

**MINUTES OF THE 578<sup>th</sup> MEETING OF THE OHIO TURNPIKE COMMISSION**

**December 19, 2011**

**Chairman:** (10:00 a.m.) Pledge of Allegiance. Recited by all in attendance.

**Chairman:** Good morning. This is the 578<sup>th</sup> Meeting of the Ohio Turnpike Commission and we are meeting here at the Commission's Headquarters as provided for in the Commission's Code of By-Laws for our regular meeting. Various reports will be received and we will act on several Resolutions. Draft copies have been previously sent to Members and updated drafts are also in the Members' folders. The Resolutions will be explained during the appropriate reports. I'd like to ask for a Motion adopting the Minutes of the October 17, 2011 Commission Meeting.

**Mr. Balog:** So moved.

**Chairman:** Move. Call the roll, please.

**Mr. Pakush:** Second

**Assistant Secretary-Treasurer:** For the Minutes?

**Chairman:** For the Minutes. I'm sorry, let's do the roll call first. I should have done that. Let's call the roll.

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Here

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

**Vice Chairman Balog:** Here

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

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

**Mr. Greenslade:** Here

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

**Mr. Pakush:** Here

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

**Mr. Cole:** Present

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

**Mr. Smith:** Here

**Assistant Secretary-Treasurer:** Senator Patton

**Senator Patton:** Here

**Assistant Secretary-Treasurer:** Representative Dovilla

**Representative Dovilla:** Present

**Assistant Secretary-Treasurer:** A quorum is present.

**Chairman:** Thank you. I'm sorry. We did take a Motion and a Second regarding the Minutes of the October 17<sup>th</sup> out of order but, let's move forward with the roll call on that.

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

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

**Vice Chairman Balog:** Yes

**Assistant Secretary-Treasurer:** Mr. Dixon? He's not here.

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

**Mr. Greenslade:** Yes

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

**Mr. Pakush:** Yes

**Assistant Secretary-Treasurer:** Motion carries.

**Chairman:** Thank you. Motion carries. I would like a Motion then to adopt the Minutes of the November 2, 2011 Meeting.

**Mr. Balog:** So moved

**Mr. Pakush:** Second

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

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

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

**Vice Chairman Balog:** Yes

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

**Mr. Greenslade:** Yes

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

**Mr. Pakush:** Yes

**Assistant Secretary-Treasurer:** Carries.

**Chairman:** That also carries. It seems like each meeting I make mention of the fact that the Ohio State Highway Patrol, some must think I'm a speeder trying to get dispensation from moving about the turnpike, but I'm not. I'm just very, very pleased at every time I look in the media I see meeting to meeting and, I don't know if you set it up this way, but meeting to meeting you, the State Highway Patrol since our last meeting made the largest, I think it's heroin, seizure in the Patrol's history on the Turnpike, and I just think that is extremely commendable and that we should make note of that. I think you continue to do an outstanding job and you are sending a message for us. I just want you to understand how much we appreciate that, and if you would pass that on to your colleagues, and we thank them so very much.

Also, I am pleased to report that our new Executive Director is very active and very busy doing the business of the Turnpike. I am very pleased to see how well he has fit in and what a wonderful job he is doing at this point in juncture. We will be naming today an audit committee. I am recommending two of the members, Myron and Joe, Joe Balog and Myron Pakush, to be members of that audit committee and I appreciate your willingness to serve on that. We are also going to elect a Secretary-Treasurer today. We are going to adopt our budget and, if you read in the paper recently, the process has begun in determining whether or not the Turnpike should be considered for a lease or, whether the Turnpike should go under ODOT or, stay as it is or, some fourth unknown thing that I figured someone would come up with along the way. I just want to say one thing, and I think the most important thing that we should consider about this, and it's what I was quoted in the paper and that is that this is a process that will be ongoing. It could have been a mandate. The Legislature could have taken it upon themselves to make that decision; the Governor could have made that decision but, instead there is a process that is ongoing and, we will all have an opportunity at some point to be a part of that process. So, I hope that the employees of the Turnpike Commission will enjoy their holiday and not be concerned about their future. I think they will all have a very long and continued great tenure with the Turnpike in some form no matter which way it ends up in the end. Lastly, I would just

wish you all a very Merry Christmas and a very Happy New Year, and with that, we will now move on then to the reports. If you would, the Assistant Secretary-Treasurer:

**Assistant Secretary-Treasurer:** The following items have been sent to the Members since the last scheduled Meeting of the Commission on November 2, 2011:

1. Minutes of the October 17, 2011 Commission Meeting
2. Minutes of the November 2, 2011 Commission Meeting
3. Traffic and Revenue for October and November, 2011
4. Total Revenue by Month and Year for October and November, 2011
5. Investment Report for October and November, 2011
6. Traffic Crash Summary Report for October and November, 2011
7. Financial Statements for October and November, 2011
8. Various News Articles.

**Chairman:** Thank you. Any questions on the part of the Commission to the Assistant Secretary-Treasurer? Hearing none, we will move on to the Report of the Executive Director, right?

**Executive Director:** Thank you Mr. Chairman. I would just very briefly want to, on behalf of the staff at the Turnpike, wish you all a very Happy Holiday Season, and I personally would like to thank all of you and the staff for making my first six weeks here so enjoyable. I am grateful to the staff who have welcomed me warmly and openly, and have done everything they can to educate me. Any failings are my fault and not theirs. I've spent the last six weeks trying to visit our maintenance buildings and toll facilities, trying to sit down with all of our senior staff members and learn the job, as well as get to meet local community leaders and legislators and open up all of those avenues of communications as well. As the Chairman referred to earlier, the process of reviewing the Turnpike structure is ongoing and I want to thank the Governor's Office, ODOT and OBM for including me in many of those meetings. There have been a lot of meetings, and I think I've been invited to all of them. I appreciate the openness with which the process is going forward, and I'm confident it will be objective and truly fair and evaluative as we move forward. So, again, thank you all and Happy Holidays to you.

**Chairman:** Any questions, comments? Okay. We'll move on then to our Comptroller/CFO Marty.

**CFO/Comptroller:** Good morning Mr. Chairman and Commission Members. I have one report and one Resolution for your consideration this morning. I first would like to provide a brief update on our traffic and revenue for the month of November. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Passenger car vehicle miles traveled were 2.6% less than last year in October and .7% less than last year in November. Commercial vehicle miles traveled continued to improve and were .7% higher than last year in October and 4.2% higher than last year in November. Lower passenger toll revenue due to the reduction in passenger car vehicle miles traveled and the increase in *E-ZPass*<sup>®</sup> usage continue to offset higher commercial toll revenues. This resulted in total toll revenues that were

1.7% less than last year in October and almost equal to last year in November. This chart shows the year-to-date toll revenues thru the month of November during each year over the past decade. Toll revenues for the first nine months of this year were \$1.7 million or .8% below the amount from last year. That concludes my report on traffic and revenue. I would now like to present the proposed 2012 Operating Budget for your consideration.

**Chairman:** Excuse me, would note in the minutes that Mr. Dixon has arrived and is now present.

**Assistant Secretary-Treasurer:** Yes, sir.

**Chairman:** Thank you.

**CFO/Comptroller:** Mr. Chairman, I would like to ask the General Counsel to please read the Resolved for the 2012 Operating Budget Resolution after which I will continue with my presentation.

**General Counsel:** Resolved that the Commission hereby adopts the following as its Annual Operating Budget for the year 2012 and the Executive Director, his successor, or the CFO/Comptroller are directed to maintain, transmit a copy of the Budget to the appropriate officials set forth in Section 5537.17(F) to the Huntington National Bank Trustee under the Commission's Trust Agreement as provided in Section 5.01(A)(3) and to make those deposits or transfers of funds necessary to effectuate it.

