

**MINUTES OF THE 619th MEETING OF THE
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
July 6, 2015**

Chairman: Good morning ladies and gentlemen. Would you please rise as we say our Pledge of Allegiance.

The meeting will come to order. We ask that all guests please sign the sign-in sheet in the Lobby as we like to have a record of who has been in attendance at our meetings.

Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Chairman Hruby

Chairman Hruby: Here

Assistant Secretary-Treasurer: Vice Chairman Balog

Vice Chairman Balog: Here

Assistant Secretary-Treasurer: Mrs. Barber

Secretary-Treasurer Barber: Here

Assistant Secretary-Treasurer: Mr. McAuliffe

Mr. McAuliffe: Here

Assistant Secretary-Treasurer: Mr. Kauffman

Mr. Kauffman: Here

Assistant Secretary-Treasurer: Representative Dovilla

Representative Dovilla: Here

Assistant Secretary-Treasurer: We have a quorum, Mr. Chairman.

Chairman: Thank you. Commission Member Paradiso and Senator Manning both called and advised that they are unable to attend today's meeting as we changed the date and their schedules were already predetermined. This is the 619th 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. Various reports will be received, and we will act on several resolutions. Draft copies have previously been sent to the Members and updated drafts are in the Members' folders. The Resolutions will be explained during the appropriate reports.

May I have a motion to adopt the Minutes of the May 18, 2015, Commission Meeting?

MOTION: A motion to approve the Minutes was made by Chairman Hruby, and seconded by Mr. Balog. All Commission Members present voted to approve the Minutes.

Chairman: Any questions or comments before we move on to our reports? If not, I would like to proceed with the report of our Secretary-Treasurer, Mrs. Barber.

Secretary-Treasurer: The following items have been sent to the Members since the last scheduled meeting of the Commission on May 18, 2015:

1. Seven Resolutions;
2. Draft Minutes of the May 18, 2015, 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, May 2015;
2. Traffic and Revenue Report, May 2015;
3. Total Revenue by Month and Year, May 2015;
4. Investment Report, May 2015;
5. Financial Statement, May 2015; and
6. Various News Articles.

That concludes my report, Mr. Chairman.

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: Thank you, Mr. Chairman. I have a very brief report, Mr. Chairman. First, I want to recognize that it's the first meeting for our new General Counsel, Jennifer Stueber. I believe she has met all of the Commission Members. She has been onboard just over a month now and is doing is very good job. She has come up to speed very quickly. Today, we will get to see how quickly and clearly she can read.

Six months ago I told the staff, the Commission and the media, that I was not here to shake things up. That still holds true, but through meetings with employees in each area of our operations and after visits to facilities along all 241-miles of the Turnpike, I have to say the employees have been very open about their concerns, and sharing their ideas for improvement.

Working with the management team, we have identified a long list of practices and processes, technology and equipment, that needs some level of attention or updating. We have identified partners like ODOT, the Ohio State Highway Patrol, and the Department of Administrative Services to leverage previous investments, best pricing and enterprise solutions to speed up our implementation and reduce our costs. Shared services has been a big part of our evaluation. Robin will go into more detail on some innovations in the Human Resources area. This week, the Department Heads will meet and discuss almost one dozen technology and communication projects that will be implemented over the next six to ten months. Soon, all 950 Turnpike employees will have more access to technology and improved agency communications. We have evaluated the changes carefully and will implement them only through thorough agency communications and training. Marty will report about the financial condition of the Turnpike today. On the heels of a clean audit, an affirmation of our credit rating by Fitch, I believe it is a perfect time to make some small investments to update our operations, especially after each has been evaluated to: a) improve customer service; b) improve employee safety; or c) result in operational efficiencies and long term savings. Only through change and innovation can we drive the types of efficiencies that will allow us to maintain our current financial condition. I am very excited to say there is a new era of innovation and adaptation at the Turnpike. At each of the meetings through the end of this year we will share more of these initiatives with the Commission.

Thank you, Mr. Chairman, that concludes my report.

Chairman: Thank you, Mr. Cole. Again, on behalf of the Commission we want to take the opportunity to congratulate Marty, Robin, and the rest of the staff for the outstanding work on the CAFR and on the great audit we had again this year. Thank you for your good work. I know that it is not an easy thing to accomplish, especially getting such an excellent audit and the CAFR is just outstanding.

Are there any questions or comments concerning the Director's report? Hearing none, we will move on to the report of our Deputy Executive Director/Director of Administration, Robin Carlin.

DED/Director of Administration: Thank you, Mr. Chairman.

In keeping with our Core Commitments, or SWIFT (Safe & Reliable, Well-Maintained, Innovative, Financially Responsible, Technologically Driven), the Human Resources Department has been working on introducing innovative employment practices to attract qualified candidates to the Ohio Turnpike.

