million worth of bonds. We looked at the numbers and tried to do an opportunity cost analysis or cost benefit analysis of refunding the bonds in February versus holding them until maturity versus refunding them at some point in the future. Essentially, if you hold the bonds (i.e., don't pay cash to refund them) you are going to be continuing to accrue interest costs on the bonds that will be offset by the interest earnings on the dollars that you would otherwise use to pay off the bonds. The analysis that you see on page 3 reflects what the net cost to you would be and that is going to be a function of what you could otherwise invest those dollars in. As the potential interest rate that you could earn increases the net costs on those bonds decreases to you. The more interest you are able to earn either in your General Fund or Bond Service Fund, the less your net interest costs. Given that you are currently earning between 2.05% and 2.2% that means if you hold those bonds to maturity you are going to be paying somewhere between \$540,000.00 and \$650,000.00 in net interest costs, which means it makes more sense to just pay those bonds out with cash in February as opposed to incurring additional interest costs.

That completes my report. I would be happy to answer any questions.

**Chairman:** Any questions or comments?

**Mr. Paradiso:** Do we have any feel, a crystal ball, about what the cost of money will be when we need to go back for more bonds? Secondly, does this have any impact on our bond rating?

**Bethany Pugh:** In terms of the taking out debt, you are helping your balance sheet a little, although you are using cash to do it, so it should be a net-neutral. From that prospective, either neutral to positive because you are eliminating your outstanding debt profile. In terms of crystal ball, no, if I had one, I wouldn't be here. We have projected between now and February of 2020 We looked at potential refundings in February or August of 2020 and we think right now that anticipated plan would be perhaps earlier in 2020 to go out for debt again. Clearly, at this point in time, there is multiple anticipated Federal rate hikes between now and then. We don't have crystal ball, but I can tell you that based upon everything that we know about the market right now is that the expectation is still that interest rates will be increasing. Obviously, there are a lot of things that impact that geopolitically, as well as in our specific market, so it is really hard to say. I think the most important thing for this analysis is what your earnings rates are likely to be and that could go up as well. We are making some assumptions here as it relates to what you would be better off doing. If you look at page 3 of the presentation, the point at which your net interest costs goes to zero tells you what your interest rates or interest earnings have to be in order to be indifferent between holding or refunding the bonds or if you earn more than that, it could actually be to your benefit to hold the bonds. Unless you think you are going to be earning 5% or

4.83% or 3.5% between now and 2024, on average, it makes sense to just go ahead and defease them. I will let Marty answer the question on whether he thinks you can earn that or not.

**CFO/Comptroller/DED:** I do not right now. It is now 2.25%, so I think rates may go up to perhaps 3% by the end of next year, but not at this level at 3.5%.

**Mr. Paradiso:** It is a good problem to have. We have performed better than forecasted. We feel the economy as well as our costs have performed better than was forecasted. We have excess cash. THis is something to celebrate I would say.

**Bethany Pugh:** Absolutely. This is really good.

**CFO/Comptroller/DED:** Thank you, Bethany. It is the Commission's Chief Financial Officer and the Executive Director's recommendation that the Commission call for redemption the remaining outstanding 2009 Series A Bonds at the earliest redemption date of February 15, 2019. May the General Counsel please read the title of the resolution?

**General Counsel:** Resolution Authorizing the Optional Redemption of Certain of the Outstanding 2009 Series A Bonds in the Aggregate Principal Amount of \$20,700,000.00 and Authorizing Other Actions in Connection Therewith.

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

**MOTION:** A motion to adopt *Resolution Authorizing the Optional Redemption of Certain of the Outstanding 2009 Series A Bonds in the Aggregate Principal Amount of \$20,700,000.00 and Authorizing Other Actions in Connection Therewith*, was made by Chairman Hruby, seconded by Mr. Paradiso, and approved by all Commission Members present. Resolution No. 69-2018.

**Chairman:** Anything else, Marty?

**CFO/Comptroller/DED:** That completes my presentation.

**Chairman:** Thank you, Marty. We will move on to the report of the Ohio State Highway Patrol, Lieutenant Richard Reeder.

