

**MINUTES OF THE 589<sup>th</sup> MEETING OF THE OHIO TURNPIKE COMMISSION**

**December 17, 2012**

**Chairman Hruby:** (10:00 a.m.) Pledge of Allegiance is recited by all in attendance. The meeting will come to order. This is the 589<sup>th</sup> Meeting of the Ohio Turnpike Commission. Would the Executive Director please call the roll?

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Here.

**Director Hodges:** Vice Chairman Balog will not be present as he has a prior commitment that could not be rescheduled.

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

**Secretary Barber:** Present.

**Director Hodges:** Mr. Dixon will be here shortly.

**Mr. Dixon:** Present.

**Director Hodges:** Commissioner Pakush.

**Mr. Pakush:** Here.

**Director Hodges:** Mr. Cole.

**Mr. Cole:** Present.

**Director Hodges:** Mr. Smith.

**Mr. Smith:** Here.

**Director Hodges:** Senator Patton.

**Senator Patton:** (Arrived at 10:06 a.m.).

**Director Hodges:** Representative Dovilla.

**Representative Dovilla:** Present.

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

**Chairman Hruby:** Thank you. This is the 589<sup>th</sup> meeting of the Ohio Turnpike Commission and we are meeting here at the Commission's headquarters as provided for in the Commission's Code of Bylaws for a Commission Meeting. Various reports will be received, and we will act on several resolutions, draft copies of which have previously been sent to the Members and updated drafts are also in the Members' folders. The Resolutions will be explained during the appropriate reports.

Can I have a motion to adopt the Minutes of the November 19, 2012, Commission Meeting?

**Mr. Pakush:** I move for adoption.

**Chairman Hruby:** I'll second. Are there any corrections or additions? Hearing none, all in favor signify by saying "aye."

All Members say "aye."

**Chairman Hruby:** The "ayes" have it and the Minutes are adopted. Today, there are three things I wanted to bring up before we begin the meeting. First, the tragedy that has beset this country last Friday is sad and I think almost each and every person that heard the news, not only did it sadden them, but I think people were somewhat shocked, then angry, then, of course, feel so very sad for the people of the State of Connecticut and the families who lost loved ones. If you can imagine the horror that must have taken place in that building with those young people having to be subjected to that, so I would ask that we take a moment of silence to remember all those who perished in that tragedy. (A moment of silence is taken by all.) One thing that we can all certainly feel some bit of solace over is that fact that God cares and, as a result of that, I'm sure they are in His hands. Secondly, congratulations again to the Ohio State

Highway Patrol for another outstanding drug arrest and seizure on the Turnpike. I'm sure Lt. Sivak will be mentioning that, and if you didn't have it on your agenda, I wish you would. I found it to be a great story to read, and to see just how efficient you continue to be in dealing with people who are using our Turnpike for illegal means. We appreciate that effort. Thirdly, I will be proposing a Resolution later on in the Meeting endorsing the Governor's Ohio Jobs & Transportation Plan. I'm sure that all of you by now are aware of that action that was taken by Governor. I was taking a position as Chairman and the other Commission Members were reacting how they felt that they should react, that we would stay out of the issue as to whether or not this Turnpike should be sold, leased, go under the auspices of ODOT, stay as it is, or be modified in some way. We stuck to that and didn't really comment. Now is the time for comment, in my opinion. I am very pleased as Chairman with the decision that has been made and that is why I will be proposing this Resolution. I think it is a great thing for the employees of the Turnpike and for this Commission, the faith that Director Wray and the Governor have in this Commission and the ever increasing efficiency that they see in this Turnpike. I found it incredible the number of people that sat back and said, "don't do this, don't do that," and basically made their decision without the study. The Governor had the tenacity and the will to wait until the study was done, and then make his decision. I think that is the way you approach everything in life. You look at things, you weigh them, and you make your best call and your best decision. I commend the Governor for doing that. The easy way would have been to do nothing. Previous administrations have done nothing so to speak, but maybe they haven't been faced with as severe of a cut in transportation dollars as we are now, so I'm not going to criticize anyone before this administration. But, I will tell you that, without question, it was the right way, in my opinion, to deal with this matter, and that is let this study be done and then make the

decision thereafter. The decision that was made was to the benefit of the Turnpike Commission employees, the staff, all of our people who use the Turnpike and, of course, to the constituency of the State of Ohio. So, I appreciate that and hope that, at some point in time when it's reviewed by our legislators, they look upon it favorably. My last comment is to inform the Commission that Mr. Hodges has now changed the nickname for our State Representative, Mr. Dovilla. He is now known as "landslide." Congratulations on your victory. Someone told me once that all I need is one more vote than the other guy and it doesn't matter thereafter.

**Rep. Dovilla:** That is exactly right. We had 117 more than just that one more vote.

**Chairman Hruby:** Senator Patton, welcome.

**Senator Patton:** Thank you. My apologies for being late.

**Chairman Hruby:** Thank you for your patience and listening to me. I usually try to just keep to the meeting and not make many comments, so thank you for listening. Does anyone have any questions regarding what I said, or any comment? Hearing none, I will proceed then with the report of our Secretary-Treasurer, Mrs. Barber.

**Secretary Barber:** Yes, Mr. Chairman. I would like to begin my report with the following items that have been sent to the Members since the last scheduled Meeting of the Commission on November 19, 2012:

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

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

3. Traffic Crash Summary Report for October and November, 2012;
4. Traffic and Revenue Report, November, 2012;
5. Investment Report, November, 2012;
6. Total Revenue by Month and Year, November, 2012;
7. Financial Statements, November, 2012; and
7. Various News Articles.

That concludes my report, Mr. Chairman.

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

**Director Hodges:** Thank you, Mr. Chairman. As you are aware, this is a long agenda, and my remarks are somewhat lengthy as well, so I will get right to it. I just want to remind the Commission Members that this is a very important day. It's employee potluck, and you are all invited to come to lunch afterwards, so make sure you stay and enjoy time with the employees if you can.

First of all, I will explain the status of the Traffic Crash Summary Report. The OSHP Posts 89, 90, & 91 are in the process of moving crashes from their old system to the new OTIS system. Their goal was to "remove the human element from the process" and the old crash download is only capturing those posts that have not yet fully converted to the new OTIS system. Unfortunately, until all of the posts are converted to the new system they might expect delays in receiving timely reports for the Commission Meetings until at least early first quarter 2013.

Second, I just want to point out a couple of accomplishments of our staff. We received the Certificate and Award of Financial Reporting Achievement by the Government Finance Officers Association. This is getting to be routine for Marty and his department, but just because it's routine for them, doesn't diminish the fact that this is really a special and significant accomplishment and that everybody should be very proud of the way we submit our financial statements. Congratulations to everyone particularly, Marty.

Also, our Pavement Replacement project in Cuyahoga County, MP 164.82 to 169.74, is a winner of the National Asphalt Pavement Association 2012 Quality in Construction Award. This is just a really great accomplishment for our Engineering and Maintenance staff. Congratulations to Doug and Dennis Albrecht who runs our Maintenance Program, and to all of your staff on something that is really special and you should be very proud of your work, and I thank you very much.

We have a number of folks who have been retiring, as most of state government is experiencing right now, who have put in many, many years of service and we certainly recognize all of them across the Turnpike for their contributions. Beginning last month, when we saw that some folks were retiring, we wanted to bring them to your attention because of the really important contributions that they have made to the Turnpike over a long period of time. It's said that nobody is irreplaceable and I suppose that is true to a certain extent, we have good folks to step up and take their place who will make their own mark on the Turnpike, but in the case of these three people, they are irreplaceable in the sense that we will truly miss their presence and their leadership with the Turnpike and they should know, as we all should know, that when they go into a service plaza or drive through a toll booth or come back and visit, that they are a part of this Turnpike and what they see, and what everybody sees is, in part, due to their leadership. So,

I wanted to invite a few of them who have made those really extraordinary contributions to be with us today so that you have a chance to recognize them with a formal Resolution. I think I might just talk about the three of them and ask them to come up and to receive their Resolution and take a couple of pictures. First of all, we have Donna Cook. Donna is the Manager of our Accounts Payable and Accounts Receivable. I will let the General Counsel read the Resolved with all of their accomplishments in a minute but, on a personal note, Donna has been a real source of stability. She has been an outstanding manager, a friend to people here, and somebody in that department that everybody can look to with confidence and losing her is going to leave a void, and certainly we congratulate her and wouldn't wish her anything else, but are a little sad because we are going to miss her.

Crouch was our District Toll Supervisor. It's amazing how complex those toll booths Fran are and managing them on a district basis is. The District Supervisors are responsible for multiple interchanges. They get calls all weekend long and late into the evening from people who are working at those toll booths, and they don't call me, which is really good because I wouldn't know what to do, and that is because people like Fran have it completely under control and step in on those spontaneous crisis moments where there's an accident, and traffic needs to be diverted at 3:00 in the morning from one toll booth to another. She has been able to handle that flawlessly and professionally throughout her career. She is another one who has become a friend to so many at the Commission. We have been so proud of her and so grateful for the service that she has provided to us.

The third person that I want to bring to your attention today is Gary Cawley, our Toll Operations Superintendent. Gary came to us from Las Vegas. I don't know what that meant, but there's no gambling on the Turnpike when it comes to the role that Gary's played. He has been

in charge of the Toll Operations under Sharon for many years, and is the person we look to for leadership, advice and a steady hand on the Turnpike. He is somebody we are going to miss. I certainly hope they all know that they are always welcome back here. Gary does some things that make the Turnpike work that probably nobody ever notices. The one that he is famous for is when we get a letter of complaint from somebody that demands their fifty-cent toll returned, Gary just slips a couple quarters in the envelope and sends it back. Gary, if you want to submit a bill for doing things like that for all those years, I suggest you submit it through the proper channels eventually making its way to my desk where I may be able to act on it. To all three, you have meant so much to us and the leadership you have provided on the Turnpike has made this organization what it is today. Everybody should know that our tradition of excellence is due, in large part, to people like Fran, Donna and Gary. If I could Mr. Chairman, with your permission, ask that the General Counsel please read the Resolved for each after which we could present the Resolutions to each employee and take a few quick pictures with the Chairman.

**Chairman Hruby:** Please, go ahead.

**General Counsel:** We'll start with Donna Cook.

RESOLVED that the Ohio Turnpike Commission hereby acknowledges and expresses its gratitude to Donna J. Cook for her thirty-two plus years of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services which she rendered; and

FURTHER RESOLVED that the Commission extends its best wishes to Donna J. Cook, her husband, John, and daughter Madeline, and desires that Donna J. Cook have much success and well-being in all matters and activities which she shall undertake in the future; and

FURTHER RESOLVED that the Secretary-Treasurer hereby directs the Executive Director to send a certified copy of this Resolution to Donna J. Cook.

**Chairman Hruby:** I move to approve.

**Mr. Pakush:** Second.



**Chairman Hruby:** Moved and seconded. Is there any discussion? I'll just say on behalf of the Commission, thank you very much and ditto to what he said. Are there any other comments? Roll call, please.

**Director Hodges:** Chairman Hruby

**Chairman Hruby:** Yes.

**Director Hodges:** Commissioner Pakush

**Mr. Pakush:** Yes.

**Director Hodges:** Secretary Barber

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon

**Mr. Dixon:** Yes.

**Director Hodges:** Unanimous

## **OHIO TURNPIKE COMMISSION**

### **Resolution Expressing Appreciation of Donna J. Cook**

WHEREAS, Donna J. Cook began her service at the Ohio Turnpike Commission on September 14, 1980, as a Safety Services Clerk, and she also subsequently served as Accounts Receivable Clerk and Accounts Payable Clerk, and

WHEREAS, in 2004, Donna J. Cook was promoted to Accounting Clerk Supervisor and, in 2006, she was promoted to Manager of the Accounts Receivable and Accounts Payable Staff within the Commission's Finance Department, which management duties were expanded in 2009 when she was also appointed to oversee the Commission's *E-ZPass* Customer Service Center; and

WHEREAS, Donna J. Cook has served in all of these positions with distinction during her more than thirty-two years of service to the Ohio Turnpike Commission; and

WHEREAS, in particular, Donna J. Cook should be commended for her integral participation in the Commission's conversion to the Ross System financial and accounting software program, as well her instrumental role in the creation and management of the *E-ZPass* Customer Service Center; and

WHEREAS, the members and staff of the Commission wish to give formal and public recognition for the honorable, exceptionally dedicated, and effective service of Donna J. Cook.

NOW, THEREFORE, BE IT

RESOLVED that the Ohio Turnpike Commission hereby acknowledges and expresses its gratitude to Donna J. Cook for her thirty-two plus years of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services which she rendered; and

FURTHER RESOLVED that the Commission extends its best wishes to Donna J. Cook, her husband, John, and daughter Madeline, and desires that Donna J. Cook have much success and well-being in all matters and activities which she shall undertake in the future; and

FURTHER RESOLVED that the Secretary-Treasurer hereby directs the Executive Director to send a certified copy of this Resolution to Donna J. Cook.

**(Resolution No. 52-2012 adopted December 17, 2012)**

**General Counsel:** Mr. Chairman, with your permission, I will read the Resolved for Francis Crouch.

RESOLVED that the Ohio Turnpike Commission hereby acknowledges and expresses its gratitude to Frances A. Crouch for her thirty years of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services which she rendered; and

FURTHER RESOLVED that the Commission extends its best wishes to Frances A. Crouch, her husband, Dean, and daughter Tamara, and desires that Frances A. Crouch have much success and well-being in all matters and activities which she shall undertake in the future; and

FURTHER RESOLVED that the Secretary-Treasurer hereby directs the Executive Director to send a certified copy of this Resolution to Frances A. Crouch.

**Chairman Hruby:** Move for adoption.

**Secretary Barber:** I second

**Chairman Hruby:** Moved and seconded. Any comments? If none, roll call.

**Director Hodges:** Chairman Hruby

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary Barber

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

## **OHIO TURNPIKE COMMISSION**

### **Resolution Expressing Appreciation of Frances A. Crouch**

WHEREAS, on June 6, 1982, Frances A. Crouch began her service with the Ohio Turnpike Commission as a Toll Collector at Exit 151, was promoted to Assistant Toll Plaza Supervisor in 1990, and Central District Toll Supervisor in 1996; and

WHEREAS, Frances A. Crouch has served in all of these positions with distinction during her thirty years of service to the Ohio Turnpike Commission; and

WHEREAS, in particular, Frances A. Crouch should be commended for her integral participation in the Commission's conversion to electronic toll collection and the *E-ZPass* System, as well as the professional manner in which she has approached the handling of technical matters impacting Toll Operations, employer/employee relations, and the endless variety of Turnpike customer issues and concerns; and

WHEREAS, the members and staff of the Commission wish to give formal and public recognition for the honorable, exceptionally dedicated, and effective service of Frances A. Crouch.

