

**MINUTES OF THE 624th MEETING OF THE
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
DECEMBER 14, 2015**

Chairman: Good morning ladies and gentlemen, it is 10:01 a.m. Would you please rise as we say our 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 record of attendance.

Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Chairman Hruby

Chairman Hruby: Here

Assistant Secretary-Treasurer: Commissioner Paradiso

Vice Chairman Paradiso: Here

Assistant Secretary-Treasurer: Commissioner Dixon

Mr. Dixon: Here

Assistant Secretary-Treasurer: Commissioner Barber

Secretary-Treasurer Barber: Yes, Here

Assistant Secretary-Treasurer: Commissioner McAuliffe

Mr. McAuliffe: Here

Assistant Secretary-Treasurer: Commissioner Kauffman

Mr. Kauffman: Here

Assistant Secretary-Treasurer: Representative Dovilla

Representative Dovilla: Present

Chairman Hruby: Thank you, we have a quorum.

Chairman: This is the 624th Meeting of the Ohio Turnpike and Infrastructure Commission. We are meeting here at the Commission's headquarters, as provided for in the Commission's Code of Bylaws for a Commission Special Meeting.

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

May I have a motion to adopt the Minutes of the November 16, 2015, Commission Meeting?

MOTION: A motion to adopt the Minutes of the November 16, 2015, Commission Meeting was made by Mr. Paradiso and seconded by Chairman Hruby. All Commission Members present voted to approve the Minutes.

Chairman Hruby: Any corrections, additions, to the minutes? Hearing none, roll call.

Assistant Secretary-Treasurer: Commissioner Paradiso

Vice Chairman Paradiso: Yes

Assistant Secretary-Treasurer: Chairman Hruby

Chairman Hruby: Yes

Assistant Secretary-Treasurer: Commissioner Barber

Commissioner Barber: Yes

Assistant Secretary-Treasurer: Commissioner Dixon

Commissioner Dixon: Yes

Assistant Secretary-Treasurer: Commissioner McAuliffe

Mr. McAuliffe: Yes

Chairman: If there are not further questions, we will proceed with the report of the Secretary-Treasurer, Mrs. Barber.

Secretary-Treasurer: Mr. Chairman, the following items have been sent to the Members since the last scheduled meeting of the Commission on November 16, 2015:

1. Six Resolutions;
2. Draft Minutes of the November 16, 2015, Commission Meeting; and
3. Agenda for today's meeting.

Also included in our folders for today's meeting, the following additional documents:

1. Traffic and Revenue Report, November 2015;

2. Total Revenue by Month and Year, November 2015;
3. Investment Report, November 2015; and
4. Various News Articles.

That concludes my report, Mr. Chairman.

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

Executive Director: Thank you, Mr. Chairman. I will keep my report brief today so we can focus on consideration of the resolutions before you and other business of the commission. First, thank you for your support and direction over the past year. It's almost shocking for me to say that tomorrow marks the one year anniversary of my appointment. Thanks to the dedication, ability and effort of the leadership team and all 952 employees of the Turnpike, it has been a very good year in many ways and working together we have accomplished a lot. Last month we announced a partnership with the Highway Patrol to step up education and enforcement efforts to reduce distracted driving. I am very happy to announce about 3,000 drivers have signed up through our website to take our "Distracted Driving Pledge". The popularity has been so strong, Sunoco has provided 2 additional \$50 Gas cards for drivers who take the pledge during the month of December. Finally, I have spoken with many of you about the fact that the solutions to reducing distracted driving may not be focused on the driver, but rather, the vehicle. I even testified about that in response to a question posed by Senator Manning during an October meeting of the Joint Committee on Transportation Issues. I am excited to say that earlier this year, the Ohio Turnpike was invited by the Ohio State University to participate in the Ohio Smart Mobility Initiative. The initiative is focused on understanding and adopting advances in safety, fuel efficiency and enhanced mobility. We had the first meeting of the advisory board on November 13. Beyond Ohio, the effort also involves the University of Michigan, Carnegie Mellon University, as well as, ODOT and the transportation agencies of Michigan and Pennsylvania in forming a Midwest Region Intelligent Transportation collaborative. I have provided you with a handout that captures the focus of the initiative. I will keep you updated through 2016 of our efforts and any action that may be required of the commission. That concludes my report, Mr. Chairman.

Chairman: I would just like to commend you for the program regarding paying attention while driving. Really, what you are saying is don't text and stay off of the phone when driving. We've plagiarized a lot of what Mr. Cole did in our own community. It is definitely getting to be a major problem throughout this country. So many people are leaving in the roadway weaving over in the lanes, not understanding the talking on the phone and texting is dangerous. I commend you for your work, and it has been one year. On behalf of the Commission, we thank you. A great transition, you have opened up a lot of wonderful new doors for us and we appreciate that, you have done an outstanding job. We will move on to the report of our CFO/Comptroller.

CFO/Comptroller: Thank you Mr. Chairman. We have an update on our traffic and revenue for the month of November 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 2

years. Last year had several days of snow while we have enjoyed mild weather and low gas prices this year, as a result Passenger car vehicle miles traveled were up 8.1% in November.

