

MINUTES OF THE NINETY-SECOND MEETING
NOVEMBER 16, 1954

Pursuant to call of the Chairman, the Ohio Turnpike Commission met in special open session in its offices at 139 East Gay Street in Columbus, Ohio, at 11:00 A. M. on November 16, 1954 with the key members of its staff, representatives of the Consulting Engineer, of the Trustee, members of the press, and others in attendance.

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

Present: Allen, Teagarden, McKay, Linzell, Shocknessy.

Absent: None.

The Chairman announced that a quorum was present.

The Chairman reported that arrangements for the opening of the Eastgate Section were generally in very satisfactory order. He said also that the Youngstown Chamber of Commerce had arranged for a luncheon on December 1, 1954 and had given the Commission the privilege of inviting numbers of its friends who would be on the turnpike on the 1st of December. He said that the Commission had had exceptionally fine cooperation from the Youngstown Chamber of Commerce. He said that all the details that had had to be handled were almost staggering but that the Youngstown Chamber of Commerce and the Youngstown Vindicator had been a very great help to the Commission in making arrangements. The Chairman said further that the Cleveland Plain Dealer had had a special section devoted to construction of the turnpike and that the Columbus Dispatch of November 6, 1954 had had a very beautiful pictorial presentation of the turnpike and that the Ohio State Journal of November 16, 1954 had a very interesting editorial entitled "Transportation Passes Another Milestone as the Turnpike Opens." He said also that not only was the Turnpike Commission and its staff

excited and anxious but that the whole state was eagerly awaiting the opening of the Eastgate Section. He said also that he would say what he had said before that the people of Ohio always expressed themselves through the newspapers and that the people of Ohio were expressing themselves again through the newspapers which were indicating great interest in the preparations and in the opening of the turnpike at its Eastgate Section. He said that once again he took occasion to note the contribution the press had made to making known the existence of the turnpike and the opening which the Commission had planned.

The Chairman said that the meeting was primarily for the consideration of an operating budget for 1954 and for 1955. He said that the members of the Commission had had the budget before them for approximately five days and that they had had an opportunity to examine it and analyze it and that they would have further opportunity to discuss it with the Executive Director when he should make his presentation.

The Chairman reported that the Director of Highways had informed him that he would not have any definite report to make with respect to the so-called north-south turnpike. He said further that it was his personal hope that before too long the Commission would have some definite proposal for consideration with respect to the Cincinnati-Toledo-Conneaut highway which would demonstrate the financial feasibility of the whole. He said further that, speaking not for the Commission but for himself, it was his hope that the Commission would have a tangible proposal which, if it did not demonstrate financial feasibility of building the whole road from proceeds of revenue bonds, would contemplate the construction of whatever sections should be financially feasible of construction from the proceeds of revenue bonds and the construction of those sections which might not be financially feasible from the proceeds of revenue bonds from whatever other moneys would be available so that the public would be assured of the whole

system or, if the whole project should not be financially feasible for construction from the proceeds of revenue bonds or if it should not be desirable to build certain sections which should be financially feasible from revenue bonds and to construct the other sections from other funds, that perhaps the funds which were being considered and were being mentioned as to be made available by the United States to the states, as contemplated by the President, would provide the same kind of highway which the Commission had been discussing. The Chairman said also that if the United States would make a grant of six or seven hundred million dollars to the state of Ohio from the proposed fifty billion dollar fund for the construction of highways, then the Commission probably would be relieved of the great burden of constructing the so-called north-south highway because it probably would be constructed by the Highway Department. He said also that it was entirely possible that if money would be made available in amounts necessary to build a whole highway by grant from the United States, the highway would be available just as soon as it would be available if the Commission should have to build it through the sale of bonds which, in the ordinary course of events, could hardly be sold before 1956.

