

**MINUTES OF THE 646th MEETING OF THE
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
DECEMBER 18, 2017**

Chairman: Good morning. Will you please stand and join me in reciting the *Pledge of Allegiance*?

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

Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer Randy Cole: Chairman Hruby

Chairman Jerry Hruby: Here

Assistant Secretary-Treasurer: Vice Chairman Paradiso

Vice Chairman Timothy Paradiso: Here

Assistant Secretary-Treasurer: Secretary-Treasurer Barber

Secretary-Treasurer Sandra Barber: Here

Assistant Secretary-Treasurer: Mr. Peterson

Commissioner Michael Peterson: Here

Assistant Secretary-Treasurer: Mr. Pakush

Commissioner Myron Pakush: Here

Assistant Secretary-Treasurer: Mr. Dixon (10:04 a.m.)

Commissioner George Dixon: Here

Assistant Secretary-Treasurer: Ms. Cafaro (10:05 a.m.)

Commissioner Capri Cafaro: Here

Assistant Secretary-Treasurer: Mr. Potter

Commissioner Quentin Potter: Here

Assistant Secretary-Treasurer: Representative Patton

Representative Thomas Patton: Here

Assistant Secretary-Treasurer: Senator LaRose

Senator Frank LaRose: Here

Chairman: We have a quorum. This is the 646th Meeting of the Ohio Turnpike and Infrastructure Commission. We are meeting here at the Commission's headquarters, as provided for in the Commission's Code of Bylaws for a Commission Meeting.

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

May I have a motion to adopt the Minutes of the November 20, 2017, Commission Meeting? Call the roll, please.

MOTION: A motion to adopt the Minutes of the November 20, 2017, Commission Meeting was made by Mr. Paradiso and seconded by Chairman Hruby. All Commission Members present voted to approve the Minutes.

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

Secretary-Treasurer: The following items have been provided to the Members since the last scheduled meeting of the Commission on November 20, 2017:

1. Seven Resolutions;
2. Draft Minutes of the November 20, 2017, Commission Meeting; and
3. Agenda for today's meeting.

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

1. Traffic Crash Summary Report, November 2017;
2. Traffic and Revenue Report, November 2017;
3. Total Revenue by Month and Year, November 2017;
4. Investment Report, November 2017;
5. Financial Statement, November 2017; and
6. Various News Articles.

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

Director Cole: Good morning, Mr. Chairman and Commission Members. I have a very brief report Mr. Chairman.

As we tackle an important agenda today, I want to thank the Commission for their support and oversight of our operations. I want to thank our leadership team and staff for all of their work this year.

I am not going to do an in-depth year in review, I will save that for next month after we get our final traffic and revenue numbers.

However, as a brief recap, I think this past year has been an unprecedented year in developing partnerships, new programs and expanding our role in transportation and mobility. You will hear today about our strategic plan for modernizing our toll collection systems and customer service center. It has been an ongoing effort throughout this year that has involved dozens of meetings and hundreds of hours and significant coordination by David Miller to “herd the cats” and keep us on track. We took great care of our operations, implementing efficiencies along the way, including a successful refinancing of some of our senior lien bonds, saving the Commission over \$16 million, as we prepare to support another \$450 million in transportation projects across Northern Ohio next year. We have continued to position the Turnpike in Ohio, across the nation and internationally to take advantage of emerging transportation technologies. Before the snow stops in the spring, I hope to demo our connected vehicle proof of concept to you and report back on tangible benefits of deploying “Dedicated Short-Range Communication” technology in our fleet and along our road.

One final thing about snow and ice last week. Up to a foot of snow over a three-day period. On Thursday, December 14th, when over 300 schools in Northeast Ohio were closed, the Turnpike was completely clean by 7:45 a.m. during my drive in to work. Over the period, the Turnpike was consistently well maintained, often clear when other roads were still being plowed. On Thursday, in particular, I received text messages, phone calls and email compliments and thank you messages. These are exciting times at the Turnpike. I fully expect that much of our work this year lays a foundation for an even more productive and impactful 2018.

Representative Patton, last month you had a question about customer service about providing service to customers as they leave the Turnpike. So, our Toll Operations Department did some research on what is happening, both in the field with staffed plazas and where we have automated toll payment machines, which is what we had on the last agenda, which was the expansion of that for midnight use, when we have very low traffic volumes. At entrance, we are having an intervention with the customer about four per lane, per day. So, if you think about that over a twenty-four-hour operation that is only about six times a day or once every six hours. At exit it is about eight times a day, or once every three hours. We are only going to be expanding their use at midnight hours when we are at very low volumes, but we are also going to have expanded video oversight of those plazas. We are working through both the technology and the processes on who is going to do that, and we have also begun to move our vehicle communications

through cell phones into the cabs, especially with truck drivers. The intercom system we had been using is very hard for everybody to hear and understand, so we are rolling out the use of dial this number and having someone who is able to interact with that patron. We are getting a very good response from both customers and our staff that it is clearing things up and making it better. We are going to continue to roll that out and as we do, we will get to you on it. We think we are going to be able to manage those customer expectations and continue to provide good customer service.

That completes my report, Mr. Chairman.

Chairman: Thank you, Mr. Director. Are there any questions for him? Hearing none, we will move on to the report of our CFO/Comptroller/DED, Marty Seekely.

CFO/Comptroller/DED: Thank you, Mr. Chairman. I have an update on our traffic and revenue for the month of November and two resolutions for your consideration this morning.

The first resolution for your consideration this morning is a resolution adopting a toll collection system and customer service center strategic plan.

As you know, the Commission's toll collection system and *E-ZPass*[®] customer service center were installed in 2009 and are nearing the end of their useful life.

As a result, last year Jacobs Engineering was engaged to help the Commission develop a strategic plan for the replacement of these systems. At the April Commission meeting earlier this year, Rick Gobeille from Jacobs Engineering updated the Commission on the process that we went through to develop the strategic plan and provided an overview of the proposed plan.

Since then, we have conducted an analysis to develop more detailed revenue, operating expense and construction estimates and worked through some of the business rules and legislative changes that may be required to implement the strategic plan. A copy of the final strategic plan is in your folder. At this time, I would like to ask Rick Gobeille from Jacobs to come up and make a presentation on the final strategic plan.

Rick Gobeille: Good morning, Mr. Chairman and Commission Members. If you recall, I was here in April. I believe we have a much more comprehensive understanding of the plan we brought you in April and I am going to tell you about it now.

Just to refresh a little bit what the goals were on it. We wanted to provide quality customer service and value. That is an important thing and I just heard earlier a question about the customer service that was provided to the users of the Turnpike. That is an important goal in the project that we are looking at. To make Marty happy, we want to be financially responsible. We want to do it in a way that protects the revenues and keeps the financial position of the Turnpike very healthy. We wanted to be innovative, adaptive and be able to be sustainable with new technologies and things that are coming out in the future that it would be easily adaptable to that. Briefly, as we said back in April, the system that was installed in 2009 is coming towards the end of its useful life. It is time to look to the future and how the toll collection system should be implemented. I think one of the interesting things that came out of the work we did, is we did a survey, we received

over 14,000 responses, which is overwhelming for this kind of project. A huge majority, between 89% and 95% of the users and stakeholders, were positive and in favor of removing gates to try and create a free-flowing roadway system. So, to summarize the preferred alternative is that we talked about, is that we would convert the system into a smaller compressed ticket system. We would make barrier plazas at the end of the Turnpike. There would be new across the road plazas constructed at Milepost 49 and Milepost 211. There would be some non-tolled trips on the eastern and western ends of the Turnpike that would be the result of this plan.

To provide some detail on this, highway speed *E-ZPass*[®] will be installed and implemented at the east and west gates today. So, that means if you have a transponder in your vehicle, you will continue driving at 70 MPH and your tolls will be collected electronically. There would be no more stopping. The Eastgate would be converted to one-way collection to mirror what is in Pennsylvania. People traveling to Pennsylvania pay one-way going into Pennsylvania. We would set it up to pay one way coming into Ohio and the toll rates would be adjusted accordingly to collect the right amount of revenue there. As I said before, two mainline plazas would be constructed at Milepost 49 and Milepost 211 and these would be the new east and west gates where the ticket system would start. Those would also have the highway speed *E-ZPass*[®] where you could travel through at 70 MPH if you have a transponder in your vehicle. At the east and west ends, there would be nine interchanges that will no longer have toll collection. So, there would be non-tolled trips occurring there for the local travel. The long distance and through trips would continue to pay the same amount in tolls as they do today. We also remove the gates at all of the entry lanes and the exit *E-ZPass*[®] lanes. They wouldn't be high speed, you couldn't drive 70 MPH, but you could still go anywhere from 15 to 25 MPH. You would not be stopping. So, the goal is anyone with an *E-ZPass*[®] transponder would no longer have to stop at any point in time. We would also install license plate reader cameras. Vehicles that do not pay a toll and travel through one of these lanes and are not equipped with a transponder, the system would be in place to take an image of their license plate and pursue them as a violation of the toll system and we would be able to collect revenue from them that way. It is actually a pretty common system that is out in the toll collection world. We would also retain the gates in the non-*E-ZPass*[®] lanes. So, where there was a staff collector, there would still be a gate there to ensure those tolls are collected and to slow the traffic down for the safety of the collectors. One of the things that would need to happen is when we move these east and west gates inward to the system, to preserve the current toll schedules, 30-mile guarantee of the *E-ZPass*[®] rates, we would introduce some type of rebate at the east and west new gates to assure that those customers would continue to pay the rates that they are paying today for *E-ZPass*[®] so, those trips would not see any increase in their tolls.

