

**MINUTES OF THE 602<sup>nd</sup> MEETING OF THE OHIO TURNPIKE  
AND INFRASTRUCTURE COMMISSION  
December 16, 2013**

**Chairman Hruby:** (10:00 a.m.) Good morning. It is now 10:00 a.m. Would you please now stand and join me in our Pledge of Allegiance. (Pledge of Allegiance is recited by all in attendance). The Meeting will come to order. We ask that all guests please sign the sign-in sheet to maintain an accurate record of attendance at our Meeting. Will the Executive Director please call the roll?

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Here.

**Director Hodges:** Vice Chairman Balog.

**Vice Chairman Balog:** Here.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Present.

**Director Hodges:** Commissioner Dixon

**Mr. Dixon:** Here.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Here.

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Present.

**Director Hodges:** Mr. Cole.

**Mr. Cole:** Present.

**Director Hodges:** Senator Manning.

**Senator Manning:** Here.

**Director Hodges:** Representative Dovilla.

**Representative Dovilla:** Present.

**Director Hodges:** We have a quorum.

**Chairman Hruby:** This is the 602<sup>nd</sup> Meeting of the Ohio Turnpike and Infrastructure Commission. We are meeting at the Commission Headquarters as provided by our Code of Bylaws for this Commission Meeting. Various reports will be received, and we have seven Resolutions to act upon, draft copies of which have been provided to our Members previous to this Meeting. The Resolutions will be explained thoroughly during the appropriate report. Can I have a Motion to adopt the Minutes of the November 18, 2013 Commission Meeting?

**Vice Chairman Balog:** So moved.

**Mr. Paradiso:** Second.

**Chairman Hruby:** Moved and seconded. Call the roll please.

**Director Hodges:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Director Hodges:** Six to zero.

**Chairman Hruby:** Thank you. Are there any questions from the Commission Members? This has been a remarkable year for the Turnpike Commission, which is now the Ohio Turnpike and Infrastructure Commission. When you think back over the past twelve months and what has happened. Some remarkable things happened in the Senate that changed our name, our responsibilities, provided funding for infrastructure in the State of Ohio that is historic and the potential of creating 65,000 new jobs for the State of Ohio, which will help communities along this corridor in doing projects that they would not have been able to perform for years to come. We have added new members to the Commission. We started the Turnpike Mitigation Projects. The Ohio State Highway Patrol had a remarkable year in making arrests and keeping us safe. The reorganization, budget-cutting, the reduction of staff and other things that make a lot of sense continue with the administration in making us more efficient. We also moved on the minority business aspect of our Commission's quest to make sure that we include and promote minorities participation in our contracts. There is a host of other things we have accomplished making this a great year. I want to thank each and every one of the Commission Members and the staff for an outstanding year and their outstanding contributions towards making this Turnpike better and, at the same time, helping to grow the economy in Ohio and

making our Turnpike a safer and better road for the traveler. Does anyone have any comments they would like to add? If not, we will move on to on to the report of our Secretary-Treasurer, Mrs. Barber.

**Secretary Barber:** Thank you Mr. Chairman. The following items have been sent to the Members of the Commission since the last scheduled Meeting of the Commission on November 18, 2013:

1. Seven Resolutions;
2. Minutes of the November 18, 2013 Commission Meeting; and
3. The Agenda for today's Meeting.

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

4. Traffic Crash Summary Report, November, 2013;
5. Traffic and Revenue Report, November, 2013;
6. Investment Report, November, 2013;
7. Total Revenue by Month and Year, November, 2013; and
8. Various News Articles.

That concludes my report, Mr. Chairman.

**Chairman Hruby:** Thank you. Are there any questions for Mrs. Barber? Hearing none, we will move on to the report of our Executive Director, Mr. Hodges.

**Director Hodges:** Thank you. Good morning Mr. Chairman and Members of the Commission. Before I begin my remarks, I would like to invite Commission Members to the employee holiday potluck immediately following our meeting. We will be having an Executive

Session at the conclusion of the meeting, but the aromas from the training room will encourage us to keep it short.

I would like to begin my comments by briefing you on the Turnpike Mitigation Program that ODOT recently unveiled with our active support and cooperation. I want to commend Mr. Murphy and ODOT. Together we presented the new Turnpike Mitigation Program at a series of meetings with local elected officials last week. Together we will work to address the infrastructure needs of local communities along the Turnpike. Dennis Albrecht will be working on the project for the Turnpike. I will ask Mr. Murphy to brief you on the Program, but I know we are all gratified that this is just another example of the Turnpike and ODOT partnering to improve the experience of the traveling public and reach out to local communities. Mr. Murphy would you like to talk about the Program?

**Mr. Murphy:** As Rick indicated last week, he and I traveled up and down the Turnpike and met in three different locations: at the Administration Building, in Maumee and Castalia two weeks ago. When Director Wray, Rick and I traveled across the Turnpike when we were studying the Turnpike and what its future would be, we did a lot of listening to find out what people wanted and what they thought was best for the Turnpike itself. It was more of an information gathering process for ODOT, the Turnpike and the Administration. We had met with over 100 members of various local governments including mayors, township trustees, county commissioners, engineers, business owners and the public at-large. The Governor listened to their position to not lease the Turnpike. In addition to that, one underlying concern across the twelve counties was the sheer existence of the Turnpike, in some form or fashion, creates some physical problems including noise, bridge embankments sloping away, and

drainage for either farmers or local communities. When Director Wray, Rick and I briefed the Governor on the options that we had in front of us last year, he chose to do what we did, which was to keep the Commission in place and bond against future revenues. We told the story of what we heard. He listened and instructed us to help these communities. In addition to that, in working with the legislators, including Representative Dovilla and Senator Manning, they were aware of the same concerns. They were at some of those meetings and their constituents told them the same things we heard. Working through the legislative process with their leadership, specifically Representatives Dovilla and Anielski, Senators Manning and Patton, we worked to put into law that we would create a Turnpike Mitigation Program. This Program has been created to help communities across the Turnpike where just our physical presence somehow harms, encumbers or becomes a burden to them. It is \$5 million per year. The application cycle started two weeks ago and will end at the end of January, 2014. Each project will receive no more than \$1 million from this Program, but the Program can be a part of a bigger project meaning, if there is Turnpike money or ODOT money or MPO money, it can be a part of other funding sources.

The Program is designed for noise mitigation, drainage issues, slope stability or bridge maintenance. The applications are available online. There will be a six-member scoring body comprised of the four Planning and Engineering Administrators at each of the four Turnpike Districts which the Turnpike traverses; the Deputy Director of Planning and Central Office, Jennifer Townley and Ohio Turnpike Assistant Chief Engineer, Dennis Albrecht, who will recommend to Rick, Director Wray and myself the projects for the annual \$5 million. If a local community does not receive money in a given year, it does not mean it is a bad project or not

needed, and it can be considered again the following year. Again, the website is up and running and the information requested in the application is pretty standard including location and cost of project, what is the issue, how much from the fund is being requested and is there local participation. Local participate is not required, but it helps. I will take any questions if anyone has any.

**Chairman Hruby:** We have already received e-mails from local communities so the website is up and running?

**Secretary Barber:** What is the deadline?

**Mr. Murphy:** January 31, 2014. A question came up at our meetings a couple of weeks ago about deadlines. The funding will be on a calendar cycle. However, we want to hear from the local communities if it would make sense to run it on our fiscal cycle, which is July 1 to June 30. Therefore, the money would be coming each construction season. If there are projects that are available and ready to go in fiscal 2014, which end June 30, the money is available for that. We have money available in this fiscal year as well.

**Chairman Hruby:** Are there any other questions or comments? Rick back to you.

**Director Hodges:** Thank you Greg. I am also very pleased to report to you today the passage of new legislation that will help protect our road workers as they go to work every day. As you know, almost two years ago we suffered a horrific accident on the Turnpike that took the life of one of our longtime employees, John Fletcher, and severely injured two other valued roadway personnel. In fact, the two workers who survived are still unable to return to work because of those injuries. Almost a year prior to the accident Kathy Weiss had begun work on "Mover Over" legislation that would require motorists to change lanes, whenever reasonably

possible, to avoid stationary vehicles. A similar law currently exists, but only to protect only law enforcement and towing vehicles.

Adam Greenslade took over the effort, with Kathy's support, to pass the legislation when he arrived. We joined forces with ODOT and the Highway Patrol who were also keenly interested in protecting road workers. Governor Kasich asserted his leadership and the General Assembly added their strong support. The bill passed the legislature last week. Mrs. Fletcher has asked that I add her gratitude to ours when I say, "thank you" to everyone who led and supported this important legislative achievement. Our number one goal is for our employees to return to their families every night in the same condition as when they left. This legislation is an important contribution to that goal. Senator Manning and Representative Dovilla please convey our gratitude to your colleagues. We sincerely appreciate it.

We have several substantive issues on the Agenda today. You will be considering the Operating and Capital Budget Proposals. I hope and believe you will be pleased at how we are continuing to cut costs as we navigate a difficult economy. This has been an organization wide effort. You will be hearing from the people who have worked extremely hard and are doing an excellent job minding our pennies for the benefit of the traveling public. I am proud of their efforts.

Our Chief Engineer, Doug Hedrick, will be presenting proposals for rehabbing 14 bridges along the Turnpike along with continuing the work of our base replacement.

Our Director of Internal Audit, Dave Miller, will recommend a Resolution to select the outside auditor for calendar year 2013.



Our Marketing and Communications Director, Adam Greenslade, will present a recommendation for studying the value of naming rights on the Turnpike. We are hopeful this exercise will reveal significant sources of non-toll revenue. He will propose a study that will analyze the universe of options associated with naming rights. They will include initiatives as small as exclusive contracts with vendors at service plazas and coordinating our existing advertising efforts at toll plazas and service plazas, and as large naming toll and service plazas or naming the road itself. He will be asking for permission to contract for a study that will inform us about the value of all our advertising assets. We do not have any preconceived notions. After the completion of an exhaustive study with plenty of time for deliberation between the Commissioners and public input, we will present whatever recommendations may be appropriate at that time.

As you know, we try to organize each Commission Meeting around one of our Strategic Planning themes. Today, the theme is Finance. I hope you will be as pleased as I am with all of the efforts that are being exerted to increase non-toll revenue and cut expenses.

With your permission Mr. Chairman, I will turn the floor over to our Deputy Executive Director, Robin Carlin, to present our Strategic Planning topic for the day.

**Chairman Hruby:** Certainly. Robin.

**DED Carlin:** Thank you very much. I have nothing new to report with respect to Strategic Planning because most of our Team Leaders have been busy on some pretty important projects, which we will talk about a little later. Lisa Mejac, our Assistant Comptroller, is here to present on Critical Issues #1, Finance. I think you will be very pleased with the role that she has played and her leadership with respect to that Critical Issue Team. Lisa.

**Asst. Comptroller Mejac:** Good Morning Mr. Chairman and Members of the Commission. As Robin mentioned, I am the project leader for the Turnpike's Finance Committee. I am the Commission's Assistant Comptroller and have the pleasure of reporting to Marty, our CFO. The members of our Committee include: Marty Seekely; Kathy Weiss, General Counsel; Doug Hedrick, Chief Engineer; Matt Cole, Employment Relations Manager and Sharon Isaac, Director of Toll Operations. The goal of our Finance Committee is to remain a financially sound organization. We have come up with four specific strategic goals that include:

1. Meeting the financial requirements and debt coverage ratios of the Trust Agreements;
2. Reducing Operations and Maintenance expenses;
3. Identifying opportunities to grow non-toll revenues; and
4. Maintaining the asset in order to keep our customers.

This includes having a Pavement Condition Rating of 80 or better and an overall bridge rating of 7 or better.

Relating to our first goal of satisfying our covenants, Marty certifies the financial condition by the July Commission meeting each year for both the Senior Lien and Junior Lien covenants. Marty completed this at the June 2013 Commission Meeting.

Second, our committee is currently focusing on several areas for reduction in expenditures. Personnel costs were reviewed in preparing the 2014 Annual Budget and by the Collective Bargaining Negotiation Team. Our Committee, along with the Director of Administration, reviews compensation and benefits for staffing levels as part of the annual budget process.

As you can see, in the past five years, the number of employees has decreased from 1,165 employees in 2009 to 966 employees currently, which is about a 17% decrease.

Our Committee, along with the Human Resources and Legal Departments, also continue to look at the Health Care Plan in order to reduce costs for the Commission. Items reviewed are: the employee contribution, plan deductibles, maximum out-of-pocket costs for the employee and the types of plans. This includes a high deductible Health Savings Account, which is now offered to our Non-Bargaining employees for the 2014 Plan year.

There is also an ongoing review of inventory stocked at the Maintenance buildings. Our team has met with several individuals in the Engineering and Maintenance Departments to review the various inventory reports. Several items have been identified as outdated and are in the process of being disposed of with others being followed up on. Over the past year, the Maintenance Department has aggressively worked to reduce inventory of slower moving items. They are in the process of reviewing inventory levels to determine the appropriate quantity of inventory that needs to be on-hand. Our Maintenance and Engineering staff reviews all areas for expense savings. For example, this was the first year the Commission utilized ODOT's Cooperative Purchasing Program for our recent salt purchase. We will save approximately \$592,000 in the 2013-2014 snow and ice season.

Sharon Isaac, our Director of Toll Operations, also continues to analyze further automation at the Commission's Toll Plazas with Automated Toll Payment machines, also known as ATPM's.

The last area our Committee is focusing on that relates to expense reduction is our current ERP System, or Enterprise Resource Planning or financial system. It is currently being determined if our current Ross System can be upgraded and whether we should add additional

features, such as document retention, in order to reduce the Commission's cost as opposed to acquiring a whole new system.