On June 18-19, 2015, we hosted our first Open Casting Call for part-time toll collectors. The Toll Operations Department needed to fill approximately fifteen vacancies in the Western District due to recent retirements, as well as the busy summer travel season. To facilitate the filling of these positions, we advertised in the Toledo Blade on Sunday, June 7, 2015. Between June 8-17, 2015, we received, evaluated and logged 1,571 applications. Over the course of two days, on June 18-19, 2015, we tested more than three hundred fifty individuals on their math skills and interviewed one hundred seventy-five. Out of the one hundred seventy-five people

who passed the math test, we had more than one hundred individuals that will be eligible for current and future placement. This process netted us successful results and will allow us to fill these vacancies in two to three weeks versus the normal six to eight week process. That's more than a 50% reduction in time from recruitment to placement. Moreover, subsequent vacancies can now be filled within a week of notification.

We must thank the Monclova Community Center for hosting us. They were very gracious and accommodating when more than seven hundred people lined up outside by 9:00 a.m. Additionally, this event was a collaborative process between Human Resources and Toll Operations, with special thanks to Adam Greenslade of MarComm and Al Durliat, Kevin Scott and Don Shantz from the Western Maintenance Division for helping out, or what I was referring to as coming to our rescue when seven hundred people lined up, we needed additional hands and it was a wonderful example of what it means to be Turnpike Proud. It was a great event.

Innovation in recruitment doesn't stop there. Due to the overall national shortage in engineers, we have had a challenging time filling the Civil Engineer vacancy in the Maintenance Department. The usual recruitment process had not been working. We needed to try something fresh and new. On June 25, 2015, we hosted our first Civil Engineering Open House, resulting in eleven qualified applicants, as well as a nice crowd of engineering consultants and companies. We have scheduled four for interviews this week and we are confident that we will find our Civil Engineer from this group. Due to the success of this event, we are planning to host a Fall Engineering Open House to feature our 2016 Engineering Projects in an effort to get more companies to bid on our projects, hopefully resulting in a more competitive process and better overall pricing.

Lastly, we are working to move our Administration Building, Non-Bargaining Field Personnel and Full-Time Toll Collectors, Radio Operators and Maintenance Clerical Employees to an arrears-based pay system. This transitional process will begin with the next paycheck and will continue incrementally until the second pay in December. We are making this move to ensure one payroll period for all employees regardless of pay classification or union affiliation. This structured move will allow us to more accurately reconcile leave usage with pay, as well as begin the process in 2016 toward a more efficient payroll and timekeeping system.

This concludes my report, Mr. Chairman. Thank you.

Chairman: Thank you, Robin. Are there any questions for Robin? We will move on to our Chief Engineer, Mr. Yacobucci.

Chief Engineer: Good morning, Mr. Chairman and Commission Members. I have four resolutions for your consideration this morning.

The first resolution for your consideration is for the award of Contract No. 4250 for the furnishing of organic-based, corrosion-inhibiting, liquid de-icing/anti-icing material. The bid invitation was divided into four items, which are based on the geographical location of the Commission's maintenance buildings, as well as approximate quantities at each location. The bidders were permitted to submit bids on one or any combination of the four items. We received

two bids in response to each item. The apparent low bid for Items 1, 2, 3, and 4 was submitted by Nature's Own Source, LLC, of Brecksville, Ohio, however, the material the apparent low bidder proposes to furnish does not comply with the bid specifications as required by the bid invitation, therefore, they are deemed non-responsive and cannot be considered for award. The apparent lowest responsive and responsible bid for Items 1, 2, 3, and 4 was submitted by K-Tech Specialty Coatings, Inc., of Ashley, Indiana. This bidder proposes to furnish material and services in accordance with the specifications. This bidder has supplied products to the Commission in the past and has performed well. It is therefore recommended that Contract No. 4250 be awarded to K-Tech Specialty Coatings, Inc., of Ashley, Indiana, for Items 1, 2, 3, and 4 in the total blanket amount of \$156,240.00. With your permission, may the General Counsel please read the Resolved.

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that **K-Tech Specialty Coatings, Inc.**, is selected as the lowest responsive and responsible bidder for Items 1, 2, 3 and 4 under Invitation No. 4250, that the Director of Contracts Administration is authorized to notify Nature's Own Source, LLC, that its bid is rejected as non-responsive, and that the Executive Director is authorized to execute a requirements Contract with K-Tech Specialty Coatings, Inc., on the basis of its bid.

Chairman: Any questions or comments? I just want to ask one quick question. This is a company that is from my city, so in fairness to them, have you notified them and got a response from them regarding the rejection of the bid as far as that it did not meet the specifications?

Chief Engineer: Mr. Chairman, I am going to ask Mark Musson, our Director of Contracts, if he could please answer that.

Director of Contracts: Yes, Mr. Chairman. The bidder offered an alternative bid that was higher than the second lowest bid, so I think they hedged their bet in checking to see if they could get the low bid, but did not meet the exact type of specifications of the bid. We will notify them that it was non-responsive.

Chairman: That's all. I just want to make sure they are notified. Any other questions?

Mrs. Barber: Tony, is there any difference in performance between organic and non-organic material? I notice that this is organic.

Chief Engineer: Mr. Chairman and Commission Member Barber, I am going to ask Chris Matta, our Maintenance Engineer, if he could go ahead and answer that question.

