

**MINUTES OF THE 621st MEETING OF THE
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
September 21, 2015**

Chairman: Good morning ladies and gentlemen, it is 10:00 a.m. Would you please rise as we say our Pledge of Allegiance.

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

Chairman: Mr. Dixon called and advised that he is unable to attend today's meeting. Senator Manning also called and advised that she is unable to attend due to meetings in Columbus.

Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Chairman Hruby

Chairman Hruby: Here

Assistant Secretary-Treasurer: Mrs. Barber

Secretary-Treasurer Barber: Here

Assistant Secretary-Treasurer: Commissioner Paradiso

Mr. Paradiso: 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: This is the 621st Meeting of the Ohio Turnpike and Infrastructure Commission. We are meeting here at the Commission's headquarters, as provided for in the Commission's Code of Bylaws for a Commission Meeting.

Various reports will be received, 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 August 17, 2015, Commission Meeting? Call the roll, please.

MOTION: A motion to approve the Minutes of the August 17, 2015, Commission Meeting was made by Mr. Paradiso and seconded by Chairman Hruby. 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 August 17, 2015:

1. Six Resolutions;
2. Draft Minutes of the August 17, 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, July and August 2015;
2. Traffic and Revenue Report, August 2015;
3. Total Revenue by Month and Year, August 2015;
4. Investment Report, August 2015;
5. Financial Statement, August 2015; and
6. Various News Articles.

That concludes my report, Mr. Chairman.

Chairman: Thank you. Any questions for Mrs. Barber? Hearing none. The only thing I would like to report to the Commission is the fact that this morning we had an Audit Committee meeting with Frank Eich, of Ciuni and Panichi, who presented the audit report to us, which we will be hearing a little later in our meeting and you will be pleased with the results of the audit. We will move on to the report of our Executive Director, Randy Cole.

Director Cole: Thank you, Mr. Chairman. On August 28, 2015, we joined with our partners at the Ohio State Highway Patrol in kicking off the I-80/I-35 Enforcement Challenge. Our message was simple, be smart and drive safely. Proudly the Ohio Turnpike is traditionally ranked as one of the safest roads in the nation with a relatively low fatal crash ratio of one per 100,000 miles since 1981. Having said that, this year has been a challenging one because we have already seen ten fatalities on the Ohio Turnpike and there are four months remaining in 2015. There were only nine fatalities in all of 2014. The Ohio State Highway Patrol tells me that since 2010 troopers have cited close to 10,000 drivers on all of Ohio's highways for failing to move over in construction zones and emergencies. In fact, more move over citations were written on the Ohio Turnpike than any other roadway, almost 1,700. The Patrol has issued over 4,000 citations for all violations in Ohio Turnpike work zones in 2014. We were fortunate that no employees were injured or killed, but last year there were thirty-nine motorist injuries and motorist fatality as a result of crashes inside Turnpike work zones. I am happy to report that through the two weekends of the challenge there were no motorist fatalities or major incidents on the Ohio Turnpike. I am sure Lieutenant Weirtz can provide you with more details about their effort in you have questions. We have six resolutions for consideration today. Marty and Tony will go over the details and the purchases, but I just want talk briefly about the process. I have been extremely impressed with how our staff has worked together as a team to evaluate the purchases, analyze different approaches and the market and to take advantage of DAS and ODOT programs to ensure that we get the highest quality and the best prices.

I am happy to report today that pursuant to Commission bylaws our Strategic Planning Workflow Committee led by Tony Yacobucci and David Miller has reviewed and updated our Standard Operating Procedures. In addition, this year Jen Stueber has initiated a review and indexing of Commission policies. So, we will continue to make improvements and refinement in each of those areas.

Finally Mr. Chairman and Commission Members, we arranged a draft calendar for 2016 meetings. The meetings in particular, it's in your folder, that I would like for you to think about are the January and February meetings. The question is whether it is the Members preference to have those meetings on the third Tuesday after the Monday holidays or push back to the fourth Monday. In addition, next December the meeting would on December 19, 2016, which we could consider having the meeting on December 12, 2016, to stay further away from the holidays if the members desire.

That concludes my report, Mr. Chairman.

Chairman: Thank you. Do you want the Members to review it and get back to you?

Director Cole: Yes, please.

Chairman: Any questions for the Director? 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 August and three resolutions for your consideration this morning.