Moving on, the third goal of our Committee is to grow non-toll revenues. We have several interesting areas of focus on which I plan to update you. First, there was a RFQ issued in July to hire a company to do the marketing and pricing analysis for naming rights. It is anticipated that these naming rights will generate sponsorship revenue for the Commission. This includes naming assets such as our Service Plazas or even the road itself, similar to how the Cleveland Browns have sold naming rights for their stadium to FirstEnergy. The evaluation committee has prepared a recommendation and Adam Greenslade and Marty will be presenting further details to you on this shortly.

To increase *E-ZPass* usage, buck slips promoting *E-ZPass* will be passed out in December 2013 and January 2014. Our Committee feels if we issue more transponders as a result of this, our transponder fee income will increase.

Next, our Committee has recently reviewed various fees the Commission assesses that have not been increased since 1996. We plan to adjust some of these fees for the increases in inflation in order to maintain the revenue stream.

As you can see on the slide, annual revenues for permit fees are approx. \$1.2 million. We charge \$600 per year for long double trailers and \$1,200 per year for triple trailers. The last increases for these fees were in 2002 and 1996, respectively. Annual revenues for LCV ("long combination vehicles") Permit Fees are approximately \$1.8 million. The Commission charges and additional \$12 per trip and the last increase for this fee was in 2002.

Lastly, lease and license revenue that relates to tower leases, fiber optic cable leases, and oil and gas leases generates approximately \$925,000 of revenue annually for the Commission. The permit application is a one-time fee of \$1,000 and the actual permit is \$2,000 for a 10-year period. The last increase for these fees was in the year 2000.

Our Committee is in the process of analyzing these fees to determine the suggested increases. We anticipate stepping the increase over a number of years so it will not be a significant impact on our customers. A recommendation will be presented to you in the near future.

Our General Counsel is analyzing our Tower Lease Agreements to determine how to go about soliciting interest in the significant remaining tower space that we have to offer. There are brokerage firms that could potentially assist the Commission in soliciting additional tower leases that could generate additional revenue. We are actively negotiating with a company to lease tower space and microwave radio bandwidth that we have along the Turnpike to generate revenue.

Recently, the Commission entered into a new Oil and Gas Pooling Agreement for three wells in Cuyahoga County for which we will receive a 15% royalty. Other opportunities like this may arise in the future with the boom of oil and gas leasing in Ohio.

Lastly, our Committee continues to look at all of our concession contracts in order to increase concession revenues when the opportunity arises.

Our Committee's final goal involves maintaining our customers through maintaining the road via a Pavement Condition Rating of 80 or better and an Overall Bridge Rating of 7 or better. Pursuant to the Master Trust Agreement, it is a requirement that our General Engineering

Consultant provide this rating for our bondholders. These ratings are used as a benchmark and tie into the Commission's Capital Improvement Plan. The 2013 Pavement Condition Rating is 85 for the mainline and 80 for the shoulders. The Commission's current General Engineering Consultant, URS, provided their Annual Report to you this past July. There are currently 550 Commission-maintained bridges with 528 that are considered a 6 or better. Of that 528, 218 are rated a 7 or better. We also have 22 bridges that are rated a 6 or less that Engineering will be targeting in the overall Capital Plan.

That concludes my presentation. I would be happy to answer any questions anyone may have.

**Chairman Hruby:** Are there any questions or comments? Thank you for your excellent report. Rick.

**Director Hodges:** Thank you Lisa. If I look intelligent, it is because of people like Lisa. That concludes my report Mr. Chairman.

**Chairman Hruby:** Robin, do you have anything else?

**DED Carlin:** No. I have nothing further. Thank you very much.

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

**CFO/Comptroller:** Thank you Mr. Chairman. I have an update on our Traffic and Revenue for the month of November.

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 5.7% lower than November of last year after being up for the previous four months. Thanksgiving was six days later this year than last year and, as a result, the Sunday after Thanksgiving when people were returning

home from the holiday fell on December 1<sup>st</sup>. In addition, there was a threat of snow on the day before Thanksgiving that may have discouraged some people from traveling.

Commercial traffic was down as well and was 3.6% lower than November of last year.

The 5.7% decrease in traffic combined with an increase in *E-ZPass* use caused Passenger car toll revenue to decrease 7.2% over November of last year. The 3.6% decrease in traffic combined with a slight increase in *E-ZPass* use caused Commercial vehicle toll revenues to decrease 4.0% from November of last year.

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 \$1.5 million or .6% above the amount from last year. If you subtract February 29<sup>th</sup> from last year's total, total toll revenues are up \$2.1 million or .9% over last year.

That completes my report on Traffic and Revenue. I would now like to present the Proposed 2014 Operating Budget for your consideration.

**Chairman Hruby:** Please.

**CFO/Comptroller:** This pie chart provides an overview of the proposed 2014 revenue budget. Tolls are obviously the major source of the Commission's funding representing 91.2% of projected 2014 revenues. Concessions generated from sales of food, fuel and other retail goods and services at the Commission's Service Plazas are estimated to be 5.0% of the total revenues. The remaining 4.8% consists of investment earnings, fuel taxes and other miscellaneous revenues.

This slide shows a comparison of the proposed 2014 budget to the 2013 budget for pledged funds. The Toll Revenue Budget is \$10.0 million or 3.9% higher than last year's

budget. Tolls will be increased 2.7% on January 1, 2014. The remaining 1.2% increase in toll revenue is due to projected increases in traffic

The Concession Revenues Budget is \$300,000 or 2.1% more than last year's budget. The Mahoning Valley and Glacier Hills Service Plazas will have a full year of revenues in 2014 versus eight months of revenues in 2013.

Investment revenue is budgeted to increase by \$5.1 million. The large increase is due to the additional funds available for investment in the Infrastructure and System Project Funds.

The increase in the other revenues budget relates primarily to higher monthly transponder usage fees.

The proposed 2014 Pledged Revenues Budget totals \$286.5 million, an increase of \$15.6 million or 5.8% from the 2013 Budget.

This slide shows the projected 2014 vehicle miles traveled. The percentage of those miles is 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 .2% from the 2013 budget. However, commercial vehicle miles traveled are projected to increase 1% while no increase is projected in passenger car vehicle miles traveled.

The *E-ZPass* rate of usage for Class 1 vehicles (passenger cars) is budgeted to increase to 44.5% from 40.2% in 2012. Similar increases in *E-ZPass* usage are budgeted for the Commercial Vehicle Classes 2 through 7.



Consequently, the additional revenue generated by the toll rate increase combined with the increase in commercial vehicle miles traveled results in total toll revenue of \$263.9 million, which is an increase of \$10 million from our 2013 Toll Revenue Budget.

It is expected that only 3.7% of the Commission's 2014 budget will be spent on administration and insurance. We project that 12.5% of the budget will be needed for the maintenance of the roadway and structures, 18.0% for the operation of the Toll and Service Plazas, and 4.9% 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 33.2% of the Commission's 2014 expenditures budget, leaving 27.8% available for capital projects.

Over the past two years, we have made a continuous effort to become more efficient and look at the way that we operate to in order to reduce operating costs. The 2014 staffing budget reflects staffing reductions that were made in 2013 as well as expected future reductions that will be made in 2014. It is anticipated that future reductions in 2014 will be able to be achieved by not filling certain open positions as they occur through attrition.

The increased *E-ZPass* penetration and the use of our automated toll payment machines at low volume toll plazas is allowing staffing levels in our Toll Operations Department to continue to be reduced.

As a result, this slide identifies the elimination of five toll supervisory positions and twelve full and part-time toll collector positions from the 2014 expense budget compared against the 2013 budget. The total 2014 staffing budget is 972 which is a reduction of twenty-three from

last year's budget. The reduction in budgeted personnel results in a \$2 million reduction in wages and fringe benefits.

We also anticipate lower electric utility costs due to the energy auction that was conducted earlier this year, and lower snow and ice melting material costs due to the lower salt costs from the ODOT contract. These savings will be partially offset by increased custodial expenses due to Mahoning Valley and Glacier Hills Service Plazas being open for all of 2014 versus eight months in 2013. Considering these changes, the total 2014 operating, maintenance and administrative expenses are expected to decrease by \$2.9 million or 2.5% over the 2013 Budget.

The debt service payments on the \$613 million in senior lien debt and \$995 million in junior lien debt are scheduled to increase to \$96.0 million in 2014.

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 decrease in our expense budget of \$2.9 million, we will be able to withdraw one-twelfth of this amount, or \$238,000 from 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.

The 2014 budgeted debt coverage ratio on our senior debt is 2.84 and the composite debt coverage ratio on all of our debt is 1.85. 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 calculated using the maximum annual debt service on the bonds then outstanding and the bonds proposed to be issued. When meeting with the credit rating agencies earlier this year, we indicated that we would try to maintain a minimum composite debt coverage ratio of 1.70.

This slide is the proposed 2014 budget for non-pledged funds. The major source of non-pledged revenue is five 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 reconstructed 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.

The total proposed 2014 operating budget is \$289,330,000. 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 Hruby:** Please.

**General Counsel:** RESOLVED that, in accordance with Article V, Section 5.01 of the Master Trust Agreement, the Commission hereby adopts the following as its Annual Operating Budget for Fiscal Year 2014, and the Executive Director, his successor or the CFO/Comptroller are 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 Hruby:** For the Resolved, is there action to be taken?

**Vice Chairman Balog:** So moved.

**Chairman Hruby:** Mr. Balog moves. Is there a second?

**Secretary Barber:** Mrs. Barber seconds. Are there any questions or comments? Mr. Paradiso, please.

**Mr. Paradiso:** I just want to understand a little bit more about the debt service in light of the debt. Also, you commented that our current covenants are looking for one and one-half for future bonds. We are running about 1.8 right now with a goal of 1.7. Is this debt service of \$96 million getting us around the 1.7 or does it keep us at 1.8 at the end of the year?

**CFO/Comptroller:** The \$96 million keeps us at 1.8 throughout the year.

**Mr. Paradiso:** Is that a scheduled payment based off of our bond covenants?

**CFO/Comptroller:** These are scheduled payments based on our debt service schedule from the bonds that we have issued.

**Mr. Paradiso:** If we were to create more cash, do we have the ability to pay-down debt quicker? Is that an option? Is it something we would consider?

**CFO/Comptroller:** Most of our debt now is non-callable. The bonds that we currently issued would not be callable for at least ten years. Some bonds that we issued under the senior debt previously are non-callable as well. The 2009 bonds would be callable in 2019 and the 2010 bonds would be callable in 2020. Until then, we would not be able to call any bonds.

**Mr. Paradiso:** Thank you.

**Chairman Hruby:** Are there any other questions or comments? I would just like to make one comment, and I want to make sure that I am correct on this. The reduction in staff comes as a result of attrition and there have been no lay-offs. Is that correct?

**CFO/Comptroller:** That is correct.

**Chairman Hruby:** Thank you. Are there any other questions? Hearing none, roll call.

**Director Hodges:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Director Hodges:** Six to zero.

**Chairman Hruby:** The Resolution passes. Marty, do you have anything else?

## OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

### **Resolution Adopting Proposed Annual Operating Budget for the Fiscal Year 2014 and Providing for Deposits Required under the Master Trust Agreement during Said Year**

WHEREAS, Ohio Revised Code Section 5537.17(F) requires the Commission to submit a copy of its Proposed Annual Operating Budget to the Governor, the Presiding Officers of each House of the General Assembly, the Director of Budget & Management, and the Legislative Service Commission, no later than the first day of the calendar or fiscal year; and

WHEREAS, Article V, Section 5.01 of the Amended and Restated Master Trust Agreement dated April 8, 2013, between the Commission and The Huntington National Bank as Trustee (“Master Trust Agreement”), provides that the Commission shall adopt an annual operating budget on or before the first day of each fiscal year and shall file the same with the Trustee; and

WHEREAS, the CFO/Comptroller and the Executive Director have recommended that the Commission adopt the attached proposed Fiscal Year 2014 Annual Operating Budget; and

WHEREAS, the Commission, in order to comply with the provisions of Ohio Revised Code Section 5537.17(F), and the provisions of the Master Trust Agreement, takes the following action.

NOW, THEREFORE, BE IT

RESOLVED that, in accordance with Article V, Section 5.01 of the Master Trust Agreement, the Commission hereby adopts the following as its Annual Operating Budget for Fiscal Year 2014, and the Executive Director, his successor or the CFO/Comptroller are 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.

**(Resolution No. 78-2013 adopted December 16, 2013)**

**OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 ANNUAL OPERATING BUDGET**

	<u>PLEGDED</u>	<u>NON-PLEDGED</u>	<u>TOTAL</u>
<b>REVENUES:</b>			
TOLL	\$ 263,942,000	\$ -	\$ 263,942,000
CONCESSION	13,792,200	593,800	14,386,000
INVESTMENT	5,398,000	143,700	5,541,700
FUEL TAX	-	2,100,000	2,100,000
OTHER	3,360,000	-	3,360,000
<b>TOTAL REVENUES</b>	<u>\$ 286,492,200</u>	<u>\$ 2,837,500</u>	<u>\$ 289,329,700</u>
<b>EXPENDITURES:</b>			
<b>OPERATION, MAINTENANCE &amp; ADMINISTRATION:</b>			
ADMINISTRATION & INSURANCE	\$ 10,595,000	\$ -	\$ 10,595,000
MAINTENANCE OF ROADWAY & STRUCTURES	36,179,400	-	36,179,400
SERVICES & TOLL OPERATIONS	52,098,000	-	52,098,000
TRAFFIC CONTROL, SAFETY, PATROL & COMM.	14,219,500	-	14,219,500
<b>TOTAL OPERATION, MAINTENANCE &amp; ADMIN.</b>	<u>113,091,900</u>	<u>-</u>	<u>113,091,900</u>
<b>DEBT SERVICE PAYMENTS</b>	<u>96,034,100</u>	<u>-</u>	<u>96,034,100</u>
<b>TOTAL EXPENDITURES</b>	<u>209,126,000</u>	<u>-</u>	<u>209,126,000</u>
<b>TRANSFERS TO / (FROM):</b>			
EXPENSE RESERVE	(238,200)	-	(238,200)
NON-TRUST FUND	-	135,000	135,000
FUEL TAX FUND	-	2,102,500	2,102,500
SERVICE PLAZAS CAPITAL IMPROVEMENT FUND	-	600,000	600,000
RENEWAL & REPLACEMENT FUND	9,400,000	-	9,400,000
SYSTEM PROJECTS FUND	68,134,400	-	68,134,400
CONSTRUCTION FUND	70,000	-	70,000
<b>TOTAL TRANSFERS</b>	<u>77,366,200</u>	<u>2,837,500</u>	<u>80,203,700</u>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<u>\$ 286,492,200</u>	<u>\$ 2,837,500</u>	<u>\$ 289,329,700</u>

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

**Chairman Hruby:** We will move on to the report of our Chief Engineer, Doug Hedrick.

**Chief Engineer:** Thank you and good morning Mr. Chairman and Members of the Commission. This morning I would like to share with you the 2014 Proposed Capital Budget.

