

MINUTES OF FORTY SECOND MEETING
MAY 29, 1952

Pursuant to call of the Chairman the Ohio Turnpike Commission met in special session in Hearing Room No. 2, State Office Building, Columbus, Ohio, at 10:30 A. M. on May 29, 1952 with its General Counsel, Bond Counsel, representatives of the Consulting Engineers, of the Financial Advisor, of the press, and others also in attendance.

The meeting was called to order by the Chairman and the roll was called and the attendance was reported to be as follows:

Present: Allen, Teagarden, Shocknessy, McKay, Kauer
Absent: None

The Chairman announced that a quorum was present.

The Chairman reported that the deposition of Mr. Kauer in the Balduf case was to be taken on May 29, 1952, and that the Commission had been sued again at Maumee. He stated his belief that the new case is as meritless as the predecessor. He reported a heartening response from those individuals who had been invited to serve as an advisory committee to the Commission and that approximately thirty had indicated an intention to be present or be represented at the meeting on June 3, 1952.

The Chairman read the following letter from the Secretary-Treasurer:

"James W. Shocknessy, Chairman May 29, 1952
Ohio Turnpike Commission
Room 612 Huntington Bank Bldg.
Columbus 15, Ohio

Dear Mr. Shocknessy:

It is with regret that I advise you now that the great amount of work which will be required of the Commission's Secretary-Treasurer in the ensuing months added to my already tremendous burdens as Director of Highways prompts my decision that it is impossible for me to continue in both capacities. I am, therefore, submitting my resignation as Secretary-Treasurer of the Ohio Turnpike Commission effective upon its acceptance by the Commission and I request that you appoint someone else to the position immediately.

Very truly yours,

T. J. Kauer
Secretary-Treasurer"

The Chairman stated that the Commission has no choice except to respect the wishes of Mr. Kauer and accede to his request. A motion was made by Mr. Teagarden, seconded by Mr. McKay, that the following resolution (No. 16 - 1952) be adopted:

"WHEREAS, the Secretary-Treasurer of the Ohio Turnpike Commission, because of the extreme pressure and burdens of his duties as Director of Highways, finds it impossible to continue to serve in dual capacities as Secretary-Treasurer as well as member of the Commission and as Director of Highways; and

WHEREAS, the Commission knows of no public official who has given nobler or more unselfish service to any public body than has the Director of Highways as ex officio member and Secretary-Treasurer of the Commission; and

WHEREAS, the Commission would not have the rosy prospects that it seems to have at this time had it not been for the selfless, untiring efforts of T. J. Kauer;

NOW, THEREFORE, BE IT RESOLVED that the resignation of T. J. Kauer as Secretary-Treasurer of the Commission be and it is hereby accepted."

A vote by ayes and nays was taken and all members present responded to roll call and voted aye except Mr. Kauer who was not voting. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Shocknessy
Nays, None

The Chairman declared the motion adopted and Mr. Kauer relieved of duty as Secretary-Treasurer at 10:46 A. M.

A motion was made by Mr. Kauer, seconded by Mr. McKay, that the following resolution (No. 17 - 1952) be adopted:

"RESOLVED, that, to fill the vacancy created by the resignation of T. J. Kauer, Archibald J. Allen, a member of the Commission, is hereby appointed to the office of Secretary-Treasurer of the Commission.

A vote by ayes and nays was taken and all members present responded to roll call and voted aye except Mr. Allen who was not voting. The vote was as follows:

Ayes, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the motion adopted and Mr. Allen to be the Secretary-Treasurer of the Commission. He assured Mr. Allen in behalf of the Commission and of all the associates that he would receive full cooperation.

The Chairman stated that the Commission had indicated to the Financial Advisor in New York its informal determination that there be a Trustee for the bondholders in Columbus, a Co-Trustee and Paying Agent in New York and Paying Agents in Cleveland, Toledo, Cincinnati, Columbus, Chicago, San Francisco and Los Angeles. He reported that proposals had been received from institutions in all those cities, but that the bank in Akron had indicated interest only in being Trustee and Paying Agent, not Paying Agent alone. He read to the Commission a letter from the New Jersey Turnpike Authority, signed by its Counsel, with respect to the matter of a Trustee in the headquarters city of the Commission. He stated that the Commission has in every instance approved the low schedule of fees offered.