**CFO/Comptroller:** Thank you. Please feel free to stop me at any time should you have any questions.

**Chairman:** I would like to ask if there's a Motion to adopt the Resolution.

**Mr. Pakush:** I'll move that we adopt the Resolution.

**Chairman:** Moved. Second?

**Mr. Balog:** Second

**Chairman:** We've moved and seconded it. If you will go on with your discussion please.

**CFO/Comptroller:** This pie chart provides an overview of the proposed 2012 Revenue Budget. Tolls are obviously the major source of the Commission's funding representing 92.8% of the projected 2012 revenues. Concessions generated from the sales of food, fuel and other retail goods and services at the Commission's Service Plazas are estimated to be 5.1% of the total revenues. The remaining 2.1% consists of investment earnings, fuel taxes and other miscellaneous revenues. This slide shows a comparison of the proposed 2012 Budget to the 2011 Budget for Pledged Funds. The toll revenue budget is \$16.5 million or 7.1% higher than last year's budget. The increase in toll revenues is the result of the scheduled toll rate increase

that will take effect on January 1, 2012. The Concession Revenue Budget is \$400,000 or 3% less than last year's budget. The Oak Openings and Fallen Timber Service Plazas were closed earlier this month, and we anticipate that the Mahoning Valley and Glacier Hill Service Plazas, which are currently under reconstruction, will not open until the later part of this year, or next year. As a result, we will operate six sets of service plazas for most of next year. Concession revenue will also be affected by the somewhat lower payments that we will receive from the new service station contract with Sunoco. Investment earnings are expected to continue to be negatively affected by the low investment interest rate environment we are currently in. The increase in other revenues relates primarily to higher monthly transponder usage fees. The proposed 2012 Pledged Revenues Budget totals \$265.3 million, an increase of \$16.4 million or 6.6% from the 2011 Budget. This slide shows the projected 2011 vehicle miles traveled – I'm sorry, the 2012 vehicle miles traveled, the percentage of those miles expected to be paid with a *E-ZPass* and the resulting calculation of toll revenues by vehicle class. Total vehicle miles traveled are budgeted to increase or decrease 1.6% from our current forecast of actual 2011 vehicle miles traveled. Our traffic consultant has estimated that there will be an approximately 1.8% decrease in traffic in response to the toll increase, so without the toll increase, there would have been a slight increase in projected vehicle miles traveled. The *E-ZPass* rate of usage for Class 1 Vehicles, which is passenger cars, is budgeted to increase to 36.6% from 32.1% in 2011. Similar increases in *E-ZPass* usage are budgeted for the commercial vehicle Classes 2 through 7. Consequently, the additional revenue generated by the toll increase that takes effect on January 1, will be partially offset by the lower toll revenue from the decrease in miles traveled and the lower revenue from the increased *E-ZPass* usage. This results in total toll revenue of \$249.1 million, which is an increase of \$16.5 million over last year's budget. It is expected that only 4.1% of the Commission's 2012 Budget will be spent on administration and insurance. We project that 15.3% of the budget will be needed for the maintenance of the roadways and structures, 20.5% for the operation of the Toll and Service Plazas and 5.8% for safety, patrol and communications. The Commission currently has about \$589 million in bonds outstanding. The debt service on those bonds will require 20.8% of the Commission's 2012 Expenditures Budget leaving 33.6% available for Capital Projects.

The use of our automated toll payment machines at low volume plazas is allowing staffing levels to continue to be reduced. As a result, this slide identifies the elimination of 26 full and part-time toll collector positions, and six toll supervisory positions from the 2012 expense budget compared against the 2011 Budget. The increase in Service Plaza personnel is a result of the opening of the Mahoning Valley and Glacier Hills Service Plazas in late 2012. We expect increases in credit card fees due to the increase in *E-ZPass* usage and higher snow and ice melting material costs than were budgeted last year. We will also have a full year of toll equipment costs versus only seven months in 2011. The toll equipment was still under a one-year warranty for the first five months of 2011. Partially offsetting these increases as a result is a reduction in wages due to the reduction in budgeted personnel. Considering these changes, total 2012 Operating, Maintenance and Administrative expenses are expected to increase by \$2.1 million over the 2011 budget.

The debt service payments on the \$589 million in outstanding debt are scheduled to increase to \$55.7 million in 2012. The Commission's Master Trust Agreement requires that we maintain an expense reserve equal to one-twelfth of our Annual Operating, Maintenance and

Administrative expenses. With the proposed increase in our Expense Budget of \$2.1 million, we will need to add one-twelfth of this amount, or \$176,000, to the Expense Reserve Account. The remaining transfers from Pledged Funds support the Capital Budget that the Chief Engineer will be presenting in a few minutes. We are proposing a transfer of \$250,000 from the Service Plaza Capital Improvement Fund to the General Fund to cover small equipment purchases that will be expensed in the General Fund, transfer of \$4.1 million to the Renewal and Replacement Fund and a transfer of \$83.1 million to the Systems Project Fund.

The 2012 budgeted debt coverage ratio is 2.56. To be eligible to issue additional bonds, our Master Trust Agreement requires a minimum coverage ratio of 1.5 during the fiscal year immediately preceding the issuance of the bonds, 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.

This is the proposed 2012 budget for non-pledged funds. The major source of non-pledged revenue is five cents in fuel tax from each gallon of fuel sold at the Commission's Service Plaza. The other major source of non-pledged revenues is generated by charging the food and retail vendors operating at the reconstructed service plazas, a fee equal to 1% of sales. As the Chief Engineer will explain in his presentation, these non-pledged funds are also used to support the Commission's Capital Budget.

So, in summary, the total proposed 2012 Operating Budget is \$268,350,000. Both Ohio law and our Master Trust Agreement require the Commission to adopt an annual Operating Budget on or before the last day of the year. That completes my presentation, Mr. Chairman. I'd be happy to answer any questions that anyone might have.

**Chairman:** Are there any questions on behalf of the Commission? Mr. Dixon, welcome.

**Mr. Dixon:** Mr. Chairman, thank you. I guess I'm not following the rule when you come late to a meeting, you're not supposed to ask questions, but...

**Chairman:** In your case, you can.

**Mr. Dixon:** Thank you very much, Mr. Chairman. Just a small question. We have an increased usage because of the *E-ZPass* and credit cards. Have we negotiated that fee; what percentage are we paying to the credit card companies for usage of that.

**CFO/Comptroller:** Well, for credit card fees we pay the interchange rate, which is established by VISA and MasterCard. For American Express, we use the State contract, I think which is, around 2%.

**Mr. Dixon:** Okay.

**CFO/Comptroller:** Most of the credit card fees that we pay are actually paid to other *E-ZPass* agencies because their customers are the ones that are incurring the tolls on our road. Most of our *E-ZPass* usage is really from other toll agencies' travelers traveling on our road.

**Mr. Dixon:** Have we computed, I don't know if it's been long enough, a comparison between the booths where we are using the *E-ZPass* entirely and then any ones that were manned by personnel in the past? Have we compared those? Do we have any type of comparison? Has it increased, decreased, stay the same?

**CFO/Comptroller:** You mean the amount of traffic that we are experiencing, or?

**Mr. Dixon:** The amount of monies collected?

**CFO/Comptroller:** I know that the *E-ZPass* rate is a lot less than the cash rate.

**Mr. Dixon:** No, no, I'm probably not clear. Total monies, credit card, cash, whatever, when we have a manned station as opposed to an *E-ZPass* station. Have we made any kind of comparisons?