Commercial traffic was up as well and was 3.7% higher in November from the same month last year. The increase in traffic combined with the toll rate increase on January 1 caused passenger car toll revenue to increase 9.7% in November. The increase in commercial traffic combined with the toll rate increase caused commercial vehicle toll revenues to increase 5.2% in November. This chart shows the year-to-date toll revenues through the month of November during each year over the past decade. Toll revenues for the first eleven months of this year were \$14.4 million or 5.9% above the amount from last year. That completes my report on traffic & revenue. I would now like to present the proposed 2016 operating budget for your consideration. This pie chart provides an overview of the proposed 2016 revenue budget. Tolls are obviously the major source of the Commission's funding, representing 91.9% of projected 2016 revenues. Concessions generated from sales of food, fuel and other retail goods and services at the Commission's service plazas are estimated to be 4.7% of total revenues. The remaining 3.4% consists of investment earnings, fuel taxes and other miscellaneous revenues. This slide shows a comparison of the proposed 2016 budget to the 2015 budget for pledged funds.

The toll revenue budget is \$23.2 million or 8.4% higher than last year's budget. Tolls will be increased 2.7% on January 1 next year. The remaining 5.7% increase in toll revenue is due to projected increases in traffic. The Concession revenues budget is \$375,000 or 2.6% more than last year's budget. Investment revenue is budgeted to decrease by \$1.2 million or 25.7% from last year's budget. The decrease is due to an approximately \$318 million reduction in the amount of funds remaining in the Infrastructure fund. The increase in the other revenues budget relates primarily to higher monthly transponder usage fees due to an increase in the number of transponders issued to customers. The proposed 2016 pledged revenues budget totals \$320.6 million, an increase of \$22.8 million or 7.7% from the 2015 budget. This slide shows the projected 2016 vehicle miles traveled, the percentage of those miles expected to be paid with E-ZPass and the resulting calculation of toll revenue by vehicle class. Total vehicle miles traveled are budgeted to increase 5.1% from the 2015 budget. The budgeted amount of Commercial vehicle miles traveled is projected to increase 3.9% while the budgeted amount of passenger car miles traveled is projected to increase 5.7%. The E-ZPass rate of usage for Class 1 vehicles (passenger cars) is budgeted to increase to 49.8% in 2016. Increases in E-ZPass usage are budgeted for the Commercial vehicle classes 2 through 7 as well. Consequently, the additional revenue generated by the toll rate increase combined with the increase in vehicle miles traveled results in total toll revenue of \$297.9 million which is an increase of \$23.2 million from our 2015 toll revenue budget.

It is expected that only 3.6% of the Commission's 2016 budget will be spent on administration and insurance. We project that 12.4% of the budget will be needed for the maintenance of the roadway and structures, 16.9% for the operation of the toll and service plazas, and 4.7% for traffic control, safety, patrol and communications. The Commission currently has about \$1.6 billion in senior and junior lien bonds outstanding. The debt service on those bonds will require 29.7% of the Commission's 2016 expenditures budget, leaving 32.6% available for capital projects.

This slide contains our 2016 staffing budget. The increased E-ZPass penetration has caused us to add personnel in the customer service and fulfillment centers while allowing staffing levels in our toll operations department to continue to be reduced. As a result, this slide identifies the net addition of one full-time non bargaining employee and the elimination of 3 full-time toll collector positions and 1 part-time toll collector position. We have added 3 part-time service plaza employees to increase our customer service at the service plazas and also have planned for the addition of 3 part-time non-bargaining employees, two of which are summer interns to help out our Marketing and Engineering departments with special projects.

We have budgeted 7 additional full-time maintenance workers to fill open positions in our staffing plan. The total 2016 staffing budget is 979 which is an increase of 5 full-time and 7 part-time positions from last year's budget.

The slight increase in budgeted personnel combined with the negotiated 2% increase in bargaining employees' wages and a similar 2% increase in non-bargaining employees' wages results in a \$1.3 million, or 2.6% increase in wage expense. Fringe benefits are budgeted to increase \$130,000 or 0.6% from last year's budget. Most of the increase in Administration & Insurance is due to increased insurance costs, increased legal fees and higher software maintenance fees. Most of the increase in Services & Toll operations expenses is due to projected increases credit card fees due to increased E-ZPass use. Most of the increase in Traffic Control, Safety & Patrol is due to increased charges from the Highway Patrol reflecting an anticipated increase in wages from a new collective bargaining agreement. Total 2016 operating, maintenance and administrative expenses are expected to increase by \$4.5 million or 3.8% over the 2015 budget. Debt service payments on the \$556 million in senior lien debt and \$1.0 billion in junior lien debt are scheduled to be \$96.0 million in 2016.