The Chairman stated in behalf of the Commission that there is nobody who can do any good for anybody in doing business with the Commission, except on its merits; that there is no objection to an individual being properly represented by a lawyer or by any other person who is authorized by law to be his representative; that the Commission will see anybody who has a right to be seen; that nobody can get any better advantage by dealing through an intermediary; that everybody who does business with the Commission will give a statement under oath that there are no side issues involved; and that the Commission is going to pay for the exact service or commodity which it desires and for nothing else.

A motion was made by Mr. Allen, seconded by Mr. Teagarden, that the following resolution (No. 18 - 1952) be adopted:

"RESOLVED that, subject to the completion of specific contractual arrangements satisfactory to the Commission, The Ohio National Bank of Columbus is designated as Trustee under the proposed Trust Agreement to secure the turnpike revenue bonds to be issued to finance Turnpike Project No. 1; and

FURTHER RESOLVED that General Counsel and Bond Counsel of the Commission are hereby authorized and directed to work out appropriate contractual instruments."

A vote by ayes and nays was taken and all members present responded to roll call. The vote was as follows:

Ayes, Teagarden, Allen, Kauer, Shocknessy
Nays, McKay

The Chairman declared the motion adopted.

Mr. Dunbar submitted to the Commission a schedule of fees for the Trustee and Paying Agent in Columbus, proposed by The Ohio National Bank. General Counsel and Bond Counsel were directed to undertake the negotiation of a contract for the services of Trustee.

A motion was made by Mr. Allen, seconded by Mr. Teagarden, that the following resolution (No. 19 - 1952) be adopted:

"RESOLVED that, subject to the completion of specific contractual arrangements satisfactory to the Commission, the National City Bank of New York is hereby designated as Co-Trustee under the proposed Trust Agreement to secure the turnpike revenue bonds to be issued to finance Turnpike Project No. 1; and

FURTHER RESOLVED that General Counsel and Bond Counsel of the Commission are hereby authorized and directed to work out appropriate contractual instruments."

A vote by ayes and nays was taken and all members responded to roll call and voted aye. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the motion adopted.

A motion was made by Mr. Allen, seconded by Mr. Teagarden, that the following resolution be adopted:

"RESOLVED that, subject to completion of specific contractual arrangements satisfactory to the Commission, the following banks and trust companies, to wit:

The Ohio National Bank of Columbus, Columbus, Ohio
The Toledo Trust Company, Toledo, Ohio
The Union Bank of Commerce Company, Cleveland, Ohio
The Central Trust Company, Cincinnati, Ohio
Bank of America National Trust and Savings Association,
San Francisco and Los Angeles
The Northern Trust Company, Chicago, Illinois

The National City Bank of New York, New York, N. Y.

are hereby designated as Paying Agents until further order of this Commission, under the proposed Trust Agreement to secure the turnpike revenue bonds to be issued to finance Turnpike Project No. 1; and

FURTHER RESOLVED that General Counsel and Bond Counsel of the Commission are hereby authorized and directed to work out appropriate contractual instruments."

A vote by ayes and nays was taken and all members responded to roll call and voted aye. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the motion adopted.

A motion was made by Mr. McKay, seconded by Mr. Teagarden, that the following resolution (No. 21 - 1952) be adopted:

"WHEREAS the Commission has received the following letter from Stranahan, Harris & Company, Incorporated:

'Ohio Turnpike Commission May 21st, 1952
State Office Building
Columbus 15, Ohio

Gentlemen:

This is in reference to the contract of July 24, 1951, between the Ohio Turnpike Commission and Blyth & Co., Inc.; B. J. Van Ingen & Co., Inc.; The Ohio Company; Braun, Bosworth & Co., Inc.; Stranahan, Harris & Co., Inc.; McDonald & Company; Prescott, Shepard & Co., Inc., and the Weil, Roth & Irving Company. That contract is in the form of a letter proposal by the eight firms just named, dated July 24, 1951, and addressed to the Honorable James W. Shocknessy, as Chairman of the Ohio Turnpike Commission, and a resolution of acceptance of the proposal adopted by the Commission on July 24, 1951. In said contract the eight firms above named were denominated the "Financial Advisor" to the Commission.