Maintenance Engineer: Mr. Chairman and Commission Member Barber, there is some differences between an organic and a synthetic based liquid deicing material. The organic has some carbohydrates and inherently a lot of times it makes it a heavier product, which sticks to the road a little bit longer. It doesn't blow off with the traffic.

Director Cole: Mr. Chairman, if Mr. Matta would just explain what organic material is being utilized. It is pretty consistent nationally. It's beet juice.

Maintenance Engineer: Yes, this one is beet juice. We have some other ones that we used which was Caliber M-1000, a product out of Ohio as well, which is also an agricultural byproduct that has some corrosion inhibiting qualities to it. But this product right here is beet juice.

Chairman: So we have notified the rejected bidder, is that correct?

Director of Contracts: Not yet, Mr. Chairman.

Chairman: But you will, correct?

Director of Contracts: Yes, Mr. Chairman.

Chairman: Okay. Anybody else? Hearing none. Please call the roll.

MOTION: A motion for adoption of the *Resolution Awarding Contract No. 4250 for the Furnishing of Organic-Based, Corrosion-Inhibited Liquid De-Icing/Anti-Icing Material*, was made by Mr. Hruby, seconded by Mr. Balog, and unanimously approved by all Commission Members present.

Chairman: Resolution passes unanimously. Tony, please go ahead.

Chief Engineer: Upon completion of the next Resolution, I would like to take a couple of minutes to report back to the Commission on Resolution 22-2015 regarding the procurement of Rock Salt through the ODOT Cooperative Purchasing Program.

The second resolution for your consideration is to reject the bids received for Contract No. 4247 for the furnishing of defined quantities of sodium chloride (rock salt). This bid invitation was intended to supplant some of the Winter Use Rock Salt procured through the ODOT Cooperative Purchasing Program, which was authorized by the Commission under Resolution 22-2015. The bid invitation was divided into ten items, which were based on the geographical location of the Commission's salt storage facilities, as well as a defined quantity at each location. The bidders were permitted to submit bids on one or any combination of the ten items. Procurement received four bids in response to the bid invitation. The bids received for Contract No. 4247 exceed the pricing available for Rock Salt through the ODOT Cooperative Purchasing Program. A spreadsheet labeled "Sodium Chloride Unit Pricing" has been included in your packet which provides the 2015/2016 Rock Salt bid pricing through ODOT and Bid Invitation 4247, as well as the 2014/2015 pricing for comparative purposes. Purchasing the Rock Salt through the ODOT Cooperative Purchasing Program would be more economical than supplanting a portion of it with the defined quantities under Bid Invitation 4247. It is therefore recommended that all bids received in response to Contract No. 4247 be rejected. With your permission, may the General Counsel please read the Resolved.

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the bids received in response to Invitation No. 4247 are rejected.

Chairman: Any questions or comments?

Mr. Kauffman: Tony, so you put it out in an attempt to see if there was better pricing available for a portion of the salt you would need, so it was all upside. If you found something that worked that had some cost savings, there really was no downside because we are guaranteed the rock salt we need through the ODOT contract. Am I understanding that correctly?

Chief Engineer: Mr. Chairman and Commission Member Kauffman, that is absolutely correct.

Chairman: Okay. Any other questions?

Director Cole: Commissioner Kauffman, I have heard it described before, you know taking the gamble or rolling the dice on when we bid and because we have seen market fluctuations in pricing we thought if we would stack as many bids together, I looked at it more as dollar cost averaging of inventory coming in and trying to make sure we are getting every opportunity we could if there was a change in marketplace, but do it at a low enough quantity that it didn't take anything away from what we added to ODOT's bid and the ability to get an economy of scale there, so we may try the same thing again. We will see. There is always a cost going out to bid, but again with changing and fluctuating prices anything we can do to bring that average down, we should try to do it.

Chairman: Any questions? Please let the Minutes reflect that Mr. Dixon is arrived at 10:15 a.m. Mr. Dixon, we are on the second resolution concerning the sodium chloride. Any other questions? Hearing none. Please call the roll.

MOTION: A motion for adoption of the *Resolution Rejecting Bids to Furnish Sodium Chloride (Rock Salt) Pursuant to Invitation No. 4247*, was made by Mrs. Barber, seconded by Mr. Hruby, and approved by all Commission Members, except for Mr. Dixon who abstained.

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

Chief Engineer: I would now like to report back to the Commission on Resolution 22-2015. Under Resolution 22-2015, the Commission authorized our participation in ODOT's Cooperative Purchasing Program for the procurement of Sodium Chloride for the 2015/2016 winter season. The Resolution required the Maintenance Engineer to issue a report back to the Commission indicating the results of the ODOT bidding process. A spreadsheet labeled "2015/2016 Sodium Chloride Contracts – Actual Bid Pricing" was included in your packets and reflects the actual bid prices received by ODOT for both the Pre-Fill Contract and Winter Use Contract. The Cooperative Purchasing Program contract for the procurement of Rock Salt requires the Commission to purchase 100% of the Summer Fill bid quantity, as well as a minimum of 90% of the Winter Use bid quantity, but provides the option to also purchase a

maximum of 110% of the Winter Use bid quantity. As you will note on the spreadsheet, the Commission's total expenditure for Rock Salt for the 2015/2016 Winter Season will be a minimum of \$4,151,428.80 and up to a maximum of \$4,763,451.20. I would be happy to answer any questions.