Mr. Linzell said that all three of the possibilities mentioned by the Chairman had been considered by the Highway Department so that it would not be caught unprepared. He said that preliminary studies and other preparations were underway so that whichever of the three contingencies might arise the department would not be caught napping. The Chairman said that it was going to be hard to come to the Commission immediately with a recommendation, particularly with respect to the third contingency. He said further that the Director of Highways did not know what the Congress of the United States was going to do but that the Director did have engineering reports as to financial feasibility and economic feasibility, that he did know that certain portions of the road were both financially and economically feasible, and that he did know that other portions had been considered economically feasible and not financially feasible. He said also that he had never been able to consider that, in view of the determination of the feasibility of a revenue-bond project, there could be much difference between economic and financial feasibility because he thought that the economics

of a toll road project required that it be possible to finance it. He said that there could not be much change to prove the economic feasibility of a project unless it had financial feasibility so that he thought that economic feasibility was a factor of the so-called financial feasibility.

The Chairman said that there was a misapprehension abroad about the prospective cost of gasoline on Ohio Turnpike Project No. 1 which evidently had developed since the last meeting when the Commission had accepted and approved bids and had authorized the execution of contracts with certain oil companies, which contracts provided for the payment to the Commission of a stipulated amount. He said also that the misapprehension had even led to editorial comment in one instance at least, in Springfield, Ohio, Daily News of November 1, 1954. The Chairman read the editorial as follows:

"Turnpike Gasoline Costs

"Motorists who use state toll pikes pay a toll rate that is equivalent to an 18-cent gasoline tax. The toll charges are figured on a basis that will pay off the original cost of the highway, plus maintenance and other charges.

"But the motorists who use the toll roads also get soaked in another way. Most states ask the oil companies which have stations on toll roads to pay a premium to the state on all gasoline sold. That forces the oil companies to charge motorists who fill their cars at a toll road filling station, a higher rate per gallon than that for which they can get the same gasoline at a filling station not on a turnpike.

"Ohio is following this same course in connection with the northern Ohio turnpike, and presumably will do likewise when and if the north-south connection is built.

"This appears to be an unfair practice. There is no reason why motorists on a turnpike

should pay any more for gas and oil than they do elsewhere. But unless the motorists create sufficient protest, they may expect to pay such premium.

"What is the American Automobile Association doing about it?"

The Chairman said further that he did not know what the American Automobile Association was doing about the matter but that he did know what the Commission had done. He then read from the contract which the Commission would enter into with firms furnishing gasoline on page 18, paragraph 8, under the heading "Prices" as follows:

"Prices charged for goods and services sold at the service station shall be no higher than, and the quality thereof shall be at least equal to, the prices and quality prevailing at service stations in the same general vicinity which are owned and operated by oil companies, as the term 'oil companies' is generally understood in the petroleum industry; provided, however, that if, in the opinion of the Commission, one or more stations in the aforesaid vicinity sell goods and services at abnormally low prices as a result of a 'price war,' such abnormally low prices shall be disregarded in determining the prevailing prices for the affected goods and services."

The Chairman said that the Commission had provided against the very contingency that the editorial in the Springfield Daily News was worrying about. He said that the Commission had provided not that gasoline would cost more on the turnpike, but that it should not cost any more and that services should not cost any more on the turnpike than in stations in the immediate vicinity so that regardless of what the American Automobile Association was doing about it elsewhere, the Commission had done something about it in Ohio.

Mr. McKay said that at the Detroit meeting of the American Automobile Association a resolution had been passed which was identical with the specifications that the Commission had used in seeking bids for contracts covering the operation of service stations so that the Association had approved the policy which the Commission had adopted.

The Chairman said that he had asked the Director of Information and Research to write a letter to the Springfield Daily News with respect to its editorial advising the newspaper what the position of the Commission was.

The Chairman said that there was another Cooley Ellis case and that it had been set for hearing in United States District Court on November 26, 1954 unless the court should choose to postpone it until a later date.

The Assistant Secretary-Treasurer reported for the Secretary-Treasurer that since the last meeting the following had been sent to the members: 1) - monthly financial statements for the period ending October 31, 1954, mailed November 5, 1954; 2) - auditors' quarterly report for the period ending September 30, 1954, mailed November 11, 1954; 3) - proposed preliminary budgets for the month of December, 1954 and for the year 1955, mailed November 12, 1954. He reported also on the progress of the training of toll collectors for the East-gate Section.