This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years.

Labor Day was September 1st last year and not until September 7th this year. As a result the last few days of August last year were on Labor Day weekend and had higher passenger car traffic than the same days this year. This calendar shift cause Passenger car vehicle miles traveled to decline 1.5% in August from the same month last year.

Commercial traffic continued to benefit from the improving economy and was 3.2% higher than last year in August.

This chart shows the total vehicle miles traveled through the month of August during each year over the past decade.

Total vehicle miles traveled for the first eight months of this year were 4.1% higher than the amount from last year.

The decrease in traffic combined with the toll rate increase on January 1 of this year caused passenger car toll revenue to decrease .1% in August from the same month last year.

The increase in Commercial traffic combined with the toll rate increase resulted in Commercial vehicle toll revenues increasing 5.1% in August.

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

Toll revenues through August were \$10.3 million or 5.8% above the amount from last year.

That completes my report on Traffic and Revenue Mr. Chairman. With your permission I would like to present my first resolution.

Chairman: Please.

CFO/Comptroller: The first resolution is for self-insured employee group health benefit plan administration and stop loss coverage. With your permission, Mr. Chairman, I would like to ask Doug Brown and Kyle Cooke from Willis to come up and make a presentation of the responses to the Commission's RFP and the scoring and recommendation of the Commission's evaluation committee.

Chairman: Certainly.

CFO/Comptroller: Willis is the Commission's employee benefits consultant and was instrumental in assisting the Commission in soliciting and reviewing proposals for all of the employee benefits that will be presented in the next three resolutions.

Doug Brown: Good morning. My name is Doug Brown and I am a Senior Benefit Consultant with Willis of Ohio. With me is Kyle Cook, who is also a Senior Consultant. It has been our privilege to work with the Commission in excess of ten years on the healthcare benefits as well as the life, dental and vision. Periodically, the Commission goes out to bid and what we have done this year is do so for the life and the health benefits and today we would like to share our findings.

This was a process. Kyle and I were manning it from the Willis side and from the Commission side it was a very strong team including Marty, Mark Musson, Lisa Mejac, Terri Saegert and Matt Cole. So, what we had done was go out to bid. We started with the RFP notice on July 9. We asked folks that were going to bid to get their questions back by July 30. The proposal submission deadline was August 8 and then we came back with our analysis on August 25 and set up finalists meetings for September 2.

Basically, what we had done was set up a scoring grid similar to what we had done in the past. You will notice that there are different point categories for each line of coverage. The lion share, of course, being medical with that being your highest cost benefit provided. It worked its way down to prescription drug, hearing, vision, etc. As far as the pass/fails at the bottom, it was for those who submitted proposals if they were willing to comply with the financial requirements of the Commission and then also the legal requirements as well.

Moving into the self-insured health benefits, the resolution that Marty Seekely had just talked about. Just a little bit of an overview, the Commission currently offers group medical, drug, vision and hearing benefits through Medical Mutual and you have been with them since 1989. These benefits are provided on a self-insured basis under a pure administrative services only arrangement. Therefore, you work with Medical Mutual as your claim payer, risk bearer, you utilize their network, but all claims are funded by the Commission up to a specified, specific stop loss level per claimant. That stop loss level is set at \$175,000.00 for this calendar year. There is no aggregate stop loss or umbrella stop loss for the group. In going out to bid, we targeted a number of insurance carriers that we knew would be interested in this. We also put it out onto the public domain and there were twenty-three requests in addition to those that we actually submitted the RFP to. These are the twenty-three entities that expressed an interest or at least inquired as to the process of putting a bid in. As a result, we ended up with four proposals. Your incumbent, Medical Mutual, Aetna, Health Scope, and United Healthcare. Now, Health Scope is an interesting entity in that they were a third party administrator out of Arkansas using a Cigna network overlay. They were a little unique in that they had some initial pricing that looked favorable, but we ended up eliminating them because they were into a percent of savings type arrangement that became a total variable in what your costs would be. As a result, we identified three finalists, your incumbent, Medical Mutual, Aetna and United Healthcare.