At the conclusion of my presentation, I will be requesting that the Commission adopt a Resolution approving the Capital Budget, and this Resolution will refer to a preliminary list of projects which I will go through and are subject to change. A detailed Proposed Budget may be found in your folders. I would also like to remind you that, although we will be adopting a Resolution today, in keeping with the Commission's Bylaws, each individual contract contained within the budget over \$150,000 will be awarded the Commission via individual resolutions. As I proceed through my presentation, please feel free to stop me at any time if you have a question.

This is an overall view of the Capital Program – a summary of five different funds. They are: the Systems Project Fund; the Construction Fund, which was established to handle the remnants of the bonding that we did in 2013; the Renewal and Replacement Fund; the Fuel Tax Fund; and our Service Plaza Capital Improvement Fund.

Identified Projects for these five Funds will total \$101,112,553.00 for 2014. We also anticipate a total of \$9,022,245.00 in Uncommitted Funds.

An overview of the summary of the 2014 Systems Project Funds consists of an estimated beginning balance of \$70,188,503.00. Transfers from the 2014 Operating Budget are expected to be \$68,134,400.00 for a total available balance of \$138,322,903.00. However, we will be carrying over \$53,408,697.00 to calendar year 2015 for future expenditures. This will leave an available balance of \$84,914,206.00 for the Proposed 2014 Systems Fund Projects. These include continuing expenditures for 2013 carry-over projects as well as new expenditures through Categories 39 through 71.



We have continuing expenditures from 2013 that are primarily related to our final leg of our Third Lane Project located between Interchanges 59 and 64 in Lucas County. It is anticipated that we will need \$21,500,000.00 for that project. In addition to that, we have additional expenditures of \$144,053.00 to complete other minor projects. This totals \$21,644,053.00 in carry-over. This slide gives you a brief synopsis of the new expenditures for 2014 as broken down as shown. (The Chief Engineer read each category individually for review by the Commission Members.) Overall, the total for 2014 expenditures on new projects alone is \$56,475,950.00.

As previously indicated, the 2014 Construction Fund, which was created to allocate the remaining funds of the 2013 bond sale, will be distributed to previously referenced Pavement Replacements Projects in the amounts of \$3 million and \$2, 274,050, respectively.

Next, is our Renewal and Replacement Fund. This Fund allocates monies for capital related expenses performed by our maintenance forces as well as any major capital expenditures related to vehicles and equipment. The breakdowns of these categories are as shown. (The Chief Engineer read each category individually for review by the Commission Members.) The estimated beginning balance is \$4,817,153.00 and we expect to transfer \$9,400,000.00 from the 2014 Operating Funds for a total of available funds in the amount of \$14,217,153.00. We anticipate expenditures of both continuing and new expenditures in the amount of \$12,583,500.00 with an uncommitted balance of \$1,633,653.00.

The Fuel Tax Fund begins the year with a balance of \$481,341.00. It is calculated that we will transfer \$2,102,500.00 from the 2014 Operating Budget for this Fund. As the CFO/Comptroller indicated, this Fund represents the Ohio Turnpike's allotment from the State of

Ohio for those fuel taxes collected from fuel sold on the Ohio Turnpike. These funds are to be used for Capital Projects not related to Service Plazas and have historically included overhead bridges and off-mainline projects. Continuing expenditures include \$10,000.00 related to our 2013 Bridge Painting Project and new projects for 2014 included increasing the size of our LCV tandem-trailer lot at Interchange 232 in the amount of \$625,000; the continuation of our Bridge Maintenance Program with the repainting of bridges in the amount of \$1,250,000.00 and our commitment under Item 62 for our portion of the ODOT noise mitigation wall related to the sound attenuation of rumble strips at Exit 151 in the amount of \$350,000.00. The total for new expenditures is \$2,225,000.00. With the carryover of \$10,000.00 from 2013, 2014 expenditures will total \$2,235,000.00 leaving an uncommitted balance of \$348,841.00.

The Service Plaza Capital Improvement Fund has an estimated beginning balance of \$2,650,548.00 and it will receive an allocation of approximately \$600,000.00 during 2014 from fees assessed under the Service Plaza Concessionaire Contracts. These funds may only be used for Capital Improvements to the Service Plazas and, this year, we have continuing expenditures in the amount of \$105,000.00 related to sanitary sewer improvements at Service Plaza 7. In addition, new 2014 projects consist of resealing asphalt services at Service Plazas 1, 5, 7 and 8 in the amount of \$300,000.00, and renovations to Service Plazas 6 and 7 in the amount of \$2,500,000.00 as well as other miscellaneous interior refurbishments at various locations in the amount of \$100,000.00. This totals \$2,600,000.00 or a total of \$2,900,000.00 for new projects. This will leave us a balance of \$245,548.00 in uncommitted funds.

In summary, the 2014 Capital Expenditures Budget for identified projects is broken down as follows:

System Project Fund	\$ 78,120,003.00
Construction Fund	5,274,050.00
Renewal & Replacement Fund	12,583,500.00
Fuel Tax Fund	2,235,000.00
Service Plaza Capital Improvement Fund	<u>2,900,000.00</u>
Total:	<u>\$101,112,553.00</u>

If there are no questions at this point, if I could have your permission to have the General Counsel please read the Resolved.

**Chairman Hruby:** 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, Construction Fund and Service Plaza Capital Improvement Fund for Fiscal Year 2014 capital projects, which shall constitute System projects, with such expenditures not-to-exceed a combined total of up to **\$110,134,798**, 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 Hruby:** Is there a motion?

**Mr. Dixon:** I'll move.

**Vice Chairman Balog:** Second.

**Chairman Hruby:** Moved by Mr. Dixon and seconded by Mr. Balog. Are there any other questions? Mr. Balog.

**Vice Chairman Balog:** The System Project Fund. There were four of them – two were relatively small and two were fairly significant for 2014 expenditures. You talked about

the Pavement Replacement from Mile Post 101 to 107 and 164 to 158 were two-year projects. How will that appear to the customers for the winter time? Will there be construction continuously for the two-year period? How will we be handling that?

**Chief Engineer:** Mr. Chairman and Commission Member Balog, we anticipate that those projects will be completed at the end of each year. The general traveling public should not see any difference during the winter months. We anticipate having, just like we have this year, new pavements in place with the crossover through the median closed off for the winter months and the traveling public back in their regular configuration for the three lanes in each direction. The contractor may be afforded the ability to do some additional work outside of the mainline area that is not going to impede traffic for the rest of the winter. We hope to see an economy of scale in awarding these as two-year projects.

**Vice Chairman Balog:** I travel on Interstate 90 and I am certainly aware that, if you get caught in sections of I-90 during the winter months, they are still with the split construction. We do not anticipate doing that on the Turnpike?

**Chief Engineer:** We do not anticipate doing that. Everything that we have indicated as our construction schedule will allow us to have those projects completed in one calendar year in one direction.

**Vice Chairman Balog:** Thank you.

**Chairman Hruby:** Are there any other questions or comments? It takes a lot of money to keep the Turnpike in the condition that we are keeping it in. Excellent report Doug. Roll call.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Director Hodges:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Director Hodges:** Six to zero.

**Chairman Hruby:** The Resolution is adopted six to zero. Please continue Doug.

## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Adopting Proposed Capital Budget for the Fiscal Year 2014**

WHEREAS, under Article V, Section 5.03(B)(i) of the Amended and Restated Master Trust Agreement dated April 8, 2013 (“Master Trust Agreement”), the Commission covenants that “from the revenues of the [Turnpike] System it will at all times maintain the System in good repair and in sound operating condition and will make all necessary repairs, renewals, improvements and replacements;” and

WHEREAS, in accordance with Article IV of the Master Trust Agreement, the 2014 annual Operating Budget includes transfers of revenues to the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund, Construction Fund and Service Plaza Capital Improvement Fund; and

WHEREAS, the transfers of 2014 revenues to the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund, Construction Fund and Service Plaza Capital Improvement Fund are intended to be added to any unspent balances in these funds and the total is to be available for capital expenditures; and

WHEREAS, the Commission's Chief Engineer and CFO/Comptroller have prepared the attached Capital Budget that includes a recommended preliminary list of Fiscal Year 2014 capital projects totaling up to **\$101,112,553**, which list is subject to change, and **\$9,022,245** in uncommitted funds, which may be used for currently unidentified capital projects that may be needed during 2014; and

WHEREAS, the Executive Director has reviewed and concurs with the recommendations of the Chief Engineer and CFO/Comptroller; and

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

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, Construction Fund and Service Plaza Capital Improvement Fund for Fiscal Year 2014 capital projects, which shall constitute System projects, with such expenditures not-to-exceed a combined total of up to **\$110,134,798**, 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.

**(Resolution No. 79-2013 adopted December 16, 2013)**

**OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 TOTAL CAPITAL EXPENDITURES BUDGET**

	IDENTIFIED PROJECTS	UNCOMMITTED FUNDS	TOTAL BUDGETED EXPENDITURES
SYSTEM PROJECTS FUND	\$ 78,120,003	\$ 6,794,203	\$ 84,914,206
CONSTRUCTION FUND	5,274,050	-	5,274,050
RENEWAL & REPLACEMENT FUND	12,583,500	1,633,653	14,217,153
FUEL TAX FUND	2,235,000	348,841	2,583,841
SERVICE PLAZA CAPITAL IMPROVEMENT FUND	2,900,000	245,548	3,145,548
TOTAL 2014 EXPENDITURES	<u>\$ 101,112,553</u>	<u>\$ 9,022,245</u>	<u>\$ 110,134,798</u>

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 SYSTEM PROJECTS BUDGET

Estimated Beginning Balance January 1, 2014	\$ 70,188,503
Transfers from 2014 Operating Funds:	68,134,400
Funds to be carried over to 2015	<u>(53,408,697)</u>
Total 2014 Available Funds	<u>\$ 84,914,206</u>
2014 Expenditures:	
Continuing Expenditures from 2013	\$ 21,644,053
New 2014 Projects:	
39 Pavement Repair & Replacement	25,725,950
43 Bridge Repair and Resurfacing	8,750,000
53 Service Plazas	-
58 Toll Plazas	-
59 Resurfacing Pavement	17,000,000
70 Correction of Slope Failures	2,500,000
71 Engineering Consulting Services	<u>2,500,000</u>
Total 2014 Expenditures on New Projects	<u>\$ 56,475,950</u>
Total 2014 Expenditures	<u>\$ 78,120,003</u>
Uncommitted Funds	<u>6,794,203</u>
Total 2014 Expenditures and Uncommitted Funds	<u>\$ 84,914,206</u>



OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 SYSTEM PROJECTS BUDGET

Estimated Beginning Balance January 1, 2014		\$ 70,188,503
Transfers from 2014 Operating Funds		68,134,400
Funds to be carried over to 2015		(53,408,697)
Total 2014 Available Funds		<u>\$ 84,914,206</u>
2014 Expenditures:	Future Year	2014
Continuing Expenditures from 2013:	Expenditure	Expenditure
		2014
		Totals
77 Third Lane 59.2 to 64.1 Lucas County (balance not funded in 2013)	\$ 21,500,000	
Other	\$ 144,053	
Total Continuing Expenditures from 2013		\$ 21,644,053
New 2014 Projects:		
39 Pavement Replacement		
A. MP 101.2 to MP107.2 EB/WB, Sandusky County	\$ 15,000,000	\$ 12,500,000
B. MP 164.8 to MP 159.8 EB/WB, Cuyahoga County	\$ 13,200,000	\$ 13,025,950
C. MP 214.0 to MP 219.5 EB/WB , Trumbull County	\$ 25,000,000	\$ 100,000
D. MP 145.0 to MP 150.0EB/ WB Lorain County	\$ 25,000,000	\$ 100,000
Total		\$ 25,725,950
43 Bridge Repair and Resurfacing		
A. Y. & S. Railroad Bridge MP 233.3 Mahoning County	\$ 1,000,000	
B. Bridge Deck Overlays - 3 locations	\$ 1,250,000	
C. Misc. Bridge (14) Rehabilitations, Williams & Fulton Counties	\$ 2,500,000	
D. 3 Deck Replacements Various Locations	\$ 2,000,000	
E. Substructure Repair Work Various Locations	\$ 2,000,000	
Total		\$ 8,750,000
59 Resurfacing Pavement		
A. MP 45.5to MP 55.5	\$ 12,000,000	
B. MP 236.2 to MP 241.2	\$ 5,000,000	
Total		\$ 17,000,000
70 Correction of Slope Failures		
A. Sandusky County Slope Failures (Shannon, Werth, Township Line)	\$ 2,500,000	
Total		\$ 2,500,000
71 Engineering Consulting Services		
Design & Consulting Services		\$ 2,500,000
Total 2014 Expenditures on New Projects		<u>\$ 56,475,950</u>
Total 2014 Expenditures		<u>\$ 78,120,003</u>
Uncommitted Funds		<u>6,794,203</u>
Total 2014 Expenditures and Uncommitted Funds		<u>\$ 84,914,206</u>