The Chairman thanked the Secretary-Treasurer and the Assistant Secretary-Treasurer.

The Executive Director reported that as of November 15, 1954 construction of Ohio Turnpike Project No. 1 was again ahead of the estimated schedule with some 61.4 per cent of the turnpike completed. He said that there were some contracts which were regarded as perhaps critical and that the Consulting Engineers and the Chief Engineer and the Executive Director were calling some of those contractors in and were aiding them in their planning of their winter operations so as to insure completion of the work on schedule.

The Executive Director presented for consideration and recommended the approval of contract documents for contracts MB-5, MB-6, MB-7, MB-8, and MB-5, 6, 7 & 8. He said that the Consulting Engineers and the Chief Engineer also had recommended approval of the documents.

Resolution No. 165-1954 approving, adopting, and ratifying the contract documents for contracts MB-5, MB-6, MB-7, MB-8 and MB-5, 6, 7 & 8 was moved for adoption by Mr. Teagarden, seconded by Mr. Linzell, as follows:

Resolution No. 165-1954

"WHEREAS there are before this meeting plans and forms of other contract documents, to wit: forms of Notice to Bidders, Proposal, Instructions to Bidders, Special Provisions, Contract, and Bond for contracts MB-5, MB-6, MB-7, and MB-8, which, in general terms, are contracts for the construction of the maintenance buildings at the locations designated in said contract documents;

WHEREAS there are also before this meeting the Proposal and forms of other contract documents for contract MB-5, 6, 7 & 8, which is a combination contract covering the work required by contracts MB-5, MB-6, MB-7, and MB-8;

WHEREAS the Commission has heretofore, by and in its resolution No. 108-1954, approved, adopted, and ratified the Special Provisions for Maintenance-building Contracts in General, which are a part of the contract documents for each of the aforesaid contracts;

WHEREAS the Commission's consulting engineer, chief engineer, and executive director have recommended that the aforesaid forms of contract documents before this meeting be approved; and

WHEREAS the Commission has duly and fully considered said documents and said recommendations;

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby approves, adopts, and ratifies the forms of contract documents before it at this meeting for each of the aforesaid contracts, being for and in connection with contracts for the construction of main-

tenance buildings in Erie County, Ottawa County, Fulton County, and Williams County; provided, that any changes which are in the nature of adding or changing headings, captions and style of writing or printing, or correcting typographical, clerical, or arithmetical errors, may be made upon the authority of any one of the executive director, chief engineer, or general counsel; and

FURTHER RESOLVED that the Commission's executive director or chief engineer shall take and open bids for the same and report the results thereof to the Commission."

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

Ayes: Teagarden, Linzell, Allen, McKay, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted.

The Executive Director presented for consideration and recommended the approval of contract documents for contracts TP-440, TP 11-17, and TP 4-17. He said that the Consulting Engineers and the Chief Engineer also recommended approval by the Commission.

Mr. McKay asked whether the final plans had been standardized. Mr. E. J. Donnelly of the Consulting Engineers said that they had been.

Resolution No. 166-1954, approving, adopting, and ratifying the contract documents for contracts TP-440, TP-11-17, and TP 4-17 was moved for adoption by Mr. Linzell, seconded by Mr. Allen, as follows:

Resolution No. 166-1954

"WHEREAS there are before this meeting plans and forms of other contract documents, to wit: forms of Notice to Bidders, Proposal, Instructions to Bidders, Special Provisions, Contract, and Bond for contracts TP 4-10 and

TP 11-17, which, in general terms, are contracts for the construction of the toll plazas at the interchanges designated in said contract documents;

WHEREAS there are also before this meeting the Proposal and forms of other contract documents for contract TP 4-17, which is a combination contract covering the work required by contracts TP 4-10 and TP 11-17;