For this particular line of coverage, we broke out the point system in these areas: financial, network discounts, network administration, customer service, completion of the

submission on all items of the RFP. So, total points in the medical was 330 and 90 for the drug and certainly one of the emphasis was on the financial because that is the driving cost item for your concern. So a combination of 420 points were available for these two coverages and out of that the way we have scored it between ourselves and the team was that Medical Mutual came out with the highest score of 394. Again, we eliminated Health Scope because of their variable pricing; there was no way to put a set number on what it would cost the Commission. So, the other three were selected as finalists because they were seemingly pretty close and close enough that we should at least have that conversation with them, if for no other reason than to create the best and final offers scenario, which actually worked to your advantage. One of the factors that we looked at was the in-network aspect for those folks that are utilizing the Medical Mutual network from the population you have from the Western part of the state to the Eastern part of the state. We wanted to make sure that if we were looking at another network that there was suitable network availability for those people based on the providers that they have used. We took the actual providers that your employees and family members had used and out of that each of the networks were pretty close at 96%. So, those are actual physicians, hospitals, facilities, and so forth. So, everyone was on a par. The number of claimants using the network was a little bit higher with Medical Mutual than the others, but still in excess of 95%. Next was, dollars channeled through the network. Medical Mutual dipped down slightly in this one because in the particular claim period there were three instances (three claimants) that actually used University Hospitals downtown facility. If you recall, for Medical Mutual that is not an in-network facility. University Hospitals Downtown Medical Center, as well as the Bedford Medical Center are considered out-of-network, whereas other satellite University Hospital hospitals in this area, for example Southwest and St. John Westshore are identified University Hospital, but they are continuing on the old Medical Mutual contract, so they are still in-network. But those three claimants that actually went downtown brought that percentage down a little less.

As for discounts, this is where it becomes quite important to look at this because if your people are walking through the same provider doors who has got the best network arrangement in terms of discounts off the billed charges. Medical Mutual's actual discounts for you statewide are 53.6%, they are willing to put 25% of their fees at risk if it drops below 53%. So, we will look at somebody who comes through this process be it Aetna or United Healthcare who repriced your claims and set what they predicted to be their network discounts to compare to Medical Mutual, but the proof then becomes how much are they willing to put at risk because anyone can say I will give you 55%. And if you will notice, Aetna and the United Healthcare both were illustrative. They hadn't actually used the raw data that we had provided, but they were going through general zip code type averages and Aetna predicted that they would be 52.3%, but they would pay under 52.7% and put 20% of their fees at risk, but we know with Aetna they are not going to be as deep a discount as Medical Mutual certainly through the mid part of the State of Ohio being from East to West. United Healthcare put a fairly strong discount on there, but as you will notice they will not start paying a fee or penalty unless they dip below 51%. These don't seem like a big difference, but they are if you go to the bottom of the page. Your gross billed charges before discounts is about \$15 million, so every one percent of discounts is worth about \$150,000.00. So, it has an impact even if they are off by 1%.

On the prescription drug repricing, we also asked them to take a select sample of your prescription drug utilization and give us their ingredient costs, any other type of administration