NOW, THEREFORE, BE IT

RESOLVED that the Ohio Turnpike Commission hereby acknowledges and expresses its gratitude to Frances A. Crouch for her thirty years of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services which she rendered; and

FURTHER RESOLVED that the Commission extends its best wishes to Frances A. Crouch, her husband, Dean, and daughter Tamara, and desires that Frances A. Crouch have much success and well-being in all matters and activities which she shall undertake in the future; and

FURTHER RESOLVED that the Secretary-Treasurer hereby directs the Executive Director to send a certified copy of this Resolution to Frances A. Crouch.

**(Resolution No. 53-2012 adopted December 17, 2012)**

**General Counsel:** Mr. Chairman, with your permission, I will read the Resolved for Gary Cawley.

RESOLVED that the Ohio Turnpike Commission hereby acknowledges and expresses its gratitude to Gary W. Cawley for his thirty-three plus years of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services which he rendered; and

FURTHER RESOLVED that the Commission extends its best wishes to Gary W. Cawley, his wife, Michele, and children Tyson, Nichole, Dieken, Anthony, Matthew and Robert, and desires that Gary W. Cawley have much success and well-being in all matters and activities which he shall undertake in the future; and

FURTHER RESOLVED that the Secretary-Treasurer hereby directs the Executive Director to send a certified copy of this Resolution to Gary W. Cawley.

**Chairman Hruby:** Move for adoption.

**Mr. Pakush:** I second

**Chairman Hruby:** Moved and seconded. Any comments? If none, roll call.

**Director Hodges:** Chairman Hruby

**Chairman Hruby:** Yes.

**Director Hodges:** Commissioner Pakush

**Mr. Pakush:** Yes.

**Director Hodges:** Secretary Barber

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon

**Mr. Dixon:** Yes.

**Director Hodges:** Unanimous.

## OHIO TURNPIKE COMMISSION

### Resolution Expressing Appreciation of Gary W. Cawley

WHEREAS, on May 27, 1979, Gary W. Cawley began his service with the Ohio Turnpike Commission as a Toll Collector at Exit 152, was promoted to Assistant Toll Plaza Supervisor in 1980, Toll Plaza Supervisor in 1983, and Superintendent of Toll Operations in 1987; and

WHEREAS, Gary W. Cawley has served in all of these positions with distinction during his more than thirty-three years of service to the Ohio Turnpike Commission; and

WHEREAS, in particular, Gary W. Cawley should be commended for his integral participation in the Commission's conversion to electronic toll collection and the *E-ZPass* System, as well as the professional manner in which he has approached the handling of technical matters impacting Toll Operations, employer/employee relations, and the endless variety of Turnpike customer issues and concerns; and

WHEREAS, the members and staff of the Commission wish to give formal and public recognition for the honorable, exceptionally dedicated, and effective service of Gary W. Cawley.

NOW, THEREFORE, BE IT

RESOLVED that the Ohio Turnpike Commission hereby acknowledges and expresses its gratitude to Gary W. Cawley for his thirty-three plus years of dedicated service, and the Commission also considers that the people of the State of Ohio have been fortunate in receiving the unselfish services which he rendered; and

FURTHER RESOLVED that the Commission extends its best wishes to Gary W. Cawley, his wife, Michele, and children Tyson, Nichole, Dieken, Anthony, Matthew and Robert, and desires that Gary W. Cawley have much success and well-being in all matters and activities which he shall undertake in the future; and

FURTHER RESOLVED that the Secretary-Treasurer hereby directs the Executive Director to send a certified copy of this Resolution to Gary W. Cawley.

**(Resolution No. 54-2012 adopted December 17, 2012)**

**Chairman Hruby:** Folks, on behalf of the Commission, I can't thank you enough for your service. After listening to the Resolved and hearing how integral you were on the *EZ-Pass*<sup>®</sup>, we are going to keep your telephone numbers and give them to the toll booth workers in

case of an emergency, we'll be calling you. Thirty plus years to an organization is a life-long commitment and we thank you all so very much. Listening to the Executive Director speak about your tenure I know you have done an outstanding job, so you should be very proud of what you've done as we are likewise proud of you for what you've accomplished. (Applause by all and photos being taken.)

If I could continue my report, you had asked me, Mr. Chairman, to discuss a little bit about Governor Kasich's proposal that has been a year in the making for the Jobs and Transportation Plan. We are fortunate to have the Chief of Staff for the Ohio Department of Transportation, Greg Murphy, with us so, if Greg could just come up to the table because I asked him to be here to answer any of your questions from ODOT and I want to thank him personally. This process has taken over one year. There were a large number of people involved, but Greg was the one who spearheaded it, organized it, and was the architect of it. He did an amazing job and what I appreciate about Greg is that, from the very first moment that I came on board, they wanted to make this an open process, and Greg reached out to us to participate in this study. We offered to be a similar resource to anybody else who wanted to study the Turnpike and be part of the debate. Some folks availed us to a limited extent, but the administration had us be a part of the process from day one. I appreciate that and the work that Greg did was truly remarkable with spearheading this whole effort. I did have a chance to brief the voting members of the Commission prior to the Governor's announcement. Unfortunately, Mr. Dixon and I weren't able to speak prior to the announcement, but we did have a chance to talk a little bit on Saturday. The non-voting members were invited to participate in briefings through their legislative roles or administrative roles, and those took place on Wednesday night by telephone. Everybody had a chance to, at least, know the announcement was coming and get a sense of what it was going to

be. The Ohio Jobs and Transportation Plan will generate \$1.5 billion in new funds for Ohio highways from bonds being issued by the Ohio Turnpike Commission and backed by future toll revenues. Up to an additional \$1.5 billion could be generated from matching local and federal funds coming to a combined total of approximately \$3 billion for Ohio's major highway construction projects. As the Governor said, this Plan just makes sense as we continue Ohio's economic resurgence, grow jobs and make our state prosperous once again. Billions of dollars in new highway funds further strengthen Ohio's jobs friendly climate and keeps our state moving by delivering more projects faster. As Director Wray said, bonding against future Turnpike revenue generates enough money to erase our highway budget deficit, combined with ODOT's work to reduce our cost of doing business and improve service to the state's motoring public, this Plan puts the resources we need into our major construction projects. As the Chairman mentioned, there were three options on the table. There will be no long term or private lease of the Turnpike under the Governor's proposal. The Turnpike will be recognized and continue to be a public, independent Turnpike with expanded authority and renamed the Ohio Turnpike and Infrastructure Commission. The Ohio Turnpike Commission, assuming that the legislature passes the Plan in something similar to its present form, will expand its area of responsibility beyond the limited one mile corridor, which is currently in the law, to support ODOT and participate in highway construction throughout the region that we serve. More than 90% of new bond money will go directly to Northern Ohio highway projects including the Turnpike itself. One of the great aspects for the Turnpike is that our maintenance workers do a tremendous job of paving and patching the road to keep that a smooth ride for our customers and people recognize that, but our road is sixty years old as you all know, and it was never designed to last this long. As with many places along the road, when Doug drills holes, he finds that the smooth foundation

is turning to gravel and we need help. We had a 40-year Plan to replace the foundation and, since the day I was here, Doug and Dennis have been reminding me about how we need to move that up. You guys have got your answer. In the Governor's proposal, there is going to be enough money for the Turnpike to be able to rebuild the road in almost half the time that we had originally projected, so it will occur decades sooner than planned. Tolls for local trips paid with an *E-ZPass*<sup>®</sup> are frozen for ten years and all other toll rates are capped at the rate of inflation, which is significantly less than the experience of the last twenty years. Passenger tolls have increased, if you go back 20 years, at about an average of 7% per year, and the Governor's proposal will cap them at the rate of inflation. Certainly the most important thing for employees is that there will be no lay-offs as a result of the Governor's proposal and that, in this season in particular, makes us all very happy. I would recommend it to you. I think the process was excellent. KPMG released their report and it's online and we have copies for the Commission Members if you don't have it already. I have read it several times. It's extremely well-done and the process was very open and efficient with much of that to Greg's credit. I have shared parts of the study in advance with some of our staff as it relates to their specific job descriptions. Without speaking directly for them, I am confident that the financial projections that KPMG has made are thorough, accurate and very well done. This proposal will provide the resources for the Turnpike to continue for as long as anybody can foresee and, again will also provide us with the resources to complete our rebuilding project much faster. With that, I invite Greg to make some comments and together between Greg, Myron and me, we can answer your questions. Greg, if you would like to begin.

**Mr. Murphy:** Thank you, Director and Chairman, for allowing me some time this morning. I spent the past weekend with my family, which was much needed after the capping of



what we did over the last year. We have spent a lot of time over the past few weeks getting prepared for Wednesday, Thursday and Friday and, as Rick indicated, I'm hoping that the Turnpike employees also could breathe a sigh of relief that their jobs are secure and this Commission is secure as it is. It was a great couple of days. The process was very intense and long. I am the Chief of Staff at the Ohio Department of Transportation, which means that I have responsibility for all aspects of the department, but it seemed like most of my time was spent on the Turnpike Study. We looked through the three different options: the one that was picked, merging it with our department and, then, obviously the lease, and it was very clear that this is the best option for Northern Ohio, this Commission, this Agency and for all of Ohio. The Turnpike has been great to work with. I can understand that it has been very unsettling over the last year for not only this Commission, but certainly the employees of the Turnpike, and to not know exactly what is going to happen to your agency or your job is unsettling. You have been professional, open, honest, and we appreciate that. In our opinion, and Rick had mentioned it a couple of times over the last couple of days and so did Director Wray, we are looking forward to opening a new chapter in transportation for Ohio. There have been varying levels of coordination with this agency and ODOT, sometimes to the point where they didn't like each other, sometimes when they coordinated and they acknowledged each other's existence, but never before have we worked so closely on such a high level and intense issue and to come to this point, which is interesting going forward that we worked well together because of what Rick outlined. This Commission stays in place – is responsible for the bond proceeds and will work hand-in-hand and lockstep with ODOT to deliver projects on the Turnpike and in northern Ohio. \$3 billion over the next six years is unprecedented for ODOT. It is going to be a great thing for northern Ohio and for the rest of the state. The interesting thing about it is, and what we've tried

to talk about, our program – the \$1.6 billion program was spread over 20 years simply because the federal and state gas taxes are not sufficient to deliver the projects anytime soon. With the bond proceeds and working with the Turnpike, we can now have a \$3 billion program over the next six years. So, it is going to bring great things for northern Ohio and for the rest of the state. I can answer any questions the Commission Members may have. We are very excited to work with the entire Turnpike staff, with Rick and the Commission. In the coming years, someone from ODOT will be standing at that podium asking for your money, so please be gracious. They will be good projects in northern Ohio.

**Chairman Hruby:** Senator Patton.

**Senator Patton:** I am well aware of the fact that we in Ohio have a program called TRAC 1, TRAC 2, which is a way that we coordinate or line-up in priority the projects that should be done, I know Chairman that you served for some time on the TRAC Commission, and whether it was optimism on parts of previous administration, I don't fault these folks for doing it, but at some point we over-committed, we over-promised, so there were parts of very significant projects that were going to require, in some cases, 20-25 years to be completed and that just is not acceptable. I must admit that, when the study of the possible lease of the Turnpike came out, I was deathly opposed to the idea of somebody owning my Turnpike. I made a promise then to Mr. Murphy that I would keep my powder dry until such time as the over \$3 million study took place. When you are going to spend \$3.4 million on a study, it is going to be more than a 60-90 day study, and I think that is what we have to center on is the fact that we can look at the public and say we thoroughly examined each of the three options in front of them and, at the end of the day came back with, obviously the one that I clearly applauded, which is maintaining, and as a matter-of-fact expanding the role of my Turnpike Commission. I want to say that I think the

folks of Northern Ohio or the Turnpike corridor are further blessed and encouraged to get their *EZPass*<sup>®</sup> because with that *EZPass*<sup>®</sup> in their possession, their rates will be frozen for the next decade. I don't know that we could have ever promised in a previous administration that we are going to freeze the rate for those folks who drive thirty miles or less. I think it has been studied that the average Ohioans that use the Turnpike drive less than that, so this is a great thing and I give my Governor a lot of credit for being cautious, being deliberate in this decision. I do want to also further point out to the Chief of Staff he has worked tirelessly on this project, and I don't mind the fact that I was kept in the dark until late Wednesday night. I just want to direct and hope that, when the time comes, we, the legislators, Representative Dovilla and I, and others will be able to get this over the goal line, so that we can get this process going, but I congratulate you on all of your efforts. Thank you.

**Chairman Hruby:** Thank you, Senator. Mrs. Barber.

**Secretary Barber:** Yes, I would just like to add that I am from Fulton County and I border the State of Indiana and, obviously like everyone else, I heard all of these horrible rumors and speculations about what was going to happen to the Ohio Turnpike, and I couldn't be more pleased with the option that we are going with. There are three things that I personally like. I really like the partnership with ODOT. I think it's really important. Your business is highways, and that is what we are also doing here with Ohio Turnpike, and I like that partnership. I also think the funding capabilities that we will have through the Ohio Turnpike Commission and being able to help not only the Turnpike, but those other highways in the northern part of Ohio that desperately need funding, which will free money for you in the southern and middle part of the state are very important. I also like the job creation, and putting a number of people back to work and getting Ohio businesses back. Someone mentioned a little while ago what a sigh of

relief took place and I can tell you there was a big sigh of relief because I had someone approach me who worked for the Ohio Turnpike, and they were in the process of job hunting because they truly felt that this was going to be a lease partnership and that they were going to lose their job, and they were absolutely thrilled. So, I think this is a win-win for everyone and just applaud the Governor and support this proposal.