**Lieutenant Richard Reeder:** Good morning, Mr. Chairman and Commission Members. I have some good news to report this time. We will start with the bad news first.

For this reporting period we did have one fatal crash. One person did die. It was a multiple vehicle crash. When we look at these crashes, we try to look at what is preventable and this truly was a preventable crash. We had a person on 911 with us for approximately ten minutes describing some irregular driving and actually stopping in the road at one point in time prior to the crash. We had troopers in route and of course we were just a minute away when this happened. The driver just prior to the crash stopped in the road, our 911 caller who was on the phone with dispatch reported everything. You could actually hear the impact of the commercial vehicle that hit. The deceased driver who had actually exited from his car and was hit. It is our understanding right

now that the vehicle was drivable and there was no reason to stop in the roadway. That is why I said it is such a preventable and tragic event. If he would have just drove off the side of the road maybe we could have prevented this when we got troopers on scene. Unfortunately, he did pass away. We are working with the Sandusky County Prosecutor's Office on charges for the commercial driver. We are still waiting on toxicology reports. We suspect the deceased may have been impaired by drugs and/or alcohol. We are going to do our best to figure that out and determine what avenue to take later. For the year 2018, it brings us to nine fatal crashes with a total of ten persons killed. We will do our best to keep that number where it is at for the rest of the year. We are going to be out heavily this traveling holiday.

A unit stopped a vehicle for a speed violation. They were traveling 88 miles-per-hour in a 70 miles-per-hour zone. Some criminal indicators were observed. We actually asked the driver for a consent to search the vehicle. He granted consent. We found seventy-nine suspected/stolen fraudulent iPhones. A big thing we have been dealing with statewide is the I.D. theft and credit card thefts. We believe these items were purchased with fraudulent cards. All of the items were confiscated and sent to our crime lab. We are going to work on prosecution in this case. There is a street value of the electronics of \$39,000.00. Again, we going to investigate that and charges will be filed later when we determine fully how they were obtained.

We stopped a rented Penske truck for a speed and marked lanes violation at Milepost 157 in Cuyahoga County. Several indicators were present. A K-9 was used to sniff which resulted in a positive indication. During the search, twenty-six boxes containing 510 pounds of vacuum sealed marijuana was discovered in a cargo area. They thought at first the female that was operating the vehicle would work for a controlled delivery to see where this was going. She ended up not working with us. She has been held for charges. We determined the approximate street value of this seizure to be \$1.3 million. That is a lot of marijuana that did not make it to its intended destination. We are very happy with that.

In closing, I wanted to bring up that the Highway Patrol on the 15<sup>th</sup> of this month celebrated our 85<sup>th</sup> anniversary. I want to thank the Commission for all of their support of the Highway Patrol.

**Chairman:** Any questions for Lieutenant Reeder? Congratulations and thank you for your report.

The next meeting will be held on December 17, 2018 at 10:00 a.m. I wish you all on behalf of the Commission and our staff a blessed Thanksgiving. If there is no further business, I will accept a motion to adjourn.

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

Time of adjournment: 10:38 a.m.

**Attendees for Record Keeping Purposes:**

Michael Burgess, Prime AE; Ed Adamczyk, Arcadis; Scott Buchanan, AECOM; Bethany Pugh, PFM; Brian Regueiro, PFM; Hamid Homae, KS Associates; Maureen Shildwachter, Huntington; Jake Siesel, IUOE 18; Bob Parker, Jobes Henderson; Todd Majdzadeh, Resource International; Frank Lamb, Zions Bank; Peyton Hall, Norwayne High School; Anthony Yacobucci, Ohio Turnpike; Martin Seekely, Ohio Turnpike; Jennifer Stueber, Ohio Turnpike; Matt Cole, Ohio Turnpike; Denise Criscuolo, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Mark Musson, Ohio Turnpike; Diana Anthony, Ohio Turnpike; David Miller, Ohio Turnpike; Chris Matta, Ohio Turnpike; Lisa Mejac, Ohio Turnpike; Brian Kelley, Ohio Turnpike; Joe Mannion, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; and Brian Newbacher, Ohio Turnpike.