To be able to do this process, we would need to contract with a systems integrator and that would be a firm that would actually install the equipment and provide it. A Customer Service Center provider with their hardware and software, that is where you would call in and where your *E-ZPass*[®] accounts are managed. We would also be looking to have a vendor that actually would handle the violation processing. They would handle finding the license plates, reaching out, and sending the violation notices to the customers. We would continue to use Ohio Turnpike staff as the face of the Customer Service Center. They would actually operate it and they would be the ones that would be interacting with your customers.

Some of the other key points of the plan, is the technology that is going to be used has a very limited revenue risk and that was one of the goals. Where these changes are occurring or where less the revenues are collected on the Turnpike System, and it kind of gives you a good pathway to the future to learn and get a knowledge base to be able to do other types of collection. You will have the non-stop travel on the mainline lanes. Some of the customers today who are going a full-length trip and are paying with *E-ZPass*[®] don't quite stop twice, but you do come to a gate and you slow down. You would not have to stop at all. If you are paying with cash in the current system, you would stop when you enter the system, you would stop when you are exiting. If you are going the full length eastbound, you will stop three times now. If you are going the full length westbound and you are paying cash, you will stop four times. Trips in the middle will be as they are today. So, the cash payer may have a little bit more delays, but again, you want to encourage movement into *E-ZPass*[®], as it is a more efficient way to collect.

A couple of other things I want to mention. Over time, there is expected to be a reduction in the amount of toll collection staff and we expect that to happen through attrition. As the system moves, we expect more people to use *E-ZPass*[®] and over time that will not require the replacement of some of the toll collection staff that is there. We estimate that in 2022, which is planned to be the opening year, the full year, the system is thought to be ready late in 2021, that there would be about \$2.7 million less in operating costs in 2022 and that number grows annually out through a 30-year forecast. There will be about \$2.4 more in net revenue also. So, that is a positive to the Turnpike Commission. More net revenue and you are able to work more with that in your system and the capital cost is between \$189 and \$217 million and inside of that are some other roadway improvements that are outside of the toll collection system. Planned improvements where these toll plazas will be constructed that were going to be done whether or not a toll system was put in are actually included in the budget price here. Then overall, over the course of thirty years, the system, as proposed, looks to save approximately \$257 million in operating costs.

A timeline for the process, the Commission is here today to get approval of this plan, to get it adopted, and if that occurs then we will go ahead and authorize consulting contracts to do the design work and to go out and procure the toll collection equipment and customer service center. There is still some legislative and rule making changes that would need to be made to make it easier to pursue violators across state lines and that type of thing. We would adopt a toll policy, which has the rates that would be set at the barriers and the discounts that are out there beyond year 2023 that is already set now. We will go out and procure the construction contracts and then, ideally, the system would be constructed in 2020 and 2021 and open up in late 2021. So, that summarizes the plan. I would be happy to answer any questions.

Chairman: Any questions or comments? Did I understand you correctly that the areas that are going to be without toll, that is for anyone just driving through.

Rick Gobeille: Correct. Anyone driving it would be a non-tolled trip within those interchanges on the east and west ends.

Mr. Dixon: What happens to the people that don't pay?

Rick Gobeille: How that system works is that the system actually takes an image of the license plate. Then it is processed through, it goes to the Bureau of Motor Vehicles, you get an address, you send an invoice to the vehicle that went through and did not pay.

Mr. Dixon: So, it is just a ticket? There is no fine for skirting the system?

Rick Gobeille: I think, and maybe Executive Director Cole can help, but a lot of that has to all be set legislatively. But it is anticipated that you would at first be noticed if you didn't pay, there would be late fee, and if you didn't pay after a number of times then it would become a much more significant fine and possibly subject to other states that suspend registration renewals and things like that.

Mr. Dixon: I ask that because we have been having a problem with that at the RTA right now and certain judges are saying that our enforcement was unconstitutional, and it is something that we really need to be sure of and look at before we go down that road.

Director Cole: Mr. Chairman and Commission Member Dixon, along those lines, first and foremost, as we have envisioned it and started working through the business rules, there are a couple layers to this. The first part is that we will encourage everyone to pay online as quickly as possible. So, before we even have to send out a notice or collect something, if someone inadvertently did not pay that toll, we will make sure they have a chance for seven or fourteen days to go online and pay and be able to look it up with their license plate or something because we will have them in the system. So, someone will be able to pay first. Second, we have been working with the Bureau of Motor Vehicles and the local Municipal Court on what our enforcement policies and processes will be. The legislation and policy, we will be bringing forward to make sure there is due process to make sure there is plenty of notification and that those people who we, and I don't like using the words "go after" because we will try to collect revenue from those who didn't pay us will be subsequent to a number of times they didn't pay. So, first they will get the chance to pay, then we will continue to try and get them to pay and then it will only be after they hit a certain number of times they didn't pay or a certain level in the amount that they didn't pay over a period of time, then we would go to stronger enforcement actions.

Mr. Dixon: Sounds good.

Director Cole: It is a very careful process. We are trying to take the best policies and procedures we have seen from other states who have been in this type of all electronic payment, and again, remember we are still going to have a gated ticketed system for the majority of the Turnpike, so someone who comes up to a lane without an *E-ZPass*[®] is still going to have a ticket and have a collector there to try and collect that revenue there. So, 80% of our transactions and 85% of our revenue will still happen in the gated ticketed section and most of the rest of what's going on, they will have an *E-ZPass*[®] right, so we are talking about out of our fifty-six million trips right now, we are only talking about a few million of those trips potentially going down that path of being involved in a collection system. Does that make sense to everybody?

Representative Patton: When you said it depends on the amount, for example, if someone skirts a \$1.50 or \$1.25, is there a level before the public realizes that I don't drive the

Turnpike that much they won't come after me for the first offense. I mean, they pretty much learn how to game the system.

Director Cole: Mr. Chairman and Representative Patton, we do not want to discuss all of that right now, but that is in our business rules and yes, we know some people will do that. Again, both the amount of the toll you pay if you come from out of state, not because we have any difference in rates, but just because of the length you are driving, it is possible to hit those thresholds quicker, but remember a local driver who tries to do something like that is going to be a more frequent traveler and those will also be easier for us, more accurate BMV records on an in-state traveler, but we would hope that a lot of them already have *E-ZPass*[®].

Representative Patton: Can you marry the collection systems to our BMVs, so that when an Ohio driver goes to renew his license plates, say oh by the way you owe \$7.50, so you can't renew your license until you clean that up?

Director Cole: Mr. Chairman and Representative Patton, we have already had those discussions with BMV and they have reviewed both the policies we are looking at implementing, again our due process, our privacy, making sure that people's information does not get out, what those levels are, the repeats in violations, that has all been discussed with them, as well as, how to cooperate with them and transfer the information. So, we are well on our way on that.

Senator LaRose: Thank you, Mr. Chairman. My question would be first of all to say, this is a well thought out plan and represents a good modernization and step forward and all of that. I do think that there are thirty-two senators and ninety-eight representatives that probably don't know much about this, many of whom, would be curious. Before we ever start talking about what the legislative changes that are recommended, at least the northern tier of the state would be pretty interested to get a briefing on this or some sort of an informational packet and my guess is that if I hosted a briefing for the senate members and had somebody from the Turnpike come down that there would be pretty good attendance at that and probably Representative Patton may want to do the same over on the House side, but that way in the early part of next year, Members can start becoming aware of this so that the first they hear about it is not in the paper or whatever.

Director Cole: Mr. Chairman and Senator LaRose, I both appreciate that offer and we will take you up on it. We have been having individual discussions with members, both in the House and Senate, bipartisan, for those who we work with regularly or contact us about issues we have been doing that one by one. We wanted this plan formally adopted before we had more extensive outreach, but we have also been working with each of the Metropolitan Planning Organizations, AAA, the Regional Chambers. I have been out speaking as well. When you talk about the support for this, Commissioner Cafaro you will appreciate it, I was speaking with the Canfield Rotary, you know the Canfield Rotary is a nice audience, you know a little bit older, I didn't think they would necessarily fully engage in Turnpike operations when I said we will be removing the gates in the dedicated *E-ZPass*[®] lanes, the room erupted into applause. So, that idea that it has support, and we are responding to what our customers want is clear, especially in something like that. But we will continue, I am going to be speaking to the community groups, to the economic developments, so that we are talking with those people who travel the most and those stakeholders who filled out a lot of those surveys. We are ready to take that next step and direct

legislative engagements. So, Senator, Adam Greenslade will follow-up with you and we will start to put something like that together because you know there have been some changes in the membership, so people we have educated have moved on and things, but we know that we need to engage in 2018 before people start to see more of this or we start to actually enter into contracts. So, thank you very much.

Chairman: You threw out some numbers. You said these are just guesstimates at this point, but the cost of the systems are somewhere around \$189 million and that \$257 should be realized in savings, so that is roughly \$68 million over thirty years, roughly \$1.8 million a year, we will be saving. But, on top of that, did you figure out and does that include employees and benefits and such.

Rick Gobeille: Yes. Some of that \$189 million is money you are going to be spending regardless. The facilities that are out there now are not going to last thirty or forty more years. So, I think if you take the amount of operating costs savings against the capital costs, actually the savings are much greater because there is going to be other ongoing capital costs that are needed over the course of the forty years. But, in terms of our analysis, we did take into consideration benefits and all of those costs and the maintenance of the system, and the heating, cleaning, and ongoing future replacements of toll collection equipment, so all of that is in the saving.