WHEREAS the Commission has heretofore, by and in its resolution No. 76-1954, approved, adopted, and ratified the Special Provisions for Toll-plaza Contracts in General, which are a part of the contract documents for each of the aforesaid contracts;

WHEREAS the Commission's consulting engineer, chief engineer, and executive director have recommended that the aforesaid forms of contract documents before this meeting be approved; and

WHEREAS the Commission has duly and fully considered said documents and said recommendations;

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby approves, adopts, and ratifies the forms of contract documents before it at this meeting for each of the aforesaid contracts, being for and in connection with contracts for the construction of toll plazas at the interchanges designated in said contract documents; provided, that any changes which are in the nature of adding or changing headings, captions and style of writing or printing, or correcting typographical, clerical, or arithmetical errors, may be made upon the authority of any one of the executive director, chief engineer, or general counsel; and

FURTHER RESOLVED that the Commission's executive director or chief engineer shall take and open bids for the same and report the results thereof to the Commission."

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

Ayes: Linzell, Allen, McKay, Teagarden, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted.

Upon the suggestion and recommendation of the Executive Director, Resolution No. 167-1954 authorizing the deferment of the annual vacation of Mr. E. L. Sheley from the calendar year 1954 until the calendar year 1955 was moved for adoption by Mr. McKay, seconded by Mr. Teagarden, as follows:

Resolution No. 167-1954

"WHEREAS E. L. Sheley, construction engineer, has qualified for two calendar weeks of vacation with pay during the calendar year 1954; and

WHEREAS said employee has requested his vacation for the calendar year 1954 be deferred until the calendar year 1955 and the chief engineer, his department head, has recommended such deferment;

NOW, THEREFORE, BE IT

RESOLVED that E. L. Sheley, Construction engineer, is hereby granted permission to defer his two weeks' annual vacation for the calendar year 1954 until such time or times in the calendar year 1955 as shall be designated and approved by his department head."

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

Ayes: McKay, Teagarden, Linzell, Allen, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted.

The Executive Director presented for consideration of the Commission preliminary budgets for the fiscal years 1954 and 1955. He said that over a period of some months the Consulting Engineers had made requests to the Commission through the Comptroller as to the classifications in which the budget should be prepared and that the Comptroller, working with other members of the staff of the Commission and with representatives of the Consulting Engineers had prepared and submitted a preliminary budget for the month of December, 1954 and a preliminary budget for the entire calendar year of 1955 which included the operation of the Eastgate Section for the first nine months of 1955 and of the entire Ohio Turnpike Project No. 1 for the remaining three months of 1955. He said further that the Consulting Engineers had reported that they were satisfied with the budget classifications and divisions. The Executive Director said also that the estimates of operating budgets were quite approximate and had been made without the benefit of any operating experience so that he regarded it as highly probable that during the ensuing year the Commission would have to consider revisions which the staff might propose as a result of operating experience. He said that all expenses of the Columbus headquarters except engineering, right-of-way, and information and research had been budgeted ten per cent to revenue from December 1, 1954 until September 30, 1955, and thereafter ninety per cent to revenue for the balance of 1955. He said that information and research had been budgeted seventy-five per cent to revenue beginning in December 1954 and continuing through September 30, 1955 and one hundred per cent to revenue for the balance of 1955. He said that engineering and right-of-way had been budgeted entirely to construction in December, 1954 and in all of 1955.

The Executive Director said that with regard to the anticipated income figures in the budget for December, 1954 and the budget for the entire calendar year of 1955, it was difficult to make an accurate estimate of how much traffic the Eastgate Section would induce. He said that he was confident,

however, that the net return would be highly satisfactory to the Commission. He said further that a detailed analysis of anticipated revenues indicated that the Commission would net approximately \$650,000 from the operation of the Eastgate Section which would mean a net return of approximately \$250,000 after taking into consideration the premium of some \$394,000 which the Commission had paid for completion of a portion of Contract 4A and 5A by December 1, 1954.

The Executive Director recommended approval of the preliminary budgets by the Commission.