**CFO/Comptroller:** I don't believe so. I think it's...

**Chairman:** That would be 'what percentage is the use of *E-ZPass*'? I think that's the question, right? You want to know how much the *E-ZPass* is used as opposed to cash and credit cards?

**Mr. Dixon:** No. Not quite, Mr. Chairman.

**Chairman:** Alright.

**Mr. Dixon:** The question that I am asking is if we have a station where we have a body there, a person collecting that money, and we've replaced it with an *E-ZPass*, that person with *E-ZPass*, do we have any comparisons as to how much money that person collected and how much we are now collecting with the *E-ZPass* for a period of time.

**Chief Engineer:** Mr. Chairman, Commission Member Dixon if I may interject. The traffic patterns on the Turnpike really have not changed with the implementation of *E-ZPass*. Right now, our dedicated *E-ZPass* lanes on the roadway, we're collecting approximately a little over 50% of our revenue now is via *E-ZPass*. In our manned or staffed toll lanes, we do know that out of the manual transactions, the cash or credit transactions, approximately 3% of those transactions, or 5% of the monetary value of those transactions, are done by credit cards in the staffed lanes. But we really don't keep track, we can get the data on how much revenue is collected by lane. Obviously, you would expect that the...

**Mr. Dixon:** I'm not being clear and I apologize for that. If I have a booth that collects \$100 and has been collecting \$100 for the last year with a person there, I take that person out and I put an *E-ZPass* in there for one year, does that booth still collect that \$100, or am I collecting



\$95 from that booth? Do we have any comparisons like that? What I'm trying to get at is the efficiency between the *E-ZPass* and the person.

**Chief Engineer:** Mr. Chairman, Commission Member Dixon, we don't have that data handy. I'm sure we can come up with it. We are, I would expect that we are running more transactions through the *E-ZPass* lane...

**Mr. Dixon:** There we go. That's what I'm trying to get at. Thank you. That's what I'm trying to get at, thank you. Thank you Mr. Chairman.

**Chairman:** You're welcome, sir. Any other questions? Hearing none, roll call on the Resolution Adopting the Budget.

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

**Mr. Pakush:** Yes

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

**Vice Chairman Balog:** Yes

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

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

**Mr. Dixon:** Yes

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

**Mr. Greenslade:** Yes

## **RESOLUTION NO. 49-2011**

### **OHIO TURNPIKE COMMISSION**

#### **Resolution Adopting Proposed Annual Operating Budget for the Year 2012 and Providing for Deposits Required Under the 1994 Trust Agreement During said Year**

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

WHEREAS, the Master Trust Agreement dated February 15, 1994 between the Commission and The Huntington National Bank (Trust Agreement) provides that the

Commission shall adopt an annual operating budget on or before the first day of each fiscal year and shall file same with the Trustee; and

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

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby adopts the following as its Annual Operating Budget for the Year 2012 and the Executive Director, his successor or the CFO/Comptroller are directed to transmit a copy of the budget to the appropriate officials set forth in Section 5537.17(F) and to The Huntington National Bank, Trustee, under the Commission's Trust Agreement as is provided in Section 5.01(a)(iii) and to make those deposits or transfer of funds necessary to effectuate it:

**OHIO TURNPIKE COMMISSION  
2012 ANNUAL OPERATING BUDGET**

	<u>PLEGGED</u>	<u>NON-PLEGGED</u>	<u>TOTAL</u>
<b>REVENUES:</b>			
TOLL	\$ 249,067,000	\$ -	\$ 249,067,000
CONCESSION	13,176,700	567,300	13,744,000
INVESTMENT	469,200	405,000	874,200
FUEL TAX	-	2,100,000	2,100,000
OTHER	2,565,100	-	2,565,100
<b>TOTAL REVENUES</b>	<u>\$ 265,278,000</u>	<u>\$ 3,072,300</u>	<u>\$ 268,350,300</u>
<b>EXPENDITURES:</b>			
<b>OPERATION, MAINTENANCE &amp; ADMINISTRATION:</b>			
ADMINISTRATION & INSURANCE	\$ 11,035,200	\$ -	\$ 11,035,200
MAINTENANCE OF ROADWAY & STRUCTURES	40,898,000	-	40,898,000
SERVICES & TOLL OPERATIONS	54,851,300	-	54,851,300
TRAFFIC CONTROL, SAFETY, PATROL & COMM.	15,634,100	-	15,634,100
<b>TOTAL OPERATION, MAINTENANCE &amp; ADMIN.</b>	<u>122,418,600</u>	<u>-</u>	<u>122,418,600</u>
<b>DEBT SERVICE PAYMENTS</b>	<u>55,703,000</u>	<u>-</u>	<u>55,703,000</u>
<b>TOTAL EXPENDITURES</b>	<u>178,121,600</u>	<u>-</u>	<u>178,121,600</u>
<b>TRANSFERS TO / (FROM):</b>			
EXPENSE RESERVE	176,300	-	176,300
NON-TRUST FUND	-	390,000	390,000
FUEL TAX FUND	-	2,103,000	2,103,000
SERVICE PLAZAS CAPITAL IMPROVEMENT FUND	(250,000)	579,300	329,300
RENEWAL & REPLACEMENT FUND	4,100,000	-	4,100,000
SYSTEM PROJECTS FUND	83,130,100	-	83,130,100
<b>TOTAL TRANSFERS</b>	<u>87,156,400</u>	<u>3,072,300</u>	<u>90,228,700</u>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<u>\$ 265,278,000</u>	<u>\$ 3,072,300</u>	<u>\$ 268,350,300</u>

**(Resolution No. 49-2011 adopted December 19, 2011)**

**Chairman:** Passes unanimously. Thank you. We will move on to the report of the Chief Engineer.

**Chief Engineer:** Thank you, Mr. Chairman, Commission Members. I have two Resolutions for your consideration this morning. The first is the adoption of our 2012 Capital Budget. In your folders you have a detailed Capital Budget listing all of our proposed projects for 2012. I also have a brief presentation this morning. If the General Counsel will please read the Resolved, I will proceed.

**General Counsel:** RESOLVED that the Commission hereby authorizes expenditures on 2012 capital projects which shall constitute System projects to the extent provided in the Trust Agreement from the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plaza Capital Improvement Fund, not to exceed a combined total of up to \$70,967,000.00, which projects will not be awarded except as provided by Article V of the Commission's Code of Bylaws dated March 17, 2003.

**Mr. Pakush:** I move we approve the Resolution.

**Chairman:** Motion to approve, is there a second?

**Mr. Greenslade:** Second

**Chairman:** Second by Mr. Greenslade

**Chief Engineer:** Thank you, Mr. Chairman. As I said, a detailed budget is found in your folders this morning. I would also like to remind you that this is a preliminary Capital Budget subject to changes, and also any Capital Project in excess of \$150,000 will be brought to the Commission for individual resolutions at the time of award. As I proceed through the presentation, if you have any questions, feel free to stop me.

The Capital Budget is comprised of four funds. The first fund I will review is a Systems Project Budget. The 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 \$10.4 million in this fund. As the CFO reported, approximately \$83.1 million will be transferred to the fund during 2012 from the Operating Budget, which will result in approximately \$93.6 million available in this fund for 2012. Of this amount, approximately \$34.3 million is committed to ongoing projects. These are projects that are currently under construction or have been awarded in 2011. The major projects in this category include: completion of the Mahoning Valley Glacier Hills Service Plaza scheduled for the second half of 2012; completion of the third lane project in Summit County; and ongoing design of slope repairs in Sandusky County. This slide summarizes approximately \$58.1 million of new projects to be funded in 2012. The individual projects are, again, identified in your folder. I will review some of the major expenditures.