Chairman: So, you would say that this is a conservative figure then?

Rick Gobeille: Yes, I would say it is a conservative figure.

Director Cole: Mr. Chairman, if I don't state this properly I will let our Chief Engineer amend my comments, but when Rick talks about some of this as capital money we would have already spent, when you think about what we are doing the current Eastgate and Westgate plazas and the new mainline systems. Currently, our biggest projects are those five-mile long, full depth replacement projects. We will coordinate at the Milepost 49 area, the Milepost 211 area and then at the east and west ends of the Turnpike, full depth replacement and whatever expansion and total rehab we need to do in those areas. So, you think of those projects today that are roughly \$30 million projects, four of those types projects and some related bridge work and things in those areas will all be completed at the same time that we are updating the toll system or putting in those new mainline barriers. So, if you think about it, that is a significant expense instead of doing a different five-mile section, we will focus on those areas where these improvements are happening at the same time to get the efficiency of that. So, again, that would be an expense we were going to make somewhere during this period of time anyway. We will just be coordinating and focusing on it while we are doing these improvements at the same time. Tony, anything you want to add?

Chief Engineer: No, Mr. Director, I could not have said it better myself.

Chairman: Anything else? Any other questions? Thank you for your report. We appreciate it. Marty, please continue.

CFO/Comptroller/DED: Would the General Counsel please read the title of the resolution?

General Counsel: Resolution Adopting a TCS and CSC Strategic Plan.

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

MOTION: A motion to adopt *Resolution Adopting a TCS and CSC Strategic Plan*, was made by Ms. Cafaro, seconded by Mrs. Barber, and approved by all Commission Members present. Resolution No. 57-2017.

Chairman: The resolution passes unanimously. Marty, please continue.

CFO/Comptroller/DED: Next, I have an update on our traffic and revenue for the month of November. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Passenger car vehicle miles traveled continued their recent trend and were 2.3% lower than last year in November. Last year had increased traffic for the first few days in November due to the Indians playing the Cubs in the World Series.

Commercial traffic continued to increase because of the strong economy and was 2.9% higher than last year in November.

This chart shows the total vehicle miles traveled through the month of November during each year over the past decade. Total vehicle miles traveled for the first eleven months of this year were .1% lower than last year. If you subtract February 29th from last year's total, total vehicle miles traveled are up 0.1% over last year.

The 2.3% decrease in traffic combined with the toll rate increase on January 1 of this year caused passenger car toll revenue to decrease .4% in November. The increase in commercial traffic combined with the toll rate increase resulted in commercial vehicle toll revenues increasing 5.3% in November.

This chart shows the year-to-date toll revenues through the month of November during each year over the past decade.

Toll revenues through November were \$6.9 million or 2.6% above the amount from last year. If you subtract February 29th from last year's total, total toll revenues are up \$7.6 million or 2.9% over last year.

That completes my report on traffic & revenue. I would now like to present the proposed 2018 Operating Budget for your consideration.

This pie chart provides an overview of the proposed 2018 revenue budget. Tolls are obviously the major source of the Commission's funding, representing 90.1% of projected 2018 revenues. Concessions generated from sales of food, fuel and other retail goods and services at

the Commission's service plazas are estimated to be 4.7% of total revenues. The remaining 5.2% consists of investment earnings, fuel taxes and other miscellaneous revenues.

This slide shows a comparison of the proposed 2018 budget to the 2017 budget for pledged funds.

The toll revenue budget is \$10.1 million or 3.4% higher than last year's budget. Toll rates will be increased 2.7% on January 1 next year.

The Concession revenues budget is \$335,000 or 2.2% more than last year's budget. Investment revenue is budgeted to increase by \$5.3 million or 155% from last year's budget. The large increase is due to the increase in funds available to invest in the Infrastructure and Construction Funds due to the planned 2018 bond issuance and the increase in short term interest rates by the Federal Reserve. The increase in the other revenues budget relates primarily to higher monthly transponder usage fees due to an increase in the number of transponders issued to customers. The proposed 2018 pledged revenues budget totals \$339.4 million, an increase of \$16.2 million or 5.0% from the 2017 budget.

This slide shows the projected 2018 vehicle miles traveled, the percentage of those miles expected to be paid with *E-ZPass*[®] and the resulting calculation of toll revenue by vehicle class. Total vehicle miles traveled are budgeted to decrease 0.9% from the 2017 budget. The budgeted amount of commercial vehicle miles traveled is projected to increase 2.1% while the budgeted amount of passenger car miles traveled is projected to decrease 2.3% from last year's budget. The *E-ZPass*[®] rate of usage for Class 1 vehicles (passenger cars) is budgeted to increase to 54.9% in 2018. Increases in *E-ZPass*[®] usage are budgeted for the commercial vehicle classes 2 through 7 as well. Consequently, the additional revenue generated by the toll rate increase combined with the slight decrease in vehicle miles traveled results in total toll revenue of \$309.5 million which is an increase of \$10.1 million from our 2017 toll revenue budget.

It is expected that only 3.7% of the Commission's 2018 budget will be spent on administration and insurance. We project that 12.5% of the budget will be needed for the maintenance of the roadway and structures, 17.0% for the operation of the toll and service plazas, and 4.2% for traffic control, safety, patrol and communications. The Commission currently has about \$1.6 billion in senior and junior lien bonds outstanding and we have budgeted for a \$450 million junior lien bond issuance and an \$80 million Sr. lien bond issuance for the first quarter of 2018. The debt service on those bonds will require 34.3% of the Commission's 2018 expenditures budget, leaving 28.4% available for capital projects.

This slide contains our 2018 staffing budget.

We have reorganized some of administrative departments resulting in some changes between full-time non-bargaining positions, but the net result is a reduction in one full-time non-bargaining position.

We have planned a reduction in the number of part-time non-bargaining employees, most of which were summer help or seasonal interns. We plan on reducing the number of full-time toll

collectors by four and the number of full-time maintenance workers by four. All of the reductions will be accomplished through attrition. We also do not plan to hire ten part-time summer seasonal maintenance workers this year that we had budgeted for last year. The total 2018 staffing budget is 963 which is a net decrease of nine full-time and eleven part-time positions from last year's budget.

The decrease in budgeted personnel combined with the negotiated 2% increase in bargaining employees' wages and a similar 2% increase in non-bargaining employees' wages results in a \$49,000, or 0.1% increase in wage expense. Fringe benefits are budgeted to decrease \$1.5 million from last year's budget primarily due to the elimination from the budget of the non-cash GASB 68 pension expense which was \$3.4 million in last year's budget. This reduction was partially offset by a \$2 million increase in the budget for employee health insurance benefits. Most of the increase in Administration & Insurance is due to increased wage and fringe benefit expense.

The increase in Maintenance of Roadway & Structures is due to the increase in wage costs and an increase in professional services for accelerating the bridge rating program and continuing our facilities analysis.

Most of the increase in Services & Toll Operations expenses is due to increased wage expense combined with a projected increase of credit card fees due to increased *E-ZPass*[®] use. These increased costs were partially offset by the decrease in fringe benefit costs.

The decrease in Traffic Control, Safety & Patrol is primarily due to a decrease in administrative support personnel.

Total 2018 operating, maintenance and administrative expenses are expected to increase by \$1.8 million or 1.4% over the 2017 budget.

Debt service payments on \$480 million in existing senior lien debt, \$1.1 billion in existing junior lien debt and a new debt issuances totaling \$530 million are estimated to be \$117.6 million in 2018.

The Commission's Master Trust Agreement requires that we maintain an expense reserve equal to one-twelfth of our annual operating, maintenance and administrative expense budget. With the proposed increase in our expense budget of \$1.8 million, we are required to add one-twelfth of this amount, or \$151,000 to the Expense Reserve Fund.

The remaining transfers from pledged funds support the capital budget that the Chief Engineer will be presenting in a few minutes. We are proposing a transfer of \$10 million to the Renewal and Replacement Fund and a transfer of \$83.1 million to the System Projects Fund.

The 2018 budgeted debt coverage ratio on our senior debt is 3.29 and the composite debt coverage ratio on all of our debt is 1.84. To be eligible to issue additional senior lien bonds, our Master Trust Agreement requires a minimum coverage ratio of 1.5 on our senior debt during the fiscal year immediately preceding the issuance of the bonds, when calculated using the maximum annual debt service on the bonds then outstanding and the bonds proposed to be issued. The bond

rating agencies generally require a debt coverage ratio of at least 2.0 in order to maintain the Commission's "AA" credit rating on our senior debt. To be eligible to issue additional junior lien bonds, our Junior Lien Master Trust Agreement requires a projected minimum composite debt coverage ratio of 1.5. When meeting with the credit rating agencies we have indicated that we would try to maintain a minimum composite debt coverage ratio of 1.70.

This is the proposed 2018 budget for non-pledged funds.

The major source of non-pledged revenue is \$.05 in fuel tax from each gallon of fuel sold at the Commission's service plazas. Other sources of non-pledged revenue are generated by charging the food and retail vendors operating at the service plazas a fee equal to 1% of sales for future service plaza capital expenditures. As the Chief Engineer will explain in his presentation, these non-pledged funds are also used to support the Commission's capital budget.