Chairman: Any questions? Hearing none. Please move on.

Chief Engineer: My third resolution for your consideration is to reject the bids received for Contract Nos. 56-15-04 and 56-15-05. This represented a contract for the replacement of rooftop HVAC units at the Castalia Maintenance Building at Milepost 106.7 in Erie County, and the Boston Maintenance Building at Milepost 173.9 in Summit County. Procurement received one bid for this Project, with the sole bid being submitted by The Smith & Oby Service Company, of Walton Hills, Ohio. The lone bid for each individual contract, as well as the combination bid of both contracts, was more than 10% above the Engineer's Estimate and therefore the bids cannot be considered for award, and must be rejected. Therefore, it is recommended the bids submitted by The Smith & Oby Service Company for Contract Nos. 56-15-04 and 56-15-05 be rejected, and the projects be re-advertised at a later date. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission, that the bids received from **The Smith & Oby Service Company, of Walton Hills, Ohio**, based on the advertisement for bids on Contract Nos. 56-15-04 and 56-15-05, are rejected.

Chairman: Any questions? Hearing none. Please call the roll.

MOTION: A motion for adoption of the *Resolution Rejecting the Bids Received on Contract Nos. 56-15-04 and 56-15-05 for the Replacement of Rooftop HVAC Units at the Castalia Maintenance Building at Milepost 106.7 in Erie County and at the Boston Maintenance Building at Milepost 173.9 in Summit County, Ohio*, was made by Mr. Hruby, seconded by Mr. Balog, and approved by all Commission Members.

Chairman: Please continue, Tony.

Chief Engineer: My final resolution for your consideration is to reject the bid received for Contract No. 43-15-06. This represented a contract for the bridge deck repair and rehabilitation of the Ohio Turnpike over Norfolk Southern Railroad and Kelley Road at Milepost 117.3, as well as the Ohio Turnpike over State Route 250 at Milepost 118.1 in Erie County. Procurement received one bid for this Project, with the sole bid being submitted by DOT Construction Corporation, of Canfield, Ohio. The lone bid is more than 10% above the Engineer's Estimate and therefore, the bid cannot be considered for award, and must be rejected. Therefore, it is recommended the bid submitted by DOT Construction Corporation for Contract No. 43-15-06 be rejected, and the project be re-advertised at a later date. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission, that the bid received from **DOT Construction Corporation**, of **Canfield, Ohio**, based on the advertisement for bids on Contract No. 43-15-06, is rejected.

Chairman: Any questions or comments?

MOTION: A motion for adoption of the *Resolution Rejecting the Bid Received on Contract No. 43-15-06 for Bridge Deck Repair and Rehabilitation of the Ohio Turnpike Over NS Railroad and Kelley Road at Milepost 117.3 and the Ohio Turnpike Over State Route 250 at Milepost 118.1 in Erie County, Ohio*, was made by Mr. Hruby, seconded by Mr. Balog, and approved by all Commission Members.

Chairman: Anything further, Tony?

Chief Engineer: That completes my report, Mr. Chairman. I do have one more thing I would like to add, if I may.

Chairman: Go ahead.

Chief Engineer: We have scheduled a meeting with the Ohio Contractor's Association for next week to discuss with them some of the issues we are having and try to find out what things we may be able to do better to procure more bids and better pricing. Myself, Randy, our Director of Contracts, Assistant Chief Engineer, and our Procurement Manager were all invited. They are coming up here and we are hoping to spend a couple of hours with them to do some things differently.

Chairman: Any other questions or comments? Hearing none. We will move on to the report of our CFO/Comptroller, Marty Seekely.

CFO/Comptroller: Thank you, Mr. Chairman. I have an update on our traffic and revenue the month of May, our financial results through the first five months of the year and one resolution for your consideration this morning.

This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Passenger car vehicle miles traveled continued to be very strong and were 6.2% higher than May of last year.

Commercial traffic continued to benefit from the improving economy and was 2.7% higher than May of last year.

This chart shows the total vehicle miles traveled through the month of May during each year over the past decade. Total vehicle miles traveled for the first five months of this year were 5.4% higher than the amount from last year.

The 6.2% increase in traffic combined with the toll rate increase on January 1 of this year caused passenger car toll revenue to increase 7.8% from May of last year.

The increase in Commercial traffic combined with the toll rate increase resulted in Commercial vehicle toll revenues increasing 4.6% from last year.

This chart shows the year-to-date toll revenues through the month of May during each year over the past decade. Toll revenues through May were \$6.6 million or 6.7% above the amount from last year.

This report shows the actual and budgeted revenues, expenditures and transfers for the General Fund for the first five months of this year.

Total revenues for the first five months of the year are \$3.7 million or 3.3% above budget and \$7.1 million or 6.6% above last year. Most of the revenue increase is due to the increase in toll revenues. Concession revenues were higher as a result of the increase in traffic and reduced construction at the service plaza locations this year.