**Chairman Hruby:** Thank you, Mrs. Barber. Representative Dovilla.

**Rep. Dovilla:** Thank you, Mr. Chairman. I would echo the comments of my colleagues. I think we recognize that, in this country today, and in this state, we have had an infrastructure and transportation set of challenges for a good amount of time due to lack of dollars both at the state and federal levels that have not been addressed in an adequate way. This Commission, in particular, has been a rare public entity that has actually gotten it right in so many ways over the years in terms of reinvesting dollars in maintenance and improvements to this road, has taken care of its human capital over the many years that this organization has been in existence, and really has gotten it right. That was why initially, and I was rather vocal about this throughout the course of this last campaign. This last year, I was opposed to the sale or lease of this entity. I am pleased that, at this point in time, the Governor has taken this particular option for the Turnpike. Of the three that were offered, I think it was the most viable for us and the best concept going forward. I will be looking carefully – I do have some reservations still despite the need for additional infrastructure dollars being spent in more creative and innovative ways around the state – regarding diversion of funds from this entity to other places around the state, but I also recognize the need for innovation and the shortage of dollars that continues to confront this state and this country on infrastructure issues. You need only look around at the crumbling roads and the aging bridges and the sewer systems in this state and around the country

that were built for a much different era than the times in which they are being used today. I look forward to continue to work with the Governor in maintaining an open dialogue and with my colleagues in the legislature, Senator Patton and others regarding these issues going forward. I am pleased with the result that we have thus far. Thank you.

**Chairman Hruby:** Any other comments from anyone?

**Mr. Murphy:** Senator Patton is correct about the toll freeze for those driving thirty miles or less. This Commission would vote to freeze those tolls as indicated in the proposal for ten years. Then, also, Rick can attest to this, we spent countless hours with the Governor himself going through the different options. We went into each one of these meetings with an open mind several times. This was very, very well thought out and the Governor's leadership was unprecedented, and this was obviously the right decision to go forward. Rick and I saw him on Saturday and he is just glowing with what we have done, with what this Commission has done, and what ODOT has done over the last year. I just wanted to make that point as well.

**Mr. Cole:** Mr. Chairman, the only point that I wanted to add is the role of the Turnpike in facilitating and partnering with local governments hasn't been addressed very much. I mean it's not just the money, it is their involvement in Planning, in understanding how the Turnpike is an asset and connects with a broader transportation system, and both that look at freezing the *E-ZPass*<sup>®</sup> rates for the locals is important but, in my day job, I help facilitate partnerships with local governments, and ODOT has been very active in the agility agreements in working with local partnerships, and I know that Director Hodges and I have had that discussion and I have forwarded some of those ODOT agreements – just so you know, Greg – as examples for how the Turnpike can partner more with local governments and share this asset and

be partners in more than Ohio. But, previously my career as Chief of Staff to a county engineer, slightly smaller jurisdiction than you have, Greg, but in Summit County we were looking at upgrading Route 8 and the ramps to 271, we were partnering with ODOT but, the most reluctant partner we had was the Turnpike Commission. This was a long time ago with previous administrations and previous leadership but, it felt like they hid behind their one mile restriction to keep them out of having to make investments or recognizing the impact that the traffic coming to the Turnpike had on local communities. Now, I think this opens that dialogue up for them to be better partners and recognize how they are part of a larger Northern Ohio Transportation System, and I am very excited about that. I think once we get past some of the politics, we are going to see a number of mayors, county engineers and others who have ideas or know what the larger solutions are for transportation in Northern Ohio, and now the Turnpike can be a more pivotal and more important partner in these discussions and in bringing those solutions to bear. I think that is part of what makes this such an exciting time and opportunity and I think we do have the right leadership as a Commission and the staff at the Turnpike to take advantage of that opportunity before them, that's all.

**Chairman Hruby:** Thank you. Mr. Dixon?

**Mr. Dixon:** No comment.

**Chairman Hruby:** Anyone else?

**Mr. Smith:** I would just like to say that I echo the comments made by my colleagues on the Commission that I am pleased with the process and also the study.

**Chairman Hruby:** Mr. Murphy, at the beginning I addressed that I would be talking about a few things and one of them was this, and I didn't have an opportunity to speak with you since the announcement. Bear with me folks for being a little repetitive for a second but, through

this process, Mr. Murphy, the Commission took a position that we should stay out of this. This is something that is up to the Governor, his staff and the legislature. Throughout the process, overwhelming requests were made by ODOT for information from the Turnpike. As a matter of fact, I thought it was a gallant effort the way you examined the operation of the Turnpike so, I want to commend you and Director Wray for the work that you did because obviously you were not paying attention to everything that was being said around you. You were focusing on the study and making sure that it was done impartially and, hopefully, as a-political as possible, so I commend you both for that.

Secondly, there were a large number of people who kept contacting me and others on the Commission and the Turnpike, including the employees, saying how bad this whole process was and what a mistake this Governor was making. The Governor had the tenacity to stick through all of that, and keep to his pledge to study this impartially. Once the study was completed, it really showed, in my opinion, the tremendous effort on the part of this staff and this management team that has come in and is now leading this Turnpike as well as, or if not better than, previous administrations by showing and demonstrating that the Turnpike was and is a great entity and a great asset to the State of Ohio. Some criticized us, said we spent too much money, too much this and too much that. The bottom line is that, in the end, I believe strongly, that the Turnpike Commission and its staff are rewarded in a sense that the faith of the Governor and your staff in this Commission to allow it to continue to move forward and exist. The other thing, to do nothing as some people have said, would have allowed the roads to continue to crumble, the bridges to continue to crumble, as was said, so somebody had to do something. The Governor took it upon himself to do that and I can't commend him enough for that. I think that was a good thing that he did and I think it was an extreme challenge for him, and politically it was a tough

decision, but he made it. I appreciate the comments of Senator Patton as you have always been a strong proponent of transportation, and I know that you will do what's best for the State of Ohio in dealing with this when it gets to the Senate. It's our intent as a Commission, I believe and I hope I am leading us in the right direction and I believe I am, and that we want to show you and demonstrate to you that we now, after staying silent all this time, believe in the process that you went through and we believe in the results. To show that, I am going to prepare a resolution and I am going to make a motion that the Commission endorse the Ohio Jobs and Transportation Plan proposed by the Governor, and direct General Counsel to draft a Resolution in the appropriate form for the ratification at our January, 2013 meeting. The resolution for ratification will include the following:

1. The Commission endorses the Ohio Jobs and Transportation Plan and congratulates the Governor for his leadership.
2. The Proposal recognizes the important role that the Commission will play in building the transportation infrastructure of the area served by the Turnpike.
3. The proposal will create economic opportunity for the areas served by the Turnpike including a projected 65,000 new jobs.
4. The Proposal will include additional resources for the Turnpike to rebuild the original road foundation in almost half of the time as originally planned, which will enable the Commission to better itself and better serve its customers.
5. The Proposal will provide ample resources for the Commission to achieve its' mission, while at the same time capping toll rates and providing the predictability and consistency for its customers.
6. The Commission looks forward to continuing to participate in the development and implementation of the Governor's proposal.

**Secretary Barber:** I'll second.

**Chairman Hruby:** Moved and seconded. Any discussion or comments? Any objections? Hearing none, I ask the General Counsel to read the Resolved.



**General Counsel:** Thank you, Mr. Chairman.

RESOLVED, that the Ohio Turnpike Commission, with this Resolution endorses the Ohio Jobs and Transportation Plan, as announced on December 13, 2012, by Governor John Kasich, and hereby directs the General Counsel to prepare a formal Resolution for ratification at the January 2013 meeting of the Commission memorializing support for the Plan as to be detailed therein, and further expressing the Commission's commitment to participate in the development and implementation of the Plan; and

FURTHER RESOLVED, that copies of said Resolution shall thereafter be sent to the Governor, the Director of Transportation and the respective leaders of the Ohio General Assembly.

**Chairman Hruby:** If there are no comments, roll call.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Commissioner Pakush.

**Mr. Pakush:** Yes.

**Director Hodges:** Unanimous.

## OHIO TURNPIKE COMMISSION

### Verbal Resolution Endorsing Governor John Kasich's Ohio Jobs and Transportation Plan

A verbal resolution was offered by the Chairman of the Ohio Turnpike Commission to endorse the Ohio Jobs and Transportation Plan, as announced on December 13, 2012, by Governor John Kasich.

As indicated in the paragraphs below, the Commission resolved as follows:

RESOLVED, that the Ohio Turnpike Commission, with this Resolution endorses the Ohio Jobs and Transportation Plan, as announced on December 13, 2012, by Governor John Kasich, and hereby directs the General Counsel to prepare a formal Resolution for ratification at the January 2013 meeting of the Commission memorializing support for the Plan as to be detailed therein, and further expressing the Commission's commitment to participate in the development and implementation of the Plan; and

FURTHER RESOLVED, that copies of said Resolution shall thereafter be sent to the Governor, the Director of Transportation and the respective leaders of the Ohio General Assembly.

**(Resolution No. 55-2012 adopted December 17, 2012)**

**Chairman Hruby:** Mr. Murphy, thank you so very much and please take our comments back to Director Wray. Please let him know how much we appreciate his efforts. I know how much you and he worked on this Plan to this end.

**Mr. Murphy:** I do appreciate that Mr. Chairman and, if I could, commend your leadership here at this Commission and in your city as a mayor in Northern Ohio and, to you, Senator Patton as the Chair of the Transportation Committee, over the last year we have become good friends. Senator, you are a man of your word. I know you are in a difficult spot living where you live and being a Senator from this area, you have kept your word. You did not demagogue the process and you've been very supportive of what we are trying to do. Chairman, likewise with you. You are in a difficult spot being the Chairman of the Commission and the

Mayor of Brecksville. I can understand the calls both of you, as well as Representative Dovilla, have been receiving and you have all been statesmen. Director Wray and I have appreciated the work that you have done, the leadership and being the statesmen that you are. I can't imagine what it would be like. I come up and go to these meetings and hear from the people in favor – not many, and those opposed to what we were doing and then I would go back to Columbus where I would be a little more insulated than what you gentlemen have to withstand here in Northern Ohio. But, it's a great day and we are moving forward. We appreciate all that you have done.

**Chairman Hruby:** Lastly, I'll end it with this, that on behalf of all of the employees, thank you very much because this is very, very important to them, and it's an early Christmas present knowing that this Commission will continue. Thank you. Are there any other comments for anyone? Thank you all. Mr. Hodges, did you have anything else?

**Director Hodges:** No.

**Chairman Hruby:** Thank you for being patient, folks. Next, our CFO/Comptroller, Marty.

**CFO/Comptroller:** Thank you, Mr. Chairman. I have two Resolutions and one report for your consideration today. I first would like to provide you with a brief update on 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 recovered in November after being down for the previous two months and were .8% higher than November of last year. Commercial traffic continued to recover from the recession and was 2.5% higher than November of last year. The increased revenue from the toll rate increase in January and the slightly higher

level of traffic caused Passenger car toll revenue to increase 9.6% over November of last year. For the year-to-date, Passenger car toll revenue is 9.0% higher than last year. Commercial vehicle toll revenues benefited from the January toll rate increase, as well as the higher level of traffic and, as a result, were 10.9% higher than last year in November. Year-to-date Commercial vehicle toll revenue is 10.2% higher than 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 \$20.6 million, or 9.7% above the amount from last year. That completes my report on Traffic and Revenue, Mr. Chairman. If there are no questions, I would like to present my first Resolution.

**Chairman Hruby:** Please do.

**CFO/Comptroller:** My first Resolution is to approve the use of an electronic auction to obtain energy supplies and to award a Contract for Energy Provider Broker Services to Independent Energy Consultants of Aurora, Ohio.

The Commission issued an RFP to 19 firms that were identified as capable of performing energy provider consulting services to identify lower cost alternatives to the Commission's current gas and electric energy supplies. Seven proposals to provide energy consulting services were received. An evaluation team consisting of staff from the Engineering Department, the Staff Attorney and myself reviewed the Proposals and identified the three best proposals in terms of capacity, approach, education and experience that were submitted. After meeting with the three top-ranked firms, the evaluation team concluded that Independent Energy Consultants ("IEC") presented the most desirable proposal for brokering the Commission's energy needs with suppliers.

Their proposal would utilize an electronic reverse auction through World Energy Solutions that will create an extremely competitive bidding process. IEC will analyze the Commission's historical energy consumption, and package approximately ten different solicitations for various gas and electric quantities and terms, allowing approximately 30 different energy providers to continually bid down the unit price until each auction closes.

In addition to assisting the Commission to obtain the lowest gas and electric prices, IEC will also provide a software system called "Energy Cap" that will monitor the Commission's energy consumption and systematically analyze the data to identify waste or improvements that can be made in managing the energy usage at our facilities.

The Commission will not pay IEC directly for their consulting, brokerage and software services, rather the winning bidders for the Commission electric and gas supply will build IEC's commission into the price that they charge us for gas and electricity. IEC's commission will be 10 cents per thousand cubic feet of natural gas and 15 cents per kilowatt hour of electricity used, which is estimated to equate to approximately \$62,000 per year.

The Commission spends approximately \$3.5 million per year for electricity and \$650,000 per year for natural gas. Based on the input received from the energy brokers contacted during the RFP process, it is estimated the savings from conducting the reverse auction process will be in the hundreds of thousands of dollars annually. The volatility and nature of the gas and electric energy supply market only allows energy suppliers to hold firm pricing for mere hours after the electric reverse auction closes, requiring the Commission to execute agreements with energy suppliers that have the potential to exceed \$150,000 without an intervening Commission meeting, thus approval is being sought at this time.

Based on the forgoing, it is the recommendation that an agreement for energy broker services be executed with Independent Energy Consultants, and a reverse auction to competitively bid the Commission's electric and natural gas energy supply requirements be conducted. With your permission Mr. Chairman I would like to ask the General Counsel to please read the Resolved.

**General Counsel:** RESOLVED that the Proposal submitted by Independent Energy Consultants of Aurora, Ohio to perform Energy Provider Consulting Services to identify and engage lower cost alternatives to the Commission's current gas and electric energy supplies using an electronic reverse-auction method and EnergyCap software is hereby accepted, and that the Executive Director and General Counsel are directed to: 1) execute an Agreement with Independent Energy Consultants for a term coinciding with the supply contracts executed as a result of its services, and 2) take any and all action necessary to properly carry out the terms of said RFP and said Agreement; and

FURTHER RESOLVED that the Executive Director and General Counsel are authorized to execute energy supply agreements with the energy providers that submit the lowest and best bids to RFP's for both current and future energy supply contracts.

**Mr. Pakush:** Moved to adopt.

**Chairman Hruby:** I'll second. Moved and seconded. Is there any discussion?

Hearing none, roll call.