The undersigned, Stranahan, Harris & Company, Inc., is in the course of voluntary dissolution and liquidation and desires to be released by the Commission and to release the Commission from its and the Commission's obligations under the aforesaid contract.

Therefore, Stranahan, Harris & Company, Inc., does hereby release the Ohio Turnpike Commission from any and all obligations under the aforesaid contract upon condition that the Commission shall release Stranahan, Harris & Company, Inc., from any and all obligations thereunder.

In no event shall this letter impair or modify the agreement heretofore made by Stranahan, Harris & Company, Inc., with The Ohio Company; Braun, Bosworth & Co., Inc.; McDonald & Company; Prescott, Shepard & Co., Inc.; and The Weil, Roth & Irving Company, respecting the rights and obligations of the parties to such agreement, among themselves, with respect to the proposed issue of Ohio Turnpike Commission Bonds.

Very truly yours,

STRANAHAN, HARRIS & COMPANY, INC.

By Robert S. Mikesell
Vice President

WHEREAS it appears satisfactory to the Commission and in its best interest that it and Stranahan, Harris & Company, Incorporated, be mutually released from their obligations under the contract mentioned in the foregoing letter;

NOW, THEREFORE, BE IT RESOLVED that in consideration of the release by Stranahan, Harris & Company, Incorporated, which is embodied in its letter to the Commission under date of May 21, '952, the Commission does hereby release said Stranahan, Harris & Company, Incorporated, from any and all obligations under said contract."

A vote by ayes and nays was taken and all members responded to roll call and voted aye. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the motion adopted.

A motion was made by Mr McKay, seconded by Mr. Allen, that the following resolution (No. 22 - 1952) be adopted:

" RESOLVED, that the Chairman and Vice Chairman of the Commission be and they hereby are authorized and directed to sign and deliver on behalf of the Commission the agreement which has been presented to this meeting and a copy of which is as follows:

' WHEREAS, the Ohio Turnpike Commission and certain investment banking houses entered into a proposal, dated July 24, 1951, whereby it was agreed that the Commission would receive assistance from such investment banking houses, as its financial advisors, in connection, among other things, with the working out of the terms and other matters relating to the financing of a turnpike across the state of Ohio from the western terminus of the western extension of the Pennsylvania turnpike to the Indiana line, said turnpike being known as Project No. 1, and

WHEREAS, the Commission is satisfied that such investment banking houses, whose recommendations are reflected, among other things, in the trust agreement, have fully and competently performed the services contemplated by such proposal and have formed a group which is prepared to submit an offer to purchase, jointly and severally, \$326,000,000 of revenue bonds to finance said Project No. 1, and that such services have redounded to the benefit of the Commission, and

WHEREAS, the Commission's experience and the information available to it are such as to enable it to determine an advantageous price for and proper terms of the revenue bonds for the financing of said Project No. 1, and

WHEREAS, the essential purposes of such proposal have been satisfied and the Commission is desirous of being relieved, and such investment banking houses are agreeable to relieving it, of any and all further obligations under such proposal,

NOW, THEREFORE, the Ohio Turnpike Commission, by its Chairman and Vice Chairman, and such investment banking houses (other than Stranahan, Harris & Co., Inc. which has withdrawn from participation in said arrangement)

by Blyth & Co., Inc., B. J. Van Ingen & Co., Inc., and The Ohio Company, their duly authorized representatives, hereby agree that such proposal and the respective obligations thereunder, be, and they hereby are, terminated and satisfied effective on the date of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement this 29th day of May, 1952.

OHIO TURNPIKE COMMISSION

By James W. Shocknessy
Chairman

O. L. Teagarden
Vice Chairman

BLYTH & CO., INC.
B. J. VAN INGEN & CO., INC.
THE OHIO COMPANY
BRAUN, BOSWORTH & CO.
McDONALD & COMPANY
PRESCOTT, SHEPARD & CO., INC.
THE WEIL, ROTH & IRVING CO.

By BLYTH & CO., INC.

By T. Henry Boyd
Vice President

By B. J. VAN INGEN & CO., INC.

By J. G. Couffer
Vice President

By THE OHIO COMPANY

By Dennis E. Murphy
Vice President

A vote by ayes and nays was taken and all members responded to roll call and voted aye. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the motion adopted and announced that the agreement would be signed by the Chairman and the Vice Chairman on May 29, 1952.