Other revenues are higher due to increased *E-ZPass*® transponder fee revenues and gains on the disposal of fixed assets.

Expenditures for operation, maintenance and administration for the first five months of the year were \$2.9 million or 5.5% lower than budgeted and \$75,000 or .2% lower than last year. Most of the savings from budget were related to lower toll collector salary expense, lower compensated absence costs, lower utility costs and lower charges from the Ohio State Highway Patrol.

Debt service payments are \$300,000 less than budget and last year due to increased interest income on debt service funds and infrastructure funds.

After paying our operating expenses and debt service, the balance of the revenue is used to fund our 2015 capital expenditures. \$27.6 million was transferred to our capital funds in the first five months of the year, which is \$6.8 million higher than budget.

That completes my review of the financial results for the first five months of the year and if there are no questions I would like to present the Financial Condition Resolution.

Chairman: Any questions? Hearing none. Please continue, Marty.

CFO/Comptroller: Our Trust Agreements requires that we perform a mid-year review of our financial condition and certify to our Trustee, The Huntington National Bank, that projected revenues for the year will be sufficient to meet our obligations under our Trust Agreements.

For comparison, our 2014 pledged revenues are shown at the top of this slide. The data in the first column on the bottom of the slide shows our actual pledged revenues of \$114.4 million for the first five months of this year.

Based on the most recent toll revenue projection from Jacobs Engineering, our traffic consultant, I have estimated the pledged revenues for the last seven months of 2015 will be about \$183.5 million. This yields estimated gross pledged revenues for calendar year 2015 of \$298 million.

The calculations on the next two slides demonstrate that based on our projected pledged revenues for 2015, we expect to meet all four requirements under section 4.04 of both the Master Trust Agreement and the Junior Lien Trust Agreement.

The first requirement is that our estimated gross pledged revenues exceed the sum of our budgeted operating, maintenance and administrative costs, plus the required deposit to the expense reserve account.

The second requirement is that our estimated net/system pledged revenues exceed the sum of our annual debt service requirement, plus the renewal and replacement requirement.

The third requirement is that our estimated senior lien debt coverage ratio equal at least 120%. This ratio is required to be at least 150% in the year before the issuance of additional bonds. In addition, the Commission has by resolution established its intent to always maintain a ratio of at least 200%. A coverage ratio of at least 200% is generally recognized as a threshold needed to help maintain our double-A credit rating on our senior lien bonds.

The projected debt coverage ratio of 308% does satisfy the current requirement under our Master Trust Agreement.

The fourth and final requirement is that our estimated composite debt coverage ratio equal at least 120%.

During our presentation to the rating agencies for the 2013 bond issuance we indicated that it was our intent to always maintain a ratio of at least 170%.

The projected composite debt coverage ratio of 200% does satisfy the current requirement under our Junior Lien Trust Agreement.

There is a proposed resolution in your materials entitled "Resolution Concerning the Financial Condition of the Commission" and with your permission, Mr. Chairman, I would like to ask our General Counsel to please read the Resolved.

General Counsel: RESOLVED that the Ohio Turnpike and Infrastructure Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2015 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreements, and hereby authorizes and directs the CFO/Comptroller to issue the certificate required by §4.04(b) of the Trust Agreements; and

FURTHER RESOLVED that copies of such certification and a certified copy of this Resolution shall be transmitted to the Trustee and the rating agencies, and shall be available to any interested party.

Chairman: Any questions or comments?

Mr. Kauffman: It makes sense as you walk through pledged revenues, operations and maintenance and what we are paying on debt service and offsets by interest earnings, but the one number, and I may be alone in not knowing where this comes from, but the renewal and replacement requirement that is \$10 million, how is that determined each year?

CFO/Comptroller: That comes from our Capital Budget that we do at the beginning of the year. We transfer funds from our General Fund to the Renewal and Replacement Fund each year to fund projects that are paid for out of the Renewal and Replacement Fund. Those projects are for replacement of our vehicles, trucks, and any small projects on the road that are done just to maintain the road itself. They are not large system projects like the pavement replacement or repaving projects. They also include projects to maintain the buildings and the equipment and minor repairs to the road to make sure it continues to run.

Mr. Kauffman: Is that a fairly consistent number year to year?

CFO/Comptroller: Yes, it varies. It is between seven and twelve million each year, depending on our budget.

Chairman: Any other questions? Hearing none. Please call the roll.

MOTION: A motion for adoption of the *Resolution Concerning the Financial Condition of the Commission*, was made by Mr. Balog, seconded by Mrs. Barber, and approved by all Commission Members.

Chairman: Anything further, Marty?

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

Chairman: Thank you very much. Outstanding job as always. We will move on to the report of the General Counsel, Jennifer Stueber.

General Counsel: Thank you, Mr. Chairman. We have one resolution for your consideration this morning, Mr. Chairman. I would like to ask Jennifer Townley and Tim McDonald from ODOT to present their reports concerning that resolution.

Chairman: Yes, Jennifer Townley.

Jennifer Townley: Good morning Mr. Chairman and Commission Members. I am here today to talk to you about the Infrastructure Projects. We are requesting adjustments to the total amount requested and approved by the Commission back in September of 2013. We are

going to walk through some of the project information and then the request on the adjustments will follow.