**Director Hodges:** Commissioner Pakush.

**Mr. Pakush:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Unanimous.

## OHIO TURNPIKE COMMISSION

### **Resolution Awarding an Agreement for Energy Provider Consulting Services, and Approving the Use of RFP's to Obtain Current and Future Energy Supplies**

WHEREAS, on August 30, 2012, the Commission issued a Request for Proposals ("RFP") for Energy Provider Consulting Services to identify and engage lower cost alternatives to its current gas and electric energy supplies; and

WHEREAS, on September 27, 2012, seven Proposals to provide the Energy Provider Consulting Services were received and reviewed by an Evaluation Team consisting of staff from the Commission's Engineering Department, the CFO/Comptroller, and the Staff Attorney, which, after meeting with the three top-ranked Firms, concluded that **Independent Energy Consultants of Aurora, Ohio ("IEC")** has presented the most desirable Proposal for brokering the Commission's energy consumption portfolio to suppliers, and has also proposed providing a software system called "EnergyCap" to monitor the Commission's energy consumption, systematically analyze the data on a building-by-building basis, and identify waste or improvements that can be made in managing the facilities; and

WHEREAS, the Evaluation Team believes that IEC's Proposal to utilize an electronic reverse- auction methodology through WorldEnergy Solutions is the best approach to obtaining lower cost energy supplies because it is analogous to the competitive bidding process that the Commission utilizes in obtaining other commodities, and it will create a hyper-competitive process that maximizes the market efficiencies intended by energy deregulation; and

WHEREAS, there is no upfront fee to obtain the consulting, brokerage, and software services from IEC, rather the compensation for the services is paid through an addition to the Commission's utility bills on a consumption basis of \$0.10 per thousand cubic feet of natural gas and \$0.0015 per kilowatt hour of electricity, which is estimated to equate to approximately \$62,000 per year based on historical energy usage; and

WHEREAS, the volatility and nature of the gas and electric energy supply market only allows energy suppliers to hold firm pricing for mere hours after the electronic reverse-auction closes, requiring the Commission to execute agreements with energy suppliers that have the potential to exceed \$150,000.00 without an intervening Commission Meeting; and

WHEREAS, the General Counsel advises that the process to select the Energy Provider Consultant was conducted in conformance with the Commission's procedures for the selection of consultants, and further that the proposed process for bidding the sources of the Commission's energy consumption is in conformance with Ohio Revised Code Section 9.30; and

WHEREAS, the Executive Director has reviewed the reports of the Evaluation Team and the General Counsel and, predicated upon their analysis, has made his recommendation to the Commission that a Consulting Agreement should be awarded to Independent Energy Consultants of Aurora, Ohio, and that the Commission should procure its future natural gas and electricity consumption through IEC's electronic reverse-auction methodology; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Proposal submitted by **Independent Energy Consultants of Aurora, Ohio** to perform Energy Provider Consulting Services to identify and engage lower cost alternatives to the Commission's current gas and electric energy supplies using an electronic reverse-auction method and EnergyCap software is hereby accepted, and that the Executive Director and General Counsel are directed to: 1) execute an Agreement with Independent Energy Consultants for a term coinciding with the supply contracts executed as a result of its services, and 2) take any and all action necessary to properly carry out the terms of said RFP and said Agreement; and

FURTHER RESOLVED that the Executive Director and General Counsel are authorized to execute energy supply agreements with the energy providers that submit the lowest and best bids to RFP's for both current and future energy supply contracts.

**(Resolution No. 56-2012 adopted December 17, 2012)**

**Chairman Hruby:** Thank you. Mr. Seekely move on, please.

**CFO/Comptroller:** I would now like to present the proposed 2013 Operating Budget for your consideration. Please feel free to stop me any time to ask any questions that you may have.



**OHIO TURNPIKE COMMISSION  
2013 ANNUAL OPERATING BUDGET**

	<u>PLEDGED</u>	<u>NON-PLEDGED</u>	<u>TOTAL</u>
<b>REVENUES:</b>			
TOLL	\$ 253,974,000	\$ -	\$ 253,974,000
CONCESSION	13,515,000	590,800	14,105,800
INVESTMENT	323,100	240,000	563,100
FUEL TAX	-	2,100,000	2,100,000
OTHER	3,095,000	-	3,095,000
<b>TOTAL REVENUES</b>	<u>\$ 270,907,100</u>	<u>\$ 2,930,800</u>	<u>\$ 273,837,900</u>
<b>EXPENDITURES:</b>			
<b>OPERATION, MAINTENANCE &amp; ADMINISTRATION:</b>			
ADMINISTRATION & INSURANCE	\$ 10,869,300	\$ -	\$ 10,869,300
MAINTENANCE OF ROADWAY & STRUCTURES	37,262,300	-	37,262,300
SERVICES & TOLL OPERATIONS	53,480,100	-	53,480,100
TRAFFIC CONTROL, SAFETY, PATROL & COMM.	14,338,600	-	14,338,600
<b>TOTAL OPERATION, MAINTENANCE &amp; ADMIN.</b>	<u>115,950,300</u>	<u>-</u>	<u>115,950,300</u>
<b>DEBT SERVICE PAYMENTS</b>	<u>56,194,000</u>	<u>-</u>	<u>56,194,000</u>
<b>TOTAL EXPENDITURES</b>	<u>172,144,300</u>	<u>-</u>	<u>172,144,300</u>
<b>TRANSFERS TO / (FROM):</b>			
EXPENSE RESERVE	(539,000)	-	(539,000)
NON-TRUST FUND	-	227,500	227,500
FUEL TAX FUND	-	2,105,000	2,105,000
SERVICE PLAZAS CAPITAL IMPROVEMENT FUND	(250,000)	598,300	348,300
RENEWAL & REPLACEMENT FUND	4,800,000	-	4,800,000
SYSTEM PROJECTS FUND	94,751,800	-	94,751,800
<b>TOTAL TRANSFERS</b>	<u>98,762,800</u>	<u>2,930,800</u>	<u>101,693,600</u>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<u>\$ 270,907,100</u>	<u>\$ 2,930,800</u>	<u>\$ 273,837,900</u>

This pie chart provides an overview of the proposed 2013 Revenue Budget. Tolls are, obviously, the major source of the Commission's funding representing 92.7% of projected 2013 revenues. Concessions generated from sales of food, fuel and other retail goods and services at the Commission's service plazas are estimated to be 5.2% of total revenues. The remaining 2.1% consists of investment earnings, fuel taxes and other miscellaneous revenues. This slide shows a comparison of the proposed 2013 Budget to the 2012 Budget for pledged funds. The Toll Revenue Budget is \$4.9 million or 2.0% higher than last year's Budget. The Concession Revenues Budget is \$300,000 or 2.6% more than last year's Budget. We anticipate that the

Mahoning Valley and Glacier Hills Service Plazas will open in the middle of next year. This will increase the number of service plazas that we operate to 14 from the 12 that were in operation during 2012.

Investment Revenue is budgeted to decrease as low interest rates are expected to continue to have a negative effect on our investment earnings next year. The increase in the other revenues budget relates primarily to higher monthly transponder usage fees. The proposed 2013 Pledged Revenues Budget totals \$270.9 million, an increase of \$5.6 million or 2.1% from the 2012 Budget.

This slide shows the projected 2013 vehicle miles traveled, the percentage of those miles expected to be paid with *E-ZPass*<sup>®</sup> and the resulting calculation of toll revenue by vehicle class.

Total vehicle miles traveled are budgeted to increase .8% from our current forecast of actual 2012 vehicle miles traveled. The *E-ZPass*<sup>®</sup> rate of usage for Class 1 vehicles (passenger cars) is budgeted to increase to 40.2% from 36.6% in 2012. Similar increases in *E-ZPass*<sup>®</sup> usage are budgeted for the Commercial vehicle classes 2 through 7. Consequently, the additional revenue generated by the increase in vehicle miles traveled will be more than offset by the lower revenue from the increased *E-ZPass*<sup>®</sup> usage. This results in total toll revenue of \$254 million which is a decrease of \$1.8 million from our current forecast of 2012 toll revenue.

However, since actual toll revenue this year is forecasted to exceed our 2012 Budget by \$6.7 million, the budgeted toll revenue for 2013 will be an increase of 2.0% or \$4.9 million over last year's Budget. It is expected that only 4.0% of the Commission's 2013 Budget will be spent on administration and insurance. We project that 13.6% of the budget will be needed for the maintenance of the roadway and structures, 19.5% for the operation of the toll and service plazas, and 5.2% for traffic control, safety, patrol and communications. The Commission

currently has about \$566 million in bonds outstanding. The debt service on those bonds will require 20.5% of the Commission's 2013 Expenditures Budget, leaving 37.3% available for capital projects.

Over the past year, 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 2013 Staffing Budget reflects staffing reductions that were made in 2012 as well as expected future reductions that will be made in 2013. It is anticipated that future reductions in 2013 will be able to be achieved by not filling open positions as they occur through attrition. The increased *E-ZPass*<sup>®</sup> 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 11 toll supervisory positions, and 32 full and part-time toll collector positions from the 2013 Expense Budget compared against the 2012 Budget. The Staffing Budget for other full time non-bargaining positions reflects the reductions that were made in the reorganization that occurred in May of this year. The budget for full-time maintenance workers has been reduced by 30 as a result of a number of initiatives. They include the reduction of 16 maintenance workers through the modification of the custodian classification to incident responder, a reduction in sign shop and stores clerk personnel, and a reduction in section personnel. The total 2013 Staffing Budget is 995, which is a reduction of 101 from last year's Budget. The reduction in budgeted personnel results in a \$4.6 million reduction in wages and fringe benefits.

We also anticipate lower disabled vehicle service expense, lower *E-ZPass*<sup>®</sup> transponder costs due to a price decrease, and lower snow and ice removal cost than was budgeted last year.

These savings will be partially offset by higher utility and custodial expenses due to the opening of the Mahoning Valley and Glacier Hills Service Plazas.

Considering these changes, the total 2013 operating, maintenance and administrative expenses are expected to decrease by \$6.5 million over the 2012 Budget.

The debt service payments on the \$566 million in outstanding debt are scheduled to increase to \$56.2 million in 2013. 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 \$6.5 million, we will be able to withdraw one-twelfth of this amount, or \$539,000 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. We are proposing a transfer of \$250,000 from the Service Plaza Capital Improvement Fund to the General Fund to cover small equipment purchases that will be expensed in the General Fund, a transfer of \$4.8 million to the Renewal and Replacement Fund and a transfer of \$94.8 million to the System Projects Fund.

The 2013 budgeted debt coverage ratio is 2.77. To be eligible to issue additional bonds, our Master Trust Agreement requires a minimum coverage ratio of 1.5 during the fiscal year immediately preceding the issuance of the bonds, which is 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.

This is the proposed 2013 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 2013 Operating Budget is \$273,838,000.

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.

**General Counsel:** RESOLVED that the Commission hereby adopts the following as its Annual Operating Budget for the Year 2013 and the Executive Director, his successor or the CFO/Comptroller are directed to transmit a copy of the budget to the appropriate officials set forth in Ohio Revised Code Section 5537.17(F) and to The Huntington National Bank, Trustee, as is provided in Section 5.01(a)(iii) of the Commission's Master Trust Agreement, and to make those deposits or transfer of funds necessary to effectuate it.

**Chairman Hruby:** So moved. Is there a second?

**Secretary Barber:** Second.

**Chairman Hruby:** Any questions or discussions?

**Director Hodges:** Marty, that was a really impressive presentation. Did you mention how much we are transferring to reserves in 2012?

**CFO/Comptroller:** No, I did not mention that. We anticipate that we are probably going to put around \$16.5 to \$18 million into a General or Non-Trust Reserve this year.

**Chairman Hruby:** Senator Patton.

**Senator Patton:** I also thought that is was a very good presentation, Marty. I want to make sure I am reading this right. Under "Traffic Control Safety and Patrol," one of the things that I think the general public isn't aware of is that the Turnpike Commission pays the Ohio State Highway Patrol for their services, and I am looking at a \$1.29 million, or 8.3% decline. Are we going to have fewer officers? Is that something that has been discussed with

Patrol? How did we come up with the idea that we are going spend less? Is that just another belt-tightening measure?

**CFO/Comptroller:** Actually, Patrol is not budgeted to have any decrease. They are included in that line but, there are also other items in that line. The Radio Room is included in that line and, during the reorganization, the Radio Room operators were transferred to the Technology Department, so their payroll is coming out of that line and is going up into the Administration and Insurance line. Also, the Disabled Vehicle Services are included in that line and we are reducing them by \$300,000.

**Senator Patton:** I remember that point. Thank you, Mr. Chairman.

**Director Hodges:** If I could add to Senator Patton's question. The Ohio State Highway Patrol, as we all know, provides outstanding service and has for many, many years. They went through their own reorganization earlier in the year, and they administer the road differently than they did in the past. Because of past budget cuts, they have had problems with staffing just like everybody else has. We've worked very closely with them, and they have been very open and forthcoming about it. We had a meeting a few weeks ago where they demonstrated to everybody's satisfaction that their service levels and levels of coverage are equal to where they've been in the past. We appreciate them, and they are doing the best they can in difficult time like the rest of us.

**Chief Engineer:** Mr. Chairman, if I may, Senator Patton, actually we have budgeted for five additional officers above the compliment that we have this year, so we will be increasing that staff slightly.

**Senator Patton:** Even better to hear.

**Chairman Hruby:** Any other comments? Lieutenant, if you want to comment when you are giving your report, go right ahead. Is there anything else, Martin?

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

**Chairman Hruby:** Excellent job. We appreciate it. Roll call.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Commissioner Pakush.

**Mr. Pakush:** Yes.

**Director Hodges:** Unanimous.

## **OHIO TURNPIKE COMMISSION**

### **Resolution Adopting Proposed Annual Operating Budget for the Year 2013 and Providing for Deposits Required Under the 1994 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, the Master Trust Agreement dated February 15, 1994, between the Commission and The Huntington National Bank (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 same with the Trustee; and

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

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby adopts the following as its Annual Operating Budget for the Year 2013 and the Executive Director, his successor or the CFO/Comptroller are directed to transmit a copy of the budget to the appropriate officials set forth in Ohio Revised Code Section 5537.17(F) and to The Huntington National Bank, Trustee, as is provided in Section 5.01(a)(iii) of the Commission's Master Trust Agreement, and to make those deposits or transfer of funds necessary to effectuate it.