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

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Sandra K. Barber, Secretary-Treasurer

# **EXHIBITS**

1. Resolution No. 65-2018 – Resolution Approving the Selection of M. P. Dory Company to Repair and Replace Various Sign Structures in the Amount of \$287,550.00 Under Project No. 45-19-01
2. Resolution No. 66-2018 – Resolution Approving the Selection of Shelly & Sands, Inc. to Perform the Bridge Rehabilitation and Third Lane Widening Under Project No. 43-19-06 for the Total Amount of \$13,988,600.98 and Approving the Assignments of Jobs Henderson & Associates, Inc. and ACA Engineering, Inc. to Perform Professional Services on the Project
3. Resolution No. 67-2018 – Resolution Approving the Selection of The Ohio Bridge Corp. to Furnish Bridge Structural Steel Under Bid Invitation No. 4325 for the Total Amount of \$426,096.00
4. Resolution No. 68-2018 – Resolution Authorizing Modification of the Contract with Cintas Corporation Under the DAS Cooperative Purchasing Program for Laundry Services Through December 31, 2022 for an Estimated Amount of \$293,000.00
5. Resolution No. 69-2018 – Resolution Authorizing the Optional Redemption of Certain of the Outstanding 2009 Series A Bonds in the Aggregate Principal Amount of \$20,700,000 and Authorizing Other Actions in Connection Therewith

## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Approving the Selection of M. P. Dory Company to Repair and Replace Various Sign Structures in the Amount of \$287,550.00 Under Project No. 45-19-01**

WHEREAS, the Ohio Turnpike and Infrastructure Commission (“Commission”) published notice in accordance with law advertising its invitation to bid upon a contract for the Sign Structure Repair and Replacement Project at Toll Plaza 142 and Mileposts 214.35, 214.70, 216.70, 217.55, 218.97 and 220.40 in Lorain, Trumbull and Mahoning Counties, Ohio, designated as Project No. 45-19-01 (the “Project”); and

WHEREAS, the Commission received two bids via Bid Express to perform the Contractor’s obligations on the Project, and the Deputy Chief Engineer and the Chief Engineer reviewed and evaluated the bids received, and whose report concerning such analysis is before the Commission; and

WHEREAS, the Chief Engineer and Deputy Chief Engineer report that M. P. Dory Company, of Columbus, Ohio, submitted the lowest responsive and responsible bid to perform the Contractor’s obligations under Project No. 45-19-01 in the amount of \$287,550.00, which they recommend the Commission accept and approve authorization for the Executive Director to select; and

WHEREAS, the Director of Contracts Administration advises that bids for Project No. 45-19-01 were solicited on the basis of the same terms, conditions and specifications, that the bid of M. P. Dory Company for Project No. 45-19-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that M. P. Dory Company submitted a bid guarantee and performance bond with good and sufficient surety; and

WHEREAS, Commission action is necessary to approve the contract for Project No. 45-19-01 in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws because the amount of the bids received require an expenditure that will exceed \$150,000.00; and

WHEREAS, the Commission’s Executive Director has reviewed the reports of the Chief Engineer, Deputy Chief Engineer and the Director of Contracts Administration and, predicated upon such analysis, has made his recommendation to the Commission to approve authorization for the Executive Director to execute Project No. 45-19-01 with the lowest responsive and responsible bidder, M. P. Dory Company; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bid of M. P. Dory Company, in the amount of \$287,550.00 for Project No. 45-19-01 is approved as the lowest responsive and responsible bid received and the Executive Director is authorized to execute a Contract on the basis of said bid; and

FURTHER RESOLVED that the Executive Director has the authority to approve such extra work or change orders under said contracts as a result of an increase in the planned quantities, newly mandated requirements that did not exist at the time of original contract awards, or circumstances that would create a life, safety, or health threatening situation or would unduly delay the completion of the project or increase its costs.