On the first slide you can see that we had eight projects, which actually sold in fiscal year 2014, so that was the first year after the bond sale. Those projects were the Cuyahoga – Innerbelt (2nd bridge); four projects on the Wood – I-75 Corridor; Hancock I-75/224; Lorain – SR 57; and Summit – I-271. Also, I wanted to give you an update on how those Turnpike bonds are being expended due to the spend down requirements. You can see from this slide that the fiscal year 2014 projects are definitely moving along. We have some that are up in the 95% range all of the way down to 23%. From the spend down side, we are actually ahead of the projections and we will definitely meet the spend down requirements. For the fiscal year 2015 projects, we sold six projects, which were Cuyahoga – Opportunity Corridor; Lucas – I-75; Lucas – I-75 / I-475; Erie – US 250; Mahoning – I-80; and Lucas – I-475/20. So, all of the fiscal year 2015 projects are sold as well. Again, looking at the spend down on these projects, you can see that these are not quite as far along. We actually sold most of these projects in the April and May timeframe, so they are just getting started, but they are calculated in that spend down that we are projecting out and are fully meeting at this point in time. We are really here today to talk about requested adjustments. So, the total of the \$930 million is still the total that you will see there on your slide. We are just really asking for adjustments between projects, so we can make sure the amounts that are in the agreement and the resolution reflects the needed amounts on the project. If you remember, we came to you with totals for those projects when those projects were under development. They weren't sold yet. We didn't have change orders that had been happening on any of those projects yet. On this chart that you have in front of you we listed each of those given projects. The first column is the amount that was approved back in September 2013. The yellow column is the requested adjustment. The last column is the revised amount that we are requesting for each one of those projects. This will be the last time that we come and ask for an adjustment. The projects have all been sold. We know what to anticipate what those costs are. You can see that some of those fluctuated more than other and that's really dependent on the phase of development they were in, as well as how those low bids actually came in on those jobs. Again, those total requests and revisions still accommodate that \$930 million maximum that we need for those projects. We are here today asking for those revised amounts and I can take any questions if you have any.

Chairman: Will the General Counsel please read the Resolved?

General Counsel: RESOLVED, that the Executive Director and the General Counsel are hereby authorized to prepare and execute the necessary amendments to reallocate an amount not-to-exceed \$930 million from the infrastructure project funding agreements with ODOT as follows:

<u>Project Name</u>	<u>TRAC PID Nos.</u>	<u>Revised Total</u>
Cuyahoga – Innerbelt (2 nd bridge)	82119	\$275,019,723

<u>Project Name</u>	<u>TRAC PID Nos.</u>	<u>Revised Total</u>
Wood – 75 Corridor	95437 84557 95435 95436 25521	\$283,280,277
Lorain – SR 57	82645	\$16,500,000
Summit – 271	89458	\$49,000,000
Cuyahoga – Opportunity Corridor	96832 77333	\$14,000,000
Erie – US 250	88407	\$14,000,000
Lucas – I-75	76032	\$63,000,000
Lucas – I-75 / I-475	77254	\$122,200,000
Mahoning – 80	77260	\$65,500,000
Lucas – I-475/20	88252	\$27,500,000
	TOTAL:	\$930,000,000

FURTHER RESOLVED, that all infrastructure funds to be remitted to ODOT shall be in accordance with the terms and conditions of said infrastructure project funding agreements; and

FURTHER RESOLVED that, in accordance with Section 5537.18 of the Ohio Revised Code, the Commission’s determinations concerning funding of the infrastructure projects known as the Cuyahoga – Innerbelt (2nd bridge) TRAC PID No. 82119; Wood – 75 Corridor TRAC PID Nos. 95437, 84557, 95435, 95436, and 25521; Lorain – SR 57 TRAC PID No. 82645; Summit – 271 TRAC PID No. 89458; Cuyahoga – Opportunity Corridor TRAC PID No. 96832 which is part of TRAC PID No. 77333; Erie – US 250 TRAC PID No. 88407; Lucas – I-75 TRAC PID No. 76032; Lucas – I-75 / I-475 TRAC PID No. 77254; Mahoning – 80 TRAC PID No. 77260; and Lucas – I-475/20 TRAC PID No. 88252 shall be “conclusive and incontestable.”

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

Chairman: Any questions or comments?

Mr. Dixon: I know when you come to meetings you are not supposed to be late and you are not supposed to talk that much, but I will ask one question. Who requested the adjustments? I am looking at the Opportunity Corridor and I am seeing a decrease of \$25 million. Who requested the adjustments?

Jennifer Townley: The Ohio Department of Transportation is requesting the adjustments from the Commission, but I can explain the Opportunity Corridor project to you. The project was broke into three phases and at the point in time that the second phase was still being developed, we decided because of the spend down requirements to use the money from the infrastructure projects on the projects that were currently approved by the Commission. Then make an adjustment to the second phase of the Opportunity Corridor project and fund that fully by the Department's Major New Program. So, in an effort to spend the money down and allow advancement of those funds, we are adjusting these projects. You can see some of the projects came in actually under.