**(Resolution No. 57-2012 adopted December 17, 2012)**

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

**Chief Engineer:** Thank you, Mr. Chairman. I have four Resolutions for your consideration this morning. The first of which will be piggy-backing on Marty's Operating Budget. I will present the Capital Budget to you this morning. At the conclusion of this presentation, I will be requesting that the Commission adopt this Resolution approving the Capital Budget. The Resolution will refer to a preliminary list of projects which may be subject to change throughout the year. A detailed proposed Budget may be found in your folder. I would also like to remind you that although we will be adopting this Resolution today, as in keeping with Commission Bylaws, each individual contract contained within this Budget that is over \$150,000, will be awarded by the Commission by individual Resolutions. As I proceed with my presentation, please feel free to stop me anytime.

This is a summary of the 2013 Capital Budget. It is broken down into four distinct funds: the System Projects Fund, the Renewal and Replacement Fund, the Fuel Tax Fund, and the Service Plaza Capital Improvement Fund. I will discuss each of these in more detail in my presentation this morning.



OHIO TURNPIKE COMMISSION  
2013 SYSTEM PROJECTS BUDGET

Estimated Beginning Balance January 1, 2013			\$ 2,246,700
Transfers from 2013 Operating Funds			94,751,800
Total 2013 Available Funds			<u>\$ 96,998,500</u>
	Future Year	2013	2013
	Expenditure	Expenditure	Totals
2013 Expenditures:			
Continuing Expenditures from 2012:			
39 Full Depth Rplc		\$ 181,800	
43 Misc. Bridge (14) Rehabilitations, Williams County		\$ 2,100,000	
53 Reconstruction of MV/GH SP, Mahoning County		\$ 2,000,000	
64 Four ATPM's (TP's 52, 91, 152, 193)		\$ 750,000	
71 Other		\$ 420,467	
77 Third Lane 178.0 - 185.0		\$ 100,000	
Total Continuing Expenditures from 2012			\$ 5,552,267
New 2013 Projects:			
39 Pavement Replacement			
A. MP 95.9 to MP 90.0 WB, Sandusky County		\$ 19,200,000	
B. MP 164.8 to MP 170.1 EB, Cuyahoga County		\$ 13,600,000	
C. MP 95.9 to MP 90.0 EB, Sandusky County	\$ 14,700,000	\$ 500,000	
D. MP 164.8 to MP 160.0 WB, Cuyahoga County	\$ 13,100,000	\$ 500,000	
Total			\$ 33,800,000
43 Bridge Repair and Resurfacing			
A. Bridge Deck Overlay TP 161 & TP 173		\$ 750,000	
B. Misc. Structure Rehabilitation, Williams and Fulton County		\$ 2,500,000	
C. Bridge Repairs - Oberlin Rd./West Ridge Road, Lorain County		\$ 500,000	
Total			\$ 3,750,000
59 Resurfacing Pavement			
A. MP 27.5 to MP 38.9		\$ 12,000,000	
B. MP 127.2 to MP 132.0		\$ 2,700,000	
C. MP 176.3 to MP 186.6		\$ 9,400,000	
D. MP 230.6 to MP 236.2		\$ 3,700,000	
Total			\$ 27,800,000
70 Correction of Slope Failures			
A. Sandusky County Slope Failures (Fangboner, Shiets, Gibbs)		\$ 3,500,000	
Total			\$ 3,500,000
71 Engineering Consulting Services Design & Consulting Services			\$ 2,500,000
77 Third Lane Construction MP 64.14 to MP 59.2, Lucas County	\$ 30,000,000	\$ 15,000,000	\$ 15,000,000
Total 2013 Expenditures on New Projects			<u>\$ 86,350,000</u>
Total 2013 Expenditures			<u>\$ 91,902,267</u>
Uncommitted Funds			5,096,233
Total 2013 Expenditures and Uncommitted Funds			<u>\$ 96,998,500</u>

OHIO TURNPIKE COMMISSION  
2013 RENEWAL AND REPLACEMENT BUDGET

Estimated Beginning Balance January 1, 2013	\$ 4,547,900
Transfers from 2013 Operating Funds	4,800,000
Total 2013 Available Funds	\$ 9,347,900

	2013 Totals
2013 Expenditures:	
Continuing Expenditures from 2012:	
8 Single Axle Dump Trucks w/ Snow and Ice Control Equipment	1,216,000
Dispatch Console System Upgrades	135,000
Replace Voicemail Server	75,000
Rehabilitation of Exterior Building Surfaces	85,000
HVAC Replacements, MB 4 & MB 6	120,000
Maintenance Building Energy Conservation, MB 4 & MB 5	15,000
Other Miscellaneous Projects	86,000
Total Continuing Expenditures from 2012	\$ 1,732,000
New 2013 Projects:	
24 Guardrail – Additions & Replacement Replacement of Deteriorated Guardrail	\$ 175,000
31 Maintenance Equipment See Attached Exhibit "A"	415,000
32 Maintenance Vehicles See Attached Exhibit "A"	583,000
38 Communications Equipment – New or Replacement	
B. Replacement of Telecom Systems Battery Power Supply	50,000
C. Miscellaneous Communications Equipment	25,000
Total	75,000
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	130,000
43 Bridge Repair & Resurfacing Miscellaneous Structure Repairs	250,000
48 Administration Building Renovation of South Wing (Lights, Ceilings, UPS Power)	100,000
53 Service Plazas Replacement of UST Lines SP4	1,000,000

OHIO TURNPIKE COMMISSION  
2013 RENEWAL AND REPLACEMENT BUDGET

56	Maintenance Buildings		
	A. Metal Building Upgrade (MB3 & MB7)	\$ 250,000	
	B. Energy Optimization & Conservation (2 MB's)	\$ 90,000	
	Total		340,000
58	Toll Plazas		
	A. HVAC Control Interface (2 TP's)	\$ 40,000	
	B. Energy Optimization & Conservation	\$ 20,000	
	Total		60,000
59	Resurfacing Pavement		
	Maintenance Yard Resurfacing, MB2		400,000
61	Landscaping		
	Right-of-Way Landscaping		100,000
66	Concrete Barriers		
	A. Reseal Median Wall	\$ 150,000	
	B. Upgrade 3rd Lane Crossovers	\$ 150,000	
	Total		300,000
67	Computer Equipment		
	A. OSHP MCT Units	\$ 350,000	
	B. New & Replacement Equipment	\$ 200,000	
	C. New Software Systems Upgrades	150,000	
	Total		700,000
68	Right-of-Way Fence		
	Replacement of Right-of-Way Fence		200,000
69	Drainage		
	Culvert Cleaning & Repair		200,000
73	Automotive Equipment – Replacement		100,000
	Total 2013 Expenditures on New Projects	\$	5,628,000
	Total 2013 Expenditures	\$	7,360,000
	Uncommitted Funds		1,987,900
	Total 2013 Expenditures and Uncommitted Funds	\$	<u>9,347,900</u>

OHIO TURNPIKE COMMISSION  
2013 RENEWAL AND REPLACEMENT BUDGET

Estimated Beginning Balance January 1, 2013	\$ 4,547,900
Transfers from 2013 Operating Funds	4,800,000
Total 2013 Available Funds	<u>\$ 9,347,900</u>
2013 Expenditures:	
Continuing Expenditures from 2012:	\$ 1,732,000
New 2013 Projects:	
24 Guardrail – Additions & Replacement	\$ 175,000
31 Maintenance Equipment	415,000
32 Maintenance Vehicles	583,000
38 Communications Equipment – New or Replacement	75,000
39 Pavement Repair & Replacement	500,000
41 Resealing Asphalt Surfaces	130,000
43 Bridge Repair & Resurfacing	250,000
48 Administration Building	100,000
53 Service Plazas	1,000,000
56 Maintenance Buildings	340,000
58 Toll Plazas	60,000
59 Resurfacing Pavement	400,000
61 Landscaping	100,000
66 Concrete Barrier	300,000
67 Computer Equipment	700,000
68 Right-of-Way Fence	200,000
69 Drainage	200,000
73 Automotive Equipment – Replacement	100,000
Total 2013 Expenditures on New Projects	<u>\$ 5,628,000</u>
Total 2013 Expenditures	<u>\$ 7,360,000</u>
Uncommitted Funds	1,987,900
Total 2013 Expenditures and Uncommitted Funds	<u>\$ 9,347,900</u>

OHIO TURNPIKE COMMISSION  
2013 CAPITAL BUDGET  
EXHIBIT "A"

31	Replacement of Maintenance Equipment	
	<u>Miscellaneous Maintenance Equipment</u>	\$ 125,000.00
	Purchase of miscellaneous new/replacement equipment (less than \$10,000)	
	<u>2 Each Fork Lift</u>	\$ 110,000.00
	Replacement of 2 each 1994 model units (C-00054, C-00055 )	
	<u>2 Each Scissor Lifts</u>	\$ 40,000.00
	<u>20 Each Cab Heaters</u>	\$ 40,000.00
	Idle reduction units for four (4) 2013 Western Star plow trucks and sixteen (16) plow trucks (model TBD)	
	Note: Will apply for DERG funding - 100%	
	<u>4 Each Backhoe / Loader</u>	\$ 100,000.00
	Replacement of 4 each 1996 model units (C-00100, C-00101, C-00102, C-00103)	
	Note: Will ONLY purchase if awarded DERG funding. The amount budgeted represents the OTC's 30% match.	
	Total	<u>\$ 415,000</u>
32	Replacement of Maintenance Vehicles	
	<u>8 Each Pickup w/ Utility Cap</u>	\$ 185,000.00
	Replacement of 8 each, 2002 model units (ATT-00446 thru ATT-00453)	
	<u>8 Each Extended Cab Pickup</u>	\$ 180,000.00
	Replacement of 8 each high mileage 2008 model units (ATT-00596 thru ATT-00603)	
	<u>2 Each HD-Pickup w/ Aerial Bucket and Service Body</u>	\$ 120,000.00
	Replacement of 2 each 2006 model vans (ATT-00543, ATT-00547)	
	<u>4 Each Pickup w/Lift Gate (2 with 4x4)</u>	\$ 98,000.00
	Replacement of 4 each 2006 model units (ATT-00534 thru ATT-00537)	
	Total	<u>\$ 583,000.00</u>

OHIO TURNPIKE COMMISSION  
2013 FUEL TAX BUDGET

Estimated Beginning Balance January 1, 2013		\$ 1,611,000
Transfers from 2013 Operating Funds		2,105,000
Total 2013 Available Funds		<u>\$ 3,716,000</u>
		2013
		Totals
2013 Expenditures:		
Continuing Expenditures From 2012		
26 Roadway Lighting Interchanges 142/151	\$ 450,000	
45 Reg. Guide, Destination Signage	\$ 130,000	
70 Slope Repair	<u>\$ 1,200,000</u>	
Total Continuing Expenditures from 2012		\$ 1,780,000
New 2013 Projects:		
37 Tandem Trailer Areas		
Resurfacing of Parking Area, TP187, Portage County	\$ 50,000	
Expansion of LCV Lot, TP 232, Mahoning County	<u>\$ 250,000</u>	
Total		\$ 300,000
40 Repainting Bridges & Towers		\$ 1,400,000
Total 2013 Expenditures on New Projects		<u>\$ 1,700,000</u>
Total 2013 Expenditures		<u>\$ 3,480,000</u>
Uncommitted Funds		236,000
Total 2013 Expenditures and Uncommitted Funds		<u>\$ 3,716,000</u>

OHIO TURNPIKE COMMISSION  
2013 SERVICE PLAZA CAPITAL IMPROVEMENT BUDGET

Estimated Beginning Balance January 1, 2013		\$ 3,770,900
Transfers from 2013 Operating Funds		598,300
Total 2013 Available Funds		<u>\$ 4,369,200</u>
		2013
		Totals
2013 Expenditures:		
Continuing Expenditures From 2012		
53 A. SP 4 Renovations	\$ 1,313,000	
53 B. Service Plaza Furnishings, Mahoning Valley/Glacier Hills	<u>\$ 225,000</u>	
Total Continuing Expenditures from 2012		\$ 1,538,000
New 2013 Projects:		
Service Plaza Furnishings - less than \$1,000 ea.		
Replacement of Misc. Service Plaza Furnishings	<u>\$ 50,000</u>	
Total - Transfer to General Fund		\$ 50,000
41 Resealing Asphalt Surfaces		
Sealing Paved Areas at Service Plazas, SP 3 & SP 4		\$ 200,000
53 Service Plazas		
A. Renovation/Painting, SP 6 & SP 7	\$ 1,000,000	
B. Misc. Interior Refurbishments	<u>\$ 100,000</u>	
Total		\$ 1,100,000
59 Resurfacing Pavement		
Misc. Parking Area Rehabilitation		\$ 100,000
68 Drainage		
Replace Oil Water Separator, Vermillion Valley		\$ 150,000
Total 2013 Expenditures on New Projects		<u>\$ 1,600,000</u>
Total 2013 Expenditures		<u>\$ 3,138,000</u>
Uncommitted Funds		1,231,200
Total 2013 Expenditures and Uncommitted Funds		<u>\$ 4,369,200</u>

OHIO TURNPIKE COMMISSION  
2013 CAPITAL BUDGET

71 Engineering Consulting Services	Construction Project No. (Assumed)	Estimated Fee
2013 Expenditures:		
Continuing Expenditures from 2012:		
71-12-01 MP 95.9 to MP 90.0 EB, Sandusky County	39-13-03	\$ 200,000
71-12-02 Y&S and CSXT RR Bridges	43-14-02	<u>\$ 750,000</u>
Total Continuing Expenditures from 2012		\$ 950,000
New 2013 Projects:		
39 Pavement Replacement		
A. MP 164.8 to MP 160.0 WB, Cuyahoga County	39-13-04	\$ 300,000
43 Bridge Repair and Resurfacing		
A. Misc. Structure Rehabilitation, Williams and Fulton County	43-13-03	\$ 200,000
48 Administration		
A. Renovation of South Wing Lights, Ceilings, UPS Power		\$ 75,000
53 Service Plazas		
A. Renovation/Painting, SP 6 & SP 7	53-13-02/03	\$ 100,000
B. HVAC Sequence of Operation Standards		\$ 25,000
58 Toll Plaza		
A. HVAC Redesign (EZ-Pass, Personnel and Code changes)		\$ 50,000
69 Drainage		
A. Stormwater Survey		\$ 150,000
70 Correction of Slope Failures		
A. Sandusky County Slope Failures (Fangboner, Shiets, Gibbs)	70-13-01	\$ 150,000
B. Sandusky County Slope Failures (Shannon, Werth, Township)	70-13-02	\$ 100,000
Miscellaneous		
Consulting Engineer (URS)		
Basic Services		\$ 280,000
Miscellaneous Services		\$ 100,000
Utility Consultant for Aggregation of Utilities		\$ 20,000
Total 2013 Expenditures on New Projects		<u>\$ 1,530,000</u>
Total 2013 Expenditures		<u><u>\$ 2,480,000</u></u>



**OHIO TURNPIKE COMMISSION  
2013 TOTAL CAPITAL EXPENDITURES BUDGET  
NEW PROJECTS**

<b>SYSTEM PROJECTS FUND</b>	<b>\$ 86,350,000</b>
<b>RENEWAL &amp; REPLACEMENT FUND</b>	<b>5,628,000</b>
<b>FUEL TAX FUND</b>	<b>1,700,000</b>
<b>SERVICE PLAZA CAPITAL IMPROVEMENT FUND</b>	<b>1,600,000</b>
<b>TOTAL 2013 EXPENDITURES ON NEW PROJECTS</b>	<b><u>\$ 95,278,000</u></b>

The first and foremost is the 2013 System Projects Fund. We estimate a beginning balance of \$2.2 million in this Fund, which is a carryover from projects in 2012, and it is anticipated, as Marty had indicated, that we will be transferring \$94.7 million to this Fund, to provide a beginning balance of almost \$97 million in this Fund. The 2013 Continuing Expenditures consist of six projects that are continuing from calendar year 2012 and total \$5.5 million. The largest of these is the rehabilitation of 14 bridges in Williams County, and the ongoing construction of the Mahoning/Glacier Hills Service Plazas. The meat of the Systems Project Fund is our 2013 Capital Projects. This list represents our proposed new major construction for 2013, and is divided into six major categories which include: Pavement Replacements, Bridge Repair and Resurfacings, Resurfacings, Rehabilitation of Slopes, Engineering Design and Third Lane Construction. I will give a brief detail of each of these as we go forward.