Twenty-four million five hundred thousand dollars has been allocated to two contracts as we continue the Roadway Base Replacement Program in Sandusky and Cuyahoga Counties.

These are two of the six highest priority segments identified in our Pavement Master Plan. A total of \$4.7 million has been allocated for bridge deck replacement and rehabilitation. \$1 million has been budgeted for the demolition and site remediation of the Oak Openings and Fallen Timber Service Plazas located in Lucas County, Ohio. As the CFO reported earlier, these service plazas were closed on December 1<sup>st</sup> of this year and are currently scheduled for reconstruction beginning in 2014.

\$1.4 million has been allocated for the installation of automated toll payment machines at an additional four lower volume toll plazas located in Lucas, Sandusky, Lorain and Portage Counties. Just so the Commission is aware, we are currently operating this equipment at ten toll plazas; five of the ten are running unstaffed 24 hours per day.

\$24.8 million has been programmed for mainline resurfacing projects in 2012, in Wood, Sandusky, Erie, Summit and Trumbull Counties. \$750,000 has been budgeted for the continuation of our commitment to repair the eleven failing bridge approach slopes in Sandusky County. The first structure, Jacobs Road, was completed and opened earlier this year. At our July meeting, the Commission authorized repair of the ten remaining structures. Next year, we will be working on Yorktown Road at milepost 100.2 scheduled for an award in late Spring.

Again, total expenditures in 2012 on new projects will be approximately \$58.1 million. Summarizing the System Projects Fund, the \$34.3 million of continuing expenditures and \$58.1 million of new projects next year totals approximately \$92.4 million in committed funds. This will leave approximately \$1.1 million uncommitted in the Systems Project Fund.

The second component of the Capital Budget is the Renewal and Replacement Fund. Typical projects funded by this account include purchase of maintenance vehicles and equipment and other minor Capital Projects. We will begin 2012 with approximately \$4.1 million in this Fund. Transfers during 2012 will be an additional \$4.1 million. This will result in approximately \$8.2 million available in 2012 in this fund. Approximately \$660,000 is committed to ongoing projects that were begun in 2011. Approximately \$6.8 million will be budgeted for new projects in 2012. The major expenses in this fund include replacement of maintenance equipment and vehicles. Approximately \$722,000 has been budgeted for replacement of maintenance equipment, turf mowing equipment, vibratory compaction rollers and eight portable changeable message boards. Approximately \$2.1 has been budgeted for replacement of maintenance vehicles. The major expense is \$3.2 million for twenty single-axle dump trucks with snow and ice control equipment. Note that it is estimated that approximately \$1.6 million of the total cost will actually be expended in 2013, and is therefore shown as a credit in our 2012 Budget. These vehicles aren't scheduled to be advertised for bid until the Fall of 2012, and will not be received by the Commission until the first half of 2013.

Also in this budget is \$250,000 for replacement of five crew cab dump trucks and an additional \$250,000 for replacement of ten cargo vans utilized by our trades personnel.

Adding the \$660,000 of continuing expenditures to the \$6.8 million of new projects totals approximately \$7.5 million in committed funds in the R&R Budget. This will result in approximately \$664,000 in uncommitted funds.

The third component of the budget is the Fuel Tax Fund. This account is funded from five cents of the total twenty-eight cents per gallon of fuel taxes collected for fuel sold at the service plazas being returned to the OTC. We will begin the year with a balance of approximately \$2.9 million in this fund. Approximately \$2.1 will be generated during 2012, resulting in available funds of approximately \$5 million. We have approximately \$250,000 committed to ongoing projects. Proposed 2012 projects include \$1.75 million for replacement of roadway lighting at Interchanges 142 and 151 in Lorain County. \$2.5 million for repainting of bridge structures, as well as \$250,000 for resurfacing of the long combination vehicle parking area at Interchange 187. This results in \$4.5 million of new projects being funded from the Fuel Tax Budget. A total of approximately \$4.75 million will be committed, leaving approximately \$235,000 uncommitted in this fund.

Finally, the last component of the budget is the Service Plaza Capital Improvement Fund. This account is funded from 1% of sales from the food and retail vendors operating at the twelve reconstructed service plazas. These funds are designated for Capital Improvements at these facilities. Revenue of approximately \$579,000 is projected for 2012, adding that to the beginning budget results in approximately \$3.2 million being available for projects. \$1.48 million will be budgeted for new projects in 2012, such as furnishings for the new Mahoning Valley/Glacier Hills Service Plazas, refurbishment of the Erie Islands/Commodore Perry Service Plazas, and parking area resurfacing. Adding this to the \$108,000 in continuing projects will result in approximately \$1.6 million in total expenditures in the Service Plaza Construction Fund. This will leave approximately \$1.6 uncommitted in this fund.

In summary, budgeted expenditures for new projects in 2012 will be approximately \$71 million. That completes my report, Mr. Chairman.

**Chairman:** Thank you, Dan. Are there any questions?

**Mr. Pakush:** I do have one question, Mr. Chairman. Dan, back in your, when you were taking out the full depth replacement projects, I noticed that in the two projects you have scheduled for 2012, you're only doing eastbound in one section, westbound in the other. Why aren't you doing both sides at the same time or were they done at a different time or are they deteriorating differently?

**Chief Engineer:** Mr. Chairman and Commission Member Pakush, the Summit, pardon me, the Sandusky County project, the opposite direction of that project was completed this year. The way we've elected to do the traffic control on those projects in order to maintain two lanes of traffic in each direction, and also a shoulder for disabled vehicles, we are bringing one lane of traffic on the side of the road that we are working on across the median using that contra-flow configuration that basically precludes you from doing both sides in the same construction season.

**Mr. Pakush:** Okay, so you sold them as two separate construction projects?

**Chief Engineer:** Yes

**Mr. Pakush:** Okay, I'm with you.

**Chief Engineer:** Any other questions?

**Chairman:** Dan, I have one. Based upon this Budget, where do you fall in your completing your master plan of five years, your five-year plan? Are you on track to meet that, falling a little bit behind, a little ahead?

**Chief Engineer:** Mr. Chairman, we're a little behind on the Pavement Replacement Program. We were scheduled to kick that off in 2010. We actually didn't begin that until 2011, this year. And, this year we only elected to do one project to get a learning curve up, especially with this new traffic control scheme. But, hopefully as the years progress, we will be able to pick that up a little bit.

**Chairman:** Normally, do you run on, pretty much on schedule with a plan?

**Chief Engineer:** Yes

**Chairman:** Okay. Any other questions? Hearing none, roll call on the Resolution.

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

**Mr. Pakush:** Yes

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

**Mr. Greenslade:** Yes

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

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

**Vice Chairman Balog:** Yes

**Secretary-Treasurer:** Mr. Dixon

**Mr. Dixon:** Yes

**Chairman:** Unanimously it passes that Resolution. Next Resolution, Dan.

**RESOLUTION NO. 50-2011**

**OHIO TURNPIKE COMMISSION  
Resolution Adopting Proposed Capital Budget for the Year 2012**

WHEREAS, the 2012 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 2012 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 to be available for capital expenditures; and

WHEREAS, the Commission's Executive Director, Chief Engineer and CFO/Comptroller have recommended a preliminary list of 2012 capital projects, which list of projects is subject to change, totaling up to \$70,967,000.00;

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes expenditures on 2012 capital projects which shall constitute System projects to the extent provided in the Trust Agreement from the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plaza Capital Improvement Fund, not to exceed a combined total of up to \$70,967,000.00, which projects will not be awarded except as provided by Article V of the Commission's Code of Bylaws dated March 17, 2003.