Mr. Balog: Just so we understand, the Opportunity Corridor will be fully funded, but it will be funded with additional money from ODOT and you just won't be using as much of the Ohio Turnpike's funds for that?

Jennifer Townley: Correct. Absolutely. So, the first phase is fully funded by the Ohio Turnpike funds and the second phase will be funded by ODOT's funds.

Chairman: Any other questions? Hearing none. Please call the roll.

MOTION: A motion for adoption of the *Resolution Authorizing Reallocation of Funds under Infrastructure Funding Agreements with the ODOT for the following projects: Cuyahoga – Innerbelt (2nd bridge) (TRAC PID No. 82119); Wood – I-75 Corridor (TRAC PID Nos. 95437, 84557, 95435, 95436, 25521); Lorain – SR 57 (TRAC PID No. 82645); Summit – I-271 (TRAC PID No. 89458); Cuyahoga – Opportunity Corridor (TRAC PID No. 96832; which is a part of TRAC PID No. 77333); Erie – US Route 250 (TRAC PID No. 88407); Lucas – I-75 (TRAC PID No. 76032); Lucas – I-75 / I-475 (TRAC PID No. 77254); Mahoning – I-80 (TRAC PID No. 77260); Lucas – I-475/20 (TRAC PID No. 88252)*, was made by Mr. Balog, seconded by Mrs. Barber, and approved by all Commission Members.

Chairman: Anything further, Jennifer?

General Counsel: Mr. Chairman and Commission Members, we have a report on the Turnpike Mitigation Program. Tim McDonald is here from ODOT.

Tim McDonald: Thank you, Mr. Chairman and Commission Members. I am here on behalf of the Ohio Department of Transportation to give you an update on the Turnpike Mitigation Program. The Turnpike Mitigation Program was established last year where we are allocated \$5 million annually to work on conditions surrounding the Turnpike across the State of Ohio. Last year, we allocated \$5 million for 2015 and 2016. This year we went out and requested additional projects for allocating an additional \$5 million for 2017. We received forty-one applications across the state requesting \$24 million so, obviously, we had a challenge in getting that down to a reasonable level. You can see how the funds were requested with the largest bulk of requests both in Cuyahoga and Summit Counties. The next page has them categorically distributed by the counties, as well as the type of requests. You can see we did get large dollar requests in noise walls this year, which we did last year. Noise wall and pavement

jobs were probably the top categories where we received requests this year. We did not select additional noise wall projects, as we are still working through the several noise wall projects that we had selected for the first two rounds. We are working through the design and right-of-way issues on those first round projects before we wanted to move on to additional noise wall projects. This year we focused mainly on pavement drainage fixes across the state surrounding the Turnpike. There are ten pavement projects, five drainage projects and two minor guardrail jobs.

The next slide is the summary of the actual projects across the State of Ohio, so I will not read through these. If you have any specific questions, I can answer them. Our district office went out and drove all of these projects to verify the conditions and what was going on in the individual locations and this is what we came to.

We tried to spread the funds across the state and not just group them all in one area. You can see the recommendations by county and how we broke them out and where they were. The final page is the by dollar figure by county.

We are not asking for a resolution or anything from the Commission today, we just wanted to update the Commission on ODOT's efforts. Working with Turnpike staff has been great with this program. We have been working hand-in-hand on these recommendations and just trying to make sure we are using these dollars adequately. I can answer any questions.

Chairman: Any questions? Thank you very much. We appreciate it. I know that the communities appreciate your efforts. Anything further, Jennifer?

General Counsel: Yes, Mr. Chairman. The next matter would be to elect the Officers. Would you please call for nominations?

Chairman: The floor is open for nominations. First is for the Chairman of the Ohio Turnpike and Infrastructure Commission.

Mr. Balog: I would like to nominate Mayor Hruby for re-election as Chairman of the Commission. I think he has done a great job in the last three years as our Chairman and I would like to go ahead and nominate him for Chairman.

Chairman: Is there a second?

Mrs. Barber: Second.

Chairman: Any other nominations for Chairman? Hearing none. I move nominations be closed.

For Vice Chairman I would move that Joseph Balog continue on as Vice-Chairman, as I am sure you all know, he was Chairman for many years and has been an outstanding Vice-Chairman supporting me and any credit for knowing the procedures and doing what we do goes to Joe. I would like to re-nominate him as Vice-Chairman.

Mrs. Barber: I will second that nomination.

Chairman: Any other nominations? Hearing none. Nominations for the position of Vice-Chairman is closed.

Do we have any nominations for Secretary-Treasurer?

Mr. McAuliffe: Yes, I would like to nominate Sandra Barber for Secretary-Treasurer. I have known Sandy for over twenty years. She is a dedicated public servant, has served three years on this Commission, as well as fourteen years on the Lottery Commission and serves northwest Ohio and this Commission well.

Chairman: I second that nomination. Any other nominations for Secretary-Treasurer? Hearing none. Nominations for the position as Secretary-Treasurer is closed. Please read the Resolution.