This chart shows the Commission's Operating Budgets for the last 10 years. The red line represents budgeted revenues which have steadily increased from \$212 million in 2009 to \$344 million in 2018. The green line represents budgeted operating expenditures which have been held fairly constant over this period and have increased slightly from \$123.3 million in 2009 to \$128.1 million in 2018. The difference between our revenues, the red line, and our operating expenditures, the green line, represent our income from operations which has more than doubled over this period from \$89 million in 2009 to \$216 million in 2018. This has enabled the commission to fund the increase in debt service payments from \$56 million in 2009 to \$118 million in 2018 and an increase in the amount of funds transferred to our capital improvements funds from \$33 million in 2009 to \$98 million in 2018.

The total proposed 2018 operating budget is \$343,569,000.

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 title of the resolution.

General Counsel: Resolution Adopting Proposed 2018 Annual Operating Budget and Providing for Deposits Required under the Master Trust Agreement during 2018.

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

MOTION: A motion to adopt *Resolution Adopting Proposed 2018 Annual Operating Budget and Providing for Deposits Required under the Master Trust Agreement during 2018*, was made by Chairman Hruby, seconded by Mr. Paradiso, and approved by all Commission Members present. Resolution No. 58-2017.

Chairman: The resolution passes unanimously. I want to commend you, Marty, and the staff for putting together this budget. There is a lot of work in putting this together and we appreciate your dedication and good work.

Anything further, Marty.

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

Chairman: Thank you. We will move on to the report of our Chief Engineer, Tony Yacobucci.

Chief Engineer: Good morning, Mr. Chairman and Commission Members. I have five Resolutions for your consideration this morning. The first Resolution is for the adoption of our 2018 Capital Budget. In your folders you have a detailed Capital Budget, listing all of our proposed projects for 2018. I have a brief presentation this morning which reviews the proposed 2018 Capital Budget. After the presentation, I will request that the Commission adopt a resolution approving the Capital Budget. This resolution will refer to a preliminary list of projects, which may be subject to change, and any Capital Project more than \$150,000 will be brought to the Commission for individual resolutions at the time of award.

This is an overview of the Funds in the Capital Budget. These include the System Projects Fund, the Renewal and Replacement Fund, the Fuel Tax Fund and the Service Plaza Capital Improvement Fund. I will discuss each of these in more detail this morning.

The first of the four funds I will review is the System Projects Fund. System Projects are the major construction projects that are part of our capital improvement program. We will begin the year with a balance of approximately \$45.2 million, and approximately \$83.1 million will be transferred to this fund from the 2018 operating budget. We intend to carry approximately \$16.0 million of these funds over to 2019 to cover future projects, which will result in approximately \$112.3 million available for projects in 2018.

We have identified about \$101.4 million in System Projects, of which \$9.1 million will cover the completion of existing projects and \$92.3 million is allocated to new projects.

Continuing expenditures are for existing projects that are currently under construction and have been previously awarded in 2017. The major projects in this category primarily include the continuation of various bridge deck replacement projects which were bid as multi-year construction projects.

This slide lists the \$92.3 million of new System Projects to be funded in 2018. \$30.0 million has been allocated for two contracts as we continue the Pavement Replacement Program in Lorain and Cuyahoga Counties. The budget includes \$19.1 million for several bridge deck replacements and rehabilitations. About \$6.5 million has been allocated for new ATPM installations at seven toll plazas throughout the turnpike, and two additional toll lanes at TP 180. Approximately \$31.0 million has been programmed for resurfacing projects in 2018, in Erie, Lorain, Portage and Trumbull Counties. And about \$4.2 million has been allocated to Engineering Design and Consulting Services for Capital Projects.

Director Cole: Excuse me, Tony, before you go on, can we go back to the last slide. Can you just quickly describe the pavement replacement project from Milepost 169 to 176? Again, the \$37 million dollars in additional expenditures looks pretty big and I just want you to explain

how that is different than our regular two-year pavement replacement projects and why that number is estimated to be what it is.

Chief Engineer: Mr. Chairman, Commission Members, and Director Cole, the 169.74 to the 176.3 actually has our Interchange 173 included in that. At Interchange 173 where I-77 connects with the Turnpike, we are going to be resurfacing that entire Interchange in addition to the pavement replacement project that we normally have. Our projects are typically five miles long. As you can see with this one, it is about six miles long, almost seven miles long, so it is a little bit longer than the others and that is primarily because of the Interchange and our service plaza is adjacent this too, so there is some complications with the service plaza. The third lane that runs through there, a portion of that is also being replaced because it was actually part of the third lane that existed prior to the remainder of the third lane being built. So, this project is a little bit different than most of the pavement replacement projects we have had in the past. It encompasses quite a bit more, it is actually a three-year project. The third lane section will be done in the first year and then the pavement replacement for the eastbound or westbound will be done in years two and three. The Interchange will be done on the first year also.

Chairman: Thank you. Please continue, Tony.

Chief Engineer: This will leave about \$10.8 million available in the System Projects Fund for other unidentified projects that may come up over the next year.

The second component of the Capital Budget is the Renewal and Replacement Fund, which is required to be funded by our Master Trust Agreement for the Commission to maintain its buildings, vehicles, equipment and various other minor projects. We will begin the year with a balance of approximately \$5.4 million, and \$10 million will be transferred to this fund from the 2018 operating budget. This will result in approximately \$15.4 million available for projects in 2018.

About \$2.2 million is committed to ongoing projects that were previously awarded in 2017. New projects total approximately \$11.8 million and include about \$800,000 for replacement of maintenance equipment, \$1.4 million for maintenance vehicle replacements, \$2.3 million for the replacement of underground fuel lines at one of our service plazas, \$2.2 million for various projects at our maintenance buildings and over \$3 million for numerous technology upgrades to both our communication equipment, as well as computer software and hardware.

This will leave approximately \$1.4 million available in the Renewal and Replacement Fund for other unidentified projects that may come up over the next year.

The third component of the Capital Budget is the Fuel Tax Fund. This account is funded from five cents of the total twenty-eight cents per gallon of state fuel taxes collected for fuel sold at the service plazas being returned to the Commission. We will begin the year with a balance of approximately \$1.5 million in this fund. About \$2.9 million will be generated during 2018, resulting in a balance of approximately \$4.5 million available for 2018 projects.

\$225,000 is committed to an ongoing project. New projects total about \$3.9 million, and include \$3.5 million for bridge repainting and \$425,000 is committed for a sign structure replacement project.

This will leave about \$300,000 available in the Fuel Tax Fund for other unidentified projects that may come up over the next year.

The final component of the Capital Budget is the Service Plaza Capital Improvement Fund. This account is funded from a 1% commission of sales from the food and retail vendors operating at the fourteen service plazas. The funds are designated for capital improvements at these facilities. Revenue of approximately \$665,000 is projected for 2018. Adding this to the projected 2018 beginning balance of \$1.1 million results in approximately \$1.7 million available for projects.

About \$30,000 is committed to an ongoing project. Approximately \$1.25 million will be budgeted for new projects in 2018.

This will leave approximately \$460,000 available in the Service Plaza Capital Improvement Fund for other unidentified projects that may come up over the next year or in future years.

In summary, the 2018 Capital Budget includes \$120.9 million in identified projects and \$13 million for unidentified projects, for a total of \$133.9 million. That completes my 2018 Capital Budget presentation. With your permission, may the General Counsel please read the title of the Resolution?

General Counsel: Resolution Adopting Proposed 2018 Capital Budget.

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

MOTION: A motion to adopt *Resolution Adopting Proposed 2018 Capital Budget*, was made by Mrs. Barber, seconded by Mr. Pakush, and approved by all Commission Members present. Resolution No. 59-2017.

Chairman: The resolution passes unanimously. Tony, please continue.

Director Cole: Mr. Chairman, a quick comment. Tony talked about the specific project for this year's Capital Budget, but if anyone remembers last year in anticipation of the new bonds, Tony, Marty, all of the Engineering Staff, and each of the departments did a thorough review of our thirty-year capital needs and updated all of that and it is different than what you talked about where you got more capital needs, but we looked at all of our systems, our facilities, our structures and the roadway itself. So, there is a thirty-year plan, a ten-year plan that both are the base for feeding into this. So, we will be reviewing all of that in January when we meet with the credit rating agencies in anticipation of the new bond sale, but we are online with that thirty-year plan and ten-year plan. An important part of that will be next year's 2018 Capital Budget, but that all feeds into this too. It is all part of a much bigger picture. In addition, if you remember earlier this year we did a contract with Prime Engineering and Gannett Fleming and we are doing

a thorough review of our facilities and our operations to help feed back into that ten and thirty-year plan and what we need to do with our facilities themselves and ways to change our operations to minimize our capital expenditures and that part of it, so we can focus more money on the roadway itself.

Chairman: The vast majority of these projects that you have here are in excess of \$150,000, so the majority of them will come to the Commission again next year.

Chief Engineer: Mr. Chairman, absolutely. When you say a vast majority, I would say 99% of them will probably end up back at the Commission.

Chairman: Thank you. Please continue, Tony.