**(Resolution No. 50-2011 adopted December 19, 2011)**

OHIO TURNPIKE COMMISSION  
2012 SYSTEM PROJECTS BUDGET

Estimated Beginning Balance January 1, 2012		\$ 10,434,000
Transfers from 2012 Operating Funds		83,130,100
Total 2012 Available Funds		<u>\$ 93,564,100</u>
2012 Expenditures:		
Continuing Expenditures from 2011:		
Reconstruction of MV/GH SP, Mahoning County	\$ 17,000,000	
Third Lane, MP 178.0 to MP 185.3, Summit County	17,000,000	
Sandusky County Slope Investigations	<u>270,000</u>	
Total Continuing Expenditures from 2011		\$ 34,270,000
New 2012 Projects:		
39 Pavement Replacement		
A. MP 95.9 to MP 101.2 EB, Sandusky County	\$ 12,500,000	
B. MP 164.8 to MP 170.1 WB, Cuyahoga County	<u>12,000,000</u>	
		24,500,000
43 Bridge Repair and Resurfacing		
A. Deck Replacement, Gulf Rd., MP146.4, Lorain County	\$ 2,000,000	
B. Misc. Structure (14) Rehabilitation, Williams County	2,500,000	
C. Parapet Repairs, Oberlin Rd., MP 141.2, Lorain County	<u>200,000</u>	
Total		4,700,000
53 Service Plazas		
Demolition of Oak Openings/Fallen Timbers		1,000,000
Service Plazas, MP 49.0, Lucas County		
58 Toll Plazas		
Installation of Automated Toll Payment Machines		1,400,000
at TP52, TP91, TP152 & TP193		
59 Resurfacing Pavement		
A. MP 69.3 to MP 71.1, Wood County	\$ 800,000	
B. MP 101.2 to MP 109.2, Sandusky & Erie Counties	2,000,000	
C. MP 118.3 to MP 127.2, Erie County	10,000,000	
D. MP 172.1 to MP 176.3, Summit County	6,000,000	
E. MP 209.6 to MP 214.3 Trumbull County	<u>6,000,000</u>	
Total		24,800,000
70 Correction of Slope Failures		
Sandusky County Structure(s)		750,000
71 Engineering Consulting Services		
Design & Consulting Services		1,000,000
Total 2012 Expenditures on New Projects		<u>\$ 58,150,000</u>
Total 2012 Expenditures		<u>\$ 92,420,000</u>
Uncommitted Funds		1,144,100
Total 2012 Expenditures and Uncommitted Funds		<u>\$ 93,564,100</u>



OHIO TURNPIKE COMMISSION  
2012 RENEWAL AND REPLACEMENT BUDGET

Estimated Beginning Balance January 1, 2012		\$ 4,061,000
Transfers from 2012 Operating Funds		<u>4,100,000</u>
Total 2012 Available Funds		<u>\$ 8,161,000</u>
2012 Expenditures:		
Continuing Expenditures from 2011:		
8 Incident Response Vehicles	\$ 155,000	
Dispatch Console System Upgrades	150,000	
Reconfiguration of Communications Center	110,000	
HVAC Upgrades, MB4 & MB5	85,000	
Other Miscellaneous Projects	<u>160,000</u>	
Total Continuing Expenditures from 2011		\$ 660,000
New 2012 Projects:		
24 Guardrail – Additions & Replacement Replacement of Deteriorated Guardrail		\$ 175,000
31 Maintenance Equipment See Attached Exhibit "A"		722,000
32 Maintenance Vehicles See Attached Exhibit "A"		2,150,000
38 Communications Equipment – New or Replacement		
A. Installation of Telepanel Intercoms at Toll Plazas	\$ 50,000	
B. Replacement of Telecom Systems Battery Power Supply	30,000	
C. Replacement of VHF High-Band Radio	25,000	
D. Replacement of Cameras & DVR - Admin Complex	25,000	
E. Miscellaneous Communications Equipment	25,000	
F. Miscellaneous OSHP Equipment	<u>25,000</u>	
Total		180,000
39 Pavement Repair & Replacement Full Depth Pavement Repair		500,000
41 Resealing Asphalt Surfaces Sealing Paved Areas Located at LCV Lots and Maintenance Buildings		25,000
43 Bridge Repair & Resurfacing Miscellaneous Structure Repairs		250,000
48 Administration Building		
A. Rehabilitation of Exterior Building Surfaces	\$ 250,000	
B. Energy Optimization & Conservation	50,000	
C. Replacement of Office Equipment & Furniture	<u>25,000</u>	
Total		325,000
56 Maintenance Buildings		
A. Salt Storage Facility, MB3	\$ 400,000	
B. HVAC Upgrades, MB3 & MB7	200,000	
C. Energy Optimization & Conservation	<u>70,000</u>	
Total		670,000
58 Toll Plazas HVAC Control Interface, TP52 & TP64		40,000

59	Resurfacing Pavement		
	A. Maintenance Yard Resurfacing, MB2	\$	400,000
	B. Mainline Shoulder Treatment		150,000
	Total		<u>550,000</u>
61	Landscaping		
	Right-of-Way Landscaping		100,000
67	Computer Equipment		
	A. New & Replacement Equipment		
	Data Center, Backup Center & Desktops	\$	400,000
	B. New Software Systems Upgrades		250,000
	Total		<u>650,000</u>
68	Right-of-Way Fence		
	Replacement of Right-of-Way Fence		200,000
69	Drainage		
	Culvert Cleaning & Repair		200,000
73	Automotive Equipment – Replacement		100,000
	Total 2012 Expenditures on New Projects		<u>\$ 6,837,000</u>
	Total 2012 Expenditures		<u>\$ 7,497,000</u>
	Uncommitted Funds		664,000
	Total 2012 Expenditures and Uncommitted Funds		<u><u>\$ 8,161,000</u></u>

OHIO TURNPIKE COMMISSION  
2012 FUEL TAX BUDGET

Estimated Beginning Balance January 1, 2012	\$ 2,882,000
Transfers from 2012 Operating Funds	<u>2,103,000</u>
Total 2012 Available Funds	<u>\$ 4,985,000</u>
2012 Expenditures:	
Continuing Expenditures From 2011	
Regulatory, Guide & Destination Signage & Supports	\$ 250,000
New 2012 Projects:	
26 Roadway Lighting	
Interchanges 142 &151, Lorain County	\$ 1,750,000
37 Tandem Trailer Areas	
Resurfacing of Parking Area, TP187, Portage County	250,000
40 Repainting Bridges & Towers	2,500,000
Total 2012 Expenditures on New Projects	<u>\$ 4,500,000</u>
Total 2012 Expenditures	<u>\$ 4,750,000</u>
Uncommitted Funds	235,000
Total 2012 Expenditures and Uncommitted Funds	<u>\$ 4,985,000</u>