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 CONSTRUCTION FUND

Estimated Beginning Balance January 1, 2014	\$ 5,204,050
Transfers from 2014 Operating Funds	70,000
Total 2014 Available Funds	<u>\$ 5,274,050</u>
2014 Expenditures:	
New 2014 Projects:	
39 Pavement Replacement	
A. MP 101.2 to MP107.2 EB/WB, Sandusky County	\$ 3,000,000
B. MP 164.8 to MP 159.8 EB/WB, Cuyahoga County	\$ 2,274,050
Total	\$ 5,274,050
Total 2014 Expenditures	<u>\$ 5,274,050</u>

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 RENEWAL AND REPLACEMENT BUDGET

Estimated Beginning Balance January 1, 2014		\$ 4,817,153
Transfers from 2014 Operating Funds		9,400,000
Total 2014 Available Funds		<u>\$ 14,217,153</u>
		2014
2014 Expenditures:		Totals
Continuing Expenditures from 2013:		
8 Single Axle Dump Trucks/ Snow Plows	\$ 620,000	
Energy Optimization Boston / Swanton MB	\$ 30,000	
Website Upgrades	\$ 20,000	
Replacement of UST Lines SP 4	<u>\$ 1,000,000</u>	
Total Continuing Expenditures from 2013		\$ 1,670,000
New 2014 Projects:		
24 Guardrail – Additions & Replacement Replacement of Deteriorated Guardrail		\$ 125,000
31 Maintenance Equipment See Attached Exhibit "A"		\$ 1,511,000
32 Maintenance Vehicles See Attached Exhibit "A"		\$ 3,000,000
38 Communications Equipment – New or Replacement		
A Replacement of Telecom Systems Battery Power Supply	\$ 50,000	
B Voicemail, ACD, Call Accounting System Replacement	\$ 110,000	
C UPS Battery Replacement – Admin Complex	\$ 20,000	
D Misc. Telcom Hardware	\$ 25,000	
E OSHP Portable Radios	\$ 578,000	
F Repeaters for OSHP Radios	\$ 112,500	
G Misc. OSHP Equipment	<u>\$ 85,000</u>	
Total		\$ 980,500
39 Pavement Repair & Replacement Full Depth Pavement Repair		\$ 500,000
41 Resealing Asphalt Surfaces Sealing Paved Areas Located at LCV Lots , Access Roads,and Maintenance Buildings		\$ 75,000
43 Bridge Repair & Resurfacing Miscellaneous Structure Repairs		\$ 275,000
48 Administration Building Office Furnishings	10,000	
Renovation of South Wing (Lights, Ceilings, UPS Power)	<u>\$ 200,000</u>	
Total		210,000
53 Service Plazas		
Replacement of RV Ticket Dispensers	\$ 25,000	
Replacement of UST Lines SP6	<u>\$ 1,000,000</u>	
Total		\$ 1,025,000

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 RENEWAL AND REPLACEMENT BUDGET

56	Maintenance Buildings		
	A. MB 6 Waterline Replacement	\$ 50,000	
	B. Energy Optimization Lighting Upgrades	\$ 90,000	
	C. Repave Amherst MB Lot	\$ 450,000	
	D. Salt Dome- Canfield Maintenance Building	\$ 450,000	
	E. Man Doors and Frames -Misc Locations	\$ 30,000	
	F. Replace Roof Top Units	<u>\$ 100,000</u>	
	Total		\$ 1,170,000
58	Toll Plazas		
	A. AC Unit Replacements	\$ 75,000	
	B. Energy Optimization	<u>\$ 25,000</u>	
	Total		\$ 100,000
59	Resurfacing Pavement		
61	Landscaping		
	Right-of-Way Landscaping	\$ 150,000	
			\$ 150,000
64	Toll Collection Equipment		
	A. New Toll Equipment Upgrades	\$ 53,000	
			\$ 53,000
66	Concrete Barriers		
	A. Reseal Median Wall	\$ 150,000	
	B. Upgrade 3rd Lane Crossovers	<u>\$ 150,000</u>	
	Total		\$ 300,000
67	Computer Equipment		
	A. New & Replacement Equipment	\$ 200,000	
	B. New Software Systems Upgrades	\$ 175,000	
	C. Virtualization/Network Attached Storage System	\$ 385,000	
	D. VMware Licensing (OARnet discount)	\$ 58,000	
	E. Microsoft Server 2012 Datacenter Licenses (16 each)	\$ 51,000	
	F. Database Backup Utility (LightSpeed for SQL Servers)	\$ 20,000	
	G. Software-New & Replacement	\$ 90,000	
	H. Data Systems Hardware	<u>\$ 70,000</u>	
	Total		\$ 1,049,000
68	Right-of-Way Fence		
	Replacement of Right-of-Way Fence		\$ 100,000
69	Drainage		\$ 200,000
73	Automotive Equipment – Replacement		\$ 90,000
Total 2014 Expenditures on New Projects			\$ 10,913,500
			<u>\$ 12,583,500</u>
Uncommitted Funds			<u>1,633,653</u>
Total 2014 Expenditures and Uncommitted Funds			<u>\$ 14,217,153</u>

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 RENEWAL AND REPLACEMENT BUDGET

Estimated Beginning Balance January 1, 2014	\$ 4,817,153
Transfers from 2014 Operating Funds	9,400,000
Total 2014 Available Funds	<u>\$ 14,217,153</u>
2014 Expenditures:	
Continuing Expenditures from 2013:	\$ 1,670,000
New 2014 Projects:	
24 Guardrail – Additions & Replacement	\$ 125,000
31 Maintenance Equipment	\$ 1,511,000
32 Maintenance Vehicles	\$ 3,000,000
38 Communications Equipment – New or Replacement	\$ 980,500
39 Pavement Repair & Replacement	\$ 500,000
41 Resealing Asphalt Surfaces	\$ 75,000
43 Bridge Repair & Resurfacing	\$ 275,000
48 Administration Building	\$ 210,000
53 Service Plazas	\$ 1,025,000
56 Maintenance Buildings	\$ 1,170,000
58 Toll Plazas	\$ 100,000
59 Resurfacing Pavement	\$ -
61 Landscaping	\$ 150,000
64 Toll Collection Equipment	\$ 53,000
66 Concrete Barrier	\$ 300,000
67 Computer Equipment	\$ 1,049,000
68 Right-of-Way Fence	\$ 100,000
69 Drainage	\$ 200,000
73 Automotive Equipment – Replacement	\$ 90,000
Total 2014 Expenditures on New Projects	<u>\$ 10,913,500</u>
Total 2014 Expenditures	<u>\$ 12,583,500</u>
Uncommitted Funds	<u>1,633,653</u>
Total 2014 Expenditures and Uncommitted Funds	<u>\$ 14,217,153</u>

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 CAPITAL BUDGET  
EXHIBIT "A"

31	Replacement of Maintenance Equipment		
	<u>Miscellaneous Maintenance Equipment</u>		
	Purchase of Misc New/Replacement Equipment (<1000)	\$	125,000
	<u>Backhoe/Loader</u>		
	Replacement of 1996 Model Year C-00100-00107	\$	750,000
	8 Each @ \$93,750		
	<u>Portable Changeable Message Boards</u>		
	16 Each @ \$16,000	\$	256,000
	<u>Asphalt Reclaimer Equipment</u>		
	2 Each at \$90,000	\$	180,000
	<u>Asphalt Hot Boxes</u>		
	8 Each @ \$25,000	\$	200,000
	Total	<u>\$</u>	<u>1,511,000</u>
32	Replacement of Maintenance Vehicles		
	<u>Single Axle Medium-Duty Dump Truck w/ Snow&amp; Ice Equipment and Hook Lift Option</u>		
	8 Each @ \$175,000	\$	1,400,000
	<u>Single Axle Dump Trucks w/ Left Hand Wing Plow and Snow and Ice Equipment</u>		
	5 Each @ \$190,000	\$	950,000
	<u>Extended Cab Pick up Trucks ( 1/2Ton)</u>		
	Replacement of 2008 Model P/U Trucks (ATT-00600/ATT-00605)		
	2 Each @ \$22,500	\$	45,000
	<u>SUV- -Division Superintendents</u>		
	Replacement of 2010 Model SUV's (ATT-00676/ATT-00677)		
	2 Each @ \$22,500	\$	45,000
	<u>HD P/U Truck w/ Aerial Bucket and Service Body</u>		
	2 Each at 80,000	\$	160,000
	<u>Regular Cab P/U Truck Assistant Foreman Trucks w 3/4 Ton Lift Gates</u>		
	Replacement of 2008 Model Year		
	16 Each @ \$25,000	\$	400,000
	Total	<u>\$</u>	<u>3,000,000</u>
	Grand Total	<u>\$</u>	<u>4,511,000</u>

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 FUEL TAX BUDGET

Estimated Beginning Balance January 1, 2014		\$ 481,341
Transfers from 2014 Operating Funds		2,102,500
Total 2014 Available Funds		<u>\$ 2,583,841</u>
		2014 Totals
2014 Expenditures:		
Continuing Expenditures From 2013		
Bridge Painting MP101.3	\$ 10,000	
Total Continuing Expenditures from 2013	<u>10,000</u>	\$ 10,000
New 2014 Projects:		
37 Tandem Trailer Areas Expansion of LCV Lot, TP 232, Mahoning County Total	<u>\$ 625,000</u>	\$ 625,000
40 Repainting Bridges & Towers		\$ 1,250,000
62 ODOT Noise Mitigation Project		\$ 350,000
Total 2014 Expenditures on New Projects		<u>\$ 2,225,000</u>
Total 2014 Expenditures		<u>\$ 2,235,000</u>
Uncommitted Funds		<u>348,841</u>
Total 2014 Expenditures and Uncommitted Funds		<u>\$ 2,583,841</u>

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION  
2014 SERVICE PLAZA CAPITAL IMPROVEMENT BUDGET

Estimated Beginning Balance January 1, 2014		\$ 2,650,548
Transfers from 2014 Operating Funds		600,000
Total 2014 Available Funds		<u>\$ 3,250,548</u>
		2014 Totals
2014 Expenditures:		
Continuing Expenditures From 2013		
Sanitary Sewer Grinder Station SP7	\$ 105,000	
Total Continuing Expenditures from 2013		\$ 105,000
New 2014 Projects:		
41 Resealing Asphalt Surfaces		
Sealing Paved Areas at Service Plazas, SP 1,5,7 & 8		\$ 300,000
53 Service Plazas		
A. Renovation/Painting, SP 6 & SP 7	\$ 2,500,000	
B. Misc. Interior Refurbishments	\$ 100,000	
Total		\$ 2,600,000
Total 2014 Expenditures on New Projects		<u>\$ 2,900,000</u>
Total 2014 Expenditures		<u>\$ 3,005,000</u>
Uncommitted Funds		<u>245,548</u>
Total 2014 Expenditures and Uncommitted Funds		<u>\$ 3,250,548</u>



**Chief Engineer:** Thank you Mr. Chairman. I have three other Resolutions for your consideration this morning.

The first seeks Authorization for Additional Expenditures related to Contract No. 71-13-05. CT Consultants, Inc., of Mentor, Ohio, was awarded Contract No. 71-13-05 by Resolution No. 37-2013 for the Engineering Design and Construction Administration Services related to the Mainline Pavement Replacement Project between Mile Post 101.2 to 107.2. This previous authorization in the amount of \$350,740.00 was for services related to Task 1 and Task 2 of the Contract. However, due to the nature of the project, costs related to the investigation of the drainage, structures and slope stability were not included in this original Cost Proposal. On November 14, 2013, CT Consultants submitted a Cost Proposal for these additional services in the amount of \$87,562.00. This Proposal was evaluated and deemed reasonable for the scope of services requested. Whereas these expenditures are in excess of 10% of the original authorization, in accordance with Article V, Section 1.00 of the Commissions Code of Bylaws, such expenditures require Commission approval. I am, therefore, requesting approval of CT Consultants' proposal for additional services related to Task 1 and Task 2 in the amount of \$87,562.00 and that Contract No. 71-13-05 be amended as such to include these expenditures. Additionally, we will be securing a proposal from CT Consultants for Task 3, which is Construction Phase Services. At the time of the Construction Contract award, we will seek your approval for those funds as well. With your permission, if the General Counsel would please read the Resolved.

**Chairman Hruby:** Please.

**General Counsel:** RESOLVED that the Commission hereby authorizes the additional expenditures for the completion of the Task 1 and Task 2 Services required under Project No. 71-13-05 in the not-to-exceed amount of \$87,562.00 with CT Consultants, Inc., of Mentor, Ohio, and further authorizes the Executive Director and the General Counsel to amend the Contract with CT Consultants to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-13-05, CT Consultants' response thereto and its fee proposals therefor.

**Chairman Hruby:** Is there a motion on the Resolution?

**Secretary Barber:** So moved.

**Chairman Hruby:** Moved by Mrs. Barber. Is there a second?

**Mr. Paradiso:** Second.

**Chairman Hruby:** Seconded by Mr. Paradiso. Are there any questions or comments?

Hearing none, roll call please.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** (Stepped out of the meeting during vote.)

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Director Hodges:** Five to zero.

## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Authorizing Additional Expenditures with CT Consultants under Existing Contract for Engineering Design and Construction Administration Services (Project No. 71-13-05)**

WHEREAS, via Resolution No. 37-2013, the Commission awarded a Contract to **CT Consultants, Inc.**, of **Mentor, Ohio** (“**CT Consultants**”) for Project No. 71-13-05 for Engineering Design and Construction Services for the Mainline Pavement Reconstruction Program at various locations on the Ohio Turnpike, with each assignment consisting of a five to six mile project section, and the Commission having the option to assign up to four additional project sections; and

WHEREAS, CT Consultants’ fee proposal for the first such assigned pavement replacement project section from Milepost 101.2 to Milepost 107.2 consisted of Task 1 Preliminary Engineering Services and Task 2 Final Design and Construction Documentation Services (excluding bridges, drainage and slopes) in the not-to-exceed amount of **\$350,740.00**, which proposal was also accepted by the Commission pursuant to Resolution No. 37-2013; and

WHEREAS, CT Consultants has submitted a modified fee proposal dated November 14, 2013, for the completion of Task 1 and Task 2 Services involving the work related to the bridges, drainage and slopes, in the additional not-to-exceed amount of **\$87,562.00**, which amount has been deemed to be reasonable and necessary by the Chief Engineer; and

WHEREAS, the additional Contract expenditures for Task 1 and Task 2 Services under Project No. 71-13-05 will be in excess of ten percent of the original Contract award and, therefore, in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws, the Commission must authorize the amendment to the Contract incorporating such additional expenditures; and

WHEREAS, the Executive Director has reviewed the recommendation submitted by the Chief Engineer, and concurs that the additional expenditures with CT Consultants for the completion of the Task 1 and Task 2 Services under Project No. 71-13-05 should be authorized by the Commission; and

WHEREAS, at the time the construction contract(s) for the mainline pavement reconstruction project from Milepost 101.2 to Milepost 107.2 is/are awarded, the Commission will be requested to authorize CT Consultants to perform Task 3 Construction Phase Services for said construction project(s); and

WHEREAS, at such time that CT Consultants is recommended to perform Engineering Design and Construction Services under the Mainline Pavement Reconstruction Program for additional project sections, the Commission will be requested to authorize such additional expenditures for those design projects; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the additional expenditures for the completion of the Task 1 and Task 2 Services required under Project No. 71-13-05 in the not-to-exceed amount of **\$87,562.00** with **CT Consultants, Inc.**, of **Mentor, Ohio**, and further authorizes the Executive Director and the General Counsel to amend the Contract with CT Consultants to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-13-05, CT Consultants' response thereto and its fee proposals therefor.

**(Resolution No. 80-2013 adopted December 16, 2013)**

**Chairman Hruby:** The Resolution is adopted five to zero. Please continue Doug.

**Chief Engineer:** Thank you Mr. Chairman. My next Resolution is for Authorization for Additional Expenditures related to Contract No. 71- 13-06. GPD Group of Cleveland, Ohio, was awarded Contract No. 71-13-06 by Resolution No. 38-2013 for the Engineering Design and Construction Administration Services related to the Mainline Pavement Replacement Project between Mile Post 159.8 to 164.8. This previous authorization in the amount of \$403,412.00 was for services related to Task 1 and Task 2 of the Contract. However, due to the nature of the project, costs related to the investigation of the drainage, structures and slope stability were not included in this original Cost Proposal. On September 4, 2013, GPD Group submitted a Cost Proposal for these additional services in the amount of \$71,714.00.00. This proposal was evaluated and deemed reasonable for the scope of services requested.

Whereas these expenditures are also in excess of 10% of the original authorization and, in accordance with Article V, Section 1.00 of the Commissions Code of Bylaws, such expenditures require Commission approval. I am, therefore, requesting approval for GPD Group's Proposal for Additional Services related to Task 1 and Task 2 in the amount of \$71,714.00.00 and that Contract No. 71-13-06 be amended as such to include these expenditures. Additionally, we will be securing a proposal from GPD Group for Task 3, Construction Phase Services at the time of the Construction Contract award. With your permission, if the General Counsel would please read the Resolved.

**Chairman Hruby:** Please.

**General Counsel:** RESOLVED that the Commission hereby authorizes the additional expenditures for the completion of the Task 1 and Task 2 Services required under Project No. 71-13-06 in the not-to-exceed amount of \$71,714.00 with GPD Group, Inc., of Cleveland, Ohio, and further authorizes the Executive Director and the General Counsel to amend the Contract with GPD Group to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-13-06, GPD Group's response thereto and its fee proposals therefor.

**Chairman Hruby:** For the Resolution, is there a motion?

**Vice Chairman Balog:** So moved.

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

**Secretary Barber:** Second.

**Chairman Hruby:** Mrs. Barber second's the motion for the Resolution. Doug, both this Resolution and the previous one both adding money to contracts, why was this cost not included in the original contract award?

**Chief Engineer:** Mr. Chairman, if you recall, when we brought the design to you on the Pavement Replacement Project, those scopes of work were pretty well defined by previous

projects. Each project is unique in that they have physical characteristics related to the bridges, the slopes and other drainage attributes. They did not have the opportunity at the time that we presented the proposals for the design, to outline that scope of service. They needed to go out and do a study, evaluate the condition of the bridges, drainage and the slope stability and come back to us with a proposal of what was to be included in those Design Projects. These are for additional services that they could not have anticipated in the original proposals for the design of the pavement itself.

**Chairman Hruby:** Thank you. Are there any further questions? Hearing none, roll call.

**Director Hodges:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Director Hodges:** Six to zero.

**Chairman Hruby:** The Resolution is adopted six to zero.

## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Authorizing Additional Expenditures with GPD Group under Existing Contract for Engineering Design and Construction Administration Services (Project No. 71-13-06)**

WHEREAS, via Resolution No. 38-2013, the Commission awarded a Contract to **GPD Group, Inc., of Cleveland, Ohio (“GPD Group”)** for Project No. 71-13-06 for Engineering Design and Construction Services for the Mainline Pavement Reconstruction Program at various locations on the Ohio Turnpike, with each assignment consisting of a five to six mile project section, and the Commission having the option to assign up to four additional project sections; and

WHEREAS, GPD Group’s fee proposal for the first such assigned pavement replacement project section from Milepost 159.8 to Milepost 164.8 consisted of Task 1 Preliminary Engineering Services and Task 2 Final Design and Construction Documentation Services (excluding bridges, drainage and slopes) in the not-to-exceed amount of **\$403,421.00**, which proposal was also accepted by the Commission pursuant to Resolution No. 38-2013; and

WHEREAS, GPD Group has submitted a modified fee proposal dated September 4, 2013, for the completion of Task 1 and Task 2 Services involving the work related to the bridges, drainage and slopes, in the additional not-to-exceed amount of **\$71,714.00**, which amount has been deemed to be reasonable and necessary by the Chief Engineer; and

WHEREAS, the additional Contract expenditures for Task 1 and Task 2 Services under Project No. 71-13-06 will be in excess of ten percent of the original Contract award and, therefore, in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws, the Commission must authorize the amendment to the Contract incorporating such additional expenditures; and

WHEREAS, the Executive Director has reviewed the recommendation submitted by the Chief Engineer, and concurs that the additional expenditures with GPD Group for the completion of the Task 1 and Task 2 Services under Project No. 71-13-06 should be authorized by the Commission; and

WHEREAS, at the time the construction contract(s) for the mainline pavement reconstruction project from Milepost 159.8 to Milepost 164.8 is/are awarded, the Commission will be requested to authorize GPD Group to perform Task 3 Construction Phase Services for said construction project(s); and

WHEREAS, at such time that GPD Group is recommended to perform Engineering Design and Construction Services under the Mainline Pavement Reconstruction Program for additional project sections, the Commission will be requested to authorize such additional expenditures for those design projects; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the additional expenditures for the completion of the Task 1 and Task 2 Services required under Project No. 71-13-06 in the not-to-exceed amount of **\$71,714.00** with **GPD Group, Inc.**, of **Cleveland, Ohio**, and further authorizes the Executive Director and the General Counsel to amend the Contract with GPD Group to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-13-06, GPD Group's response thereto and its fee proposals therefor.

**(Resolution No. 81-2013 adopted December 16, 2013)**

**Chief Engineer:** Thank you Mr. Chairman. My last Resolution is for Authorization of Additional Expenditures related to Project No. 71-13-01 for Engineering Design for the Investigation and Rehabilitation of fourteen Overhead Bridges in Fulton and Lucas Counties. Previously, under Resolution No. 29-2013, the Commission authorized KS and Associates, of Elyria, Ohio, for Phase 1A Services in the amount of \$85,192.00. Phase I Services included an analysis and engineering report of the deficiencies of these fourteen structures. This Resolution seeks authorization for Phase 1B in the amount of \$88,325.00 for the preparation of Final Construction Documents required for the rehabilitation of these fourteen structures. The scope of services for the Construction Documents will be based upon the advice and recommendations contained in the Phase 1A Services. Whereas, these expenditures will cause the original authorization to exceed \$150,000.00 and, in accordance with Article V, Section 1.00 of the Commissions Code of Bylaws, such expenditures require Commission approval, I request your



approval to increase the authorization for Project No. 71-13-01 to KS and Associates in the amount of \$88,325.00 for Phase 1B. With your permission, if the General Counsel would please read the Resolved.

**Chairman Hruby:** Please.

**General Counsel:** RESOLVED that the Commission hereby authorizes the additional expenditures for the completion of the Phase IB Design and Plan Preparation Services required under Project No. 71-13-01 in the not-to-exceed amount of \$88,325.00 with KS Associates, Inc., of Elyria, Ohio, and further authorizes the Executive Director and the General Counsel to amend the Contract with KS Associates to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-13-01, KS Associates' response thereto and its fee proposals therefor.

**Chairman Hruby:** Is there a motion?

**Vice Chairman Balog:** So moved.

**Chairman Hruby:** Vice Chairman Balog moves. Is there a second?

**Mr. Murphy:** Second.

**Chairman Hruby:** Mr. Murphy seconds. Are there any questions or comments?

Hearing none, roll call.

**Director Hodges:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Director Hodges:** Six to zero.

**Chairman Hruby:** The Resolution is adopted six to zero. Anything else Mr. Hedrick?

## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Authorizing Additional Expenditures with KS Associates under Existing Contract for Engineering Design and Construction Administration Services (Project No. 71-13-01)**

WHEREAS, via Resolution No. 29-2013, the Commission awarded a Contract to **KS Associates, Inc., of Elyria, Ohio (“KS Associates”)** for Project No. 71-13-01 for Engineering Design and Construction Services relating to the Investigation, Design and Rehabilitation of Fourteen Overhead Bridges from Milepost 22.7 to Milepost 62.8 in Fulton and Lucas Counties; and

WHEREAS, KS Associates’ fee proposal for Phase IA services consisting of a Site Inspection and an Engineering Report in the not-to-exceed amount of **\$84,192.00** was also accepted by the Commission pursuant to Resolution No. 29-2013; and

WHEREAS, KS Associates has submitted a fee proposal dated November 4, 2013, for the completion of Phase IB Design and Plan Preparation Services in the not-to-exceed amount of **\$88,325.00**, which amount has been deemed to be reasonable and necessary by the Chief Engineer; and

WHEREAS, the additional Contract expenditures for Phase IB Services under Project No. 71-13-01 will be in excess of ten percent of the original Contract award and, therefore, in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws, the Commission must authorize the amendment to the Contract incorporating such additional expenditures; and

WHEREAS, the Executive Director has reviewed the recommendation submitted by the Chief Engineer, and concurs that the additional expenditures with KS Associates for the completion of the Phase IB Services under Project No. 71-13-01 should be authorized by the Commission; and

WHEREAS, at the time the construction contract(s) for the rehabilitation of the fourteen overhead bridges from Milepost 22.7 to Milepost 62.8 in Fulton and Lucas Counties is/are awarded, the Commission will be requested to authorize KS Associates to perform Phase II Construction Administration and Inspection Services for said construction project(s); and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the additional expenditures for the completion of the Phase IB Design and Plan Preparation Services required under Project No. 71-13-01 in the not-to-exceed amount of **\$88,325.00** with **KS Associates, Inc.**, of **Elyria, Ohio**, and further authorizes the Executive Director and the General Counsel to amend the Contract with KS Associates to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-13-01, KS Associates' response thereto and its fee proposals therefor.

**(Resolution No. 82-2013 adopted December 16, 2013)**

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

**Chairman Hruby:** Outstanding report Mr. Hedrick. I look forward to a lot of major projects coming up. Marty, what is the percentage of our total 2014 Budget that we are spending on Capital Improvements?

**CFO/Comptroller:** Approximately 27.8%.

**Chairman Hruby:** That is a remarkable amount. That is from good budgeting and keeping up with your maintenance by doing things that need to get done timely.

**Chief Engineer:** Mr. Chairman, I think it confirms our commitment to the bondholders that we will continue to maintain the road and our assets at the top notch level that our customers and the bondholders expect.

**Chairman Hruby:** Outstanding. We will move on to the report of our Government Affairs Director, Adam Greenslade.

**Director of Gov't Affairs:** Thank you Mr. Chairman and Members of the Commission. In July, the Commission issued a Request For Qualifications ("RFQ") to select a company to perform Facility Sponsorship Marketing Services. The services would include the valuation and sale of naming rights for various assets. These services are to be separate and apart from our existing advertising agreement with Travel Boards Incorporated ("TBI"). For your reference, TBI provides the traditional, impression-based indoor and outdoor advertising such as the mainline business logo program, the window advertising on our toll booths, as well as signage and Turnpike TV in our Service Plazas.