or dispensing fees, estimated rebates to get an overall net cost for the sample. In this particular instance, Medical Mutual scored best. I will point out that the \$96,000.00 in rebates was something that was done kind of retrospectively on rebatable claims that were done in the sampling. We had a better estimate on what those were going forward, plus they improved their rebates for this coming year. That is kind of good news and bad because rebates are only paid on brand name drugs, so you really don't want to promote brand name drugs necessarily, but when they are utilized you want to be able to get the best rebate on them. Generic drugs continue to be the best economical option if a user can tolerate them. If we bring a lot of the fixed costs into this plan this is going to be about 7% of your spend, but the real money is in the discounts in the cost of care. In this instance, with Medical Mutual and you factor in their administrative costs of \$387,000.00, stop loss of \$533,000.00, the rebates that we estimate based on updated information their overall starting point is just under \$800,000.00. The renewal that they came with knowing it was in the market, they lowered their administrative fee down to \$339,000.00. They increased, however, the stop loss cost; this is for that \$175,000.00 risk shift by almost \$100,000.00. They are offering a wellness pledge of \$25,000.00; rebates are improved \$146,000.00, so their renewal starting point was \$790,000.00. Then you look at the other two and while Aetna was a little higher and United was a little lower that when you go through the various pieces and parts, the one that stood out best was Aetna at \$745,000.00, but that also includes a \$50,000.00 wellness/implementation budget meaning that if you have taken the Aetna option they would have provided you \$25,000.00 in wellness money, as well as a \$25,000.00 implementation fee and that can be used for communication, report generation out of Medical Mutual that you might need, etc. So, with the advantage and the discounts of Medical Mutual, as well as an arguably competitive fixed costs analysis, we felt they were the best option. Now if you get into the specific stop loss level, this is one that we talk about every year. That is what level should you have for an individual claimant before Medical Mutual steps in and funds. You are currently at a \$175,000.00. We looked at several options to that like if you would raise it to \$200,000.00 or to \$250,000.00 and we have had this conversation with your management folks here at the Commission as to what's the right level and what kind savings can you get if you take on more risk. So, in this instance if you were to go to \$250,000.00, that seems to be the most economical option for you, you would be able to absorb three plus people going from \$175,000.00 to \$250,000.00. That is an additional \$75,000.00 of risk and you would save \$233,000.00 doing it. You could absorb three or more before you would lose money on this. This has been kind of changes that Marty Seekely has been watching carefully as to how often are we breaching the stop loss in relation to what we are paying and you don't breach it very often. The stop loss is designed to be for when you do and you have that premature baby or what not and you reach it by a lot. In this particular instance if you go down to the actual number of claimants in the past few years that have exceeded \$250,000.00 this seems like a reasonable risk for you to take that you won't lose money on the proposition. So you will be funding \$75,000.00 more per claimant, but the fixed costs savings that you will enjoy will offset that up to the point that you don't absorb more than three. So the recommendation has been has been to take that up to \$250,000.00 effective January 1, 2016.

We have recommended you stay with Medical Mutual effective January 1, 2016. They have the most financially competitive proposal, administrative fees that we reduced as a result of this competition have been set and guaranteed to be flat for 2017 and 2018. The specific stop loss will only be guaranteed for twelve months, which is very common, it is very rare, in fact,

next to impossible to get a multiple year stop loss guarantee. Vision and hearing are baked into the Medical Mutual program and this did create a little bit of a functional problem for some of the other vendors, so this would continue to be part of the Medical Mutual program. Given all of those factors and financials, we recommend that you stay with Medical Mutual.

CFO/Comptroller: May the General Counsel please read the Resolved?

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the Proposal from Medical Mutual offering to provide the Commission's self-insured Group Health Benefits Plans with stop loss insurance is selected as the best proposal submitted, and that the Executive Director is authorized and directed to award a contract for the Commission's self-insured Group Health Benefits Plans with \$250,000.00 stop loss insurance to Medical Mutual for an initial three-year term commencing January 1, 2016, with two, two-year options to renew.

FURTHER RESOLVED that the Executive Director is authorized to take any and all action necessary to properly carry out the terms of the contract with Medical Mutual, and make any modifications thereto during the term thereof that are necessary to fulfill any newly mandated requirements, address circumstances that would create a threat to life, safety, or health or wellbeing of Commission employees or otherwise interfere with the purpose and intent of the Group Health Benefits Plans or stop loss insurance.

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

MOTION: A motion to adopt the *Resolution Authorizing the Award of Self Insured Employee Benefit Group Health Benefits Plan Administration with Stop Loss Insurance* was made by Mr. Paradiso, seconded by Chairman Hruby, and unanimously approved by all Commission Members present.

Chairman: Resolution passes unanimously. Please continue.

CFO/Comptroller: The next Resolution is for employee group dental benefits.

Doug Brown: Dental benefits for the Commission have been provided separately under a fully insured contract with Delta Dental since 2011. Willis and the evaluation team reviewed both fully insured and self-insured proposals for the dental benefits at the Commission. There is a very similar number of vendors that requested information on this as part of the public bid and the timelines were the same. There were five proposals submitted. Delta Dental is your incumbent, Aetna, Anthem, MetLife, and United Healthcare. We elected to try and negotiate the best outcome between Delta Dental and Aetna as finalists. Similar scoring technique here with financial, discounts, network administration, customer service, completion of proposals, total points of 100. In this instance we had two clear vendors that were out in front of the others, Delta Dental and Aetna, 65 and 67 of those points. They were asked to come back with their best and final offers. The recommendation is to replace Delta Dental with Aetna effective January 1, 2016. Primarily for a competitive proposal that was guaranteed over the course of two years and a third year rate cap. Your current costs with Delta Dental are \$595,000.00, they actually came in at a reduction to \$571,000.00. However, Aetna came in another \$40,000.00 less than that and guaranteed that savings for two years. The plan designs were similar,