**(Resolution No. 65-2018 adopted November 19, 2018)**



## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Approving the Selection of Shelly & Sands, Inc. to Perform the Bridge Rehabilitation and Third Lane Widening Under Project No. 43-19-06 for the Total Amount of \$13,988,600.98 and Approving the Assignments of Jobes Henderson & Associates, Inc. and ACA Engineering, Inc. to Perform Professional Services on the Project**

WHEREAS, the Ohio Turnpike and Infrastructure Commission (“Commission”) published notice in accordance with law advertising its invitation to bid upon a Contract for the Bridge Rehabilitation of the Ohio Turnpike over Poland-Unity Road (County Route 175) at Milepost 237.8 and the Ohio Turnpike over Columbiana-New Castle Road (County Route 62) at Milepost 238.1 and the Third Lane Widening between Mileposts 237.17 and 238.63 in Mahoning County (“Project No. 43-19-06”); and

WHEREAS, the Commission received three bids to perform the Contractor’s obligations on the Project, and the report of the Commission’s Chief Engineer and Deputy Chief Engineer concerning the review and analysis of said bids is before the Commission; and

WHEREAS, the Chief Engineer reports that Shelly & Sands, Inc., of North Jackson, Ohio (“Shelly & Sands”), submitted the apparent low bid on Project No. 43-19-06 in the total bid amount of \$13,988,600.98, which they recommend the Commission accept and approve authorization for the Executive Director to award; and

WHEREAS, the Director of Contracts Administration advises that bids for Project No. 43-19-06 were solicited from all bidders on the basis of the same terms, conditions and specifications, that the bid of Shelly & Sands for Project No. 43-19-06 conforms to the requirements of Ohio Revised Code Sections 5537.07 and 9.312, and that Shelly & Sands submitted a performance bond with good and sufficient surety and made a good faith effort to attain the participation of small or otherwise disadvantaged businesses on the Project; and

WHEREAS, Commission action is necessary to approve the Contract in accordance with Article V, Section 1.00 of the Commission’s Bylaws because the amount of the bids received will require expenditures under Contract No. 43-19-06 that will exceed \$150,000.00; and

WHEREAS, the Commission’s Executive Director has reviewed the reports of the Chief Engineer and the Director of Contracts Administration and concurs in the recommendation to select Shelly & Sands as the lowest responsive and responsible bidder for Project No. 43-19-06; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bid of Shelly & Sands, Inc. for Project No. 43-19-06 in the amount of \$13,988,600.98 is approved as the lowest

responsive and responsible bid received and the Executive Director is authorized to execute a Contract based on said bid; and

FURTHER RESOLVED that the Executive Director and the Chief Engineer are authorized to assign Jobes Henderson & Associates, Inc., of Bedford, Ohio, to perform all necessary construction administration and inspection services in accordance with its contract previously authorized under Resolution Nos. 15-2018 and 44-2018, and assign ACA Engineering, Inc., of Boardman, Ohio, to perform the necessary materials testing services in accordance with the 2019-2020 Miscellaneous Professional Services Agreement; and

FURTHER RESOLVED that the Executive Director has the authority to approve such extra work or change orders under said contracts as a result of an increase in the planned quantities, newly mandated requirements that did not exist at the time of original contract awards, or circumstances that would create a life, safety, or health threatening situation or would unduly delay the completion of the Project or increase its costs.