The Director of Highways then submitted the following letter to the Commission:

"James W Shocknessy, Chairman
Ohio Turnpike Commission
Room 612 Huntington Bank Bldg.
Columbus 15, Ohio

May 28, 1952

Dear Mr Shocknessy:

I have received the Report on the Traffic and Earnings of Ohio Turnpike Project No 1 dated May, 1952, from Parsons, Brinckerhoff, Hall and Macdonald, who were Consulting Engineers for its preparation. This Report has previously been reviewed by a committee of the Ohio Turnpike Commission in final draft form. I have reviewed the printed Report and have advised Parsons, Brinckerhoff, Hall and Macdonald of its acceptability to me under the terms of the contract which I have with that firm.

Advance copies of the printed Report have been distributed to the several members of the Commission. I recommend that the Commission accept the Report of Parsons, Brinckerhoff, Hall and Macdonald.

Very truly yours,

T. J. Kauer
Director"

A motion was made by Mr. McKay, seconded by Mr. Teagarden, that the following resolution (No 23 - 1952) be adopted:

"RESOLVED, that the Report on the Traffic and Earnings of Ohio Turnpike Project No. 1, dated May, 1952, by Parsons, Brinckerhoff, Hall and Macdonald, be received, accepted and approved by the Commission."

A vote by ayes and nays was taken and all members responded to roll call and voted aye. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the motion adopted.

The members of the Commission then signed surety bonds as provided in Section 1203, General Code, as follows:

O. L. Teagarden, member, in the penal sum of \$25,000.00
James White Shocknessy, member, in the penal sum of \$25,000.00
J. Gordon McKay, member, in the penal sum of \$25,000.00
A. J. Allen, member, in the penal sum of \$25,000.00
A. J. Allen, Secretary-Treasurer, in the penal sum of \$25,000.00

Mr. Dunbar stated that the form of surety bond had been submitted to the office of the Governor of Ohio and that he had been advised that if the bonds were submitted in that form they will be accepted.

The Chairman appointed a committee to consist of Mr. Kauer and Mr. Donnelly to go to Elyria at their earliest convenience and to consult with responsible authorities in that city and to report to the Commission as soon as possible on the grounds of difference and any suggested solution. He advised the Commission that representatives of the Cleveland Metropolitan Park Board had met with Messrs. Donnelly, Jenkins, and Lansdale in Columbus on May 27; that progress was made and that further meetings are to be held.

A motion was made by Mr. Teagarden, seconded by Mr. Allen, that the following resolution (No. 24 - 1952) be adopted:

"RESOLVED, that the regular meeting of the Commission which by prior resolution of the Commission is to be held on June 3, 1952, shall be convened at 9:00 a.m. on that date, rather than at 10:30 a.m. as fixed by said prior resolution."

A vote by ayes and nays was taken and all members responded to roll call and voted aye. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the motion adopted.

A motion was made by Mr. Kauer, seconded by Mr. McKay, that the following resolution (No. 25 - 1952) be adopted:

"RESOLVED that in any case in which it appears to the Chairman to be inexpedient that any regular monthly meeting of the Commission be held at the hour or on the day fixed therefor by previous resolution of the Commission, the Chairman is authorized to change the hour or date or both for such meeting by mailing or delivering written notice to

the other members of the Commission, at least 48 hours before the time fixed by such prior resolution for such meeting."

A vote by ayes and nays was taken and all members responded to roll call and voted aye. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the motion adopted.

The Chairman announced that Dr. Howard L. Bevis, President of Ohio State University, had agreed to serve as Chairman of the committee of advisors on June 3, 1952. He also reported that a proposal of Ostendorf-Morris Company of Cleveland to act as appraisal advisor to the Commission had been submitted to the Secretary-Treasurer and distributed to the several members.

There being no further business to come before the meeting, a motion was made by Mr. Allen, seconded by Mr. Teagarden, that the meeting adjourn subject to call of the Chairman. A vote by ayes and nays was taken and all members present responded to roll call and voted aye. The vote was as follows:

Ayes, Allen, Teagarden, McKay, Kauer, Shocknessy
Nays, None

The Chairman declared the meeting adjourned. The time of adjournment was 11:25 o'clock a.m.

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

A. J. Allen, June 3, 1952
A. J. Allen
Secretary-Treasurer