The first category is the Pavement Replacement Program. To date, we have successfully completed three projects and, as can be seen, we are planning on accelerating this Program in 2013. We will be out to bid shortly for the first two projects, which include completing the eastbound segment between Mile Post 164.8 to 170.1 in Cuyahoga County, and commencing a new section between Mile Post 90.0 to 95.9 Eastbound adjacent to the first section completed in 2011. In addition to these two projects, we anticipate completing the design for two additional segments and placing them out to bid in the late summer in hopes of being able to get an early start for the 2014 construction season. These two projects will be located between Mile Post 90 to 95.9 Eastbound and Mile Post 160 to the 164.8 Westbound, respectively. This portion of the Budget totals 33.8 million dollars.

The next segment of the Budget is for Bridge Repair and Resurfacing. A major project in this section this year will be the re-decking of the ramp bridges over the Turnpike at Interchanges 161 and 173, which is estimated at \$750,000, and continuing with a second package of bridge rehabilitations in Williams and Fulton Counties for \$2.5 million dollars. This section adds \$3.75 million to the Budget.

The third segment is our traditional complement of resurfacing projects. We will be seeking to perform four projects this year located across the Turnpike. The two larger projects call for resurfacing between Mile Post 27.5 and Mile Post 38.9 in Fulton County, and between Mile Post 176.3 to Mile Post 186.6 in Summit and Portage Counties. This second project will resurface the two lanes in both directions in the recently completed third lane project. This will provide our customers with a like-new section of roadway in this heavily traveled area, and will allow for better coordination for future resurfacing projects there. I would like to take a moment and comment on our ongoing effort to encourage more bidder participation. While we strive to design these projects so that they are bidder friendly, we must do this in a way that provides the Commission with the best pricing. Historically, resurfacing projects west of Toledo have had limited participation due to the consolidation of contractors over the past few years. The project located between Mile Post 27.5 and Mile Post 38.9 is one such project. Engineering and Procurement will make an extra effort to encourage as much participation for this project. However, there is a distinct possibility this project will receive a limited number of bids, and I wanted to make the Commission aware of that. The remaining two projects are located between Mile Post 127.2 and Mile Post 132.0, and Mile Post 230.6 and Mile Post 236.2. These four Resurfacing Projects are estimated to add \$27.8 million to the Budget.

This next section contains monies for our ongoing commitment to Sandusky County for the rehabilitation of 11 slopes. We are seeking \$3.5 million for the correction of three additional slopes in 2013. The next item is for \$2.5 million for design projects for 2013. These will include additional pavement replacement sections as well as other miscellaneous design projects across the Turnpike. The last item in the amount of \$15 million is for the first year of a two-year project to construct the third lane between Mile Post 64.14 and Mile Post 59.2 in Lucas County. This Third Lane Project represents the final segment of the original 160 mile program, which began in 1996. The total estimated cost of this project is \$30 million, and we are only seeking the first portion of that with the \$15 million. We will return to the Commission with the additional request for funds in the 2014 Capital Budget.

To recap, we will have a total for new expenditures for 2013 in the amount of \$86.4 million. The total amount for expenditures in this Fund will be \$91.9 million, which will leave a balance of approximately \$5.5 million of uncommitted funds for a total of \$97 million in the System Projects Fund.

The next fund I would like to review is the Renewal and Replacement Fund. This Fund finances minor Capital Projects as well as Maintenance equipment and vehicles. This Fund will begin the year with a \$4.5 million carry over from 2012. We are requesting a transfer of an additional \$4.8 million for a total available fund of approximately \$9.3 million. As with the previous Systems Project Fund, there are projects in the Renewal and Replacement Fund that will be continuing expenditures from 2012. These seven items represent approximately \$1.7 million.

This list represents all of the new items being requested in the Renewal and Replacement Fund. I am not going to review each category, but will only touch on some of the major items.

However, if there are any of these items that I do not discuss that the Commission members would like more explanation, please do not hesitate to stop me. I will review in more detail in the upcoming slides, the Maintenance Vehicles and Equipment portions of the Budget. In addition to these two categories, this Budget contains a line item of \$1,000,000 for work at the Erie Islands and Commodore Perry Service Plazas for the removal and replacement of the fuel system piping, and another \$500,000 for full depth pavement repairs and \$700,000 for new computer equipment. The total request for new expenditures for this Fund is \$5.6 million.

This slide provides a brief overview of the Replacement and Maintenance Equipment portion of the Budget. We are requesting approximately \$100,000 for new loaders to replace existing 1996 models. It should also be noted that we will attempt to secure available Diesel Fuel Emission Reduction Grants for the purchase of these units, which would limit this expenditure to the amount listed. If this funding is not secured, the cost of this purchase may be deferred until such funding is made available. The total expenditure for new equipment is \$415,000.

This slide illustrates the detailed list of proposed new Maintenance Vehicles being requested. This list includes 22 new vehicles that will replace model year 2002 thru 2008 high mileage vehicles. The replacement of any of the newer year model vehicles is based both on any vehicle having in excess of 200,000 miles, and higher than average maintenance cost. The total request for this item is \$583,000.

This slide summarizes the total expenditures for the Renewal and Replacement Budget for both new and continuing projects, which will total approximately \$7.3 million. This will leave a balance in this fund of approximately \$2 million in uncommitted funds.

**Chairman Hruby:** Doug, may I interrupt you for a minute? That heating system that you are talking about for the trucks, that is a fuel efficiency issue, is it not? The purpose is so the trucks don't idle, and the operator can enjoy the heat without having to run the engine.

**Chief Engineer:** Yes, it is Mr. Chairman.

The third component of the Capital Budget is the Fuel Tax Fund. This account is funded from 5 cents of the total of 28 cents per gallon of fuel taxes collected for fuel sold only on the Turnpike at the Service Plazas. We will begin the year with a balance of approx. \$1.6 million in this fund and approximately \$2.1 million will be generated during 2013 resulting in a balance of approximately \$3.7 million available for 2013 projects. Included in this Fund is \$1.7 million for continuing projects from 2012. New Projects in this Fund include Bridge Painting and the expansion of the tandem trailer lot at Interchange 232. The total request for new projects is \$1.7 million for a total expenditure of \$3.5 million dollars. This will leave a balance of \$236,000 in uncommitted funds.

The final component of the Capital Budget is the Service Plaza Capital Improvement Fund. This account is funded from 1% of sales from food and retail vendors operating at the ten reconstructed Service Plazas. The funds are designated for Capital Improvements at these facilities. Revenue of approximately \$598,000 is projected for 2013 and adding this to the projected 2013 beginning balance of \$3.8 million results in approximately \$4.4 million available in this Fund. There is approximately \$1.5 million for continuing expenses from 2012 projects. New Projects in this Fund for 2013 include: continuing the renovation of the older Great Lakes and Towpath, and Portage and Brady's Leap Service Plazas. This work would be cosmetic upgrades of painting and other architectural finishes. These new projects will cost an estimated \$1.6 million leaving a balance of uncommitted funds of approximately \$1.2 million.

Again, to recap the Capital Budget for 2013 for new projects, the System Project Fund will include \$86.35 million, the Renewal and Replacement Fund will include \$5.6 million, the Fuel Tax Fund will include \$1.7 million and, finally, the Service Plaza Capital Improvement Fund will be \$1.6 million, for a total of \$95,278,000 in new projects.

This concludes my presentation of the Capital Budget. Mr. Chairman, with your permission, I would ask the General Counsel to please read the Resolved.

**Chairman Hruby:** Any questions? If none, please read the Resolved.

**General Counsel:** RESOLVED that the Commission hereby authorizes expenditures on 2013 capital projects, which shall constitute System projects to the extent provided in the Trust Agreement from the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plaza Capital Improvement Fund, not to exceed a combined total of up to \$95,278,000, which projects shall not be awarded except as provided by Article V of the Commission's Code of Bylaws dated March 17, 2003.

**Chairman Hruby:** Move to approve.

**Mr. Pakush:** Second.

**Chairman Hruby:** Moved and seconded. Any discussion? Myron.

**Mr. Pakush:** I have one question for Doug. The Lucas County widening project for the added lane out there, does that include any noise barrier work as part of that project?

**Chief Engineer:** Mr. Chairman and Commission Member Pakush, we will be doing a pre and post noise study to determine the impact that the addition of the third lane will have on that area and, at that time, we will bring any of those results back to the Commission for determination of our next step.

**Mr. Pakush:** I would suggest that is a good idea. Do you think the Commission, for our Capital Program, would consider a noise study or some type of noise analysis for the entire corridor? At ODOT we call it Type I and Type II Program for existing locations. Maybe we want to look into some noise analysis.

**Chief Engineer:** Mr. Chairman and Commission Member Pakush, we do have a noise study across the entire length of the Turnpike that was completed with the Senator's help in getting some funding through the Transportation Budget. We utilized that study to pinpoint those areas that we need further evaluation - predominately in the third lane section with this Project.

**Mr. Pakush:** I didn't see anything in the Capital Program to address any of those locations.

**Chief Engineer:** Commission Member Pakush, the Commission has not taken a stance as to what the next step will be in the evaluation of the noise study. It was presented as a report for our consideration as we move forward.

**Director Hodges:** Mr. Chairman and Commissioner Pakush, you raise an obviously very important subject and question. This Commission has never taken a position on building noise walls. They are expensive, important to some folks and ugly to other folks. We are trying to target areas where we can mitigate noise as part of an overall safety plan. We did that in North Royalton, and we are looking at a couple of others that we will bring to your attention at the appropriate time.

**Chairman Hruby:** And there are ongoing issues that you bring to our attention. There have been letters sent to us, for example, Senator Manning has sent one regarding the noise difficulties that have been reported. Why don't we ask the Director to look at that issue with Engineering and see whether or not something should be brought to the Commission?

**Director Hodges:** We will certainly do that, Mr. Chairman.

**Chairman Hruby:** You are specifically asking for this Lucas County plan.



**Senator Patton:** Knowing that there is potentially going to be a lot of residential communities in Lucas County that will be adjacent to that widening area so, yes, I think we need to finally get to the point of determining if we are going to be helping with noise. I know that with all of the ODOT projects, whenever we add lanes, we do the analysis and include noise barriers as part of those projects. Noise barrier design and aesthetics have changed over time. There are things that are looking better now, and I believe we need to start looking at that as part of our Capital Program.

**Chairman Hruby:** I think you make a very valid point. They are in line already waiting for a response from us, so it is something that the Director will look into for us.

**Director Hodges:** Mr. Chairman and Senator Patton, I will consult with all of the Commission Members and our staff. Obviously, Representative Dovilla has been very interested in this issue as well, and we will come back with a recommendation for you at the next meeting.

**Senator Patton:** When we had secured the funding to do the study, at the same time, we also secured additional funding to try a couple of other alternatives to sound walls. One was mediocre at best, but the other, I thought, showed some promise. It may be that when we present that report, we will be able to give a better idea of what the cost is for that type of sound suppression as compared to the traditional wall, which, unfortunately, from what I understand, the majority of the sound walls are federally funded with federal highway dollars, and the Commission, unfortunately, in this case, doesn't qualify for those funds. Even if they did, one of the other criticisms of sound walls is that, as they spray salt, for example along I-90 in Westlake, I noticed it gets along the bottom of them and eat it away, so they don't last very long. Given the close proximity that we've now expanded our Turnpike to six lanes, I think if for some reason the sky opened up and a bunch of sound walls fell down upon us, as close as the walls would be

to the actual roads themselves, and then subject them to the salt spray that would come, we would have heavy responsibility trying to maintain them. I would be real interested to see what those would be or, in some cases, I believe ODOT – maybe you can speak to this Myron - that they use natural mounds like high trees and high dirt mounds that can actually act as a more natural way of suppressing noise. The Turnpike, in the last several years, has become better neighbors and I applaud its leadership, and they understand that there are some noise factors. I instituted the jake brake ban because those areas had noise concerns, and we've still been getting some complaints about the jake brake. I know our partners, the Highway Patrol, can set up on some of those exit ramps and try and write some citations to let people know that there truly is a jake brake ban since I still hear the occasional jake brake because they are ignoring that ban. Noise is a factor, especially as you get close to the urban population of both Representative Dovilla, myself, others in Toledo and along the way who serve. We would really appreciate all of the attention you could possibly direct that way.

**Chief Engineer:** Mr. Chairman, if I may add, associated with this project is a cooperative effort, and I'm sorry that Mr. Cole had to leave early, but we did reach out to the City of Maumee. They had approached us about a continuing problem they have had with the Crossman ditch area, and continued flooding with the City of Toledo. Our staff worked jointly with the City of Maumee. They prepared a set of plans that we incorporated into the third lane to make their project much more economical for them. That work will be performed by our third lane contractor at a much reduced rate and, then, they will reimburse the Commission for those costs. So, we have reached out to the communities along the way where it does make sense to work cooperatively with them.