OHIO TURNPIKE COMMISSION  
2012 SERVICE PLAZA CAPITAL IMPROVEMENT BUDGET

Estimated Beginning Balance January 1, 2012	\$ 2,656,000
Transfers from 2012 Operating Funds	<u>579,300</u>
Total 2012 Available Funds	<u>\$ 3,235,300</u>
2012 Expenditures:	
Continuing Expenditures From 2011	
Sanitary Sewer Improvements, Portage	\$ 108,000
New 2012 Projects:	
Service Plaza Furnishings - less than \$1,000 ea.	
A. Service Plaza Furnishings, Mahoning Valley/Glacier Hills	\$ 225,000
B. Replacement of Misc. Service Plaza Furnishings	<u>50,000</u>
Total - Transfer to General Fund	275,000
41 Resealing Asphalt Surfaces	
Sealing Paved Areas Located at Service Plazas	60,000
53 Service Plazas	
A. Renovation/Painting, Erie Islands/Commodore Perry	\$ 500,000
B. Misc. Interior Refurbishments	<u>100,000</u>
Total	600,000
59 Resurfacing Pavement	
Misc. Parking Area Rehabilitation	500,000
69 Drainage	
Drainage Improvements, Portage	45,000
Total 2012 Expenditures on New Projects	<u>\$ 1,480,000</u>
Total 2012 Expenditures	<u>\$ 1,588,000</u>
Uncommitted Funds	1,647,300
Total 2012 Expenditures and Uncommitted Funds	<u>\$ 3,235,300</u>

OHIO TURNPIKE COMMISSION  
2012 CAPITAL BUDGET  
EXHIBIT "A"

31	Replacement of Maintenance Equipment		
	<u>Miscellaneous Maintenance Equipment</u>		\$ 125,000
		Purchase of miscellaneous new/replacement equipment (less than \$10,000)	
	<u>1 Each, Riding Mower</u>		
		Replacement of 1 each 1996 model unit (20-0002)	12,000
	<u>2 Each, Slope Mowers</u>		
		Replacement of 4 each 2001 model units (20-1203, 1303, 2603, 2703) and 4 each 2002 model units (20-1103, 1403, 2503, 2803) with 2 each, new units	225,000
	<u>3 Each, Hydraulic Pavement Hammers</u>		
		Replacement of 7 each 1996 model units	35,000
	<u>4 Each, Steel Drum Vibratory Rollers</u>		
		Replacement of 4 each 1993 model units (33-0011, 0013, 0015, 0016)	175,000
	<u>8 Each, Message Boards</u>		
		Replacement of 8 each 1997 model units	150,000
		Total	<u>\$ 722,000</u>
32	Replacement of Maintenance Vehicles		
	<u>20 Each, Single Axle Dump Trucks w/ Snow and Ice Control Equipment</u>		
		Replacement of 12 each, 1998 model units (93-1120, 1122, 1127, 1220, 1222, 1225, 1226, 1322, 2520, 2622, 2720, 2822) and 8 each 1999 model units (93-1124, 1224, 1324, 1326, 1424, 2524, 2624, 2724)	\$ 3,250,000
		Less Amount to be Spent in 2013	<u>(1,600,000)</u>
			\$ 1,650,000
	<u>5 Each, Crew Cab Dump Trucks</u>		
		Replacement of 2 each 1993 model units (92-1036 & 2036) and 3 each new units	250,000
	<u>10 Each, Cargo Vans</u>		
		Replacement of 2 each, 2003 model units (92-1024, 2024) and 8 each 2006 model units (92-1021, 1030, 1031, 2020, 2021, 2023, 2026, 2030)	250,000
		Total	<u>\$ 2,150,000</u>

**Chief Engineer:** My last Resolution this morning is rejecting the bids received pursuant to Invitation 4174 for Furnishing and Installing Dispatch Council System Equipment at our Commission Headquarters here, and our back-up radio sites. On December 13, 2011, two bids were received in response to the subject Invitation. Our Telecommunications Manager reports that the bids received were significantly in excess of the estimated cost. Therefore, we are recommending that both bids for the Invitation be rejected. We will work on modifications to the specifications and special provisions, and rebid the Invitation as soon as practicable. If the General Counsel would please read the Resolved.

**General Counsel:** RESOLVED that the above-mentioned bids heretofore received pursuant to the advertisement for bids upon Invitation No. 4174, be and the same hereby are rejected, and the Director of Contracts Administration is authorized to notify the bidders in writing of said action, and to return to each of the bidders their bid security.

**Chairman:** And I would so move this Resolution, is there a second?

**Vice Chairman Balog:** Second

**Chairman:** Moved and seconded. Mr. Pakush?

**Mr. Pakush:** Yes. No comments

**Chairman:** No comments, okay. If you want to go on further with that, or are you done with your presentation?

**Chief Engineer:** That's all I have, Mr. Chairman.

**Chairman:** All right, any questions regarding the Resolution? Been moved and second and hearing none, roll call.

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

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

**Vice Chairman Balog:** Yes

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

**Mr. Dixon:** Yes

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

**Mr. Greenslade:** Yes

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

**Mr. Pakush:** Yes

**Chairman:** That Resolution passes unanimously. Any other report there, Dan?

**RESOLUTION NO. 51-2011**

**OHIO TURNPIKE COMMISSION**

**Resolution Rejecting Bids to Furnish, Install, Configure and Test Dispatch Console System Equipment at Three (3) Ohio Turnpike Commission Facilities Located in Cuyahoga County, Ohio Pursuant to Invitation No. 4174**

WHEREAS, the Commission duly advertised according to law for bids upon a Contract to furnish, install, configure and test Dispatch Console System equipment at three (3) Ohio Turnpike Commission facilities located in Cuyahoga County, Ohio, designated as Invitation No. 4174; and

WHEREAS, on December 13, 2011, two bids were received for the performance of said Contract, which bids have been reviewed and analyzed by the Telecommunications Manager whose report concerning said analysis is before the Commission; and

WHEREAS, the Commission's Telecommunications Manager reports that the bids received were significantly in excess of the estimated cost: and

WHEREAS, the Telecommunications Manager, therefore, recommends that both bids for Invitation No. 4174 be rejected by the Commission, that appropriate modifications be made to the Specifications and Special Provisions of the Invitation, and that the Invitation to furnish, install, configure and test new Dispatch Console System equipment be re-bid as soon as possible; and

WHEREAS, the Commission's Director of Contracts Administration has submitted a report advising the Commission that the procedures followed in advertising for bids under Invitation No. 4174 were performed in conformance with Sections 5537.07(A) and 9.312 of the Ohio Revised Code, and further advising that, pursuant to the Bidding Documents for Invitation No. 4174 and Ohio Revised Code Section 5537.07(A), the Commission has expressly reserved the right to reject any and all bids; and

WHEREAS, inasmuch as the lowest valid bid submitted was in excess of \$150,000, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is requested for the rejection of bids for said Contract; and

WHEREAS, the Executive Director has reviewed the reports submitted by both the Telecommunications Manager and the Director of Contracts Administration and, predicated upon their analysis, concurs with their recommendations; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the above-mentioned bids heretofore received pursuant to the advertisement for bids upon Invitation No. 4174, be and the same hereby are rejected, and the Director of Contracts Administration is authorized to notify the bidders in writing of said action, and to return to each of the bidders their bid security.