The Commission's Master Trust Agreement requires that we maintain an expense reserve equal to one-twelfth of our annual operating, maintenance and administrative expense budget. With the proposed increase in our expense budget of \$4.5 million, we are required to add one-twelfth of this amount, or \$374,000 to the Expense Reserve Fund. The remaining transfers from pledged funds support the capital budget that the Chief Engineer will be presenting in a few minutes. We are proposing a transfer of \$10.0 million to the Renewal and Replacement Fund and a transfer of \$92.1 million to the System Projects Fund. The 2016 budgeted debt coverage ratio on our senior debt is 3.29 and the composite debt coverage ratio on all of our debt is 2.10. To be eligible to issue additional senior lien bonds, our Master Trust Agreement requires a minimum coverage ratio of 1.5 on our senior debt during the fiscal year immediately preceding the issuance of the bonds, when calculated using the maximum annual debt service on the bonds then outstanding and the bonds proposed to be issued. The bond rating agencies generally require a debt coverage ratio of at least 2.0 in order to maintain the Commission's "AA" credit rating on our senior debt. To be eligible to issue additional junior lien bonds, our Junior Lien Master Trust Agreement requires a projected minimum composite debt coverage ratio of 1.5. When meeting with the credit rating agencies when we issued bonds in 2013 we indicated that we would try to maintain a minimum composite debt coverage ratio of 1.70.

This is the proposed 2016 budget for non-pledged funds. The major source of non-pledged revenue is 5 cents in fuel tax from each gallon of fuel sold at the Commission's service plazas. The

other major source of non-pledged revenue is generated by charging the food and retail vendors operating at the service plazas a fee equal to 1% of sales. As the Chief Engineer will explain in his presentation, these non-pledged funds are also used to support the Commission's capital budget.

This chart shows the Commission's Operating Budgets for the last 8 years. The red line represents budgeted revenues which have steadily increased from \$212 million in 2009 to \$324 million in 2016. The green line represents budgeted operating expenditures which have been held fairly constant over this period and have actually decreased slightly from \$123.3 million in 2009 to \$122.1 million in 2016. The difference between our revenues, the red line, and our operating expenditures, the green line, represent our income from operations, which has more than doubled over this period from \$89 million in 2009 to \$202 million in 2016. This has enabled the commission to fund the increase in debt service payments from \$56 million in 2009 to \$96 million in 2016 and an increase in the amount of funds transferred to our capital improvements funds from \$33 million in 2009 to \$106 million in 2016.

The total proposed 2016 operating budget is \$324,115,000. Both Ohio law and our Master Trust Agreement require the Commission to adopt an annual operating budget on or before the first day of the year. With your permission Mr. Chairman I would like to ask the General Counsel to please read the resolved.

Chairman: Please

General Counsel: RESOLVED that, in accordance with Article V, Section 5.01 of the Master Trust Agreement, the Commission hereby adopts the budget attached hereto as its 2016 Annual Operating Budget, and the Executive Director, his successor or the Deputy Executive Director/CFO/Comptroller is directed to transmit a copy of the budget to the appropriate state officials as set forth in Ohio Revised Code Section 5537.17(F) and to The Huntington National Bank as Trustee, as required under Section 5.01(a)(iii) of the Master Trust Agreement, and to make those deposits or transfers of funds as are necessary to effectuate said budget attached hereto and incorporated by reference into this resolution.

Chairman: For this Resolution, what's your pleasure?

Mrs. Barber: So moved

Vice Chairman Paradiso: Second

Chairman: Moved by Mrs. Barber, seconded by Vice Chairman Paradiso. Any comments, any questions?

Vice Chairman Paradiso: Mr. Chairman

Chairman: Please

Vice Chairman Paradiso: Marty, you had a slide with a graph two slides ago, could you go back to that? The color coded slide. As I came on the Commission a couple of years

ago, worried about the debt service with these outside bonds and are we able to continue to support the infrastructure that we have at the turnpike. I am pleased to see this back from 2009 through now we've been able to improve both our maintenance and roadway funding internally, the renewal replacement fund, the list of project funds have all increased so we have been able to spend more money on our own infrastructure as well as support the debt for the outside. I have to say that's impressive, right? The product hasn't suffered at all, the Turnpike continues to be state of the art and the pride of our infrastructure and I just want to go on record and saying that I think this hasn't cost us anything and actually has allowed us to focus more on how we use this asset to create revenue and continue to focus on maintaining a first class infrastructure. Congratulations, good job Randy.

Mrs. Barber: I would just like to add, Mr. Chairman, to see our revenue increase like that and maintain our operating expenses at a consistent line is pretty impressive. The Ohio Turnpike is doing something right in the leadership here needs to be commended in all departments.

Mr. Chairman: Any other comments? A couple years ago when this issue was decided and State Legislature did what they did, it was projected that it would come out like this and the group that projected that was the Governor's office, of course, the State Legislature, Representative, thank you and the Senator that was here, and ODOT, worked closely together at putting this together. Marty, you predicted this and agreed with it and it is credit to all and then for our new director to make sure that we live within this has been remarkable, thank you for that great work. It was the leadership of the Governor that got us to where we are in making that decision. I would commend him also, on behalf of the Commission. Any other questions, or comments? Hearing none roll call on the Motion.

MOTION: A motion to adopt the *Resolution Adopting Proposed 2016 Annual Operating Budget and Providing for Deposits Required under the Master Trust Agreement during 2016* was made by Mrs. Barber, seconded by Vice Chairman Paradiso, and unanimously approved by all Commission Members present.

Chairman Hruby: Yes, Marty anything else?

CFO/Comptroller: That completes my report Mr. Chairman.