The new firm will be engaged to market naming rights of existing Turnpike assets, such as our fourteen Service Plazas, thirty-one Toll Plazas, multiple bridges and, potentially, the entire 241-miles of roadway. In addition to naming rights, this firm will also explore and develop sponsorship opportunities. These opportunities might be related to existing, expanded or completely brand-new Turnpike services. For example, we could improve and expand our current Disabled Vehicle Service Program through partnerships with major sponsors, much like Pennsylvania has done with the service vehicles sponsored by State Farm Insurance; or it could be as simple as offsetting operating expenses at our Service Plazas by allowing a logistics company or truck manufacturer to sponsor the truckers' lounges located in the Service Plazas.

The Commission received four responses to the RFQ; all of which were qualified and had experience with naming rights and program sponsorships. The four responding firms were:

1. Global 5 Communications of Longwood, Florida;
2. Legends Sales and Marketing, LLC of Plano, Texas;
3. Market Street Sports Group, LLC of Lancaster, Pennsylvania; and
4. The Superlative Group of Cleveland, Ohio.

The Evaluation Team responsible for reviewing these responses consisted of our CFO/Comptroller, Marty Seekely; Service Plaza Operations Manager, Drew Herberger and me.

The four respondents submitted responsive and unique proposals, none of which listed deviations or exceptions to the terms of the RFQ. An initial review of the qualifications indicated that all four respondents have experience, expertise and resources to execute the terms of this Agreement in varying degrees. The Evaluation Team scored each firm's qualifications based on five main criteria:

1. The Respondent's understanding and capabilities to perform the requested Scope of Services;
2. The Responding Firm's experience in the facility sponsorship marketing field;
3. Experience of the Responding Firm's personnel;
4. The proposed schedule identifying deliverable items; and
5. Overall completeness of the submitted proposal.

Based on this initial scoring, Superlative Group and Legends Sales and Marketing were determined to be the top two responding firms. The Evaluation Team requested each of these firms to provide an on-site presentation. Prior to their presentation, the firms were provided seven questions that were reasonably considered to have a substantial bearing on the qualifications or services of these firms. Following their presentations and based on their responses to the questions raised, the Evaluation Team re-evaluated and re-scored the two firms using the same criteria as the initial scoring.

As a result, Legends Sales and Marketing received the highest technical score of 472 points, and Superlative received 470 points. Although we had originally planned to only request a fee proposal from the highest scoring firm; due to the parity of the scores, the Evaluation Team requested formal fee proposals from the top two.

At this time, I will turn it over to Marty to explain the evaluation of the fee proposals, the final scoring and the final negotiated fee proposal, which is presented in the Resolution you are considering this morning.

**CFO/Comptroller:** We requested fee proposals from Superlative Group and Legends Sales and Marketing for the two phases of this project. The first phase, which is estimated to take three to four months to complete, is for the evaluation and valuation of the Commission's assets. The second phase, which would cover the remainder of the term of the agreement, would cover the packaging and marketing of the identified naming rights assets. Both firms submitted multiple options to their Fee Proposals with different commission rates and monthly retainer fees.

Each of the fee proposals were analyzed to determine the total amount of retainer fees and commissions that would be paid at various sales levels. The most favorable commission structure for each firm was then compared against the proposal from the other firm. The fee proposal from Legends Sales and Marketing was lower at all projected sales levels.

The firms' pricing proposals were scored and points were awarded based on the Ohio Turnpike's standard "Cost Performance Index" formula. Legends Sales and Marketing received 472 points and Superlative received 377 points.

Combining the technical score with the cost score resulted in overall scores of 944 for Legends and 847 for Superlative. The committee then negotiated with Legends to include their travel expenses as part of the monthly retainer and initial valuation fee and, also, eliminated the top tier of their commission proposal.

The Amended Fee Proposal from Legends includes a one-time fee of \$50,000.00 for the Evaluation and Valuation Phase of the Project. For the Sales Execution Phase of the Project, Legends will receive a monthly retainer of \$10,000.00 per month and commissions based on revenues generated as follows:

10% for the first \$3 million;  
12.5% from \$3 to \$5 million;  
15% from \$5 to 10 million; and  
17.5% over \$10 million.

Based on this analysis, the Evaluation Committee recommended Legends Sales and Marketing to perform Facility Marketing Services for the Ohio Turnpike and Infrastructure Commission. I would like to please ask the General Counsel to read the Resolved.

**Chairman Hruby:** Please.

**General Counsel:** RESOLVED that the Proposal submitted by Legends Sales & Marketing, LLC, of Plano, Texas, is, and is by the Commission determined to be, the best of all Proposals received for the performance of the contemplated Facility Sponsorship Marketing Services and is accepted; and

FURTHER RESOLVED that the Executive Director and General Counsel hereby are authorized to: 1) execute a Contract with Legends to provide Facility Sponsorship Marketing Services for a term of three years, 2) take any and all action necessary or proper to carry out the terms of said Contract, all in accordance with the terms and conditions of the Commission's RFQ, Legends' response thereto and its fee proposals therefor; and 3) extend the Contract for an additional two-year term predicated on a satisfactory performance review by the Director of Governmental Affairs, Marketing and Communications.

**Chairman Hruby:** I will move adoption. Is there a second?

**Mr. Murphy:** Second.

**Chairman Hruby:** Seconded by Mr. Murphy. Are there any questions or comments?

Yes, Mr. Paradiso.

**Mr. Paradiso:** Are we agreeing to move forward with the advertising, or just engaged them for the study?

**Chairman Hruby:** Engage them.

**Mr. Paradiso:** For the study?

**Chairman Hruby:** That is correct.

**Mr. Paradiso:** We are not going to put any signs up until we come back and review that again?

**Chairman Hruby:** That is correct.

**Mr. Paradiso:** Secondly, Marty, you commented that the commission schedule was tiered between \$3-5 million; \$5-10 million, it looks to me from this Resolution that it goes back to the first dollar. So, the increased commission goes back to the first revenue dollar, is that correct?

**CFO/Comptroller:** No. It is in tiers. It is 10% for the first \$3 million; 12.5% from \$3-5 million and continues for each tier as it goes up.

**Mr. Paradiso:** Okay. It says “total sponsorship fees generated up to” so that is why I questioned it.

**CFO/Comptroller:** As it goes up, they get more of a commission.

**Chairman Hruby:** Mr. Balog.

**Vice Chairman Balog:** Just looking at it, it seems like a very significant number. I wonder if someone could speak to how this compares with what other institutions are possibly receiving for projects such as this.



**Director Hodges:** Mr. Chairman and Vice Chairman Balog, we have compared this proposal with what other agencies and it compares quite favorably. The range is anywhere up to as high as 30%. We feel very comfortable that we obtained a competitive bid.

**Mr. Murphy:** Mr. Chairman, I would like to add that we have been looking at our assets at the Department of Transportation as well. We have a lot of Federal laws that precludes us from doing certain things. We are sponsoring, as Adam mentioned, our Freeway Service Patrol. You will see them in the Cleveland, Toledo and other major metropolitan areas. They are sponsored by State Farm Insurance. The trucks will be wrapped with State Farm advertisement. I believe the number that ODOT is receiving is a little over \$1 million per year, and the company that marketed this for us receives about 10% of that as commission. These numbers from Legends are right in line. Some of the other assets that ODOT is looking at are the Interstate Rest Areas. ODOT is not allowed to privatize them, but they are allowed to sponsor them. The Federal Government does not allow any of the sponsorship to be visible from the road, so ODOT has to put the sponsorship inside. Finally, there are the interchanges around the State. ODOT modeled theirs after what my counterpart from Nevada did. If you have ever been to Las Vegas, Interstate 15 runs just west of the Strip. Caesar's wanted to pay \$15 million per year for one interchange and all they wanted to do was to put "Caesar's Plaza" in bushes in the infield. The Federal Government was not on board initially, but I believe they have gotten over that hurdle. ODOT wanted to do the same thing with some assets that they have. We have been working in the Toledo area with ProMedica and in some other areas around the state to try and get some sponsorship. This is a great program. I believe that this Commission has a unique situation with this one road and the ability to have large sums of money coming in year-in and

year-out, if this happens similarly to what the Cleveland Browns and Cavaliers did in bidding the sponsorship of their stadiums.

**Chairman Hruby:** Mr. Greenslade, this comes as a result of a Finance Committee's recommendation, is that correct?

**Director of Gov't Affairs:** Correct.

**Chairman Hruby:** Mr. Dixon please.

**Mr. Dixon:** Mr. Chairman, I agree with Mr. Balog. This is a lot. Make me understand. We are paying \$50,000.00 for these guys to tell us what are assets are. Is that correct?

**Director of Gov't Affairs:** The valuation. They are going to identify the assets that they think are marketable and then actually put a valuation on the assets.

**Mr. Dixon:** So, they are going to go up-and-down the road and they are going to say, "I think you can put a sign here" and "I think you can put a sign there" and this is how much you can get paid for it. Is that how it works?

**Director of Gov't Affairs:** Pretty much.

**Mr. Murphy:** They are going to look at the assets and determine what is marketable meaning Service Plazas and the road itself, not necessarily where the signs are going to.

**Director of Gov't Affairs:** They will also look at the potential of the off-road sponsors, for example, who is in the area that may be interested.

**Mr. Dixon:** You can pay me \$1,000.00 and I can tell you that we can put some signs here and there. That just seems....and then we are going to pay them \$10,000.00 per month for what now?

**Director of Gov't Affairs:** The act of selling of the assets. They will not be paid the retainer unless they are actively selling.

**Mr. Murphy:** Correct me if I am wrong, but they are going to identify potential people who will pay the Turnpike for these advertisements and not necessarily where the sign will go. George, it would be like you going out and saying, "I know ProMedica really wants that interchange and they will give us \$1 million a year" and then start to talk to them, what do you think this is worth to you? It is a lot of work in my opinion.

**Director of Gov't Affairs:** It is definitely a science to go through and value each one of those locations, how to package them because maybe you are placing multiple assets together. They will rank them as far as who do we go after first? Do we name the entire 241-miles of road? Do we simply do an interchange? There is actually a lot of analysis that goes into that decision. The experience that they provided us in the qualifications is pretty amazing when you go back through and look and see the other projects they have done, how they did the analysis, and the relationships they have already built as far as sponsors or potential sponsors. It is significant.

**Mr. Dixon:** Do we have any idea ourselves right now without them telling us of what the valuation of what we hope to receive?

**Director of Gov't Affairs:** We were not able to get a solid number through the process as far as what those valuations would be ultimately. We have heard some numbers thrown out and I think Rick can address that. Nothing official though.

**Director Hodges:** Mr. Chairman and Mr. Dixon, you ask a very valid question, but I think it is very important that we appraise the value of the asset before we start talking about what something is worth. It is important that the Commission have the opportunity to discuss each step along the way. There are lots of numbers being thrown out but, frankly, it is so complex that to dwell on any particular number would just be misleading.

**Director of Gov't Affairs:** If I could just add Mr. Dixon, one thing I would say of the fee proposal we received, is that Legends valuation cost is about one-third of the other valuation cost proposal. They were, by far, the lowest for the Phase 1 process. It is not a reflection of their experience because they are extremely experienced in doing valuation.

**General Counsel:** Mr. Chairman and Commission Members, if I may add also, with respect to the fee proposals and our analysis, all of the things that Commissioner Dixon has raised and the question asked by Vice Chairman Balog with respect to the cost were reflected in the fee proposal that we chose. Because some of this is unknown to us still, we opted for the lower cost evaluation fee and, then a retainer and a commission structure as opposed to what was proposed by both vendors which was a much higher commission-based fee. For us, we do not know how much money we can make on this, so to promise someone 30% of what we do not know is available to us yet, might be a significantly higher dollar amount. So, we opted for the more conservative approach when we chose the fee proposal.

**Chairman Hruby:** Kathy, if we adopt this Resolution, if I understand it correctly, we are giving you the go-ahead on this entire program, but the Commission will then have to agree to the amount and to what the advertising is going to be. Is that not correct?

**General Counsel:** Mr. Chairman and Commission Members, what you are giving us the authorization to do is the study. Once that study is complete, the group of folks, of which Adam is the team leader, will report back to the Board as to what the assets are that are available and, certainly, your input is going to be requested for the major type of asset naming rights. Moving forward, as soon as the Board has looked at that and given us authorization to proceed, the selling phase of this will kick in – the \$10,000.00 per month retainer will kick in and, then the commission fees that have been proposed as authorized here today by this Resolution for any sales.

**Chairman Hruby:** If there is a proposal to name one of the Service Plazas, does the Commission say “yes” or “no” on that?

**General Counsel:** Mr. Chairman I do not believe that it is required that the Commission say “yes” or “no” but it is the Executive Director’s intent to bring these major naming right issues to the Board. Clearly the one item that would absolutely require Board approval would be if the idea was raised to rename the road or to call it something other than the “James W. Shocknessy Toll Road.” That is a resolution that would be required. I know there has been discussion about the legacy of the former Chairman with respect to moving forward, and that is an issue the Board must weigh in on.

**Director Hodges:** Mr. Chairman it is my intention to bring any proposal to this Commission regardless of how large or small it is. That is within my discretion and obviously, out of respect for the Commission, whatever we do would be brought to the Commission.

**Chairman Hruby:** I just wanted to clarify this that once we give this permission, how far will it go before it comes back – if it comes back.

**General Counsel:** I understand. With your guidance, as the Executive Director has said, it is his intent for any major naming right to be brought before the Board and, certainly the Board is here today expressing its guidance with respect to what it would like to see back.

**Chairman Hruby:** If they would make a proposal to someone and we disagreed with it, we would not have to pay them their commission. We would only pay commission on signed agreements, correct?

**General Counsel:** That is correct Mr. Chairman.

**Chairman Hruby:** So, if we do not accept the recommendation, we are not obligated other than the \$10,000.00 per month.