Chief Engineer: The second Resolution for your consideration is to award Contract No. 39-18-01 for the Eastbound and Westbound Right Two Lanes and Shoulder Reconstruction from Milepost 149.24 to Milepost 154.10 located in Lorain and Cuyahoga Counties. This construction Project will be performed over the 2018 and 2019 construction seasons and this work is included in the 2018 Capital Improvement Budget. Procurement received three bids, via Bid Express, for this Contract with the apparent low bid submitted by The Shelly Company-Northeast Division of Twinsburg, Ohio, in the amount of \$31,399,808.12. The bid submitted by The Shelly Company is approximately 1% lower than the Engineer's Estimate of \$31,800,000 and 4.5% below the apparent second low bid. The Construction Manager, Hill International, Inc., of Broadview Heights, Ohio, has carefully evaluated the complete bid tabulation and finds no errors or anomalies. It appears that The Shelly Company has the available capacity in both manpower and resources, and has successfully performed projects of a similar size and nature for the Commission in the past. Therefore, it is recommended that the Commission award Contract No. 39-18-01 to The Shelly Company-Northeast Division, of Twinsburg, Ohio, in the amount of \$31,399,808.12. In addition, The Shelly Company has indicated that the SBE participation in this Contract will be \$3,760,398.00, or 12.0% of the Contract amount, which exceeds the goal of 10%. This Resolution also contains provisions to assign the GPD Group, of Cleveland, Ohio, to assist with construction engineering and inspection services, and to assign CTL Engineering, Inc., of Brunswick, Ohio, a Commission certified SBE, to perform material testing services. With your permission, may the General Counsel please read the title of the Resolution.

General Counsel: Resolution Approving the Selection of The Shelly Company to Reconstruct the Mainline Pavement for Project No. 39-18-01 in the Amount of \$31,399,808.12 and Approving the Assignment of GPD Group and CTL Engineering, Inc. to Perform the Necessary Professional Services.

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

MOTION: A motion to adopt *Resolution Approving the Selection of The Shelly Company to Reconstruct the Mainline Pavement for Project No. 39-18-01 in the Amount of \$31,399,808.12 and Approving the Assignment of GPD Group and CTL Engineering, Inc. to Perform the Necessary Professional Services*, was made by Chairman Hruby, seconded by Mr. Peterson, and approved by all Commission Members present. Resolution No. 60-2017.

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

Chief Engineer: The third Resolution for your consideration is to reject the bids received for Contract No. 43-17-04. This represented a contract for bridge deck repair on the Ohio Turnpike bridge over Quarry Road at Milepost 138.0 and the removal of the Ohio Turnpike bridge over an inactive railroad at Milepost 138.2 in Lorain County. Procurement received two bids for this Project, and both bids were more than 10% above the Engineer's Estimate. Therefore, the bids cannot be considered for award, and must be rejected. It is recommended that all bids received for Contract No. 43-17-04 be rejected, and the project be re-advertised at a later date. With your permission, may the General Counsel please read the title of the Resolution?

General Counsel: Resolution Rejecting all Bids Received on Project No. 43-17-04 for Bridge Deck Repairs and Bridge Removal.

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

MOTION: A motion to adopt *Resolution Rejecting all Bids Received on Project No. 43-17-04 for Bridge Deck Repairs and Bridge Removal*, was made by Mr. Pakush, seconded by Chairman Hruby, and approved by all Commission Members present. Resolution No. 61-2017.

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

Chief Engineer: Mr. Chairman and Commission Members, the next two resolutions for your consideration relate to the ODOT Infrastructure projects that were presented to you at the November Commission Meeting. We have evaluated the ODOT applications for infrastructure funding and we are ready to make our recommendations for your consideration and approval. I will briefly go through each project and provide you with our analysis on determining nexus. Under Ohio law, we are required to consider five factors, which are:

- (1) The physical proximity of the infrastructure project to, and a direct or indirect physical connection between, the infrastructure project and the Ohio turnpike system;
- (2) The impact of the infrastructure project on traffic density, flow through, or capacity on the Ohio turnpike system;
- (3) The impact of the infrastructure project on the Ohio turnpike system, toll revenue or other revenues;
- (4) The impact of the infrastructure project on the movement of goods and services on, or in the area of, the Ohio turnpike system; and
- (5) The enhancement or improvement by and through the infrastructure project of access to, use of, and egress from the Ohio turnpike system, and access to and from connected areas of population, commerce, and industry.

In order to comply with Ohio law, ODOT staff provided us with a variety of statistics. One such statistic included traffic information based on ODOT's statewide traffic modeling program that attempts to provide the actual impact of each project. Looking at Vehicle Miles Traveled ("VMT"), it became evident that the projects will have neither a positive or negative impact to the Ohio Turnpike System. In other words, the VMT statistics were so insignificantly small, that there was really no positive or negative impact on the Turnpike traffic flow. But this was only one piece of information relevant to determining nexus. We also considered the proximity of the project to the Ohio Turnpike and the project location. Both of the proposed infrastructure projects have a direct connection to the Turnpike. Ultimately, in reviewing ODOT's requests, we determined that improving these links will benefit the Ohio Turnpike System. With that backdrop, I will now present the first project for your consideration.

The first project for your consideration is an improvement on Interstate 75 located in Wood and Lucas Counties. This application seeks \$90,000,000 for the reconstruction of pavement, replacement of the existing Maumee River Bridge, including the addition of auxiliary lanes to improve deficient merging on the bridge, reconstruction of the South Avenue and Miami Street interchanges, and flattening a deficient curve within the project limits. This project has a direct physical connection to the Ohio Turnpike at Toll Plaza 64 (near MP 64). This project will have a negligible impact on Turnpike traffic, flow-through, or capacity, and ODOT has projected that this project will have negligible impact on the Turnpike's toll revenue as a result of any traffic pattern changes from this project. Given that approximately one million commercial vehicles entered or exited the Ohio Turnpike at the I-75 Interchange at TP 64, this project has a positive impact on the movement of goods and services in this entire region by increasing the capacity of the highway with a direct physical connection to the Ohio Turnpike. This project is anticipated to increase access to and from the Ohio Turnpike because it reduces congestion and improves safety conditions. Based on the information contained in ODOT's application for this project and based on the Commission staff's independent judgment of this project, we recommend this project for funding because this project benefits the public highway system in Ohio, as well as the Ohio Turnpike and because this Project has a transportation related nexus to the Ohio Turnpike. With your permission, may the General Counsel please read the title of the Resolution?

General Counsel: Resolution Determining that ODOT Infrastructure Project PID No. 93592 (IR-75 in Lucas/Wood Counties) has a Transportation Related Nexus to the Ohio Turnpike.

Chairman: Any questions or comments? Myron, any comment on this?

Mr. Pakush: I do not have anything to add. I think it was explained at the last Commission Meeting in detail.

Mrs. Barber: I know it has been mentioned before, but will please refresh my memory, as to who makes up the TRAC Committee that makes these recommendations to us? I know ODOT participates, but I know there are other individuals on it as well.

Ms. Cafaro: MPOs usually.

Chairman: The members are appointed by the House of Representatives, the Senate and then the Governor's Office. They try to get as, Ms. Cafaro stated, folks from the various MPOs.

Mr. Pakush: Mr. Chairman, I believe it is a ten-member body with the appointments of a bi-partisan with the Director of ODOT being the Chair of that Commission. Annually, they take public comment, MPOs provide their recommendations, and we work with them on a regular basis for ODOT's Capital Improvement Program, is what we call our "Major Do Program" is funded through the TRAC. All of the maintenance projects are funded through the local districts.

Director Cole: Mr. Chairman, we can provide the Commission Members with the current membership of the TRAC when we follow-up with how many hand dryers we will purchasing for \$30,000, as we continue our game of stump the Turnpike staff today. Although, this time was a two for one as you stumped the ODOT staff too.

Chairman: I am sure they could answer that in the back of the room. Tim could have stood up and just rattled it right off.

Tim McDonald, ODOT: Absolutely, the TRAC Committee is made up of various stakeholders. I can get you the list of names. It was created in the late 1990's. Mayor Hruby was on the original TRAC. So, this TRAC board has oversight over all major infrastructure projects, these projects discussed are currently on placement on the TRAC and so ODOT is seeking Turnpike Commission's concurrence with the nexus determination.

Ms. Cafaro: Mr. Chairman, if I may provide some additional content, which fellow Commissioners may already know, but because I was there when we went through this process, I believe it was in 2013, when we did make those decisions about future toll revenues. Being a part of the discussion legislatively was this issue of the nexus and ensuring that anything that was gleaned from this that there would be sufficient oversight and input by the regions surround the Turnpike, so those dollars that were going to be allocated on the TRAC for major new construction were sufficiently vetted and reinvested in this "nexus." How we defined the nexus took us about four months, but there was some thought that went into this and I am sure you all are aware of that.

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

MOTION: A motion to adopt *Resolution Determining that ODOT Infrastructure Project PID No. 93592 (IR-75 in Lucas/Wood Counties) has a Transportation Related Nexus to the Ohio Turnpike*, was made by Chairman Hruby, seconded by Mr. Paradiso, and approved by all Commission Members present. Resolution No. 62-2017.

Chairman: The resolution passes unanimously. Tony, please continue.