**(Resolution No. 51-2011 adopted December 19, 2011)**

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

**Chairman:** Move on to the General Counsel, Noelle.

**General Counsel:** Thank you Mr. Chairman and Commission Members. I have three proposed Resolutions for your consideration this morning. The first Resolution would authorize the Executive Director, the Chairman, or either of them to execute an agreement with Kapsch TrafficCom IVHS, of Sterling, Virginia for the purchase of new *E-ZPass* transponders. As you know, the Ohio Turnpike is a member of the Inter-Agency Group, which is the consortium of those toll roads and authorities that utilize the electronic toll collection system known as *E-ZPass*. The IAG, the Inter-Agency Group, established a new Technology Procurement Committee in 2008 for the purpose of commencing a competitive selection process to upgrade their *E-ZPass* systems with newer technology. This process was started before Ohio joined the Inter Agency Group. A joint RFP was issued by the Committee in March, 2008, seeking proposals for new transponder technology and associated subsystem components and services for the installation of upgraded *E-ZPass* systems. Many of the states in the IAG will be upgrading their entire *E-ZPass* electronic toll collection system. Four companies responded to the March 2008 RFP. The New Technology Procurement Committee reviewed all four of the initial proposals and eliminated one of the proposals for satellite or GPS technology presented by Sky Meter. Kapsch TrafficCom subsequently acquired Mark IV, IVHS of Canada, in December of 2010, to become Kapsch TrafficCom IVHS. The Committee subsequently undertook an extensive testing and validation process of the technology proposed by Kapsch Traffic Com IVHS and Transcore. The Committee subsequently recommended that the IAG grant the exclusive contract to Kapsch TrafficCom IVHS. This action by the IAG requires the Commission to execute a ten-year agreement with Kapsch for the purchase of new transponders. Please note that the other toll roads in the system are upgrading their entire systems, but the Commission will not be upgrading its system since it is newly implemented. We will, however, be purchasing new transponders from Kapsch. The Commission is authorized to participate in this multi-jurisdictional agreement and execute this agreement pursuant to the provisions of Ohio Revised Code 5537.05(A)(10). In addition, it is anticipated that the purchase of transponders from Kapsch over the life of the agreement could exceed the amount of \$150,000, therefore, requiring the Commission to approve this agreement. With your approval Mr. Chairman, I will read the Resolved.

**Chairman:** Please.

**General Counsel:** NOW, THEREFORE, BE IT RESOLVED that the Chairperson or Executive Director, or either of them, hereby are authorized to execute the agreement with Kapsch TrafficCom IVHS; and

FURTHER RESOLVED, the Executive Director is authorized to take any and all actions necessary to implement and effectuate the terms of the Kapsch TrafficCom IVHS Agreement.

**Chairman:** For the Resolution, is there a Motion?

**Mr. Balog:** So moved.

**Chairman:** Second?

**Mr. Greenslade:** Second

**Chairman:** Been moved and seconded. Any discussion, questions? Hearing none, roll call.

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

**Vice Chairman Balog:** Yes

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

**Mr. Greenslade:** Yes

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

**Secretary-Treasurer:** Mr. Dixon

**Mr. Dixon:** Yes

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

**Mr. Pakush:** Yes

**Chairman:** The Resolution passes unanimously.



**RESOLUTION NO. 52-2011**

**OHIO TURNPIKE COMMISSION**

**Resolution Authorizing Ohio Turnpike Commission's  
Execution of New IAG Technology with Kapsch TrafficCom IVHS, Inc.**

WHEREAS, the Commission joined the Inter Agency Group ("IAG") in May 2008 which is the consortium of all toll authorities that offer *E-ZPass*<sup>®</sup>, and which utilize transponder technology that is integral to the *E-ZPass*<sup>®</sup> electronic toll collection system; and

WHEREAS, the IAG established a New Technology Procurement Committee to oversee the acquisition, testing and procurement of new Electronic Tolling Technology and Associated Subsystem Components and Services for the operation of the *E-ZPass*<sup>®</sup> System ("RFP") in order to continue to provide the IAG Consortium and *E-ZPass*<sup>®</sup> users with the highest level of technology and most cost effective method to pay tolls electronically; and

WHEREAS, the IAG's issued a joint Request for Proposals on March 30, 2008 to furnish and provide Electronic Toll Collection Technology and Associated Subsystem Components and Services for the Operation of the *E-ZPass*<sup>®</sup> System and four companies responded to the RFP; and

WHEREAS, the New Technology Committee undertook an extensive review and validation testing of the proposed technology offered by two of the companies, but subsequently recommended that the IAG award the contract to Kapsch TrafficCom IVHS of Sterling, Virginia thereby requiring all IAG members to execute an agreement with said company for the purchase of electronic tolling equipment and those pieces of associated subcomponent systems, as may be necessary, that may be necessary to integrate the Ohio Turnpike Commission into the new electronic tolling consortium; and

WHEREAS, Ohio Revised Code Section 5537.04(A)(10) authorizes the Commission to enter into such contracts as are necessary to the performance of its duties, including such actions as are necessary to participate in the multi-jurisdiction electronic toll collection agreement with the IAG; and

WHEREAS, the General Counsel has advised the Commission that it should approve the agreement with Kapsch TrafficCom IVHS in conformity with the requirements of Article V, Section 1.00 the Commission's Code of Bylaws dated March 17, 2003 since the purchase of transponders and other associated equipment or services is likely to exceed the amount of \$150,000.00 over the term of the contract; and

WHEREAS, the Commission wishes to offer its *E-ZPass*<sup>®</sup> customers the new tag technology in order to continue to receive the added convenience of paying tolls electronically; and

NOW, THEREFORE, BE IT RESOLVED that the Chairperson or Executive Director, or either of them, hereby are authorized to execute the agreement with Kapsch TrafficCom IVHS; and

FURTHER RESOLVED, the Executive Director is authorized to take any and all actions necessary to implement and effectuate the terms of the Kapsch TrafficCom IVHS Agreement.

**(Resolution No. 52-2011 adopted December 19, 2011)**

**General Counsel:** Mr. Chairman, the second Resolution for the Commission's consideration this morning would be to confirm the establishment of the Audit Subcommittee. As you know, the Commission established an Audit Subcommittee pursuant to Resolution No. 42-2002. In order to receive and review reports from the Director of Audit and the Commission's independent auditors on all auditing matters. It is my understanding that both the Vice-Chairman and ODOT District Deputy, Myron Pakush, have volunteered to serve on the Audit Subcommittee and you have chosen to appoint them to this Audit Subcommittee. With your permission, I will read the Resolved.

**Chairman:** Please

**General Counsel:** RESOLVED that Vice-Chairman Joseph Balog and ODOT Director Designee Myron Pakush are appointed and have agreed to serve on the **Audit Subcommittee for so long as either shall continue to serve on the Commission as either an appointed member or ex-officio member's designee;** and

FURTHER RESOLVED that the **Audit Subcommittee** shall meet and confer in accordance with all applicable public meeting laws; and

FURTHER RESOLVED that the above-mentioned action is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws and the secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

**Chairman:** You've heard the Resolution, is there a Motion?

**Mr. Greenslade:** So moved

**Chairman:** Moved. I'll second. Any discussion? The only comment I would like to make again is thank you both for your willingness to serve on this Committee. Call the roll, please.

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

**Mr. Greenslade:** Yes

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

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

**Vice Chairman Balog:** Yes

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

**Mr. Dixon:** Yes

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

**Mr. Pakush:** Yes

**Chairman:** Unanimously passed. Move on.

**RESOLUTION NO. 53-2011**

**OHIO TURNPIKE COMMISSION**

**Resolution Confirming Establishment of an Audit Subcommittee**

WHEREAS, pursuant to Resolution No. 42-2002 adopted on November 21, 2002, the Commission confirmed the Chief Auditor's responsibilities in "special" auditing matters and confirmed that David J. Miller, Chief Auditor of the Ohio Turnpike Commission, report directly to the Commission in all "auditing" matters, but will continue to report to the Executive Director and his successor, in all administrative matters;

WHEREAS, the Commission determined it is in the best interests of the Ohio Turnpike Commission to maintain a standing **Audit Subcommittee**;

NOW, THEREFORE BE IT

RESOLVED that Vice-Chairman Joseph Balog and ODOT Director Designee Myron Pakush are appointed and have agreed to serve on the **Audit Subcommittee for so long as either shall continue to serve on the Commission as either an appointed member or ex-officio member's designee**; and

FURTHER RESOLVED that the **Audit Subcommittee** shall meet and confer in accordance with all applicable public meeting laws; and

FURTHER RESOLVED that the above-mentioned action is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws and the secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

**(Resolution No. 53-2011 adopted December 19, 2011)**

**General Counsel:** The third proposed Resolution in your folders, Mr. Chairman and Commission Members, would confirm an election of the office of Secretary-Treasurer, which is established under the Commission's Governing Statute, Ohio Revised Code Section 5537.02(C) and the Commission's Code of Bylaws dated March 17, 2003. The Governing Statute of the Commission provides that the office of Secretary-Treasurer may be held by a member of the Commission, but need not be held by a member of the Commission. The office of Secretary-Treasurer is to be elected to the position by the Members of the Commission. There is a drafted Resolution in your folder, which would confirm the election of Secretary-Treasurer.