reimbursement is the same. Sometimes the question is should you self-fund the dental or go fully insured? We did our own projection of what we thought dental costs would be if it was self-insured. It would be \$540,000.00 and as you can see the cost for Aetna is about \$10,000.00 under that. Not uncommon for a commercial carrier to come in slightly under what a self-funded projection would be. They like the revenue stream to reimburse their dentists, so they try to make it worth your while as Aetna has done here. The recommendation by the evaluation team and Willis is to replace Delta Dental with Aetna effective January 1, 2016.

CFO/Comptroller: May the General Counsel please read the Resolved.

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the Proposal from Aetna offering to provide the Commission's fully insured Group Dental Benefits Plan is selected as the best proposal submitted, and that the Executive Director is authorized and directed to award a contract for the Commission's fully insured Group Dental Benefits Plan to Aetna for an initial three-year term commencing January 1, 2016, with two, two-year options to renew the contract.

FURTHER RESOLVED that the Executive Director is authorized to take any and all action necessary to properly carry out the terms of the contract with Aetna, and make any modifications thereto during the term thereof that are necessary to fulfill any newly mandated requirements, address circumstances that would create a threat to life, safety, or health or wellbeing of Commission employees or otherwise interfere with the purpose and intent of the Group Dental Benefit Plan.

Chairman: Any questions or comments? Marty, the three plans that are before us today are all consistent with the union contract?

CFO/Comptroller: Yes, Mr. Chairman.

Chairman: We don't have any conflicts with this?

CFO/Comptroller: No, Mr. Chairman. We made sure that all of the benefits were consistent with what we have to provide in the union contract.

Chairman: Exceed? Below?

CFO/Comptroller: No, it is just what we had, so that is consistent with what the contract calls for.

Chairman: Any other questions. Hearing none, please call the roll.

MOTION: A motion to adopt the *Resolution Authorizing the Award of Fully Insured Employee Group Dental Benefits Plan* was made by Mr. Paradiso, seconded by Chairman Hruby, and unanimously approved by all Commission Members present.

Chairman: Motion passes unanimously. Marty, please continue.

CFO/Comptroller: The next resolution is for employee group life and AD&D benefits and involuntary life and AD&D benefits.

Doug Brown: The programs that you offer to employees on both a Commission paid and employee paid basis have been with The Hartford and have been under a fully insured contract since 2011. You subsidize for your employees a flat \$50,000.00 of life and accidental death and dismemberment benefits and the employees can purchase additional amounts of insurance on themselves, their spouses, and their children if they so desire and those optional benefits are paid 100% by those employees. When this went out to bid, there were twenty-one requests or points of interest in this particular line of coverage. We only received three proposals, your incumbent The Hartford, Minnesota Life and United Healthcare, and similar with the dental we worked back to Hartford using Minnesota Life as the most competitive vendor to try and get the best outcome for you. These points were also looked at from a financial contractual provision, customer service, and completion of submission. This was a 210 point grid. Out of these, your incumbent scored 195 and Minnesota Life scored 205, so those two were identified as the two that we wanted to get best and final offers from. As a result, we were able to get Hartford, who was willing to say we will leave the premium as it is for another two years at \$83,300.00 a year. Then Minnesota Life came in and had a lesser cost option for the same benefits, so saving \$15,600.00 a year guaranteed for three years. This is a group that bid on this back on 2011. We weren't very familiar with them and in those five years since we have found several local employers that use them and they have done a good job. We are fairly comfortable with the quality of this group. Therefore, we recommend that the Commission replace The Hartford with Minnesota Life as of January 1, 2016.

CFO/Comptroller: Will the General Counsel please read the Resolved.

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the proposal from Minnesota Life offering to provide the Commission's Group Life and AD&D Benefit Plans is selected as the best proposal submitted, and that the Executive Director is authorized and directed to award a contract for the Commission's Group Life and AD&D Benefit Plans to Minnesota Life for an initial three-year term commencing January 1, 2016 with two, two-year options to renew.