**(Resolution No. 66-2018 adopted November 19, 2018)**

## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Approving the Selection of The Ohio Bridge Corp. to Furnish Bridge Structural Steel Under Bid Invitation No. 4325 for the Total Amount of \$426,096.00**

WHEREAS, the Ohio Turnpike and Infrastructure Commission (“Commission”) published notice, in accordance with law, advertising Bid Invitation No. 4325 for a Contract to furnish Bridge Structural Steel on an upcoming deck replacement and bridge widening project at Milepost 47.4 and Milepost 47.5 in Fulton County (“Project”); and

WHEREAS, due to the lead time required to obtain raw materials, fabricate and deliver the Bridge Structural Steel required for the Project, the Commission undertook this procurement to ensure that the construction contractor would have timely access to the required materials for the successful completion of the Project, which is a necessary component to implement the strategic plan for modernizing the Commission’s Toll Collection System; and

WHEREAS, Commission received six bids to perform the obligations of the Contractor to supply the Bridge Structural Steel for the Project, and the Commission’s Deputy Chief Engineer has reviewed and analyzed the bids received, which report on the review and analysis is before the Commission; and

WHEREAS, the Deputy Chief Engineer reports that The Ohio Bridge Corp., of Cambridge, Ohio, submitted the lowest responsive and responsible bid to perform the Contractor’s obligations described under Bid Invitation No. 4325 in the amount of \$426,096.00, which bid they recommend be approved and accepted by the Commission; and

WHEREAS, the Director of Contracts Administration advises that bids in response to Bid Invitation No. 4325 were solicited on the basis of the same terms, conditions and specifications, that the bid of The Ohio Bridge Corp. in response to Bid Invitation No. 4325 conforms to the requirements of Ohio Revised Code Sections 5537.07 and 9.312 and that The Ohio Bridge Corp. submitted a bid bond with good and sufficient surety; and

WHEREAS, Commission action is necessary to approve the Contract in accordance with Article V, Section 1.00 of the Commission’s Bylaws because expenditures under the contract under Bid Invitation No. 4325 will exceed \$150,000.00; and

WHEREAS, the Executive Director has reviewed the reports of the Deputy Chief Engineer and the Director of Contracts Administration and concurs with the recommendation to select The Ohio Bridge Corp. as the lowest responsive and responsible bidder responding to Bid Invitation No. 4325; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bid of The Ohio Bridge Corp. in the amount of \$426,096.00, to furnish Bridge Structural Steel under Bid Invitation No. 4325 for the Project, is selected as the lowest responsive and responsible bid received and the Executive Director is authorized to execute a Contract on the basis of said bid; and

FURTHER RESOLVED that the Executive Director has the authority to approve such extra work or change orders under said contract as a result of an increase in necessary quantities, newly mandated requirements that did not exist at the time of original contract awards, or circumstances that would create a life, safety, or health threatening situation or would unduly delay the completion of the Project or increase its costs.

**(Resolution No. 67-2018 adopted November 19, 2018)**

## OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

### **Resolution Authorizing Modification of the Contract with Cintas Corporation Under the DAS Cooperative Purchasing Program for Laundry Services Through December 31, 2022 for an Estimated Amount of \$293,000.00**

WHEREAS, under Resolution No. 32-2003, adopted on July 21, 2003, the Executive Director is authorized to participate in state contracts under the Ohio Department of Administrative Services (“DAS”) Cooperative Purchasing Program, through which members may purchase supplies, services, equipment and other materials in accordance with Ohio Revised Code Section 125.04; and

WHEREAS, the Maintenance Department undertook a pilot program to evaluate the benefits and costs of subscribing to the uniform and laundry service available under the DAS Cooperative Purchasing Program at two Maintenance Buildings; and

WHEREAS, the uniform and laundry service pilot program furnishes the materials and care necessary to provide and clean employee uniforms and the Commission no longer purchases, stocks and outfits the employees participating in the pilot program from its own uniform inventory or otherwise provide the laundry service required to maintain those materials; and

WHEREAS, the Maintenance Department staff has determined through the pilot program that the uniform and laundry service results in cost savings to the Commission, better quality attire and greater employee participation in wearing uniform clothing; and

WHEREAS, the Chief Engineer recommends expanding the uniform and laundry service pilot program to all maintenance employees under DAS Contract Schedule No. RS900118, Index No. GDC020 with the Cintas Corporation of Mason, Ohio, through December 31, 2022 in the estimated amount of \$293,000.00; and

WHEREAS, the Executive Director has reviewed the evaluation and report of the Chief Engineer and concurs with the recommendation that the Commission approve the expansion of the pilot Uniform and Laundry Service to all maintenance employees under the DAS Cooperative Purchasing Program; and

WHEREAS, Commission action is necessary under Article V, Section 1.00 of the Commission’s Code of Bylaws because the expenditure \$150,000.00; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the expansion of the pilot uniform and laundry service from Cintas Corporation to all maintenance employees through the DAS Cooperative Purchasing Program under DAS Contract Schedule No. RS900118, Index No. GDC020, in the estimated amount of \$293,000.00, is approved.

