

**MINUTES OF THE
OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
APRIL 20, 2020 WORKSHOP**

The April 20, 2020 Workshop of the Ohio Turnpike and Infrastructure Commission was called to order at 11:15 a.m. by Chairman Jerry Hruby.

Roll was done at which time Chairman Hruby advised that there was a quorum.

ROLL CALL OF MEMBERS:

Commission Members: Chairman Jerry Hruby, Vice Chairman Timothy Paradiso, Secretary-Treasurer Michael Peterson, Commission Member Sandra Barber, Commission Member Guy Coviello, Commission Member Vickie Eaton Johnson, Commission Member Dr. Jack Marchbanks, and Office of Budget and Management Representative James Kennedy.

Excused: Senator Rob McColley and Representative Dave Greenspan.

OTHER ATTENDEES:

Ohio Turnpike and Infrastructure Commission Employees: Ferzan M. Ahmed, P.E., Jennifer L. Stueber, Tony Yacobucci, Chriss Pogorelc, Marty Seekely, Lisa Mejac, Adam Greenslade, Chad Armstrong, David Miller and Jennifer Diaz.

Guests: Myron Pakush and Robin Chambers-Dersoon

MOTION: A motion to adopt the Minutes of March 16, 2020, Commission Workshop was made by Mrs. Barber and seconded by Secretary-Treasurer Peterson. All Commission Members present voted to approve the Minutes, with the exception of Vice Chairman Paradiso and Dr. Jack Marchbanks, who abstained. The Minutes were adopted with Five Yeas, Zero Nays, Two Abstentions.

PRESENTATION(S):

1. Presentation by Chief Engineer, Tony Yacobucci, pertaining to the Toll Collection System Modernization Project and Financial Outlook.

WORKSHOP ADJOURNED: With no further business before this Commission, Motion by Chairman Hruby and seconded by Dr. Marchbanks to adjourn at 11:40 a.m. Yeas: All

PRESENTATION



Commission Workshop - April 20, 2020

Toll Collection System Modernization Update and Financial Outlook



Commission Workshop - April 20, 2020

Toll Collection System Modernization

- **Customer Service Center (Back Office)**
 - Commission Approved Selection of TransCore - January 2019
 - Phase I Go-Live - Delayed until September 2020
 - Phase II Go-Live - December 2022
- **Toll Collection System (Roadside)**
 - RFP Issued - October 2019
 - Proposals Received - January 2020
 - Request Commission Approval - May 2020
- **Unpaid Toll Processing**
 - Begin RFP Development - May 2020
 - Anticipate Issuing RFP - October 2020



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Toll Collection System Modernization

- **Toll Collection System (Roadside)**
 - RFI Issued – November 1, 2017
 - RFQ Issued – August 9, 2019
 - SOQ's Shortlisted – October 2, 2019
 - RFP Issued – October 4, 2019
 - Proposals Received – January 10, 2020
 - In-Person Presentations/Demonstrations – March 10 & 11, 2020
 - Best and Final Offers (BAFO) – March 25, 2020
 - Contract Negotiations – In-Progress
 - Commission Approval (Request) – May 18, 2020
 - Notice To Proceed – June 2020
 - Go-Live – December 2022 (~2 ½ Years to Implement)



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Toll Collection System Modernization

- **Need for the Project**
 - Issues with Current System
 - Condition, Threat of Failure, Cybersecurity
 - Extensive Amount of Equipment in Each Lane
 - Toll Industry Trends to ORT and AET
 - Customer and Stakeholder Feedback
 - Remove the Gates
 - Open Road Tolling
 - \$310M to \$450M of Toll Revenue will be Collected Annually



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Toll Collection System Modernization

- **CIP Budget vs. Estimated Expenditures**
 - **\$80,058,838 Budget vs. \$71,100,000 Current Estimate**

(In \$1,000's)	2019	2020	2021	2022	2023	2024	TOTALS
CSC (Actual)	\$2,800	\$3,900	\$0	\$1,400	\$0	\$0	\$8,100
TCS (Estimated)	\$0	\$12,000	\$16,000	\$32,000	\$1,500	\$0	\$61,500
UTP (Estimated)	\$0	\$0	\$500	\$1,000	\$0	\$0	\$1,500
TOTAL CSC, TCS, UTP CAPITAL COSTS	\$2,800	\$15,900	\$16,500	\$34,400	\$1,500	\$0	\$71,100
10 YEAR CIP BUDGET (TCS Components)	\$6,700	\$13,900	\$29,333	\$30,125	\$0	\$0	\$80,058



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Projected COVID-19 Impact on Toll Revenue

	VMT % Change From 2019	Revenue Reduction From Budget	Revenue % Change From Budget
YTD March		\$ (2,464,993)	
April	-49.6%	(9,172,048)	-35.7%
May	-51.9%	(10,955,956)	-38.9%
June	-53.2%	(11,757,437)	-40.5%
July	-40.0%	(9,843,871)	-32.1%
August	-25.6%	(7,176,685)	-22.8%
September	-14.7%	(3,978,698)	-14.9%
October	-11.3%	(3,370,900)	-12.2%
November	-11.2%	(3,937,062)	-15.6%
December	-11.2%	(2,375,624)	-10.0%
		\$ (65,033,275)	



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Unrestricted Cash and Investments

	March 31, 2020
General Fund	\$ 88,772,000
Non-Trust Fund	49,433,000
	<u>138,205,000</u>
Fuel Tax Fund	2,941,000
Service Plaza Capital Improvement Fund	1,076,000
Renewal and Replacement Fund	13,873,000
System Projects Fund	87,813,000
	<u>105,703,000</u>
Total Unrestricted Cash & Investments	\$ 243,908,000



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Steps Being Taken To Mitigate the Revenue Loss

- **Hiring Freeze**
- **Reduced Part-Time Toll Collector Hours**
- **No Out-of-State Travel**
- **Operating Cost Reductions (Mulch, Guardrail, etc.)**
 - Approval Levels Temporarily Revised
- **Other Operating Cost Windfalls (Salt, Gas/Diesel)**
- **Delayed Capital Expenditures**
- **Other Potential Future Considerations**
 - Increase our Borrowing for Capital Expenditures
 - Increase Future Toll Rates



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Capital Improvement Plan (CIP Budget)

• Current Year and 10 Year Outlook (in \$1,000's)

CAPITAL BUDGET	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
TOTAL PRE-COVID19	\$148,186	\$193,272	\$183,653	\$120,716	\$124,499	\$154,898	\$154,247	\$158,920	\$169,762	\$124,641	\$124,641
TOTAL COVID19 ADJ.	\$136,111	\$165,357	\$168,594	\$121,344	\$124,499	\$154,898	\$154,247	\$158,920	\$169,762	\$124,641	\$124,641
REDUCTIONS	\$12,075	\$41,990	\$40,959	\$20,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADDITIONS	\$0	\$14,075	\$25,900	\$20,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL SAVINGS	\$12,075	\$27,915	\$15,059	(\$628)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE SAVINGS	\$12,075	\$39,990	\$55,049	\$54,421	\$54,421	\$54,421	\$54,421	\$54,421	\$54,421	\$54,421	\$54,421



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Toll Collection System Modernization Update and Financial Outlook

QUESTIONS ?