Resolution No. 168-1954 adopting preliminary budgets for the fiscal years 1954 and 1955 was moved for adoption by Mr. Allen, seconded by Mr. Teagarden, as follows:

Resolution No. 168-1954

"WHEREAS the Commission, by resolution No. 126-1954, authorized and directed its comptroller and executive director to prepare a preliminary budget of income and current expenses for the balance of the fiscal year 1954, covering the operation of that portion of Ohio Turnpike Project No. 1 to be opened on or about December 1, 1954, and a preliminary budget of current income and expenses for the fiscal year 1955, covering the operation of the entire turnpike;

WHEREAS said executive director and comptroller have prepared the budgets aforesaid, and recommended to the Commission the adoption thereof, and said budgets, together with the detailed breakdown thereof, are now before the Commission; and

WHEREAS all reasonable requests of the consulting engineer as to the classifications in which such budgets shall be prepared, particularly with respect to the divisions in which such budgets shall be divided, have been complied with and the consulting engineer has advised the Commission that

said budget classifications meet with its approval and that it has no further requests with respect to said classifications or divisions;

NOW, THEREFORE, BE IT

RESOLVED that the Commission, having duly and fully considered the same, hereby adopts the following:

- (1) Budget of income and current expenses for the balance of the fiscal year 1954, covering that portion of Ohio Turnpike Project No. 1 to be opened on December 1, 1954

Anticipated Income		\$ 90,300
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Expenses:

Administration	\$ 5,555	
Maintenance of		
Roadway and Structures	6,766	
Fare Collection	12,277	
Traffic Control, Safety,		
and Police	-	
Purchasing and Stores	<u>225</u>	\$ 24,832

Grand Total Expenses

- (2) Budget of income and current expenses for the fiscal year 1955, covering the operation of the entire turnpike

Anticipated Income	\$5,380,000
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Expenses:

Administration	\$197,936	
Maintenance of		
Roadway and Structures	272,223	
Fare Collection	395,883	
Traffic Control, Safety,		
and Police	122,845	
Purchasing and Stores	<u>9,450</u>	

Grand Total Expenses	998,337
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FURTHER RESOLVED that the assistant secretary-treasurer is hereby instructed to file a copy of each of said budgets with the trustee and to mail copies thereof to the consulting engineer and the principal underwriters forthwith."

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

Ayes: Allen, Teagarden, Linzell, McKay, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted.

Resolution No. 169-1954 ratifying actions of administrative officers was moved for adoption by Mr. Teagarden, seconded by Mr. McKay, as follows:

Resolution No. 169-1954

"WHEREAS the executive director, deputy executive director, executive assistant, chief engineer, general counsel, assistant-secretary-treasurer, comptroller, chief of the right-of-way section, and director of information and research of the Commission have, by various written and oral communications, fully advised the members of the Commission with respect to their official actions taken on behalf of the Commission since the Commission's last meeting, and the Commission has duly reviewed and considered the same;

NOW, THEREFORE, BE IT

RESOLVED that all official actions taken by the aforesaid administrative officers of the Commission on its behalf since the Commission's meeting on November 4, 1954 are hereby ratified, approved, and confirmed."

Mr. McKay said that he was very glad to second the motion because the Commission had a budget that was effective December 1, 1954.

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

Ayes: Teagarden, McKay, Allen, Linzell, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted.

There being no further business to come before the Commission, a motion was made by Mr. McKay, seconded by Mr. Linzell, that the meeting adjourn subject to call of the Chairman.

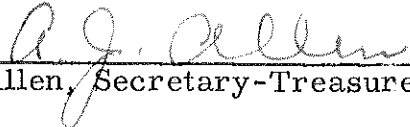
A vote by ayes and nays was taken and all members responded to roll call. The vote was as follows:

Ayes: McKay, Linzell, Allen, Teagarden, Shocknessy.

Nays: None.

The Chairman declared the meeting adjourned. The time of adjournment was 12:15 P. M.

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



A. J. Allen, Secretary-Treasurer.