**(Resolution No. 68-2018 adopted November 19, 2018)**

## OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

### Resolution Authorizing the Optional Redemption of Certain of the Outstanding 2009 Series A Bonds in the Aggregate Principal Amount of \$20,700,000 and Authorizing Other Actions in Connection Therewith

WHEREAS, the Ohio Turnpike and Infrastructure Commission (the “Commission”) is, by virtue of Chapter 5537 of the Ohio Revised Code (the “Act”), authorized and empowered, among other things, (a) to issue revenue bonds of the State of Ohio (the “State”) for the purpose of paying costs of constructing any one or more Turnpike Projects, and (b) to enact this Resolution and execute and deliver the documents hereinafter identified; and

WHEREAS, the Commission has entered into a Master Trust Agreement dated as of February 15, 1994, as amended by the First through Seventeenth Supplemental Trust Agreements and as amended and restated by the Amended and Restated Master Trust Agreement (the Eighteenth Supplemental Trust Agreement), and as further amended by the Nineteenth, Twentieth, Twenty-First and Twenty-Second Supplemental Trust Agreements thereto (collectively, and as further amended from time to time, the “Senior Lien Master Trust Agreement”), with The Huntington National Bank, as trustee (the “Trustee”), providing for the issuance from time to time of Turnpike Revenue Bonds under authority of the Act; and

WHEREAS, under authority of Resolution No. 10-2009, adopted on April 27, 2009, the Commission issued the State of Ohio Turnpike Revenue Bonds, 2009 Series A (the “2009 Series A Bonds”) in the principal amount of \$137,205,000 in order to refund certain of the then-outstanding (i) \$250,000,000 State of Ohio Turnpike Revenue Bonds, 1998 Series B and (ii) \$100,000,000 State of Ohio Turnpike Revenue Bonds, 2001 Series A, in order to reduce interest costs to the Commission, and to pay the costs of issuance of the 2009 Series A Bonds; and

WHEREAS, in consultation with the Commission’s municipal advisor, PFM Financial Advisors LLC, the Chief Financial Officer and the Executive Director recommend that the Commission call for optional redemption certain of the currently outstanding 2009 Series A Bonds at the earliest optional redemption date of February 15, 2019, in the aggregate principal amount of \$20,700,000 as follows:

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Aggregate Principal Amount</b>	<b>Amount to be Redeemed</b>	<b>CUSIP Number</b>
January 15, 2020	5.000%	\$14,110,000	\$14,110,000	67760H HD6
January 15, 2021	5.000	3,390,000	3,390,000	67760H MK4
January 15, 2022	5.000	1,015,000	1,015,000	67760H ML2
January 15, 2023	5.000	1,065,000	1,065,000	67760H MM0
January 15, 2024	4.375	1,120,000	1,120,000	67760H MN8

(the “Redeemed 2009 Bonds”); and

WHEREAS, the Commission has determined that it is in its best economic interest to exercise its rights to optionally redeem the Redeemed 2009 Bonds pursuant to Section 3.01 of the

Sixteenth Supplemental Trust Agreement between the Commission and the Trustee dated as of May 1, 2009 (the "Sixteenth Supplement").

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION:

Section 1. Election to Redeem. The Ohio Turnpike and Infrastructure Commission hereby elects to exercise its optional redemption rights as set forth in Section 3.01 of the Sixteenth Supplement and in the Senior Lien Master Trust Agreement to redeem the Redeemed 2009 Bonds.