**Mr. Pakush:** Chairman, I would like make a Motion that Rick Hodges serve as Secretary-Treasurer.

**Chairman:** Okay, is there a second to that motion.

**Mr. Greenslade:** Second

**Chairman:** Motion and seconded. Are there any other nominations? Hearing none, the nominations be closed. Roll call.

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

**Mr. Pakush:** Yes

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

**Mr. Greenslade:** Yes

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

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

**Vice Chairman Balog:** Yes

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

**Mr. Dixon:** Yes

**Chairman:** Passed unanimously. Now the Resolution confirming. If you would proceed with the Resolution. Is there a Motion? Noelle, are you going to proceed with it or do you just want the Motion now?

**General Counsel:** The motion now.

**Chairman:** All right, Motion. I move that we adopt the Resolution. Is there a second?

**Mr. Pakush:** I second it.

**Chairman:** Seconded by Myron. Roll call.

**Assistant Secretary-Treasurer:** Chairman Hruby

**Chairman Hruby:** Yes

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

**Mr. Pakush:** Yes

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

**Vice Chairman Balog:** Yes

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

**Mr. Dixon:** Yes

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

**Mr. Greenslade:** Yes

**Chairman:** Resolution passes 5-0.

### **RESOLUTION NO. 54-2011**

#### **OHIO TURNPIKE COMMISSION Resolution Confirming Election of Secretary-Treasurer**

**RESOLVED** that the election of Richard Hodges, as Secretary-Treasurer of the Ohio Turnpike Commission, pursuant to Ohio Revised Code Section 5537.02(C) and to serve until the next election which shall be held at the first meeting of the Commission held after the 30<sup>th</sup> day of June, 2015, or until his respective successor is elected, qualified, appointed, or until such public officer individually shall cease to be an officer or appointee of the Ohio Turnpike Commission, and

**FURTHER RESOLVED**, that the Commission hereby rescinds the appointment of Richard A. Hodges to the position of Assistant Secretary-Treasurer pursuant to that respective portion of Resolution No. 48-2011; and

**FURTHER RESOLVED**, that this action is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws dated March 17, 2003,

and the Secretary-Treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

**(Resolution No. 54-2011 adopted December 19, 2011)**

**General Counsel:** That concludes my report, Mr. Chairman.

**Chairman:** Thank you very much. Move on then if there are any reports from our financial advisor.

**Financial Advisor, Eric Erickson:** I have one.

**Chairman:** Alright, Eric.

**Financial Advisor:** If you recall, back in October, I suggested to you that Standard & Poor's put the provider of your Surety for your Reserve Fund on a credit watch with a potential for downgrade, and at the end of November, they did downgrade Assured Guarantee to AA-. However, it is still in the AA category, so you folks are still okay. There is no need to move any money to the Reserve Fund at this point. So, I just wanted to provide that update to you.

**Chairman:** Any questions for Eric?

**Mr. Balog:** When will they review that again?

**Financial Advisor:** It's probably going to be a couple of years. When they downgraded it, they went down two letter grades which is somewhat unusual, usually it's just one letter grade. So, from a AA+ to a AA- and they put it on stable at this point, so it's probably unlikely that will happen for at least two years.

**Chairman:** Okay. Any other questions? Thank you. General Consultant, Scott.

**General Consultant:** Nothing to report Mr. Chairman.

**Chairman:** Trustee from Huntington, Frank Lamb, I believe is here.

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

**Chairman:** Okay. And, then the State Highway Patrol, Captain.

**Captain Zurcher:** Yes, Mr. Chairman and Board Members, briefly I would like to report on our, unfortunately, our fourth and fatal crash we had on November 14, 2011, at milepost 18 eastbound on the Turnpike. Three people lost their lives. They were eastbound on the Turnpike, hydroplaned during heavy rain, crossed through the medial, that's a two lane section of the roadway out west there, and then were broadsided by a tractor-trailer. Unfortunately, reporting on that, I am happy to report that we have had a very safe year overall. That's our fourth fatal crash, which is, so far, the lowest that I can see on record with six fatalities. I do appreciate your earlier comments, again, on the Criminal Patrol Program. We have made that a focus statewide, and of course, on the Turnpike and the Troopers have really bought into it. Our seizures are the highest we've ever had and we're very pleased. They're doing it the right way and they're having good success, so I do thank you for that.

**Chairman:** Great. Thank you very much. Any questions for the Captain? Is there any further business to come before the Commission? Hearing none, I will accept a Motion to adjourn.

**Mr. Balog:** So moved

**Mr. Pakush:** Second

**Chairman:** Roll call

**Secretary-Treasurer:** Vice Chairman Balog

**Vice Chairman Balog:** Yes

**Secretary-Treasurer:** Mr. Pakush

**Mr. Pakush:** Yes

**Secretary-Treasurer:** Mr. Hruby

**Chairman Hruby:** Yes

**Secretary-Treasurer:** Mr. Dixon

**Mr. Dixon:** Yes

**Secretary-Treasurer:** Mr. Greenslade

**Mr. Greenslade:** Yes

**Chairman:** Our next meeting will be on Tuesday, January 17<sup>th</sup> at 10:00 a.m. due to Martin Luther King Day. And, again, on behalf of the Commission, I wish you all a very Merry Christmas and a wonderful Holiday Season. We're adjourned.

Time of adjournment: 10:47 a.m.

**For recordkeeping purposes - Those in attendance are as follows:**

Martin Seekely, CFO/Comptroller, Ohio Turnpike; Daniel Castrigano, Chief Engineer, Ohio Turnpike; Debby Sideris, Executive Office, Ohio Turnpike; Jennifer Diaz, Legal Department, Ohio Turnpike; Eric Erickson, Fifth Third; Kathy Weiss, Director of Contracts Administration and Government Affairs, Ohio Turnpike; Captain Chris Zurcher, Ohio State Highway Patrol; Virginia Everhart, URS Corporation; Bobby Everhart, URS Corporation; David Miller, Director of Toll Audit, Ohio Turnpike; Doug Hedrick, Assistant Chief Engineer, Ohio Turnpike; Tim Ujvari, Maintenance Engineer, Ohio Turnpike; Scott Buchanan, URS; Sam Khorshidi, Resource International; Stefan Holmes, FirstMerit Bank; Glen Stephens, G. Stephens; Dan Taggart, IOUE Local 18; Dave Russell, IOUE Local 18; Hamid Homae, TranSystems; Frank Lamb, Huntington Bank; Sharon Isaac, Director of Toll Operations, Ohio Turnpike; Lauren Hakos, Public Affairs & Marketing Manager, Ohio Turnpike; Chris Near, HMSHost; Daniel Van Epps, West Virginia University.

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

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Richard Hodges, Secretary-Treasurer