**General Counsel:** That is correct. That is the reason why we opted for the retainer.

**Mr. Murphy:** Ten years ago to think that Jacobs Field would be Progressive Field and so forth. You have all over the country these professional sports stadiums are not really named what they used to be like Yankee Stadium and Browns Stadium. Even the Rose Bowl is now, “The Rose Bowl presented by Vizio.” This is where these assets are going across the country. Congratulations to the Commission staff and Rick for thinking of this. The Turnpike is a unique system here. ODOT has different rules to play by and we are trying to do it

as well, so I think it is at least worth looking at Mr. Dixon. At the end of it, if we say, “no” we say “no.”

**Mr. Dixon:** Mr. Chairman, please do not misunderstand me. I think it is fantastic and I think we should do it. I am just looking at a basic business concept. I would feel more comfortable if the person that values and gives value to the asset, does not have an interest in selling it and being involved in receiving a commission off their own valuation. I think it should be separate: the person who gives value to it should not be able to reap any benefits from selling or be involved in that part of it. To me, that is a basic business concept.

**Director of Gov’t Affairs:** If I could address that Mr. Chairman and Mr. Dixon. I do not believe from our discussions with the four groups, specifically, the top two that we would be able to find a company that is going to sell something that they did not value themselves. That was made clear to us that they would be the ones to value and they would be the ones to sell. They do not want to go try to sell someone else’s valuation.

**Mr. Dixon:** I disagree, sir.

**Director of Gov’t Affairs:** Okay. One of the ones that was pointed out to us in the process was the Health line with RTA, which I think we are all familiar with.

**Chairman Hruby:** Are there any other comments? Mrs. Barber.

**Secretary Barber:** I would just like to ask one question. Greg indicated that stadiums change names and that this is a constant thing, but I am curious about how many other state toll roads have embraced this concept?

**Director of Gov’t Affairs:** It is a new thing with public assets. I pointed out the Pennsylvania Turnpike for the last few years have had the State Farm Service Vehicles. We

received a lot of with the RFQ proposals. There are also a lot that are in-process. There are not a lot of toll roads that have done this yet.

**General Counsel:** If I may add Mr. Chairman and Commission Member Barber that, while the toll road field may be somewhat newer, we did see a lot of work that these firms have done for transit authorities and other types of transportation related entities. This is an area that is going to be growing.

**Representative Dovilla:** Mr. Chairman, I may be old fashioned on this particularly with what has been presented here today, but it occurs to me that I think there is a limit to the propriety of naming every public asset just because this is the direction that the private sector seems to be going. I would be the last person who would want to see a bumper sticker slapped on the Ohio Statehouse, for example that is named after Company XYZ. Just to provide the other side of this argument as we are going through this, and I would encourage us to move with caution as we go through this process particularly with respect to Mr. Shocknessy's family and the renaming of this entire asset potentially after someone else when it has been done as a memorial to that individual who was the Chairman of this Commission for some time. Perhaps an alternative view, but one that I think needs to be aired today as well.

**Chairman Hruby:** I appreciate your comments and I am sure that it is in the minds of all of the Commission Members if that major of a change would be recommended, I do not know if it would fly here or not. Quite honestly, it depends on a lot of factors. I think the other things that were mentioned by Mr. Murphy and Mr. Greenslade are more palatable than that. That would be very difficult for us to do. Is there any further discussion, questions or comments?



**Mr. Dixon:** I think it is two different conversations that we are having here today. Your conversation is going to come up down the line. I am sure it will be revisited. I am just thinking about this contract and this conversation here. “Legends will receive 10% of total sponsorship fees generated up to \$3 million.” Are they going to go out – are they going to be the salesman per se in doing this? They are going to go out and solicit the companies and all of the legwork necessary?

**General Counsel:** Mr. Chairman and Commissioner Dixon, the answer is yes.

**Mr. Dixon:** After we value it, we are going to turn that asset over to them for them to market and sell and they will come back to us with any proposals.

**General Counsel:** That is correct. Obviously though Mr. Chairman, and Adam can chime in, Adam is going to be the contract manager and his department, the Marketing and Communications Department, is going to work very closely with Legends to ensure that they are going along the course that we believe is proper and appropriate. Again, as we move along and come back and present ideas to the Board, you will be passing that guidance back along to the contractor, Legends.

**Mr. Murphy:** It is my understanding, and I can give my experience from ODOT, is that they will negotiate to a point, come back to Adam, and Adam will come to the Commission and present what asset Legends is marketing and how much a particular company is willing to pay to advertise at that asset along with signage recommendations. Similarly, what happened with our Freeway Service Patrols with State Farm was about \$1 million per year. It got to a point Mr. Dixon, that they wanted the signs to say, “State Farm Freeway Service Patrols sponsored by State Farm” but the Federal Government said no. It can only say State Farm at the

bottom in a different color. They threatened to walk but, of course, they did not. I think having them market and negotiate is good because they are going to negotiate for more because they too get more.

**Mr. Dixon:** I agree with that. I have no problem with that. That is actually a better deal than we have at RTA. We sell the total rights and then based on any copyright or whatever restrictions, they can do whatever they want with it, basically. So this is better than ours. This \$10,000.00 retainer though. I cannot get a grasp on that.

**General Counsel:** Mr. Chairman and Commissioner Dixon, if I may, we did look at what the RTA is doing. In preparing the RFQ that was drafted and issued, we also looked at what ODOT did as well. But, in reviewing the fee proposals, we did get a similar fee proposal to what RTA has, which was just the overall 30% commission and that was going to cover everything except this evaluation. The concern we had with that is that the firm also wanted \$150,000.00 for doing the valuation. So, we know what this valuation potentially was going to cost them versus what Legends was saying. Since there are so many unknowns here, we feel it is more economical to incur the \$50,000.00 valuation fee and the \$10,000.00 per month retainer, which is really, by-and-large if we get into millions of dollars here, not a significant sum of money. That is why we opted for that proposal in lieu of the overall 30% commission option.

**Chairman Hruby:** Okay? All legitimate questions. This is a good discussion. Is there anything further from anyone? If not, I will call the roll. (Director Hodges stepped out of the Meeting)

**Chairman Hruby:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Chairman Hruby:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Chairman Hruby:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Chairman Hruby:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Chairman Hruby:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Chairman Hruby:** Myself, yes. The Resolution is adopted six to zero. Anymore ideas Mr. Greenslade that you would like to bring before us today?

## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Awarding Contract for Facility Sponsorship Marketing Services**

WHEREAS, pursuant to Ohio Revised Code Section 5537.13(A), the Commission may “contract in the manner provided by this section with any person desiring the use of any part . . . [of each turnpike project], including the right-of-way adjoining the paved portion, for placing thereon telephone, electric light, or power lines, service facilities, or for any other purpose, and fix the terms, conditions, rents, and rates of charge for such use;” and

WHEREAS, the Commission is seeking to develop and maximize new revenue streams, including those derived from trading on its “naming rights” for real property or improvements thereon, and specifically such physical assets that have yet undeveloped potential for monetization through marketing and negotiating the sale or licensing of naming rights; and

WHEREAS, these assets include the Commission’s fourteen service plazas, thirty-one toll plaza interchanges, multiple bridges and, possibly, the 241-mile roadway itself; and

WHEREAS, on July 1, 2013, the Commission issued its Request for Qualifications (“RFQ”) for Facility Sponsorship Marketing Services for an initial term of three years, which may be extended for an additional two-year period; and

WHEREAS, on August 1, 2013, four Proposals were received from firms that are established as specialists in identifying specific types of marketing opportunities, estimating their value, and negotiating agreements derived therefrom; and

WHEREAS, an Evaluation Team comprised of the Director of Governmental Affairs, Marketing and Communications, the CFO/Comptroller and the Service Plaza Operations Manager reviewed and evaluated the technical aspects of Proposals and invited two finalists to make presentations and submit Fee Proposals; and

WHEREAS, upon completion of its review, the Evaluation Team awarded the highest and best Technical score to **Legends Sales & Marketing, LLC (“Legends”)**, of **Plano, Texas**, which firm also submitted the best Fee Proposal; and

WHEREAS, Legends proposes to perform an “asset evaluation” in the not-to-exceed amount of **\$50,000**, and, once the evaluation report is approved and Legends begins to engage in the active pursuit of sponsors for the Commission’s assets, Legends will be paid a **monthly retainer of \$10,000**; and

WHEREAS, Legends will also earn **10% of the total sponsorship fees generated up to \$3 million, 12.5% of the total sponsorship fees generated up to \$5 million, 15% of the total sponsorship fees generated up to \$10 million and 17.5% of the total sponsorship fees generated over \$10 million**; and

WHEREAS, as a result of the RFQ process, the Evaluation Team has recommended that the Commission enter into a Facility Sponsorship Marketing Services Contract with Legends; and

WHEREAS, the General Counsel advises that: 1) the RFQ conforms to the requirements of applicable statutes including Ohio Revised Code Section 5537.07, 2) the aforesaid Proposals were solicited on the basis of the same terms and conditions with respect to all RFQ respondents and potential respondents, 3) due and full consideration has been given to the Proposals received, the respondents’ qualifications and their abilities to perform the required services, 4) Legends has demonstrated the ability to provide the required insurance as set forth in the RFQ, and 5) the Commission may legally accept said Proposal from Legends; and

WHEREAS, the Executive Director has reviewed the Evaluation Team’s and the General Counsel’s written recommendations and concurs with the selection of Legends to provide the contemplated Facility Sponsorship Marketing Services; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Proposal submitted by **Legends Sales & Marketing, LLC**, of **Plano, Texas**, is, and is by the Commission determined to be, the best of all Proposals received for the performance of the contemplated Facility Sponsorship Marketing Services and is accepted; and

FURTHER RESOLVED that the Executive Director and General Counsel hereby are authorized to: 1) execute a Contract with **Legends** to provide Facility Sponsorship Marketing Services for a term of three years, 2) take any and all action necessary or proper to carry out the terms of said Contract, all in accordance with the terms and conditions of the Commission's RFQ, Legends' response thereto and its fee proposals therefor; and 3) extend the Contract for an additional two-year term predicated on a satisfactory performance review by the Director of Governmental Affairs, Marketing and Communications.

**(Resolution No. 83-2013 adopted December 16, 2013)**

**Director of Gov't Affairs:** Not at this time.

**Chairman Hruby:** Thank you very much. This is something coming out of the Finance Committee. It is a recommendation. It is a new area for us to look at and we appreciate the work of the staff and we look forward to working with you. We have a commitment from the Executive Director of keeping the Board completely advised of what this process is and where it is going. I trust that and I look forward to working with Rick as we move forward on this. Are there any other questions or comments? We will move on to the report of our Director of Audit and Internal Controls, Dave Miller.

**Director of Audit/I.C.:** Good morning Mr. Chairman and Commission Members. Guidance for securing independent auditing services for the Ohio Turnpike and Infrastructure Commission is rooted in two places: Ohio Revised Code and the Commission's Master Trust Agreement with Huntington Bank. Ohio Revised Code Section 5537.17 states: "The Commission shall cause an audit of its books and accounts to be made at least once each year by certified public accountants." The Ohio Revised Code further states: "The Auditor of State, at

least once a year and without previous notice to the Commission, shall audit the accounts and transactions of the Commission.” Similarly, Section 5.15 of the Master Trust Agreement states: “The Commission will cause an audit of its financial statements to be performed each year by an independent certified public accountant.” Historically, each of these requirements had been satisfied by the Auditor of State’s selection of an independent public accounting firm to step into their shoes for the performance of the annual audit of the Commission. The Auditor of State provides the format for the RFP used to obtain these services, approves the final selection of the firm, and also reviews and approves the selected firm’s invoices. The Auditor of State also conducts a Quality Assurance Review of the work performed each year by the selected firm. Outside of performance audit procedures, Auditor of State personnel have never audited the Commission.

Auditor of State approved contracts for independent public accounting services generally have three-year terms with an option to renew for two additional terms. Auditor of State policy generally allows for a given firm to perform audit services for ten consecutive years. For the past nine fiscal years, the regional accounting firm of Ciuni & Panichi has audited the Commission. Their contract expired with the completion of the Fiscal Year 2011 Contract. The Auditor of State recommended the extension of the contract with Ciuni & Panichi for the Audit of Fiscal Year 2012 and is now making a similar recommendation for the extension for Fiscal Year 2013. Completion of the 2013 audit will then mark the tenth consecutive year of service from Ciuni & Panichi.

Ciuni & Panichi’s total fee for the Fiscal Year 2013 Audit is \$99,310.00. This amount represents an approximate 7.5% increase over the fees remitted to them for the Fiscal Year 2012

Audit. This fee increase is primarily attributable to additional procedures in connection with the significant debt issuance undertaken by the Commission in 2013. I have discussed this fee with Ciuni & Panichi's engagement partner, and I am satisfied that it is appropriate in consideration of the work to be performed. I, therefore, recommend that the Commission move today to extend the contract with Ciuni & Panichi for the Audit of Fiscal Year 2013. The Resolution for this extension is included in your folders this morning and, with your permission Mr. Chairman, I would like to request the General Counsel to please read the Resolved.

**Chairman Hruby:** Please.

**General Counsel:** RESOLVED that the Commission hereby approves the extension of the Contract with the Independent Public Accounting firm of Ciuni & Panichi, Inc., of Cleveland, Ohio, for a one-year period to cover the Fiscal Year 2013 Audit, and authorizes the Executive Director and the General Counsel to take whatever action is necessary to extend said Contract between the Auditor of State, the Ohio Turnpike and Infrastructure Commission and Ciuni & Panichi for such services to be performed in accordance with the proposal submitted by Ciuni & Panichi, and further authorizes the Director of Audit and Internal Control and the CFO/Comptroller to take any and all actions necessary or appropriate to carry out the terms and conditions of such Contract

FURTHER RESOLVED that a certified copy of this resolution shall be transmitted to the Trustee for the Bondholders in accordance with Article V, Section 5.15 of the Master Trust Agreement.