Chief Engineer: The second project for your consideration is an improvement on Interstate 75 in Lucas County. This application seeks \$160,000,000 for the reconstruction of existing pavement, providing for a minimum of three continuous lanes in both directions of I-75,

the reconstruction of the overhead bridges at Dorr Street, Indiana Avenue, and Nebraska Avenue, replacement of mainline I-75 bridges, and the reconfiguration of the I-75 and SR 25 interchange that will allow vehicles to safely access I-75 at higher speeds. This Project has a direct physical connection to the Ohio Turnpike at Toll Plaza 64 (near MP 64). This project will have a negligible impact on Turnpike traffic, flow-through, or capacity, and ODOT has projected that this project will have negligible impact on the Turnpike's toll revenue as a result of any traffic pattern changes from this project. Given that approximately 900,000 commercial vehicles entered or exited the Ohio Turnpike at the I-75 interchange at TP 64, this project has a positive impact on the movement of goods and services in this entire region by increasing the capacity of the highway with direct physical connection to the Ohio Turnpike. This project is anticipated to increase access to and from the Ohio Turnpike because it reduces congestion and improves safety conditions. Based on the information contained in ODOT's application for this project and based on the Commission's staff independent judgment of this project, we recommend this project for funding because this project benefits the public highway system in Ohio as well as the Ohio Turnpike and because this project has a transportation related nexus to the Ohio Turnpike. With your permission, may the General Counsel please read the title of the Resolution?

General Counsel: Resolution Determining that ODOT Infrastructure Project PID No. 93594 (IR-75 in Lucas County) has a Transportation Related Nexus to the Ohio Turnpike.

Chairman: Any questions or comments?

Mr. Paradiso: Are these going to be built or constructed simultaneously?

Mr. Pakush: I am going to defer to Tim and Jim in the back of the room.

Jim Gates: Mr. Chairman, Vice Chairman Paradiso and Director Cole, first of all we can provide all of the members a little one sheet bio, who each member is and we will send that to the staff to communicate to you.

With respect to the construction of the projects, the first phase of the I-75 project (75392), the one north of the Maumee River, that one would actually be the first project to sell and be available in May 2018. Construction is estimated to be about a three-year process. The next one would sell in May 2019, if you will, so there is a year difference in timing and that allows our two construction projects to construct independently of one another, but yet communicate the maintenance of traffic as we would call it.

Mr. Paradiso: This program has been very beneficial in northwest Ohio, especially in Lucas County. There is fatigue with all of the construction, it is a huge improvement and we appreciate that in northwestern Ohio.

Chairman: Anything else?

Director Cole: Mr. Chairman, before you vote on this, I do not want to leave Commissioner Dixon behind. Remember, we are not having a discussion on nexus for Opportunity Corridor because that nexus determination was done in September 2013 and approved by this

Commission. But, that will be one of the projects that comes back when we discuss funding in the next bond sale in January. I just wanted to make sure that you knew that was still there and hadn't been left behind, but it is not part of this nexus determination. I will be part of the formal request for funding though. These projects, as well as the next phase of Opportunity Corridor.

Chairman: Thank you. Anything additional questions or comments? Hearing none, please call the roll.

MOTION: A motion to adopt *Resolution Determining that ODOT Infrastructure Project PID No. 93594 (IR-75 in Lucas County) has a Transportation Related Nexus to the Ohio Turnpike*, was made by Chairman Hruby, seconded by Ms. Cafaro, and approved by all Commission Members present. Resolution No. 63-2017.

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

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

Chairman: We will move on to the report of our General Counsel.

General Counsel: No report, Mr. Chairman.

Chairman: We will now move on to the report of the Ohio State Highway Patrol, Lieutenant Richard Reeder.

Lieutenant Reeder: Good morning, Mr. Chairman and Commission Members. I do not know if there was a study done on the traffic during the World Series last year, but I can tell you having worked the roadway that week there was a lot of vehicles that came through from Illinois. I can tell you in first person.

I want to start with our traffic fatalities. I am here to report that we have none for this reporting period. We had no fatals for that reporting period. Additionally, year-to-date we have five crashes with six killed. The total last was eleven crashes and twelve killed, so we have done a good job this year in reducing that and that is our ultimate goal.

Moving on to some of our significant seizures for this reporting period. The first one I want to talk about happened near milepost 182 in Summit County. A vehicle was stopped for a turn signal violation. The odor of aw marijuana was detected in the vehicle, which then gave us probable cause to search the vehicle. We located thirty-two heat sealed bags of marijuana. The suspects, unfortunately, weren't willing to work with us to find out where they came from or where they were going to, but we were able to successfully interdict over \$96,000 worth of contraband that day.

The second one, near milepost 55 in Lucas County, we stopped a vehicle for a speed violation. Again, the odor or marijuana was detected, which gave us probable cause to search the vehicle. We found over 2 ½ pounds of marijuana brownies, three mason jars of marijuana, liquid LSD, 25 MDMA tablets, and a loaded .45-caliber Sig Sauer firearm. Again, neither suspect was

willing to work with us as far as where they were going, but this arrest and seizure had a street value of over \$35,000.

The next incident took place at milepost 54 in Lucas County, once again. A vehicle was stopped for a traffic violation and an equipment violation. The smell of marijuana was observed. A probable cause search of the vehicle was conducted. We located ½ pound of marijuana and some marijuana edibles. The approximate street value there was \$6,000.

Lastly, near milepost 75 in Wood County, we stopped a vehicle for improper lane change. Again, the odor of burnt marijuana was detected, this giving us probable cause to search the vehicle. During this search, we located a pistol with a defaced serial number, multiple fraudulent credit cards, and a label maker. Additionally, there was ninety Oxycodone pills and one hundred twelve Xanax pills. The street value here was just over \$3,400.

All good examples of our criminal patrol efforts at reducing some of the drugs that are out there on our roadways.

I would be happy to answer any questions.

Chairman: Any questions for the Lieutenant? Thank you very much. Good job as always.

The next Meeting shall be held on Monday, January 22, 2018 at 10:00 a.m. If there is no further business, I will accept a motion to adjourn.

On behalf of the Commission, I would like to wish you all a very Merry Christmas. Happy Holidays to all. We look forward to next year, again working with the staff. The staff has done an outstanding job this past year under the leadership of Director Cole. Marty, your staff and Tony, your staff, and everybody else, Jennifer, all of you, thank you so much for the good work that you do. Mr. Newbacher, you continue to do good work and keep us in the media and we appreciate that also. Thank you all so very much. It has been a great year and we look forward to good things next year. Commission Members, thank you very much for your attentiveness and for all of the things that you do to make these things happen for the Turnpike.

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

Time of adjournment: 11:16 a.m.

Attendees for Record Keeping Purposes:

Bethany Pugh, PFM; Jennifer Townley, ODOT; Jim Gates, ODOT; Tim McDonald, ODOT; Jake Siesel, IUOE 18; Gene Baxendale, Hill; Beth Fulton, TRC; Scott Buchanan, AECOM; Ed Adamczyk, Arcadis; Sean Tihal, Jacobs; Rick Gobeille, Jacobs; Jason Watson, MSG; Zoltan Szabo, Mott, MacDonald; J. Ramirez, Cubic; Halle Jones Capers, GSI; Alysia Lorincz, KS Associates; Hamid Homae, KS Associates; Jennifer Stueber, Ohio Turnpike; Anthony Yacobucci, Ohio Turnpike; Martin Seekely, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Matt

Cole, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Denise Criscuolo, Ohio Turnpike; David Miller, Ohio Turnpike; Mark Musson, Ohio Turnpike; Chris Matta, Ohio Turnpike; Lisa Mejac, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; Brian Kelley, Ohio Turnpike; Chriss Pogorelc, Ohio Turnpike; Joseph Mannion, Ohio Turnpike; Travis Bonnett, Ohio Turnpike; and Brian Newbacher, Ohio Turnpike.

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

Sandra K. Barber, Secretary-Treasurer

EXHIBITS

- Resolution No. 57-2017 - Adopting a TCS and CSC Strategic Plan;
- Resolution No. 58-2017 - Adopting Proposed 2018 Annual Operating Budget and Providing for Deposits Required under the Master Trust Agreement during 2018;
- Resolution No. 59-2017 - Adopting Proposed 2018 Capital Budget;
- Resolution No. 60-2017 - Approving the Selection of The Shelly Company to Reconstruct the Mainline Pavement for Project No. 39-18-01 in the Amount of \$31,399,808.12 and Approving the Assignment of GPD Group and CTL Engineering, Inc. to Perform the Necessary Professional Services;
- Resolution No. 61-2017 - Rejecting all Bids Received on Project No. 43-17-04 for Bridge Deck Repair and Bridge Removal Project in Lorain County, Ohio;
- Resolution No. 62-2017 - Determining that ODOT Infrastructure Project PID No. 93592 (IR-75 in Lucas/Wood Counties) has a Transportation Related Nexus to the Ohio Turnpike;
- Resolution No. 63-2017 - Determining that ODOT Infrastructure Project PID No. 93594 (IR-75 in Lucas County) has a Transportation Related Nexus to the Ohio Turnpike; and
- PowerPoint presentation - *Toll Collection System (TCS) and Customer Service Center (CSC) Strategic Plan.*

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Adopting a TCS and CSC Strategic Plan

WHEREAS, the Ohio Turnpike and Infrastructure Commission (“Commission”), under the authority of Resolution No. 44-2016, adopted June 20, 2016, awarded a contract to Jacobs Engineering Group, Inc. (“Jacobs Engineering”), located in Cincinnati, Ohio, to perform the services necessary to create a Strategic Plan for the Toll Collection System and Customer Service Center (“Strategic Plan”); and

WHEREAS, the Commission accepted and approved a fee proposal from Jacobs Engineering, dated June 8, 2016, to perform the services necessary to create the Strategic Plan consisting of Task 1, Task 2 and Task 3 Services, which was incorporated into the contract with Jacobs Engineering; and

WHEREAS, additional funds were necessary to complete the Strategic Plan because the included services required analyzing more alternatives in significantly more detail than originally anticipated in the initial fee proposal accepted from Jacobs Engineering to perform the Task 1, Task 2 and Task 3 Services; and