**Chairman Hruby:** I appreciate that, Doug. Is there anything else? Yes, Representative Dovilla?

**Rep. Dovilla:** Not to belabor this point anymore, although this is the one topic that I did want to discuss in the course of the Capital Budget. I want to thank Director Hodges for his leadership on this issue for us, in particular, North Royalton, with taking the initial step to at least use safety barriers for some sound mitigation. I also do want to underscore the importance of this issue for constituents certainly in my district, and Senator Patton's district, as well as though suburban districts across the northern part of the State. So, we would appreciate your consideration on it.

**Chairman Hruby:** Thank you for your comments. Is there anything else? Hearing none, roll call.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Commissioner Pakush.

**Mr. Pakush:** Yes.

**Director Hodges:** Secretary Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Unanimous.

# OHIO TURNPIKE COMMISSION

## Resolution Adopting Proposed Capital Budget for the Year 2013

WHEREAS, the 2013 annual Operating Budget includes transfers of revenues to the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plaza Capital Improvement Fund; and

WHEREAS, the transfers of 2013 revenues to the System Projects Fund, Renewal and Replacement Fund, Fuel Tax 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 Executive Director, Chief Engineer and CFO/Comptroller have recommended a preliminary list of 2013 capital projects, which list of projects is subject to change, totaling up to **\$95,278,000**.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes expenditures on 2013 capital projects, which shall constitute System projects to the extent provided in the Trust Agreement from the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plaza Capital Improvement Fund, not to exceed a combined total of up to \$95,278,000, which projects shall not be awarded except as provided by Article V of the Commission's Code of Bylaws dated March 17, 2003.

**(Resolution No. 58-2012 adopted December 17, 2012)**

**Chairman Hruby:** Doug, please continue.

**Chief Engineer:** Thank you, Mr. Chairman. I do have three Resolutions, and I will try to keep them as brief as possible. The first is a Resolution to award Contracts TRM-10C and TRM-9G for the furnishing of Janitorial Services for two sets of Service Plazas. TRM-10C is for the Portage and Brady's Leap Service Plaza's located at Mile Post 199.8 in Portage County, Ohio. The second, TRM-9G is for the Mahoning Valley/Glacier Hills Service Plazas located at Mile Post 232.8 in Mahoning County, Ohio. On October 17, 2012, Requests for Proposals were issued to provide these services. These RFP's contained the newly revised specifications that provided for a more performance based contract. It was hoped this would encourage more

participation and competition for these services. Procurement received five proposals for TRM-10C and three proposals for TRM-9G. The Service Plaza Operations Manager, as well as the Eastern and Western Division Managers, evaluated and scored the proposals for both contracts. These proposals were evaluated in two separate parts, with the technical proposals being scored first and independently of the pricing proposals. The results were tabulated and the company with the best combined Technical and Cost Proposal score for both contracts was Any Domestic Work, Inc. of Parma, Ohio. The breakdown per Service Plaza is as follows:

Service Plaza	Plaza Fee	Annual Fee	Hourly Rate *
Portage	\$25,250.00	\$303,000.00	\$9.40
Brady's Leap	\$25,250.00	\$303,000.00	\$9.40
Mahoning Valley	\$26,400.00	\$316,800.00	\$9.40
Glacier Hills	\$26,400.00	\$316,800.00	\$9.40

\* for any additional requested services

It should be noted that, while these proposals did not result in a reduction in the overall costs over previous contracts, given the escalation of the minimum wage rate and supply costs, we feel the recent proposals kept these increases to a minimum. Therefore, it is recommended that Any Domestic Work, Inc., of Parma, Ohio be awarded Contract TRM-10C for janitorial services at the Portage and Brady's Leap Service Plazas, and Contract TRM-9G for janitorial services at Mahoning Valley and Glacier Hills Service Plazas. In accordance with the RFP, the duration of the Contract will be one year with six-one year extensions. As with all contracts with this option, the Ohio Turnpike Commission has sole discretion to execute these extensions. If the General Counsel would please read the Resolved.

**General Counsel:** RESOLVED that the Proposals submitted by Any Domestic Work, Inc. of Parma, Ohio, which included the following Price Proposals:

Service Plaza	Plaza Fee	Annual Fee	Hourly Rate *
Portage	\$25,250.00	\$303,000.00	\$9.40
Brady's Leap	\$25,250.00	\$303,000.00	\$9.40
Mahoning Valley	\$26,400.00	\$316,800.00	\$9.40
Glacier Hills	\$26,400.00	\$316,800.00	\$9.40

\* for any additional requested services

are, and are by the Commission determined to be, the best Proposals received for the performance of Agreement TRM-10C and Agreement TRM-9G and are accepted; and

FURTHER RESOLVED that the Executive Director and General Counsel hereby are authorized to: 1) execute Agreement TRM-10C and Agreement TRM-9G with Any Domestic Work, Inc., to furnish janitorial services at the Commission's Portage and Brady's Leap Service Plazas and at the Mahoning Valley and Glacier Hills Service Plazas for an initial term of one year, 2) direct the return of the proposal guaranty provided by all RFP respondents as soon as said Agreements with Any Domestic Work are executed, 3) extend the Agreements predicated on satisfactory performance reviews by the Service Plaza Operations Manager for no more than six, successive one-year periods, pursuant to the terms and conditions of the aforesaid Agreements, and 4) take any and all action necessary or proper to carry out the terms of the RFP's and the ensuing Agreements.

**Mr. Pakush:** Move to adopt.

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

Hearing none, roll call.

**Director Hodges:** Commissioner Pakush.

**Mr. Pakush:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Unanimous.

## **OHIO TURNPIKE COMMISSION**

### **Resolution Awarding Agreement TRM-10C and Agreement TRM-9G for Janitorial Services at the Commission's Portage and Brady's Leap, and Mahoning Valley and Glacier Hills Service Plazas**

WHEREAS, on October 17, 2012, the Commission issued its Requests for Proposals ("RFP's") to furnish janitorial services at the Commission's Portage and Brady's Leap Service Plazas (Agreement TRM-10C) and at the Mahoning Valley and Glacier Hills Service Plazas (Agreement TRM-9G), for an initial term of one year, with provisions for up to six successive, one-year extension periods); and

WHEREAS, expenditures of the Commission for janitorial services at the Portage and Brady's Leap Service Plazas under Agreement TRM-10C and at the Mahoning Valley and Glacier Hills Services Plazas under Agreement TRM-9G will both exceed \$150,000.00 and, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of each such Agreement; and

WHEREAS, on November 16, 2012, five firms submitted Proposals to furnish the janitorial services at the Commission's Portage and Brady's Leap Service Plazas and three firms submitted Proposals to furnish the janitorial services at the Commission's Mahoning Valley and Glacier Hills Service Plazas; and

WHEREAS, an Evaluation Team comprised of the Service Plaza Operations Manager and the Eastern Division and Western Division Service Plaza Managers reviewed the Proposals submitted and awarded technical scores to each Respondent and, thereafter, the Cost Proposals were unsealed by the Commission's Procurement Department, with a score awarded to the lowest Cost Proposal equal to the highest Technical score so that equal weight was given to both the Technical and Cost Proposals, with the other Cost Proposals scored accordingly; and

WHEREAS, as a result of this process, the highest combined Technical and Cost Proposal score achieved for both Agreement TRM-10C and Agreement TRM-9G was for the Proposals submitted by **Any Domestic Work, Inc.** of **Parma, Ohio**, which submitted the following Price Proposals:

<u>Service Plaza</u>	<u>Monthly Per Plaza Fee</u>	<u>Annual Fee</u>	<u>Hourly Rate *</u>
Portage	\$25,250.00	\$303,000.00	\$9.40
Brady's Leap	\$25,250.00	\$303,000.00	\$9.40
Mahoning Valley	\$26,400.00	\$316,800.00	\$9.40
Glacier Hills	\$26,400.00	\$316,800.00	\$9.40

*\* for any additional requested services*

WHEREAS, the General Counsel advises that: 1) the RFP's conform to the requirements of applicable statutes including Sections 5537.07 and 5537.13 of the Ohio Revised Code, 2) the aforesaid Proposals were solicited on the basis of the same terms and conditions with respect to all RFP 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, and 4) Any Domestic Work, Inc. has provided a proposal guaranty of good and sufficient surety and evidence of its ability to provide the required performance bond and insurance as set forth in both RFP's; and

WHEREAS, the Executive Director has reviewed the Evaluation Team and the General Counsel's written recommendations and concurs with the selection of Any Domestic Work, Inc. to perform both Agreement TRM-10C and Agreement TRM-9G; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Proposals submitted by **Any Domestic Work, Inc. of Parma, Ohio**, which included the following Price Proposals:

<u>Service Plaza</u>	<u>Monthly Per Plaza Fee</u>	<u>Annual Fee</u>	<u>Hourly Rate *</u>
Portage	\$25,250.00	\$303,000.00	\$9.40
Brady's Leap	\$25,250.00	\$303,000.00	\$9.40
Mahoning Valley	\$26,400.00	\$316,800.00	\$9.40
Glacier Hills	\$26,400.00	\$316,800.00	\$9.40

*\* for any additional requested services*

are, and are by the Commission determined to be, the best Proposals received for the performance of Agreement TRM-10C and Agreement TRM-9G and are accepted; and



FURTHER RESOLVED that the Executive Director and General Counsel hereby are authorized to: 1) execute Agreement TRM-10C and Agreement TRM-9G with **Any Domestic Work, Inc.**, to furnish janitorial services at the Commission's Portage and Brady's Leap Service Plazas and at the Mahoning Valley and Glacier Hills Service Plazas for an initial term of one year, 2) direct the return of the proposal guaranty provided by all RFP respondents as soon as said Agreements with Any Domestic Work are executed, 3) extend the Agreements predicated on satisfactory performance reviews by the Service Plaza Operations Manager for no more than six, successive one-year periods, pursuant to the terms and conditions of the aforesaid Agreements, and 4) take any and all action necessary or proper to carry out the terms of the RFP's and the ensuing Agreements.

**(Resolution No. 59-2012 adopted December 17, 2012)**

**Chairman Hruby:** Mr. Hedrick, please continue.

**Chief Engineer:** Thank you, Mr. Chairman. The third Resolution this morning is for Authorization for Continuing Expenditures for the Contract associated with Project No. 71-11-02. This Contract, with DLZ Ohio, Inc., is for the Investigation and Design of Interchange Lighting at Interchanges 142 and 151 in Lorain County, Ohio. This Contract has not previously come before the Board as it had not yet exceeded the threshold of \$150,000. Under Resolution No. 42-2012, the Contract for the construction was awarded to Lake Erie Electric, Inc., of Toledo, and contained within that Resolution was the approval for DLZ to perform Construction Administration and Inspection Services. It is with these services that the total for Project No. 71-11-02 will now exceed the established threshold. On October 22, 2012, DLZ Ohio, Inc. submitted their proposal in the amount of \$126,660 to perform the necessary construction administration, inspection and testing for this project. This final amount was negotiated down from an original proposal of \$131,572. This proposal has been reviewed by my staff, and is found to be reasonable for the level of work to be performed and is, therefore, recommended for your approval. If the General Counsel would please read the Resolved.

**General Counsel:** RESOLVED that the Commission concurs that the fee proposal submitted by DLZ Ohio, Inc., of Cleveland, Ohio, to perform the Phase II Construction Administration and Inspection Services contemplated under Project No. 71-11-02 in the not-to-exceed amount of \$126,660.00 is reasonable and acceptable, and authorizes the Executive Director and the General Counsel to amend the Contract with DLZ Engineering, Inc., to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-11-02, DLZ's response thereto and its fee proposal therefor.

I also wanted to mention that this is a Commission Certified MBE.

**Chairman Hruby:** Moved adoption. Is there a second?

**Secretary Barber:** Second.

**Chairman Hruby:** Moved and seconded. Any questions or discussion? Hearing none, roll call.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Secretary Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Commissioner Pakush.

**Mr. Pakush:** Yes.

**Director Hodges:** Unanimous.

## OHIO TURNPIKE COMMISSION

**Resolution Authorizing Additional Expenditures with DLZ Ohio, Inc.**  
**Under Existing Contract for Engineering Design, and**  
**Construction Administration and Inspection Services, (Project No. 71-11-02)**

WHEREAS, on September 21, 2011, the Commission issued a Request for Proposals (“RFP”) for Project No. 71-11-02 seeking Engineering Design and Construction Administration and Inspection Services for Design of Interchange Lighting at Interchanges 142 and 151 in Lorain County, Ohio; and

WHEREAS, on October 13, 2011, four proposals from firms deemed qualified to respond to the RFP were received, which proposals were reviewed by an evaluation team consisting of the Commission’s Chief Engineer, Assistant Chief Engineer, and the Bridges and Structures Engineer, at the time, which team ranked the proposal received from **DLZ Ohio, Inc. (“DLZ”)** of **Cleveland, Ohio**, as the best proposal received; and

WHEREAS, a Contract for the aforementioned services was entered into with DLZ on January 5, 2012, in the total not-to-exceed amount of **\$75,224.00** for the performance of Phase IA Engineering Investigation Services, and DLZ’s fee proposal dated May 24, 2012, in the not-to-exceed amount of **\$29,808.00**, for the performance of Phase IB Design/Plan Preparation Services, was amended into the Contract via the First Addendum; and

WHEREAS, via Resolution No. 42-2012, the Commission awarded Contract No. 26-12-01 to Lake Erie Electric of Toledo, Inc. for the performance of the Interchange Lighting Improvements designed by DLZ, and also authorized DLZ to perform the necessary Phase II Construction Administration and Inspection Services; and

WHEREAS, The Chief Engineer has reviewed the fee proposal submitted by DLZ dated October 22, 2012, in the not-to-exceed amount of **\$126,660.00** to perform said Phase II Services, which proposal he has deemed to be appropriate and reasonable, and he has recommended that the DLZ Contract be amended to add the fees for the additional Services; and

WHEREAS, expenditures by the Commission under the Contract will now exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws, the Commission must authorize the amendment of the Contract for Project No. 71-11-02; and

WHEREAS, the Commission has been advised by its General Counsel that the RFP selection process and the selection of DLZ conformed with the Commission’s procedures for the selection of consultants, as well as the process set forth in Ohio Revised Code Sections 153.65 to 153.71; and

WHEREAS, the Executive Director has reviewed the recommendations submitted by the Chief Engineer and the General Counsel, and concurs that the Contract modification in the amount of \$126,660.00 should be authorized; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission concurs that the fee proposal submitted by **DLZ Ohio, Inc.**, of **Cleveland, Ohio**, to perform the Phase II Construction Administration and Inspection Services contemplated under Project No. 71-11-02 in the not-to-exceed amount of **\$126,660.00** is reasonable and acceptable, and authorizes the Executive Director and the General Counsel to amend the Contract with DLZ Engineering, Inc., to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-11-02, DLZ's response thereto and its fee proposal therefor.