Chairman Hruby: Thanks again, and excellent job as always. We will move on 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 is for the adoption of our 2016 Capital Budget. In your folders you have a detailed Capital Budget, listing all of our proposed projects for 2016. I have a brief presentation this morning which reviews the proposed 2016 Capital Budget. At the conclusion of the presentation, I will be requesting that the Commission adopt a resolution approving the Capital Budget. This resolution will refer to a preliminary list of projects, which may be subject to change, and any Capital Project in excess of \$150,000 will be brought to the Commission for individual resolutions at the time of award. This is an overview of the Funds in the Capital Budget. These include the System Projects Fund, the Renewal and Replacement Fund,

the Fuel Tax Fund and the Service Plaza Capital Improvement Fund. I will discuss each of these in more detail this morning. The first of the four funds I will review is the System Projects Fund. System Projects are the major construction projects that are part of our capital improvement program. We will begin the year with a balance of approximately \$45.7 million, and approximately \$92.1 million will be transferred to this fund from the 2016 operating budget. We intend to carry \$20.0 million of these funds over to 2017 to cover future projects which will result in approximately \$117.9 million available for projects in 2016. We have identified about \$111.0 million in System Projects, of which \$40.6 million will cover the completion of existing projects and \$70.4 million is allocated to new projects. Continuing expenditures are for existing projects that are currently under construction and have been previously awarded in 2015. The major projects in this category primarily include the second phase of the pavement replacement projects in Lorain and Trumbull Counties which were bid as two year construction projects. This slide lists the \$70.4 million of new System Projects to be funded in 2016. \$37.6 million has been allocated to primarily two contracts as we continue the Pavement Replacement Program in Erie and Portage Counties. These are both two year projects so the funding for the second year of these projects will be included in next years capital budget. The budget includes \$11.8 million for a number of bridge deck replacements and rehabilitations. Approximately \$17.5 million has been programmed for resurfacing projects in 2016, in Fulton, Lucas, Wood, and Sandusky Counties. And about \$2.0 million has been allocated to Engineering Design and Consulting Services for Capital Projects. This will leave about \$6.9 million available in the System Projects Fund for other unidentified projects that may come up over the next year. The second component of the Capital Budget is the Renewal and Replacement Fund, which is required to be funded by our Master Trust Agreement in order for the Commission to maintain its buildings, vehicles, equipment and various other minor projects. We will begin the year with a balance of approximately \$7.8 million, and \$10.0 million will be transferred to this fund from the 2016 operating budget. This will result in approximately \$17.8 million available for projects in 2016. About \$4.8 million is committed to ongoing projects, including \$1.6 million for the replacement of underground fuel lines at one of our service plazas. New projects total approximately \$12.0 million and include about \$2.5 million for replacement of maintenance equipment, \$1.4 million for vehicle replacements, \$1.6 million for various projects at our maintenance buildings and almost \$4 million for numerous technology upgrades to both, our communication equipment, as well as computer software and hardware. This will leave approximately \$1.0 million available in the Renewal and Replacement Fund for other unidentified projects that may come up over the next year. The third component of the Capital Budget is the Fuel Tax Fund. This account is funded from five cents of the total twenty-eight cents per gallon of state fuel taxes collected for fuel sold at the service plazas being returned to the Commission. We will begin the year with a balance of approximately \$3.3 million in this fund. About \$2.4 million will be generated during 2016, resulting in a balance of approximately \$5.7 million available for 2016 projects. New projects total about \$4.9 million, and include \$1.0 million for bridge repainting and \$3.9 million for bridge repair and rehabilitation. This will leave about \$789,000 available in the Fuel Tax Fund for other unidentified projects that may come up over the next year. The final component of the Capital Budget is the Service Plaza Capital Improvement Fund. This account is funded from a 1% commission of sales from the food and retail vendors operating at the fourteen service plazas. The funds are designated for capital improvements at these facilities. Revenue of approximately \$663,000 is projected for 2016. Adding this to the projected 2016 beginning balance of \$1.5 million results in approximately \$2.1 million available for projects. Approximately \$1.0 million will be budgeted for new projects in 2016, including \$750,000 for the resurfacing of the

truck parking area at the Vermillion Valley Service Plaza. This will leave approximately \$1.0 million available in the Service Plaza Capital Improvement Fund for other unidentified projects that may come up over the next year or in future years. In summary, the 2016 capital budget includes \$133.8 million in identified projects and \$9.8 million for unidentified projects, for a total of \$143.6 million. That completes my 2016 Capital Budget presentation. With your permission, may the General Counsel please read the Resolved?

Chairman: Please

General Counsel: RESOLVED that, in accordance with the requirements of Article IV of the Master Trust Agreement, the Commission hereby authorizes expenditures from the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plaza Capital Improvement Fund for 2016 capital projects, which shall constitute System projects, with such expenditures not-to-exceed a combined total of up to \$143,556,768, and which projects shall be awarded in accordance with the requirements of Article V of the Commission's Code of Bylaws dated July 1, 2013.

FURTHER RESOLVED that the Executive Director of the Ohio Turnpike and Infrastructure Commission will provide a certified copy of this resolution to the Huntington National Bank, as Trustee for the Bondholders.

Chairman: I'll move the adoption of the Resolution, is there a second?

Mr. McAuliffe: Second

Chairman: Seconded by Mr. McAuliffe. Any questions, comments? I have one question. The funds to be carried over in 2017 the 20 million, is that about what we've been doing? Carry over seems high.