WHEREAS, Jacobs Engineering submitted an additional fee proposal, dated June 8, 2017, to complete Task 1, Task 2 and Task 3 Services; and

WHEREAS, by Resolution No. 34-2017 adopted at its June 19, 2017 meeting, the Commission authorized the additional expenditures with Jacobs for the completion of the Task 1, Task 2 and Task 3 Services, as described in the fee proposal from Jacobs, dated June 8, 2017, that were necessary to complete the Strategic Plan; and

WHEREAS, per the terms of its contract, Jacobs has now completed its analysis of the Commission’s existing toll collection system and customer service center as described in Tasks 1, 2 and 3; and

WHEREAS, Jacobs delivered its recommendations in its TCS and CSC Strategic Plan to the TCS and CSC Advisory Team, consisting of the CFO/Comptroller, Chief Engineer, Director of Toll Operations, Technology Manager, and Director of Audit and Internal Control, who have each reviewed Jacobs’ TCS and CSC Strategic Plan and have recommended its adoption to the Executive Director; and

WHEREAS, the Executive Director concurs with the recommendation of the TCS and CSC Advisory Team; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Ohio Turnpike and Infrastructure Commission hereby adopts the TCS and CSC Strategic Plan for the implementation of a new toll collection system and a new customer service center, all as described in said TCS and CSC Strategic Plan, a copy of which is attached hereto and incorporated herein.

(Resolution No. 57-2017 adopted December 18, 2017)

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Adopting Proposed 2018 Annual Operating Budget and Providing for Deposits Required under the Master Trust Agreement during 2018

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

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

WHEREAS, the Deputy Executive Director/CFO/Comptroller and the Executive Director have recommended that the Commission adopt the attached proposed 2018 Annual Operating Budget; and

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

NOW, THEREFORE, BE IT

RESOLVED that, in accordance with Article V, Section 5.01 of the Master Trust Agreement, the Commission hereby adopts the following as its 2018 Annual Operating Budget, and the Executive Director, his successor or the Deputy Executive Director/CFO/Comptroller are directed to transmit a copy of the budget to the appropriate state officials as set forth in Ohio Revised Code Section 5537.17(F) and to The Huntington National Bank as Trustee, as required under Section 5.01(a)(iii) of the Master Trust Agreement, and to make those deposits or transfers of funds as are necessary to effectuate said budget attached hereto and incorporated by reference into this resolution; and

FURTHER RESOLVED that any 2018 revenues remaining in the General Fund after making payments for the Cost of Operation, Maintenance and Administration, Debt Service and all budgeted transfers shall be transferred to the Systems Projects Fund.

(Resolution No. 58-2017 adopted December 18, 2017)

**OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
2018 ANNUAL OPERATING BUDGET**

	PLEGDED	NON-PLEDGED	TOTAL
REVENUES:			
TOLL	\$ 309,490,000	\$ -	\$ 309,490,000
CONCESSION	15,557,600	650,400	16,208,000
INVESTMENT	8,715,500	622,500	9,338,000
FUEL TAX	-	2,900,000	2,900,000
OTHER	5,632,800	-	5,632,800
TOTAL REVENUES	\$ 339,395,900	\$ 4,172,900	\$ 343,568,800
 EXPENDITURES:			
OPERATION, MAINTENANCE & ADMINISTRATION:			
ADMINISTRATION & INSURANCE	\$ 12,553,900	\$ -	\$ 12,553,900
MAINTENANCE OF ROADWAY & STRUCTURES	42,900,200	-	42,900,200
SERVICES & TOLL OPERATIONS	58,373,600	-	58,373,600
TRAFFIC CONTROL, SAFETY, PATROL & COMM.	14,320,500	-	14,320,500
TOTAL OPERATION, MAINTENANCE & ADMIN.	128,148,200	-	128,148,200
 DEBT SERVICE PAYMENTS	 117,636,000	 -	 117,636,000
TOTAL EXPENDITURES	245,784,200	-	245,784,200
 TRANSFERS TO / (FROM):			
EXPENSE RESERVE	150,800	-	150,800
NON-TRUST FUND	-	587,500	587,500
FUEL TAX FUND	-	2,920,000	2,920,000
SERVICE PLAZAS CAPITAL IMPROVEMENT FUND	-	665,400	665,400
RENEWAL & REPLACEMENT FUND	10,000,000	-	10,000,000
SYSTEM PROJECTS FUND	83,085,900	-	83,085,900
CONSTRUCTION FUND	375,000	-	375,000
TOTAL TRANSFERS	93,611,700	4,172,900	97,784,600
 TOTAL EXPENDITURES & TRANSFERS	\$ 339,395,900	\$ 4,172,900	\$ 343,568,800

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Adopting Proposed 2018 Capital Budget

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

WHEREAS, in accordance with Article IV of the Master Trust Agreement, the 2018 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 2018 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 Chief Engineer and Deputy Executive Director/CFO/Comptroller have prepared the attached Capital Budget that includes a recommended preliminary list of 2018 capital projects totaling up to \$120,915,464, which list is subject to change, and \$13,000,086 in uncommitted funds, which may be used for currently unidentified capital projects that may be needed during 2018; and

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

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

RESOLVED that, in accordance with the requirements of Article IV of the Master Trust Agreement, the Commission hereby authorizes expenditures from the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plaza Capital Improvement Fund for 2018 capital projects, which shall constitute System projects, with such expenditures not-to-exceed a combined total of up to \$133,915,550, and which projects shall be awarded in accordance with the requirements of Article V of the Commission’s Code of Bylaws dated July 1, 2013.

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

(Resolution No. 59-2017 adopted December 18, 2017)

**OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
2018 TOTAL CAPITAL EXPENDITURES BUDGET**

	IDENTIFIED PROJECTS	UNCOMMITTED FUNDS	TOTAL BUDGETED EXPENDITURES
SYSTEM PROJECTS FUND	\$ 101,457,696	\$ 10,858,499	\$ 112,316,195
RENEWAL & REPLACEMENT FUND	\$ 14,024,268	\$ 1,377,500	\$ 15,401,768
FUEL TAX FUND	\$ 4,150,000	\$ 306,535	\$ 4,456,535
SERVICE PLAZA CAPITAL IMPROVEMENT FUND	\$ 1,283,500	\$ 457,552	\$ 1,741,052
TOTAL 2018 EXPENDITURES	<u>\$ 120,915,464</u>	<u>\$ 13,000,086</u>	<u>\$ 133,915,550</u>

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Approving the Selection of The Shelly Company to Reconstruct the Mainline Pavement for Project No. 39-18-01 in the Amount of \$31,399,808.12 and Approving the Assignment of GPD Group and CTL Engineering, Inc. to Perform the Necessary Professional Services

WHEREAS, the Ohio Turnpike and Infrastructure Commission (“Commission”) published notice in accordance with law advertising its invitation to bid upon a Contract for the Reconstruction of the Mainline Pavement from Milepost 149.24 to Milepost 154.10, in Lorain and Cuyahoga Counties, Ohio, designated as Project No. 39-18-01 (“Project”); and

WHEREAS, the Commission received three bids via Bid Express to perform the Contractor’s obligations on the Project, and the Deputy Chief Engineer and the Chief Engineer reviewed the analysis performed by the Construction Manager, evaluated the bids received, and submit the report concerning such evaluation to the Commission; and

WHEREAS, Commission action is necessary to approve Project No. 39-18-01 in accordance with Article V, Section 1.00 of the Commission’s Code of Bylaws because the amount of the bids received require an expenditure that will exceed \$150,000.00; and

WHEREAS, the Chief Engineer and Deputy Chief Engineer report that The Shelly Company of Twinsburg, Ohio, submitted the lowest responsive and responsible bid to perform the Contractor’s obligations for the Project in the amount of \$31,399,808.12, which they recommend the Commission accept and approve authorization for the Executive Director to award; and

WHEREAS, the Director of Contracts Administration advises that bids for Project No. 39-18-01 were solicited on the basis of the same terms, conditions and specifications, that the bid of The Shelly Company for Project No. 39-18-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that The Shelly Company submitted a bid guarantee and performance bond with good and sufficient surety; and

WHEREAS, the Commission’s Executive Director has reviewed the reports of the Chief Engineer, Deputy Chief Engineer and the Director of Contracts Administration and, based on such analysis, recommends that the Commission approve authorization for the Executive Director to execute a Contract for Project No. 39-18-01 with The Shelly Company as the lowest responsive and responsible bidder; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bid of The Shelly Company in the amount of \$31,399,808.12 for Project No. 39-18-01 is approved as the lowest responsive and responsible bid received and the Executive Director is authorized to execute a Contract on the basis of said bid; and

FURTHER RESOLVED that the Executive Director and the Chief Engineer are authorized to assign GPD Group, to perform Task 3 construction services in accordance with the Agreement specific to this Project previously authorized under Resolution Nos. 32-2012, 58-2016 and 2-2017, and to assign CTL Engineering, Inc. for the purpose of performing material testing services in accordance with the Miscellaneous Engineering Services Agreement; and

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

(Resolution No. 60-2017 adopted December 18, 2017)

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Rejecting all Bids Received on Project No. 43-17-04 for Bridge Deck Repairs and Bridge Removal

WHEREAS, the Ohio Turnpike and Infrastructure Commission (“Commission”) published notice, in accordance with law, to publicly advertise an Invitation for Bids on a Contract to repair the deck of the bridge over Quarry Road at Milepost 138.0 and remove the bridge over an inactive railroad at Milepost 138.2 in Lorain County, Ohio, designated as Project No. 43-17-04 (the “Project”); and

WHEREAS, the Commission received two bids to perform the Contractor’s obligations on the Project, and the Chief Engineer’s report analyzing the bid is before the Commission; and

WHEREAS, the Commission’s Chief Engineer reports that the bids received are more than ten percent over the Engineer’s Estimate and recommends that the bids be rejected; and

WHEREAS, the Commission’s Director of Contracts Administration has submitted a report advising the Commission that the Commission’s discretion to accept bids received in excess of ten percent of the Engineer’s Estimate is expressly restricted under Bidding Documents for Project No. 43-17-04 pursuant to Sections 5537.02(A) and 153.12 of the Ohio Revised Code; and

WHEREAS, based on the reports submitted by both the Chief Engineer and the Director of Contracts Administration, the Executive Director concurs with their recommendation that the two bids on Project No. 43-17-04 should be rejected; and

WHEREAS, the Commission has duly considered said recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that all bids received in response to Project No. 43-17-04 are rejected.