**Chairman Hruby:** For the Resolution, what is the pleasure of the Board?

**Vice Chairman Balog:** So moved.

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

**Secretary Barber:** Second.

**Chairman Hruby:** Seconded by Mrs. Barber. Are there any questions or comments?

Hearing none, roll call on the motion.

**Director Hodges:** Vice Chairman Balog.

14293

**Vice Chairman Balog:** Yes.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Director Hodges:** Six to zero.

**Chairman Hruby:** The Resolution passes. Thank you for your report. Do you have anything else?

## **OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION**

### **Resolution Approving Extension of Contract for Independent Public Accounting Services**

WHEREAS, Article V, Section 5.15 of the Amended and Restated Master Trust Agreement dated April 8, 2013 (“Master Trust Agreement”) requires that an annual audit of the Commission’s financial statements, books and accounts be carried out by an independent, certified public accountant approved by the Ohio Auditor of State, and a similar provision is set forth in Ohio Revised Code Section 5537.17(E); and

WHEREAS, in January 2008, a Request for Proposals (“RFP”) for Independent Public Accounting Services for Fiscal Years 2007 through 2011 was issued by the Auditor of State’s Office, and an Evaluation Team consisting of members of the Commission’s Audit & Internal Control and Finance staff evaluated the three proposals received and provided recommendations



to then Auditor of State, Mary Taylor, who concurred that **Ciuni & Panichi, Inc.**, of **Cleveland, Ohio**, should be awarded the Contract; and

WHEREAS, the cost of auditing the Commission's books and accounts by independent, certified public accountants is treated as a part of the Commission's operations and, because expenditures incurred by the Commission under this Contract over the course of the five-year term was in excess of \$150,000.00, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, the Commission authorized said expenditures via Resolution No. 9-2008; and

WHEREAS, with the pending expiration of the five-year Contract with Ciuni & Panichi at the end of 2012, Auditor of State, David Yost, advised that the Contract should be extended for at least a one-year period to conduct the Fiscal Year 2012 Audit, and an extension in the amount of \$92,300.00 was authorized via Resolution No. 41-2012; and

WHEREAS, Auditor of State Yost has again advised that the Contract with Ciuni & Panichi should be extended for at least a one-year period to conduct the **Fiscal Year 2013 Audit**, and Ciuni & Panichi estimates a total cost of **\$99,310.00** for such services, which is an approximate 7.5% increase over last year's expenditure, but includes the added costs for Ciuni & Panichi's review of the Commission's debt issuance that occurred during Fiscal Year 2013; and

WHEREAS, the Commission's Director of Audit and Internal Control advises that Ciuni & Panichi has continued to perform in a satisfactory manner, and has significant experience and familiarity with the Commission's operations and financial structure, and he, therefore, concurs with the recommended Contract extension for at least a one-year period; and

WHEREAS, the Commission's General Counsel has advised that, because expenditures to be incurred by the Commission under this Contract extension will be in excess of ten percent of the original Contract award, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, the Commission must authorize said extension; and

WHEREAS, the Executive Director has reviewed the recommendations of the Commission's Director of Audit and Internal Control and General Counsel and concurs with their recommendations; and

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby approves the extension of the Contract with the Independent Public Accounting firm of **Ciuni & Panichi, Inc.**, of **Cleveland, Ohio**, for a one-year period to cover the Fiscal Year 2013 Audit, and authorizes the Executive Director and the General Counsel to take whatever action is necessary to extend said Contract between the Auditor of State, the Ohio Turnpike and Infrastructure Commission and Ciuni & Panichi for such services to be performed in accordance with the proposal submitted by Ciuni & Panichi, and

further authorizes the Director of Audit and Internal Control and the CFO/Comptroller to take any and all actions necessary or appropriate to carry out the terms and conditions of such Contract.

FURTHER RESOLVED that a certified copy of this resolution shall be transmitted to the Trustee for the Bondholders in accordance with Article V, Section 5.15 of the Master Trust Agreement.

**(Resolution No. 84-2013 adopted December 16, 2013)**

**Director of Audit/I.C.:** Not at this time.

**Chairman Hruby:** We will move on to the report of our Financial Advisor, Bethany Pugh.

**Ms. Pugh:** Mr. Chairman and Commission Members, I do not have a report today, but I did want to congratulate the Commission and staff for what has been an incredibly productive and successful year. Thank you for allowing us to be a part of it as your Financial Advisor.

**Chairman Hruby:** Thank you and we appreciate your support. Our General Consultant, Beth Fulton.

**Ms. Fulton:** I have no report today, Mr. Chairman.

**Chairman Hruby:** Our Trustee from Huntington Bank, Mr. Lamb.

**Mr. Lamb:** No report Mr. Chairman.

**Chairman Hruby:** Next, our Ohio State Highway Patrol, Captain Hannay. How are you sir?

**Captain Hannay:** I am fine. Thank you. I have a brief report. We have had a busy month. Starting back on November 19<sup>th</sup>, we seized a vehicle with a hidden compartment. This is one of the first times on the Turnpike that our officers have charged somebody with a manufactured hidden compartment outside of the natural cavities that are typically built in vehicles. The vehicle was out of Michigan and they located an electronic switch under the driver's seat. The wiring for the switch indicated a sequence of numbers that moved the back seat forward and the compartment was built in behind the back seat. We took those folks into custody and seized that vehicle.

On November 24<sup>th</sup> at 11:00 a.m. one of our officers was called to Mile Post 49 in Lucas County where the right front passenger of a vehicle was struck in the neck by a projectile. The projectile was seized at the hospital and it did turn out to be a gunshot projectile. We are working with the Ohio Department of Natural Resources to try to identify where this came from and who might have shot this. It looks like it is a shotgun round. This incident occurred during youth hunting season. It appears to be a very isolated errant shot and we do not have any suspect or any reason to cause to believe that we are a target at this time. So, we are handling this and running down more leads to try and identify where this errant shot came from. The woman involved is 47 years old. She did undergo some plastic surgery to repair her jaw and neck area. They are from Iowa. This was an unfortunate incident.

On November 26<sup>th</sup> at 8:00 a.m. we seized a plastic bag with cocaine and some oxycodone with an approximate street value of \$30,000.00.

On December 8<sup>th</sup> we seized 15,000 pills and approximately \$3,000.00 cash that led to felony charges. The street value of the pills seized was approximately \$25,000.00.

In addition to these cases that I can tell you about and the two cases that I could not talk about last month, we have three additional cases over the last month that have now gone on to federal agencies. In the future, I will provide details of what those cases were.

As you are aware, on Thanksgiving Day, we did have a very tragic event that took place and cost the lives of two folks who were traveling on the Turnpike. I do not have a lot of answers for how or why this individual chose to drive this vehicle at the speeds that he was driving on the Turnpike, but I do have to commend the staff that was on duty that night that helped us in restoring some order to the Ohio Turnpike. They were exposed to some very tragic events and operated professionally, and that is “hats off” to the staff, the Commission and how our folks up here do work together in creating a team to restore the flow of traffic on the Turnpike. That is our seventh fatal crash for the year. That does mirror 2012’s numbers. We still are trending 4% below in total crashes, and I am going to keep my fingers crossed and we will do everything we can to hold the line where we are at.

**Chairman Hruby:** Thank you very much. On behalf of the Commission, we appreciate your good work. One of the things that troubled me being a former law enforcement official, and that is that some thought there was a massive chase on and there were visions of many Ohio State Patrol cars following this individual chasing him, and that was not the case. As that car moved through the system, there was a viewing of that car and it was radioed ahead, but there was no actual chase going on.

**Captain Hannay:** That is correct, sir.

**Chairman Hruby:** What was reported in the media is erroneous and it is not fair to the State Highway Patrol. Certainly they operate in a much different way and they are very safe

when it comes to stopping vehicles or chases such as that. Your policy is exemplary in the state. I just wanted to make that statement on the part of the Commission. Again, thank you for your great work. We do appreciate it.

**Captain Hannay:** Thank you. I can add to it. I am sure that everyone has seen the video by now. We have released the in-car video of our officers that did view this individual in traveling the speed they were traveling. I do not think we have a patrol car out there that could have run that hard, that fast, that long or who would want to.

**Mr. Dixon:** Was anything in the secret compartment. Did you find something in there that maybe you cannot discuss?

**Captain Hannay:** Mr. Chairman and Commission Member Dixon, it did have some marijuana residue in it. It was very fragrant. Our officer could smell the raw marijuana when he was standing beside the car. We knew we had something there, and it was just a matter of asking these individuals where they were coming from and where they were going to. The right front passenger produced a false Arizona identification. We did end up charging them with a felony of identity theft. It belonged to an individual that, unknown to them, had their identity taken. So, we did charge that individual also.

**Chairman Hruby:** Any more questions for the Captain? Again, thank you for your service and please pass our thanks on to your staff.

Before we move on to the General Counsel's report, which will result in us going into Executive Session, I just wanted to report to all that the next Commission Meeting will be a Special Meeting on Tuesday, January 21, 2014 at 1:00 p.m.

Also, I would like to recognize Alan Johnson. It is nice to see you sitting there. Mr. Johnson is our former Executive Director for many years. I would like to wish everyone Happy Holidays and Merry Christmas. Hopefully, you will all have a healthy and prosperous New Year. Again, this has been a remarkable year and the reason it has been is because of the fine work of the staff. I hope folks realize that, at times people talk about the Turnpike and that we spend a lot of money that we maintain only so many miles of road, and other comments of that nature, but I think we are all becoming very aware of the fact that this is a well-run operation. The Directors and staff have all done a remarkable job, and I cannot thank each and every one of you enough. We look forward to a great year in 2014 as we continue to provide the best possible Turnpike we can but, also in dealing with the issues that will be coming forth in the infrastructure portion of our responsibilities and that will be the next phase of the funding of projects. Thank you Mr. Murphy and please pass on to Director Wray and the Governor our thanks for this wonderful year and for the unique way in which we have now taken an asset and made it even better for the entire State. Senator Manning, your committee did an outstanding job and you were the leader in making sure that that was done and we appreciate your fine work in putting this issue to the forefront and getting that legislation passed and turning this into something that is going to be a tremendous asset to the State of Ohio. Anyone else wish to comment?

**Secretary Barber:** I agree. Very well said.

**Chairman Hruby:** Mr. Balog.

**Vice Chairman Balog:** One comment as you pass out the accolades, I think the Commission Members would like to thank you for the fine job that you have done as Chairman. You have carried this team along under your leadership and we appreciate that.

**Chairman Hruby:** Thank you so much. We will move on to the report of our General Counsel, Kathleen Weiss.

**General Counsel:** Thank you Mr. Chairman. I have a very brief report. I wanted to advise the Members that your litigation report is in your folders and, if you have questions about it, please give me a call. Otherwise, we have a motion that Commission Member Barber is going to make for us.

**Secretary Barber:** Mr. Chairman, I move that we hold an Executive Session to discuss the Collective Bargaining Negotiations with the Teamsters Local 436 under the provisions of Ohio Revised Code Section 121.22(G)(4).

**Chairman Hruby:** Is there a second?

**Mr. Murphy:** Second.

**Chairman Hruby:** Roll call.

**Director Hodges:** Secretary-Treasurer Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Mr. Murphy.

**Mr. Murphy:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Vice Chairman Balog.

**Vice Chairman Balog:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Commissioner Paradiso.

**Mr. Paradiso:** Yes.

**Chairman Hruby:** We will adjourn to Executive Session after which, will there be any action to be taken?

**General Counsel:** No. There will not be any action, but we do need to come back and properly adjourn the meeting.

**Chairman Hruby:** Folks, there will be no further action taken by the Board once we come back other than to adjourn our meeting. Thank you all. Again, Merry Christmas and Happy New Years. (Executive Session begins 11:56 a.m.)

**Vice Chairman Balog:** I move to adjourn the Executive Session and resume the regular meeting.

**Secretary Barber:** Second.

**Chairman Hruby:** All those in favor signify by saying “aye.” All Commission members say “aye.” The Executive Session is adjourned (Executive Session ends at 12:41 p.m.) and we will continue with our regular meeting. Is there is any further business for consideration? If not, I move for a motion to adjourn the regular meeting.

**Secretary Barber:** Second.



**Chairman Hruby:** All in favor signify by saying “aye.” All Commission members say “aye.” The meeting is adjourned. Thank you very much for your attendance. We are adjourned.

Attendees for Record Keeping Purposes:

Beth Fulton, URS; Bethany Pugh, PFM; Ryan Kozak, PFM; Tom Parevosnik, IUOE Local 18; Joe Casto, IUOE Local 18; Mike McCarthy, Hatch, Matt & McDonald; Mike Russell, Hatch, Matt & McDonald; Toby Fritz, Hill Int’l.; Stefan Holmes, First Merit; Linda Fletcher, Cook Paving; Jim Matheos, Cook Paving; Glen Stephens, GSI; Jordan Stephens, GSI; Ornette Gibson, GSI; Keith Rogers, Cook Paving; Ray Richards, URS; Mike Kline, URS; Vic Spinabelli, Hill Int’l.; Dan Castrigano, Greenman-Pederson; Chris Cummings, Baker; Allan Johnson, self; Frank Lamb, Huntington Bank; Captain Hannay, OSHP; Marty Seekely, Ohio Turnpike; Doug Hedrick, Ohio Turnpike; Kathleen Weiss, Ohio Turnpike; Robin Carlin, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Lisa Mejac, Ohio Turnpike; Mark Musson, Ohio Turnpike; Donna Fritz, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Dave Miller, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Matt Cole, Ohio Turnpike; Lauren Hakos, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; Andrew Herberger, Ohio Turnpike; Tony Yacobucci, Ohio Turnpike.

Time of adjournment: 12:42 p.m.

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

---

Sandra K. Barber, Secretary-Treasurer