Chief Engineer: The carry over, Mr. Chairman, is from the bond sale of which that money came to the Commission to help expedite our pavement replacement program. We've spent that money across several years, about \$15 million and \$20 million per year.

CFO/Comptroller: Actually, it's been declining each year. It originally started out at \$70 million dollars. Last year, it was \$40 million. This year, it is \$20 million. It will continue to decline until the next bond sale when it will go back up again.

Chairman: Is the \$6 million discretionary part of the carryover?

CFO/Comptroller: The \$6 million is uncommitted funds out of the \$117 million that is available in the System Project Fund. In other words, \$6.9 million has not been assigned to a particular project yet.

Chairman: I understand but that's not part of the \$20 million carry over?

CFO/Comptroller: No, the \$20 million dollars is removed from that. There would be \$137 million available in that fund if we did not carry over \$20 million dollars.

MOTION: A motion to adopt the *Resolution Adopting Proposed 2016 Capital Budget* was made by Chairman Hruby, seconded by Mr. McAuliffe, and unanimously approved by all Commission Member present.

Chairman: Anything else?

Chief Engineer: Yes, Mr. Chairman, my next Resolution for your consideration seeks authorization for the award of Contract No. 4258 for two (2) hydraulic drop hammer post pounders and accepting trade-in credit under Bid Invitation No. 4258, as well as, the purchase of two (2) cab and chassis' for mounting the new post pounders under the Ohio Department of Transportation's (ODOT's) Cooperative Purchasing Program Contract Number 023-15. The purchase of this equipment is included in the 2015 Capital Budget and is required to replace the Commission's existing 1993 model year GMC cab and chassis' with mounted post pounders which have reached the end of their useful life. Procurement received one bid in response to Invitation No. 4258, with the lone bid being submitted by GRT Utilicorp, Inc. ("GRT") of Wooster, Ohio in the amount of \$186,028.00 for two (2) post pounders. The bid invitation also provides for the bidder to purchase and pick-up the Commission's existing post pounders, which GRT provided a trade-in credit of \$36,000. The net price for the new hydraulic drop hammer post pounders will be \$150,028.00. This bidder proposes to furnish the equipment and services in accordance with the Specifications. Furthermore, the Procurement Manager has determined that the lowest cost of obtaining the two (2) cab and chassis' for mounting the new post pounders is under ODOT's Cooperative Purchasing Program Contract Number 023-15 from Cleveland Freightliner, Inc. dba Valley Freightliner of Parma, Ohio. The total cost for the two (2) cab and chassis' will be \$141,960.00. The expenditures by the Commission for the two (2) cab and chassis' with mounted post pounders 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. With your permission, may the General Counsel please read the Resolved.

Chairman: Please

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bid of **GRT Utilicorp, Inc.**, of **Wooster, Ohio**, in the net amount of **\$150,028.00** (\$186,028.00 less the trade-in price for two existing post pounders) for Contract No. 4258 is approved as the lowest responsive and responsible bid received, and that the Executive Director is authorized to execute a Contract on the basis of said bid.

FURTHER RESOLVED that the purchase of two cab and chassis from **Cleveland Freightliner, Inc.**, of **Parma, Ohio**, through the ODOT Cooperative Purchasing Program under Contract No. 023-15, in the amount of **\$141,960.00**, for use in mounting the post pounders purchased under Contract No. 4258, is approved.

Chairman: Pleasure

Vice Chairman Paradiso: So moved

Chairman: Moved by Vice Chairman Paradiso,

Mrs. Barber: Second

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

MOTION: A motion to adopt the *Resolution Authorizing the Purchase of Two Cab & Chassis under the ODOT Cooperative Purchasing Program, and Awarding a Contract for Two Hydraulic Post Pounders and Accepting Trade-In Credit under Invitation No. 4258* was made by Vice Chairman Paradiso, seconded by Mrs. Barber, and unanimously approved by all Commission Members present.

Chairman: Go ahead, please

Chief Engineer: The third Resolution for your consideration is to award Contract No. 39-16-02 for the reconstruction of the right two lanes and shoulder from Milepost 186.35 to Milepost 191.39, as well as, the repair and rehabilitation of the mainline bridge over the Cuyahoga River at Milepost 191.4, all located in Portage County, Ohio. This construction Project will be performed over the 2016 and 2017 construction seasons and this work is included in the 2016 Capital Improvement Budget. Procurement received two bids for this Contract with the apparent low bid submitted by The Shelly Company – Northeast Division of Twinsburg, Ohio in the amount of \$26,716,009.87. The Contract Documents included line items for voluntary Eastbound and Westbound Waste Site Credits, as well as, a Temporary Access Credit. The Shelly Company included a line item deduct in the amount of \$275,000.00 for the Eastbound Waste Site Credit and \$200,000 for the Temporary Access Credit. With or without consideration of the proposed credits, Shelly Company's bid is still the apparent low bid and, when compared to the next lowest bid, it is 9.2 percent below the second low bidder, Shelly and Sands, Inc. The Contract Documents included Alternate Bids to construct the Base Pavement with Asphalt or Concrete. Neither of the Bidders provided a Concrete Alternate Bid with their proposals. The Construction Manager, Hill International, Inc. of Broadview Heights, Ohio has carefully evaluated the complete bid tabulation and finds no errors or anomalies. Shelly Company appears to have the available capacity in both manpower and resources, and has successfully performed projects of a similar size and nature for the Commission in the past. Therefore, it is recommended that the Commission award Contract No. 39-16-02 to The Shelly Company – Northeast Division of Twinsburg, Ohio in the amount of \$26,241,009.87, which includes the Eastbound Waste Site Credit and the Temporary Access Credit. This Resolution also contains provisions to assign the GPD Group of Cleveland, Ohio to assist with construction engineering and inspection services, and to assign Solar Testing Laboratories, Inc., of Brooklyn Heights, Ohio to perform material testing. With your permission, may the General Counsel please read the Resolved.