(Resolution No. 61-2017 adopted December 18, 2017)

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Determining that ODOT Infrastructure Project PID No. 93592 (IR-75 in Lucas/Wood Counties) has a Transportation Related Nexus to the Ohio Turnpike

WHEREAS, on November 6, 2017, the Ohio Director of Transportation submitted two applications for infrastructure projects for consideration and made a presentation before the Ohio Turnpike and Infrastructure Commission (“Commission”) at its meeting on November 20, 2017, seeking funding for infrastructure projects that were previously reviewed and recommended by the Transportation Review Advisory Council (“TRAC”) pursuant to the selection process followed by the TRAC under Chapter 5512 of the Ohio Revised Code; and

WHEREAS, the Commission’s CFO/Comptroller and Chief Engineer have reviewed and evaluated each application in accordance with the requirements of both Section 5537.18 and Administrative Rule 5537-10-01, and have recommended which of the two applications are appropriate for ODOT Infrastructure Projects that they believe have demonstrated the required transportation related “nexus” under the statute and rule; and

WHEREAS, the Commission’s General Counsel has reviewed the applications and the recommendations of the CFO/Comptroller and Chief Engineer, and reports that the applications were submitted and their evaluations were performed in compliance with the requirements of Section 5537.18 and Administrative Rule 5537-10-01; and

WHEREAS, the Executive Director has reviewed the reports of the CFO/Comptroller and Chief Engineer, as well as that of the General Counsel, and concurs with their recommendations.

NOW, THEREFORE, BE IT

RESOLVED, that the Ohio Turnpike and Infrastructure Commission hereby determines that the ODOT Infrastructure Project PID No. 93592 (Lucas/Wood Counties IR-75) located in Lucas County, demonstrates the transportation related nexus to the Turnpike System as required by Ohio Revised Code Section 5537.18 and the Ohio Administrative Code Section 5537-10-01; and

FURTHER RESOLVED, that in accordance with Section 5537.18 of the Ohio Revised Code, the Commission’s determination that the ODOT Infrastructure Project PID No. 93592 has the required transportation related nexus to the Turnpike System is and shall be conclusive and incontestable; and

FURTHER RESOLVED, that a certified copy of this Resolution shall be sent to bond counsel for the Commission.

(Resolution No. 62-2017 adopted December 18, 2017)

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Determining that ODOT Infrastructure Project PID No. 93594 (IR-75 in Lucas County) has a Transportation Related Nexus to the Ohio Turnpike

WHEREAS, on November 6, 2017, the Ohio Director of Transportation submitted two applications for infrastructure projects for consideration and made a presentation before the Ohio Turnpike and Infrastructure Commission at its meeting on November 20, 2017, seeking funding for infrastructure projects that were previously reviewed and recommended by the Transportation Review Advisory Council (“TRAC”) pursuant to the selection process followed by the TRAC under Chapter 5512 of the Ohio Revised Code; and

WHEREAS, the Commission’s CFO/Comptroller and Chief Engineer have reviewed and evaluated each application in accordance with the requirements of both Section 5537.18 and Administrative Rule 5537-10-01, and have recommended which of the two applications are appropriate for ODOT Infrastructure Projects that they believe have demonstrated the required transportation related “nexus” under the statute and rule; and

WHEREAS, the Commission’s General Counsel has reviewed the applications and the recommendations of the CFO/Comptroller and Chief Engineer, and reports that the applications were submitted and their evaluations were performed in compliance with the requirements of Section 5537.18 and Administrative Rule 5537-10-01; and

WHEREAS, the Executive Director has reviewed the reports of the CFO/Comptroller and Chief Engineer, as well as that of the General Counsel, and concurs with their recommendations.

NOW, THEREFORE, BE IT

RESOLVED, that the Ohio Turnpike and Infrastructure Commission hereby determines that the ODOT Infrastructure Project PID No. 93594 (Lucas Co. IR-75) located in Lucas County, demonstrates the transportation related nexus to the Turnpike System as required by Ohio Revised Code Section 5537.18 and the Ohio Administrative Code Section 5537-10-01; and

FURTHER RESOLVED, that in accordance with Section 5537.18 of the Ohio Revised Code, the Commission’s determination that the ODOT Infrastructure Project PID No. 93594 has the required transportation related nexus to the Turnpike System is and shall be conclusive and incontestable; and

FURTHER RESOLVED, that a certified copy of this Resolution shall be sent to bond counsel for the Commission.

(Resolution No. 63-2017 adopted December 18, 2017)



OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Toll Collection System (TCS) and Customer Service Center (CSC) Strategic Plan



Presentation | December 18, 2017

JACOBS

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OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Presentation | Toll Collection System and Customer Service Center Strategic Plan



TCS and CSC Project Goals

Provide Quality Customer Service and Value

- Ease of Travel, Ease of Payment, Customer Satisfaction and Safety

Be Financially Responsible

- Maintain Credit Ratings, Fund Capital, Operations and Debt Service Needs

Implement Innovative, Adaptable and Sustainable Programs

- Technology and Operations

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Existing Ohio Turnpike Toll Collection System



- ✓ Installed in 2009, the Ohio Turnpike's current system of toll collection is approaching the end of its useful life. Increased cost of maintenance and difficulty procuring obsolete hardware makes it a challenge to maintain.
- ✓ Of the 14,000 completed surveys, removing the gates was supported by 89 percent of customers and 94 percent of stakeholders.

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Preferred Alternative Illustration

Modernizing the Ohio Turnpike's Toll Collection System



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Preferred Alternative Description

Implement highway speed *E-ZPass* lanes at Eastgate and Westgate and collect flat tolls by class regardless of distance

Convert Eastgate toll collection to one-way WB (*into Ohio, opposite to Penn Turnpike Gateway which is tolled one-way EB*)

Construct two new mainline plazas with highway speed *E-ZPass* lanes at MP 49 and MP 211 (*new ends of closed ticket system*)

Remove 9 Selected Toll Plazas but maintain interchange access to the Turnpike (TP 13, 25, 34, 39, 215, 216, 218, 232, 234)

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Preferred Alternative Description Cont'd

Remove all entry toll lane gates as well as exit gates in low speed *E-ZPass* Only lanes within the ticket system

Install new license plate image capture cameras in all gateless *E-ZPass* Only exit lanes

Retain toll lane gates in non-*E-ZPass* Only exit lanes

Continue to build trips for all Class 1 *E-ZPass* customers based upon Turnpike entry and exit points and apply rebates for trips under 30 miles through 2023 (this includes trips through Westgate, Eastgate and new MP 49 & MP 211 mainline plazas)

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Preferred Alternative Description Cont'd

Contract with System Integrators to replace all original TCS and CSC hardware and software systems, including the *E-ZPass* Ohio website (www.ezpassoh.com)

Contract with Vendors to provide unpaid toll transaction processing services (license plate image review, unpaid toll noticing and collections) to support gateless tolling enforcement

Continue to staff and operate the *E-ZPass* Ohio CSC with in-house OTIC personnel



Preferred Alternative Benefits and Impacts

Provides technology and customer service improvements with limited revenue risk

Provides non-stop travel at highway speeds (70 mph) for *E-ZPass* customers traveling the full length of the Ohio Turnpike

Provides non-stop travel at low speeds (10-15 mph) for *E-ZPass* customers at all interchange plazas (TP 52 through TP 209)

Provides non-tolled trips for local travelers within TP 13 and TP 39, and within TP 216 and TP 232



Preferred Alternative Benefits and Impacts Cont'd

Full length trip cash customers will stop three times (EB) or four times (WB) instead of twice as they currently do

Toll collection staff reductions due to removal of plazas and gates, increased *E-ZPass* penetration and faster collection rates at Eastgate and Westgate

Approximately \$2.7 million less in operating costs and \$2.4 million more net revenue, compared to pro-forma 2022 (Full Opening Year)

Approximately \$257 Million in Operating Cost Savings over 30 years

Approximately \$189-217 Million in Capital Implementation Costs (2017 \$)



Strategic Plan Implementation

Complete TCS, CSC and Toll Plaza Upgrades (2020-2021)

Procure TCS, CSC and Construction Contracts (2018-2020)

Adopt Toll Policy and Barrier Toll Rate Schedules (2018-2019)

Develop Legislative and Rule Making Changes (2017-2019)

Authorize TCS and CSC Consulting Contracts (2017-2018)