General Counsel: RESOLVED that the election of Jerry N. Hruby, as Chairman of the Ohio Turnpike and Infrastructure Commission; Joseph A. Balog as Vice-Chairman of the Ohio Turnpike and Infrastructure Commission; and Sandra K. Barber, as Secretary-Treasurer of the Ohio Turnpike and Infrastructure Commission, to serve until the next election, which shall occur at the first meeting of the Commission held after the 30th day of June 2019, or until their respective successors are elected and qualified, or until such officers individually shall cease to be members of the Ohio Turnpike and Infrastructure Commission, hereby is confirmed as having taken place at this meeting in accordance with Ohio Revised Code Section 5537.02(C) and Article I, Section 1.00 of the Commission's Code of Bylaws dated July 1, 2013, and the Assistant Secretary-Treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

MOTION: A motion for adoption of the *Resolution Confirming Election of Officers*, was made by Mr. Balog, seconded by Mr. Hruby, and approved by all Commission Members.

Chairman: Anything further?

General Counsel: Nothing further, Mr. Chairman.

Chairman: I want to say thank you very much for re-electing me as Chairman. I appreciate it very much. Congratulations to Mr. Balog and Mrs. Barber. All of you on the Commission do an outstanding job and I appreciate your support very much. Also, I appreciate the support of the Director, who by the way when we saw him come on board said he was not going to keep things status quo and if you notice he has done an outstanding job in moving forward. It has been a pleasure serving with you thus far, as Chairman and you as the Executive Director. Any other comments? Hearing none. We will move on to the reports of our advisors. First of all, our Financial Advisor, Bethany Pugh.

Financial Advisor: No report, Mr. Chairman.

Chairman: General Consultant, Scott Buchanan.

General Consultant: No report, Mr. Chairman.

Chairman: Financial Consultant, Frank Lamb.

Financial Consultant: No report, Mr. Chairman.

Chairman: Ohio State Highway Patrol, Staff Lieutenant Weirtz.

S/Lt. Weirtz: Good morning, Mr. Chairman and Members of the Commission. I have just a few incidents to report on today.

The first picture is an image of two hundred sixty-six oxycodone pills that was seized on May 19, 2015, out of a traffic stop by Sergeant Laughlin. It was seized from a 2003 Chevrolet Trailblazer from West Virginia. It was stopped on the Ohio Turnpike at Milepost 133 for a marked lanes violation. During the contact with the driver, who was the only occupant, the odor of raw marijuana was smelled coming from the vehicle. The driver was found to have marijuana in his mouth, which he was trying to eat during the traffic stop. A probable cause search of the vehicle revealed a tied up grocery bag containing the baggies of two hundred sixty-six oxycodone pills in a coat in the rear cargo area. The 49-year old suspect was then arrested on two felony charges. The street value of the oxycodone pills is \$3,500.

A second incident with our criminal patrol, Trooper Baker and Sergeant Laughlin, seized three kilos of heroine on June 11, 2015, out of a 2005 Jeep Grand Cherokee from Ohio at Milepost 133. They were stopped for a speeding violation and window tint violation. During the contact with the driver there were numerous criminal indicators. K-9 Paco was utilized, which he did indicate on the vehicle and those three kilos were found in a hidden compartment in the rear cargo area. The 35-year old female from Cleveland was incarcerated on three felony charges, including the hidden compartment in the vehicle, which is a new law that was effected last year by the Governor.

The last incident, unfortunately, was a fatal crash that occurred on June 3, 2015, at 4:37 a.m. at Milepost 69 in Wood County on the eastbound side. A 56-year old male from New Hampshire was outside of his disabled vehicle and was struck by a commercial vehicle, which hit-skipped. As of this time, we do not have any leads. We followed up on several, but we do not have that vehicle identified as of yet and that investigation is continuing.

I am happy to report that our Memorial Day reporting period and our July 4th reporting period was very safe. No fatal crashes and no serious injuries, so we are very happy about that.

That concludes my report, Mr. Chairman.

Chairman: Excellent report. Any questions for the Lieutenant? Hearing none. Thank you Lieutenant, we appreciate your good work.

The next meeting shall be held on Monday, August 17, 2015, at 10:00 a.m. If there is no further business, I will accept a Motion to adjourn.

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

Time of adjournment: 10:55 a.m.

Attendees for Record Keeping Purposes:

Scott Buchanan, AECOM; Bethany Pugh, PFM; T. Madden, PFM; Jennifer Townley, ODOT; Tim McDonald, ODOT; Gene Baxendale, Hill International; Jacob Siesel, IUOE Local 18; Tony Urankar, MSG; Jennifer Stueber, Ohio Turnpike; Anthony Yacobucci, Ohio Turnpike; Robin Carlin, Ohio Turnpike; Martin Seekely, Ohio Turnpike; David Miller, Ohio Turnpike; Sharon Isaac, Ohio Turnpike; Helen Guggenbiller, Ohio Turnpike; Jennifer Diaz, Ohio Turnpike; Dennis Albrecht, Ohio Turnpike; Mark Musson, Ohio Turnpike; Chris Matta, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; Joe Mannion, Ohio Turnpike; Chris Hobe, 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