FURTHER RESOLVED that the Executive Director is authorized to take any and all action necessary to properly carry out the terms of the contract with Minnesota Life, and make any modifications thereto during the term thereof that are necessary to fulfill any newly mandated requirements, address circumstances that would create a threat to life, safety, or health or wellbeing of Commission employees or otherwise interfere with the purpose and intent of the Group Life and AD&D Benefit Plans.

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

MOTION: A motion to adopt the *Resolution Authorizing the Award of Employee Group Life and AD&D, and Voluntary Supplemental Life and AD&D Benefit Plans* was made by Chairman

Hruby, seconded by Mr. Paradiso, and unanimously approved by all Commission Members present.

Chairman: The resolution passes unanimously. Anything further?

CFO/Comptroller: Yes, Mr. Chairman. Lastly, I would like to introduce Rhonda Hall and Frank Eich from Ciuni & Panichi, who would like to go over the results of our 2014 audit. Ciuni has been our auditors for the last eleven years and has been recently designated by the Auditor of State's Office to audit our 2015 financial statements.

Chairman: Before you begin, I want to thank Mr. Brown for your presentation. I found it to be very comprehensive. Please go ahead, Ms. Hall.

Rhonda Hall: Good morning Mr. Chairman and Commission Members. I am Rhonda Hall. I am the partner in charge of the government services for Ciuni & Panichi and we performed the audit for December 31, 2014, for the Commission. As Marty as said, the State Auditor's Office has given us the approval to audit the Commission for fiscal year 2015. We are happy to be coming back and helping you through the next implementation of the newest GASB, which is GASB 68, which will be impacting the Commission's financial statements a great deal going forward.

We issued an unmodified opinion on the CAFR that was prepared by Marty and his department. The opinion is included in the CAFR on pages 18 and 19. We also issued a number of other reports that can be found in the spiral bound reports that you received. In Section A, you will find the report on internal control over financial reporting and compliance. We did not note any significant deficiencies or material weaknesses in internal control, nor did we have any non-compliance citations or anything with laws, grants, or contracts that were applicable to the Commission. Frank is the manager that was in charge of the engagement and he is going to be discussing the reports on the Master Trust Agreement.

Frank Eich: Good morning everybody. First, I would like to thank the Chairman for meeting with me prior to this meeting to go over the audit report one on one. In Section B of the spiral bound reports you will find that the Commission complied with Section 4 of the Senior and Junior Master Trust Agreements. If you turn two more pages you will get to the report on the Net System Pledged Revenues, this is Section C. On pages 1 and 2 of this report, we show that the Commission complied with the Net System Pledged Revenues outlined in the Senior and Junior Master Trust Agreements. As shown on page 3, the Commission is safely greater than the 120% minimum required for the Pledged Revenues as a percentage of annual debt service requirements for both the Senior and the composite debt requirements. In addition, we have met with the Audit Committee as we have discussed and went over the letter to those charged with governance. There was nothing in there to report to you today.

Thank you for letting us meet with you and if you have any questions, please let us know.

Chairman: Any questions? Thank you very much. I appreciate it. Thank you for the meeting this morning.

Director Cole: Just a quick comment, Mr. Chairman. I was very happy to hear the news that Ciuni & Panichi will be provided the audit services again next year for our 2015 year. As many of you know, Section 5.15 of the Master Trust Agreement, our covenant with our bond holders requires that an independent accounting firm, a private accounting firm, provide our audit services unlike other government agencies who are sometimes audited by the Auditor of State. So, having a firm that understands our business, operations and the changing nature of it, so that they can change their procedures and things is very important to us and I just appreciate what they provide both to the Commission and to the bond holders who hold the debt that finances our operations and the jobs and infrastructure projects. They do a great job. Thank you.

Chairman: I would like to also thank you on behalf of the Commission. You were commended by the auditors for the job that you did, especially with having a reduced staff for a period of time. They said you were very compliant and on time and they appreciated it and we appreciate it also. Anything else Marty?

CFO/Comptroller: Thank you. I have nothing further, Mr. Chairman.