Section 2. Direction to the Trustee. The Commission hereby directs The Huntington National Bank, as Trustee, to take all actions necessary to call for optional redemption the Redeemed 2009 Bonds on February 15, 2019 at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, if any, all as set forth in the Senior Lien Master Trust Agreement.

Section 3. Deposit of Funds. The Commission hereby directs the Chief Financial Officer/Comptroller to deposit the sum of \$20,700,000 into the Bond Redemption Account of the Debt Service Fund created under the Senior Lien Master Trust Agreement in order to effectuate the optional redemption described in this Resolution.

Section 4. Additional Actions. The Commission hereby authorizes the Executive Director and the Chief Financial Officer/Comptroller to take all actions necessary to effectuate the purpose of this Resolution.

Section 5. Retention of Bond Counsel. The retention of the legal services of Squire Patton Boggs (US) LLP, as bond counsel in connection with the optional redemption of the Redeemed 2009 Bonds, is hereby authorized, approved and confirmed. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the optional redemption of the Redeemed 2009 Bonds.

Section 6. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

Section 7. Compliance With Sunshine Law. It is hereby determined that all formal actions of the Commission relating to the adoption of this Resolution were taken in an open meeting, and that all deliberations of the Commission and of its committees, if any, which resulted in formal action were in meetings open to the public, in full compliance with Section 121.22 of the Ohio Revised Code.

**(Resolution No. 69-2018 adopted November 19, 2018)**



# Ohio Turnpike & Infrastructure Commission

## Series 2009A Defeasance

November 19, 2018

PFM Financial  
Advisors LLC

Plaza South One  
7251 Engle Rd.  
Suite 115  
Cleveland, OH 44130

(440) 239-7070  
pfm.com



## Series 2009A Bonds

- The Series 2009A Bonds become currently callable on February 15, 2019
  - OTIC has been planning to fully defease the \$14.11 million 2020 maturity on the call date
  - An additional \$6.59 million is callable maturing in the years 2021 – 2024 which can be defeased, refunded for economic savings, or held to maturity

### 2020 - 2024 Maturities

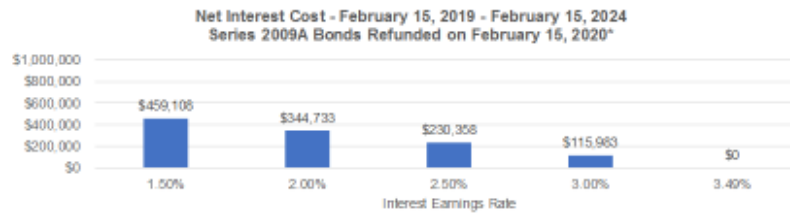
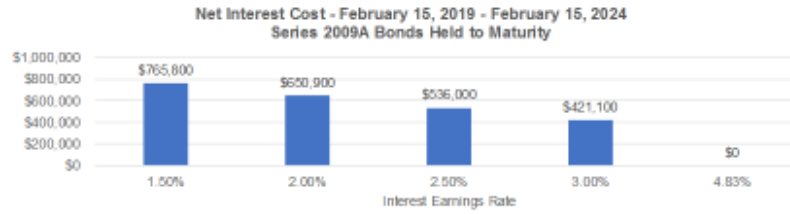
Maturity	Principal
2/15/2020	\$14,110,000
2/15/2021	\$3,390,000
2/15/2022	\$1,015,000
2/15/2023	\$1,065,000
2/15/2024	\$1,120,000
<b>Total:</b>	<b>\$20,700,000</b>





## Net Interest Cost to OTIC

- If the 2021 – 2024 maturities are not defeased, the bonds will continue to bear interest cost, but the interest cost will be partially offset by the additional interest earnings.
- OTIC earns 2.05% in the General Fund and 2.20% in the Debt Service Account as of October 31, 2018.



\*PFM assumed interpolated AAA NWD rates as of September 10, 2018 + a credit spread + 50 basis points as a buffer, par bonds, and \$8/Bond for issuance costs