Chairman: Please

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bid of **The Shelly Company of Twinsburg, Ohio**, in the amount of **\$26,241,009.87** (comprising the base bid of \$20,264,345.87 plus the Asphalt Pavement Alternate of \$6,451,664.00 less the Eastbound Waste Site Deduct Alternate of \$275,000.00 and the Temporary Access Deduct Alternate of \$200,000.00), for Contract No. 39-16-02 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 and the Chief Engineer are authorized to assign **GPD Group**, of **Cleveland, Ohio**, to perform Task 3 construction services in accordance with the Agreement specific to this Project previously authorized under Resolution Nos. 12-2014 and 65-2014, and to assign **Solar Testing Laboratories, Inc.**, of **Brooklyn Heights, Ohio**, for the purpose of performing materials testing services in accordance with the 2015-2016 Miscellaneous Engineering 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.

FURTHER RESOLVED that Project No. 39-16-02 is designated a System Project under the Commission's 2013 Master Trust Agreement.

Chairman: I'll move adoption, is there a second?

Vice Chairman Paradiso: I'll second

Chairman: Seconded by Vice Chairman Paradiso. Questions or comments? Hearing none, roll call.

MOTION: A motion to adopt the *Resolution Awarding Contract No. 39-16-02 for the Reconstruction of Right Two Lanes and Shoulder From Mileposts 186.35 to 191.39 and Repair and Rehabilitation of the Cuyahoga River Bridge at Milepost 191.40 in Portage County, Ohio* was made by Chairman Hruby, seconded by Vice Chairman Paradiso, and unanimously approved by all Commission Members present.

Chairman: Tony go ahead, one more

Chief Engineer: The final resolution for your consideration is to award Contract No. 45-16-01 for the Sign Structure Repair and Replacement of various signs between Milepost 0.75 and Milepost 65.0 in Williams, Lucas and Wood Counties. This work is included in the 2016 Capital Improvement Budget. On November 10, 2015, three 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 \$334,283.25. The bid submitted by M.P. Dory is approximately 16.5 percent below the Engineer's Estimate of \$400,000.00. 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 year's work volume, it appears they have the sufficient capacity to perform the work for this project. It is recommended that Contract No. 45-16-01 be awarded to M. P. Dory Company of Columbus, Ohio in the amount of \$334,283.25. This

Resolution also contains provisions to assign TTL Associates, Inc. of Toledo, Ohio to perform material testing services. With your permission, may the General Counsel please read the Resolved.

Chairman: Please

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bid of **M. P. Dory Company** of **Columbus, Ohio**, in the amount of **\$334,283.25** for Contract No. 45-16-01 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 Commission hereby authorizes the Executive Director and the Chief Engineer to assign **TLL Associates, Inc.**, of **Toledo, Ohio**, to perform the necessary material testing services for the Project, with such assignment in accordance with the 2015-2016 Miscellaneous Engineering Services Agreement;

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.

Chairman: For the Resolution, is there a motion?

Mr. McAuliffe: I'll move

Chairman: Moved by Mr. McAuliffe, second?

Vice Chairman Paradiso: I'll second

Chairman: Seconded by Vice Chairman Paradiso. Questions or comments?

Executive Director: One quick comment, please. Related to the entire package that the Mr. Yacobucci has brought forward today. I have to commend all of our Engineering Department, our Contracts Department and this Commission in big part on the last Resolution, you saw the bid we received is significantly below our Chief Engineer's estimate. Earlier this year, we talked about last year's awards and how we were behind the curve. Everyone gave us the ability and support, including our General Counsel, in working through the process, Marty for getting out in front of everyone else's bids, the more we do that, the more we can stay on those budget lines, Commissioner Paradiso, that you like, and get more actual miles paved and projects done. The same thing with the equipment. Every time we go to purchase a piece of equipment like the post pounders, there is a thorough analysis that I'm happy to share at any time with any of the Commission Members about it's useful life, we follow the guidelines that the Auditor of State has laid out in his reports, both in ODOT equipment and local equipment. To tell the truth, I was concerned when we were buying the new ones, I can say I was very concerned about the safety related to our post pounders. They were rusting out. I thought the next post was going to be the last post that they pounded and they have gotten every ounce of useful like out of them. Going back to

those budget curves, it's the dedication of each of those departments, the participation of all to get the best price for what we are doing. To maximize every dollar, and where it goes, the safety of our employees is among some of the reasons we upgrade this equipment and we get out there and do things like that. But it's all of that combination together when you look at this. And finally, Commissioner Dixon, you saw we got \$1 million dollars on one bid and .08% on another. Working with ODOT we will have results from the disparity study that we worked together with them to get more guidance and all I would say is you are going to see on some things maybe those MBE/DBE numbers will be larger because of the nature of the work or what we are purchasing or what we can do, and some things like sign structures and replacements you go to a manufacturer, they fabricate it for you there may not be much opportunity for MBE/DBE participation. But we are hoping the disparity study helps give us more of a laser focus in understanding the market, our potential vendors, and working with them to help drive those numbers up as high as we can. Again, as a package, all of those things we've talked about here at the Commission are driven home in the results in these Resolutions. Thank you. I think you are going to see the same type of things as we go through 2016.