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

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

My first Resolution for your consideration seeks authorization for the purchase of seventy-six (76) Motorola Multi-Agency Radio Communication System (MARCS) digital portable radios and supporting accessories under the Ohio Department of Administrative Services Cooperative Purchasing Program. The proposed purchase is for equipment utilized by the Ohio State Highway Patrol (OSHP) in policing the Ohio Turnpike, and is part of an OSHP statewide upgrade of their MARCS radio equipment. The Commission's current Master Contract with the Department of Public Safety of the State of Ohio requires the Commission to purchase certain supplies and equipment exceeding a value of \$1,000 for OSHP use in policing the Turnpike. The purchase of the MARCS portable radio equipment is included in the 2015 Capital Improvement Budget. The Procurement Manager has determined that the lowest cost of obtaining the MARCS portable radio equipment is under State Term Contract Index No. STS073, Schedule No. 573077 through Motorola Solutions, Inc. The total cost for the seventy-six (76) portable radios and supporting accessories will be \$392,837.00. The expenditures by the Commission for the MARCS radio equipment will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission authorization of this purchase is required. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the purchase of seventy-six (76) MARCS digital portable radios and accessories through the DAS Cooperative Purchasing Program under Contract Number 573077, Index Number STS-073, for **\$392,837.00**, is approved.

Chairman: Director Cole or Lieutenant Weirtz, do you want to comment on this? Would you like to explain what the MARCS system is to the Commission, please?

S/Lt. Weirtz: Good morning, Mr. Chairman and Commission Members. The MARCS radio system is the statewide radio communications system that we currently use along with other agencies in the state. These portable radios are an upgrade to outdated radios as technology has improved. The radios will increase our communications, so it is a statewide purchase that is for our division.

Chairman: So, it enhances your capabilities to perform your duties?

S/Lt. Weirtz: Yes, it definitely enhances and increases our ability to perform our job.

Chairman: Any other questions for S/Lt. Weirtz? Thank you. Any questions or comments? Hearing none, please call the roll.

MOTION: A motion to adopt the *Resolution Authorizing the Executive Director to Purchase Motorola MARCS Equipment Under DAS Contract for the Use of Ohio State Highway Patrol* was made by Chairman Hruby, seconded by Mr. McAuliffe, and unanimously approved by all Commission Members present.

Chairman: The resolution passes unanimously. Please continue, Mr. Yacobucci.

Chief Engineer: My next resolution seeks authorization for the purchase of two (2) truck tractors with cab guards under the Ohio Department of Transportation's (ODOT's) Cooperative Purchasing Program Contract Number 044-15. The purchase of the truck tractors is included in the 2015 Capital Budget and is required to replace existing 1995 model year truck tractors. The Procurement Manager has determined that the lowest cost of obtaining the two (2) truck tractors is under ODOT's Cooperative Purchasing Program Contract Number 044-15 from Cleveland Freightliner, Inc. dba Valley Freightliner of Parma, Ohio. The total cost for the two (2) truck tractors will be \$224,814.00. In addition, the existing 1995 model year truck tractors shall be disposed of in accordance with the Commission Property Disposal Policy after the new truck tractors are placed into service. The expenditures by the Commission for the two (2) truck tractors will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission authorization of this purchase is required. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the purchase of two semi-tractor trucks and cab guards from **Cleveland Freightliner, Inc., of Parma, Ohio**, through the ODOT Cooperative Purchasing Program under Contract No. 044-15, in the total amount of **\$224,814.00**, is approved.

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

MOTION: A motion to adopt the *Resolution Authorizing the Purchase of Two Semi-Tractor Trucks and Two Cab Guards Under ODOT Cooperative Purchasing Program* was made by Mrs. Barber, seconded by Chairman Hruby, and unanimously approved by all Commission Members present.

Chairman: Please continue.

Chief Engineer: My final Resolution for your consideration seeks authorization for the purchase of two (2) excavators under the Ohio Department of Administrative Services Cooperative Purchasing Program. The purchase of these excavators is included in the 2015 Capital Improvement Budget to replace our existing 1996 model year excavators and 1991 model year gradalls. Maintenance staff has compared similar excavator manufacturer's models, all available on the ODAS Cooperative Purchasing Program, against our existing excavators and gradalls, and determined that the CAT 312E excavator is the best equipment to replace our existing equipment. The CAT excavators are superior compared to the other models in terms of pricing considering minimum specifications developed based on our current excavators. Specifically, the CAT 312E met the specified categories including dimensions, operating weight, reach capacity, load rating, and digging depth. Additionally, CAT provides complete diagnostic and repair training to the Commission's staff. The Procurement Manager has determined that the lowest cost of obtaining the excavators is under State Term Contract Index No. STS515, Schedule No. 800055 through Ohio CAT, of Broadview Heights, Ohio. The total cost for the two excavators will be \$347,567.10. In addition, the existing 1996 model year excavators and 1991 model year gradalls shall be disposed of in accordance with the Commission Property Disposal Policy after the new excavators are placed into service. The expenditures by the Commission for the two (2) excavators will exceed \$150,000.00, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission authorization of this purchase is required. With your permission, may the General Counsel please read the Resolved?