**(Resolution No. 60-2012 adopted December 17, 2012)**

**Chief Engineer:** Thank you, Mr. Chairman. My final Resolution is for authorization for continuing expenditures associated with Project No. 71-10-02. In accordance with House Bill 114 of the 129th General Assembly, The Ohio Turnpike Commission agreed to perform the rehabilitation of 11 slopes located at various locations along the Ohio Turnpike in Sandusky County, Ohio. Under previous Resolution No. 34-2011, the Commission authorized expenditures with S&ME, Inc. of Valley View, Ohio, related to the investigation of these slopes, and again, under Resolution No. 2-2012, had authorized continuing expenditures to S&ME, Inc. for the design of plans to rehabilitate an additional four locations which included Carley Road, Karbler Road, Four Mile House Road and Yorktown Road. On December 3, 2012, S&ME, Inc. of Valley View, Ohio, submitted a proposal in the amount of \$105,340.30 for the design of plans and specifications for the rehabilitation of three additional locations. These locations are Fangboner Road (Mile Post 91.1), Shiets Road (Mile Post 96.0) and Gibbs/Balsizer Road (Mile Post 97.1). As this amount represents an increase in excess of 10% of the previous authorizations and, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, such expenditures require the approval of the Commission, we are seeking your approval. I have reviewed this proposal and find it to be reasonable for the task to be performed and recommend

this continuing expenditure in the amount of \$105,340.30 for your approval. With your permission, if the General Counsel would please read the Resolved.

**General Counsel:** RESOLVED that the Commission concurs that S&ME, Inc., of Valley View, Ohio, should perform the required additional Final Design and Plan Preparation Services for Fangboner Road, Shiets Road and Gibbs/Balsizer Roads in Sandusky County as contemplated under Project No. 71-10-02, and authorizes the Executive Director and the General Counsel to amend the Contract with S&ME, Inc. to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-10-02, S&ME, Inc.'s response thereto and its fee proposals therefor.

**Mr. Pakush:** Move to adopt.

**Secretary Barber:** Second.

**Chairman Hruby:** Moved and seconded. Any questions or comments? Hearing none, roll call.

**Director Hodges:** Commissioner Pakush.

**Mr. Pakush:** Yes.

**Director Hodges:** Secretary Barber.

**Secretary Barber:** Yes.

**Director Hodges:** Chairman Hruby.

**Chairman Hruby:** Yes.

**Director Hodges:** Commissioner Dixon.

**Mr. Dixon:** Yes.

**Director Hodges:** Unanimous.

## OHIO TURNPIKE COMMISSION

### Resolution Authorizing Additional Expenditures with S&ME, Inc. Under Existing Contract for Geotechnical Investigation, Engineering Design and Construction Administration and Inspection Services, (Project No. 71-10-02)

WHEREAS, in July 2011, via Resolution No. 34-2011, the Commission ratified a Contract that was previously awarded to **S&ME, Inc. of Valley View, Ohio** (“**S&ME**”), which firm was engaged to perform Project No. 71-10-02 consisting of Geotechnical Investigation, Engineering Design and Construction Administration and Inspection Services pertaining to failing embankments at the Jacobs Road overpass and potentially other failing embankments located at Turnpike overpasses in Sandusky County, Ohio; and

WHEREAS, the Contract was initially awarded pursuant to a Request for Proposals (“RFP”) for Project No. 71-10-02 in the not-to-exceed amount of **\$69,880.01** for the performance of Phase 1 Site Investigation services for the Jacobs Road overpass, and was amended in October 2010 to add **\$42,636.84** to complete Phase 1 of the Project, which included Final Design and Plan Preparation Services for the repair of the Jacobs Road overpass embankments; and

WHEREAS, via Resolution No. 33-2011, S&ME was also authorized to perform Phase 2 Construction Administration and Inspection Services when Construction Contract No. 70-11-01 for the repair of the Jacobs Road overpass was awarded by the Commission; and

WHEREAS, Am. Sub. H.B. 114, of the 129<sup>th</sup> General Assembly, requires the Commission, on or before December 31, 2014, to repair ten additional sites in Sandusky County where embankment failures have occurred, and the not-to-exceed amount of **\$530,064.45** was, therefore, amended into the S&ME Contract via Resolution No. 34-2011 to add the performance of Phase 1 Site Investigation Services for the ten additional sites located in Sandusky County; and

WHEREAS, S&ME’s fee proposal dated January 5, 2012, in the not-to-exceed amount of **\$140,916.63** to perform the Final Design and Plan Preparation Services for the repair of the Four Mile House Road, Carley Road, Karbler Road and Yorktown Road overpass embankments was amended into the Contract via Resolution No. 2-2012, and, via Resolutions Nos. 26-2012 and 43-2012, respectively, the Commission awarded Construction Contract Nos. 70-12-01 and 70-12-02 authorizing the repair of these four overpass embankments, as well as the assignment of S&ME to perform the necessary Construction Administration and Inspection Services for said Projects; and

WHEREAS, S&ME has submitted a fee proposal dated December 3, 2012, to perform the Final Design and Plan Preparation Services for the repair of the Fangboner Road, Shiets Road, and the Gibbs/Balsizer Road overpass embankments in the not-to-exceed amount of **\$105,340.30**, which fee proposal has been reviewed by the Chief Engineer, who has deemed it to be reasonable and acceptable, and he therefore, recommends that the Commission proceed with said additional Services; and

WHEREAS, the continued expenditures by the Commission under the Contract, will be in excess of ten percent of the previously authorized expenditures, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, the Commission must authorize the amendment of the Contract for Project No. 71-10-02; and

WHEREAS, as necessary, the Commission will be presented with additional resolution(s) to authorize additional expenditures with S&ME, Inc., in order to comply with Am. Sub. H.B. 114; and

WHEREAS, the Executive Director has reviewed the recommendation submitted by the Chief Engineer, and concurs that the Contract for Project No. 71-10-02 should be amended to allow for the performance of the required additional Final Design and Plan Preparation Services for Fangboner Road, Shiets Road and Gibbs/Balsizer Road in Sandusky County; and

WHEREAS, the Commission has duly considered such recommendation.

NOW, THEREFORE, BE IT

RESOLVED that the Commission concurs that **S&ME, Inc., of Valley View, Ohio**, should perform the required additional Final Design and Plan Preparation Services for Fangboner Road, Shiets Road and Gibbs/Balsizer Roads in Sandusky County as contemplated under Project No. 71-10-02, and authorizes the Executive Director and the General Counsel to amend the Contract with S&ME, Inc. to perform said services, all in accordance with the terms and conditions of the Commission's RFP for Project No. 71-10-02, S&ME, Inc.'s response thereto and its fee proposals therefor.

**(Resolution No. 61-2012 adopted December 17, 2012)**

**Chief Engineer:** Thank you, Mr. Chairman. That completes my report this morning.

**Chairman Hruby:** Do we have a report from our General Counsel, Kathleen Weiss.

**General Counsel:** Thank you, Mr. Chairman. I have one item that I wanted to bring to the Board's attention. At the last meeting, Commissioner Dixon had requested that we provide the Board Members with an updated list of how we are doing on the Domestic and Ohio Preference/Buy Ohio purchases of the Commission and, also, where we stand with MBE purchases. Mr. Seekely's Procurement Department put together the Buy Ohio Report and, also, we have for you an updated Quarterly Report on MBE/FBE Expenditures, which we have had

significant increase in – up to 5.8% in the last quarter. So, I'm pleased to present that to you and it is in your folders. Also, we will send you the correct 2013 version of the Capital Budget.

**Chairman Hruby:** Thank you very much. Are there any questions for General Counsel? Hearing none, we will move on then to reports from our Financial Advisor, Mr. Adams.

**Mr. Adams:** No report, Mr. Chairman.

**Chairman Hruby:** General Consultant, Mr. Buchanan.

**Mr. Buchanan:** No report, Mr. Chairman.

**Chairman Hruby:** Trustee Huntington, Mr. Lamb.

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

**Chairman Hruby:** Lt. Sivak of the Ohio State Highway Patrol.

**Lt. Sivak:** Good morning, Mr. Chairman. I have a couple of things to address today. In regard to the Crash Summary Report, the main issue was that not all of our Patrol Posts were using the new system. The Department of Public Safety said it had to be done by January 1, 2013. We are ahead of that curve, but not far enough to get caught up here. As of November 14, 2012, I am happy to say all of the Posts across the Turnpike are now using that system, so that should be taken care of very quickly.

Senator Patton, in regards to some of the questions you had. The Highway Patrol went through some restructuring, and we are still in the process of that. For years we have had ten Districts, and we went down to nine. One of the Command Structures that was eliminated was the Ohio Turnpike. The Patrol Post remained in-tact but, the Captain and his Staff Lieutenants that traditionally oversaw, the Turnpike have now gone to the parallel districts, which is where I came into play here now as the liaison officer for the Turnpike. We are going to be going down



to eight here effective January 1, 2013. With that, because of the restructuring, redistricting, retirements, etc., there was some issue across the State with staffing but, as Mr. Hedrick stated, the Turnpike is budgeted for five, and we are actually hopeful to maybe go as high as seven, and that is just in the short term here. Hopefully, as time goes on, we will continue to see those numbers go to a higher level. In that regard, the vehicles traveling the Turnpike – especially passenger cars – has remained the same, if not increased over last November. From a traffic crash standpoint, there has been a 30% reduction in the month of November in crashes occurring on the Turnpike, and a 6% reduction year-to-date. As an agency, we don't take credit for all of that; it is a partnership with all of the incident responders and other safety personnel that are supplied here on the Turnpike. Even though we have had some reduction in our personnel, contact with the motoring public has remained pretty much exactly the same. Year-to-date, we are at 110,000 contacts that we have had with motorists on the Turnpike, and that's not all enforcement, that's crashes, warnings, etc. The service that is being provided by our agency continues from a new guy coming in here to be at an exemplary level. In that regard, another area I wanted to talk about Mr. Chairman, is the recent large seizure of marijuana that we had but, that's not the only thing that has been going on. At the last meeting, I talked about some of the accomplishments of our Troopers on the road here but, just in the past thirty days we encountered counterfeit currency on November 29, 2012. Recently, S.B. 305 was passed prohibiting hidden compartments, and the danger that poses not only with drug trafficking, but with weapons that are in vehicles. On November 28, 2012, we came across a hidden compartment. Even though it did not have drugs in it, it had cell phones and other contraband that was evidence of drug activity. We also have had individuals engaging in counterfeit merchandise. We've had 1,300 Oxycodone pills, heroin, \$10,000 in currency, and a 40 caliber

handgun was concealed in an air vent. December 13, 2012, is when we had the 353 pounds of marijuana with a street value of \$1.6 million. Later that same day, we had an individual who had items wrapped as Christmas presents for delivery to people that he couldn't say who they were, and he couldn't say who the owner of the car was. That turned out to be another \$200,000 worth of marijuana concealed. There are many other things as well. Weapons continue to be a concern, as demonstrated by what happened on Friday in Connecticut, and Ohio is not exempt to that. Recently, we had a seizure where we had AR15 rifle, AK47 machine pistol, and various other weapons. Basically, again, Colonel Born's vision, when he took over the Highway Patrol last year, was traffic crash reduction and criminal patrol as evident by the criminal patrol elements that I'm describing here, that are going on on the Turnpike and across the State. Especially here, we are able to address that problem, but still maintain the traffic crash reduction as well. I'm not here to take credit for the agency, but I am here to say that the individuals that work on this roadway day-in and day-out are doing one heck of a job, and I, as their representative, appreciate their efforts. Does anyone have any questions for me?

**Chairman Hruby:** Again, Lieutenant, we acknowledge that, and we congratulate you for that. We continue to commend you for your excellent service to the Turnpike.

Ladies and gentlemen, there is no further business today. The next Commission meeting will be on Tuesday, January 22, 2013 at 10:00 a.m.

Just so you all know, I noticed the other day that any *E-ZPass*<sup>®</sup> was purchased by S. Claus. So, I think that perhaps we might think there may be a green Christmas, because S. Claus got an *E-ZPass*<sup>®</sup>, so I'm very pleased on behalf of the Commission, that whoever that is, got that pass. With that in mind, those of you who have celebrated your holiday, we hope you had all the

blessings of the Season, those of you that are about to celebrate your holiday, Happy Holidays and Merry Christmas to you. With that, we will move for an adjournment. I so move.

**Secretary Barber:** Second.

**Chairman Hruby:** Moved and seconded. All those in favor signify by saying “aye.”

All Commission members say “aye.” We are adjourned.

Attendees for Record Keeping Purposes:

Toby S. Fritz, Hill International; Vic Spinabelli, Hill International; Fran Crouch; Mark Burns, IEC; Scott Buchanan, URS; John Adams, Fifth Third; Neal Gresham, URS; Chris Smith, ODSA; Tom Parevosnik, IUOE 18; Joe Casto, IUOE 18; Glen Stephens, GSI; Beth Fulton, URS; Julia Miller, RII; Joe Rice, Rice Casualty; Frank Lamb, Huntington Bank; Melissa Ayrs, ODOT; Greg Murphy, ODOT; Tom Breckenridge, Cleveland Plain Dealer; Bill Matlock, Castle Oak Securities; Lieutenant Jim Sivak, Ohio State Highway Patrol; Trooper Dietz, Ohio State Highway Patrol; Robin Carlin, Ohio Turnpike; Marty Seekely, Ohio Turnpike; Tony Yacobucci, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Mark Musson, Ohio Turnpike; Dale Perram, Ohio Turnpike; Ed Miller, Ohio Turnpike; Donna Fritz, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Lauren Hakos, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Donna Cook, Ohio Turnpike; Gary Cawley, Ohio Turnpike.

Time of adjournment: 11:49 a.m.

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

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Sandra K. Barber, Secretary-Treasurer