Chairman: Thank you so much for your comments. Please call the roll.

MOTION: A motion to adopt the *Resolution Awarding Contract No. 45-16-01, Sign Structure Repair and Replacement in Williams, Lucas and Wood Counties* was made by Mr. McAuliffe, seconded by Vice Chairman Paradiso, and unanimously approved by all Commission Members present.

Chairman: Do you have anything else?

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

Chairman: We will move on then to the report from our General Counsel, Jennifer Stueber.

General Counsel: Good morning, Mr. Chairman and Commission Members. I have one resolution for your consideration this morning. The resolution for your consideration is to declare it necessary to remove the main line bridge which carries the Turnpike over an abandoned railroad in Amherst Township in Lorain County (near milepost 138.2) and fill the land under it with soil embankment. The area of land under the bridge is approximately 0.3348 of an acre and is currently a part of Lorain County Auditor's Parcel No. 05-00-007-000-025.

The Chief Engineer has estimated that within the next 5 years, the maintenance cost for this particular bridge will be over \$4,000,000 which includes a major rehabilitation, re-decking and painting the bridge. Eventually, the age of the bridge will exceed its life span expectancy and the bridge will need to be replaced. In contrast, the Chief Engineer has estimated the cost to be approximately \$2,900,000 to remove the bridge and to fill the land below it, thus eliminating any and all future maintenance costs. The proposed resolution authorizes me as General Counsel to negotiate for a reasonable time and if possible enter into an agreement to purchase the 0.3348 acre-parcel from the owners of record and if negotiations fail, to begin appropriation proceedings of the fee title of the 0.3348 acre-parcel as well as any easements necessary to accomplish the filling in of

the land below said bridge. It is anticipated that this project will be designed in 2016, and included in the 2017 Capital Improvement Budget. May I please read the Resolved?

Chairman: Please

General Counsel: RESOLVED that the Commission hereby declares that said acquisition of Property is necessary for the removal of the main line bridge and the filling in under it with soil embankment, and for the maintenance of the public roadway improvements therefore, all for the proper operation and maintenance of the Ohio Turnpike, as part of Design Project No. 71-15-06; and

FURTHER RESOLVED that in compliance with Ohio Revised Code Chapter 163, the General Counsel is authorized and directed to negotiate for a reasonable time, and if possible enter into an agreement, for the purchase of the Property with the following persons identified to be the current owners of the Property:

<u>Owners:</u>	<u>Address:</u>
Timothy W. Abraham, Trustee of the Abraham Family Living Trust	11382 Pyle Road Oberlin, Ohio 44074
Joseph G. Abraham	11382 Pyle Road Oberlin, Ohio 44074
Donita J. Abraham	11382 Pyle Road Oberlin, Ohio 44074
Dennis L. Abraham	11382 Pyle Road Oberlin, Ohio 44074
Joseph J. Abraham	11382 Pyle Road Oberlin, Ohio 44074
Estate of Marge Abraham	11382 Pyle Road Oberlin, Ohio 44074
Lorain County Auditor	Lorain County Admin. Building 226 Middle Avenue, 2 nd Floor Elyria, Ohio 44035
Lorain County Treasurer	Lorain County Admin. Building 226 Middle Avenue, 2 nd Floor Elyria, Ohio 44035

and such other persons that have or may have an interest in said Property or is otherwise required to be named in the proceedings for appropriation under Ohio Revised Code Chapter 163; and

FURTHER RESOLVED that the General Counsel begin proceedings to appropriate and prosecute the appropriation of the fee title to the Property and necessary easements on and over Parcel No. 05-00-007-000-025 or neighboring parcels; and

FURTHER RESOLVED that the General Counsel be, and she is hereby instructed to do or cause to be done all things that may be reasonably necessary so that proceedings for the appropriation of the Property described herein may be commenced and completed; and

FURTHER RESOLVED that Design Project No. 71-15-06 is designated a System Project under the Commission's 2013 Master Trust Agreement.

Chairman: For the Resolution, what's your pleasure?

Vice Chairman Paradiso: So moved

Chairman: Moved by Vice Chairman Paradiso, is there a second?

Mrs. Barber: Second

Chairman: Seconded by Mrs. Barber. Any comments or questions regarding the Resolution? Hearing none, roll call.

MOTION: A motion to adopt the *Resolution Declaring the Necessity of Appropriating Property and Directing that Proceedings to Effect Such Appropriation be Begun and Prosecuted* was made by Vice Chairman Paradiso, seconded by Mrs. Barber, and unanimously approved by all Commission Members present.