General Counsel: RESOLVED by the Ohio Turnpike and Infrastructure Commission that the purchase of two Model No. 312E Excavators from **Ohio Machinery Co., of Broadview Heights, Ohio**, through the DAS Cooperative Purchasing Program under Contract No. 800055, Index No. STS-515, in the total amount of **\$347,567.10**, is approved.

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

MOTION: A motion to adopt the *Resolution Authorizing the Purchase of Two Caterpillar Model 312E Excavators Under the DAS Cooperative Purchasing Program and the Disposal of Obsolete Equipment* was made by Chairman Hruby, seconded by Mr. McAuliffe, and unanimously approved by all Commission Members present.

Chairman: Anything further, Tony?

Chief Engineer: No, Mr. Chairman.

Chairman: How is the construction going? Are we ahead of schedule? Behind?

Chief Engineer: Mr. Chairman, most projects are on schedule. We have a couple that are slipping a little bit, but we do believe they will be completed before the end of the construction season.

Chairman: Will there be a lot of lane changes during construction for the winter season or do you think we will be fully open this year?

Chief Engineer: No, during the winter season all of our lanes should be fully open.

Chairman: Good. Thank you. Any questions? Hearing none. We will now move on to the report of our General Counsel, Jennifer Stueber.

General Counsel: No report, Mr. Chairman.

Chairman: Any report from our Financial Advisor, Bethany Pugh?

Financial Advisor: No report, Mr. Chairman.

Chairman: General Consultant, Beth Fulton.

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 Commission Members. I have a brief report since Director Cole stole some of my thunder on the I-80 Challenge, but I will briefly mention it again. On August 28, 29 and 30, we participated in the I-80 Challenge, which was an enforcement initiative and partnership with sixteen state agencies. The initiative was aimed at positively impacting traffic safety and re-enforcing good driving habits. We kicked off the initiative with a media event here at the Administration building on August 28, which was had television, radio and print coverage. I would like to personally thank Director Cole, Adam Greenslade and his staff, Interstate Towing, Ohio Turnpike Maintenance and the other officers that participated in the event that helped make is a success. I am pleased to report that we met our goal of reporting no serious injury or fatal crashes during this initiative. It was obvious that education and enforcement had an impact on the safety or motorists on the Ohio Turnpike for that time period.

I am also pleased to report that there were no serious injury or fatal crashes during the Labor Day holiday weekend.

That concludes my report.

Chairman: Thank you. Any questions for S/Lt. Weirtz? The next meeting of the Ohio Turnpike and Infrastructure Commission will be held on Monday, October 19, 2015, at 10:00 a.m. That is subject to change as we may have a conflict, which would require us to change that day, but as of right now it is scheduled for October 19, 2015, at 10:00 a.m. If there is no further business I will call for a motion to adjourn.

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

Time of adjournment: 10:48 a.m.

Attendees for Record Keeping Purposes:

Beth Fulton, AECOM; Bethany Pugh, PFM; Jennifer Townley, ODOT; Tim McDonald, ODOT; Jim Gates, ODOT; Gene Baxendale, Hill International; Jacob Siesel, IUOE Local 18; Preston Young, IUOE Local 18; Frank Lamb, Huntington; Ryan Kozak, PNC; Kevin Grobelny, PNC; Sarah Brown, HNTB; Kyle Cook, Willis; Doug Brown, Willis; Frank Eich, Ciuni & Panichi; Rhonda Hall, Ciuni & Panichi; Hamid Homae, TranSystems; Doug Hedrick, GPI; Dan Castrigano, GPI; Jennifer Stueber, Ohio Turnpike; Anthony Yacobucci, Ohio Turnpike; Tommie Jo Marsilio, 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; Diana Anthony, Ohio Turnpike; Chris Matta, Ohio Turnpike; Adam Greenslade, Ohio Turnpike; Joe Mannion, 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