Chairman: Report of our Financial Advisor, Bethany Pugh

Financial Advisor: No report, Mr. Chairman.

Chairman: General Consultant, Scott Buchanan?

General Consultant: No report, Mr. Chairman.

Chairman: Trustee, Huntington, Frank Lamb.

Financial Consultant: No report. Mr. Chairman

Chairman: Ohio State Highway Patrol, Staff Lieutenant Weirtz.

S/Lt. Weirtz: Good morning, Mr. Chairman and Members of the Commission. I have a few incidents to report on that OSHP been involved in the first one, which is the most noteworthy, and made quite a bit of stir in the news recently, was on November 12, 2015. Trooper Brandon Miller stopped a 2010 Chevrolet Impala bearing Washington registration for an improper lane change violation traveling eastbound Milepost 211 in Trumbull County. Upon contact with the vehicle, the odor of raw marijuana was detected. Trooper R. T. Caraway also responded and a probable cause search revealed a small amount of marijuana in the vehicle along with fraudulent credit cards and credit card manufacturing equipment. The five foreign national suspects, which I will not attempt to pronounce their names, were subsequently arrested and was taken to the Warren headquarters. The suspects did not give any useful information. All five suspects were charged and incarcerated into the Trumbull County Jail on charges of possessing criminal tools and forgery. They were ordered to surrender their passports. The FBI is currently investigating further.

On November 22, 2015, Trooper Vanderford stopped a 2013 Dodge minivan eastbound MP88 Sandusky County for a marked lane violation, and seized 231 grams of heroin.

On November 23, 2015, Trooper Ryan Stewart stopped a 2015 Lincoln MKX eastbound MP 70 for following too close. The canine indicated to the Lincoln's four doors. We seized 47 pounds of marijuana and 111 grams of hash oil.

Trooper Mike Trader stopped a 2002 Dodge Dakota pickup, bearing an Oregon registration eastbound MP 135 for failing to signal a lane change. The canine indicated to the vehicle, which resulted in the seizure of 90 pounds of marijuana street value of \$450,000.

November 26, 2015, Trooper Vanderford stopped a rented 2016 Chevy SUV bearing Michigan registration for a marked lanes violation eastbound at MP 104 in Sandusky County. A probable cause search of the vehicle revealed 70 grams of crack and 56 grams of heroin concealed in a shoe box on the rear floorboard.

Lastly, the Thanksgiving Holiday weekend was a safe one with no serious injury or fatal crashes. We will be diligently working through the Christmas and New Year's holidays to ensure everyone reaches their destination as safely as possible. Mr. Chairman that concludes my report.

Chairman: Thank you very much. Any questions for the Lieutenant?

Mr. Dixon: Please.

Chairman: Yes sir.

Mr. Dixon: Have you had any reports of our toll booth attendants having problems with travelers? I never hear about it, and I am just curious about it. In these changing times, we have at RTA, some situations. I'm just wondering if you have any reports along those lines?

S Lt./Weirtz: Mr. Chairman, Commission Member Dixon, no reports of any involvement of that type at the toll booths or the Travel Plazas. But, as you can see, this is becoming more and more prevalent and every boot on the ground, so to speak, now is Homeland

Security Officer. We have to be diligent in our observations and even to the public. They have to be diligent in reporting anything they see that looks out of the ordinary because we are in different times now.

Mr. Dixon: Thank you.

Chairman: We are the quickest route both east and west and there is no question that the cities on each end of us are heavily involved in the problem in this country. We commend you for your work again. This is outstanding. The drug work, and I'm sure the other stop, is going to be something encountering in the future. I hope not, but I'm afraid it will be. Thank you very much. The next meeting of the Ohio Turnpike and Infrastructure Commission will be held on Tuesday, January 19, 2016, at 10:00 a.m. I would just like to again commend the entire staff, and our Director, for the closing now as we are winding down the 60th year, it was a great year, including the wonderful events surrounding and celebrating the 60th year. But, also for the work that has been done with the Turnpike this year has been remarkable. If there is no further business, I will accept a motion to adjourn.

MOTION: A motion to adjourn is made by Mr. McAuliffe, seconded by Mrs. Barber and unanimously approved by all Commission Members present.

Time of adjournment: 10:55 a.m.

Attendees for Record Keeping Purposes:

Scott Buchanan, AECOM; Bethany Pugh, PFM; Jacob Siesel, IUOE Local 18; Frank Lamb, Huntington; Kurt Kauffman, OBM; Jim Gates, ODOT; Jennifer Townley, ODOT; Tim McDonald, ODOT; Todd Magidzador, Resource International; Matt McAuliffe, ODOT, Kristie Sabo, Towne Place; David Tiggett, Fifth Third; Preston Local 18; Jennifer Stueber, Ohio Turnpike; Anthony Yacobucci, OhioTurnpike; Ohio Turnpike; Martin Seekely, Ohio Turnpike; David Miller, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Matt Cole, Ohio Turnpike; Debra Klooz, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Mark Musson, Ohio Turnpike; Chris Matta, Ohio Turnpike; Joe Mannion, Ohio Turnpike; Lisa Mejac, Ohio Turnpike; Carol Zanin, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; and Brian Newbacher, Ohio Turnpike.

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

Sandra K. Barber, Secretary-Treasurer