

MINUTES OF THE ONE HUNDRED NINETEENTH MEETING  
August 28, 1957

Pursuant to call of the Chairman on August 21, 1957 issued in accordance with bylaws, the Ohio Turnpike Commission met in special session at its headquarters at 8080 Prospect Road in Berea, Ohio, at 2:45 p. m. on August 28, 1957 with the key members of its staff, representatives of the Consulting Engineers, of the Trustee, the Secretary to the Governor, 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: Beighler, Chastang, Teagarden, Shocknessy.

Absent: Director of Highways.

The Secretary to the Governor represented the Director of Highways.

The Chairman announced that a quorum was present.

A motion was made by Mr. Teagarden, seconded by Mr. Chastang, that the minutes for the meeting of June 20, 1957 which had been examined by the Members of the Commission and on which the corrections suggested by the Members had been made be approved without reading.

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

Ayes: Teagarden, Chastang, Beightler, Shocknessy.

Nays: None.

The Chairman declared the motion carried.

The Chairman reported the revenue for the month of August 1957 would set a new monthly high. He said that during the first twenty-seven days of August there had been eight days in which revenue from tolls alone had exceeded \$80,000 a day. He said revenue from commer-

cial vehicles had reached a new record of \$121,775 in a single week, the week of August 12, and for the month of August the revenue from commercial vehicles probably would exceed \$500,000, the first time since the turnpike had opened that revenue from commercial vehicles was expected to exceed half a million dollars in a single month. He said that the Saturday before Labor Day in 1956 was the Commission's day of highest revenue that year and that it was hoping for a new record high in 1957. He said the revenue comparison for the first twenty-one days of August with the first twenty-one days of August 1956 showed passenger car toll increase of 35.4% and commercial vehicle toll increase of 52.4% and total toll revenue increase of 39.2%.

The Chairman said that in the absence of any question from the Members the Chairman's report would be accepted as offered.

The Assistant Secretary-Treasurer reported for the Secretary-Treasurer that since the last meeting the following had been sent to all Members:

1. Unaudited Financial Reports as of June 30, 1957 and July 31, 1957.
2. Auditors' report for the period ending June 30, 1957
3. Detail of investment transactions for July 1957.
4. Traffic and Revenue Reports for June, 1957 and July 1957.
5. Draft of the Minutes of the meeting of June 20, 1957.
6. Cost and Budget Report - first half 1957.

The Assistant Secretary-Treasurer reported further that Mr. Reuel Cochran, who had been Chief Accountant for the prior five years, had resigned and accepted a position with the Director of Finance of the State of Ohio. He said Mr. Cochran's reason for his resignation was his desire to continue his residence in Columbus. He said his leaving would cause certain realignment of duties and responsibilities within the department.

The Assistant Secretary-Treasurer reported further that for the restaurant operation there had been established a branch office of the accounting department in Youngstown as a temporary expedient. He said that office prepared the weekly payroll for about 420

employees, the semi-monthly payroll for another 15 employees, and checks for the payment of food and other supplies.

The Assistant Secretary-Treasurer reported further that Harris, Kerr, Forster & Company had completed its audit of Olympic Company's operation on the Ohio Turnpike and had submitted its report. He said the company had been retained to make a sales audit of the turnpike restaurants operated by ABC Vending Company and Buddies Food Services, Inc. He said the State Auditor had completed his audit of Olympic Company's sales and had submitted his report. He said Peat, Marwick, Mitchell & Company were making a sales audit of the service station operators as they had in 1956. He said their report was expected within the next month.

The Assistant Secretary-Treasurer reported further that an interesting but very minor source of additional revenue to the Commission had been arranged with the Cleveland Trust Company. He said the bank was giving the Commission credit for Canadian currency deposited at the rate of exchange on the day of deposit. He said the rate of exchange at that time amounted to about a 5% premium.

The Assistant Secretary-Treasurer reported further the number of charge accounts for commercial users were continuing to increase and there were then 78 charge accounts of which four were inactive. He said one of the more recent charge accounts was for a large tire manufacturer who used the turnpike as a testing ground for passenger car tires. He said that company's toll charges amounted to about \$500 a week and their cars traveled about 35,000 miles a week between the Akron Interchange and the Bryan-Montpelier Interchange.

The Chairman thanked the Assistant Secretary-Treasurer for his report, and said in the absence of any objections it would be accepted as received.

The Chairman added to his own report that the Auditor of State had completed the audit of the Commission for the year 1956 and that the audit report would be filed within a few days. He said the State Auditor and the auditors of certified public accountants for the Commission, Peat, Marwick, Mitchell & Co., had worked together and had worked with the Commission's Comptroller's office.

The Chairman of the Committee on Service Plazas reported the Committee was then employed in the operation of the six restaurants formerly operated by the concessionaire, Olympic Commissary Company, and had had little time to do anything of any moment in

regard to the other concessionaire operations on the turnpike. He said he thought there had been a very great improvement made at the six restaurants and that the public acceptance was much better than it had been before. He said several Members of the Commission and members of the Staff had lunch that noon at one of the restaurants operated by the Commission, one that had been considered for a considerable period as the poorest restaurant on the turnpike, and the food had been good. He said the food was of better quality, the meats were all choice grade, government inspected and stamped, and all foods were in accordance with the Commission's specifications. He said the Commission invited the traveler to patronize its restaurants because the Commission was really offering them something worthwhile.

The Chairman said that in the absence of any questions the report of the Chairman of the Committee on Service Plazas would be received as offered.

The Chairman of the Committee on Budget and Finance said the Committee had no report at that time but would have something to report in September.

The Chairman said that in the absence of any questions the report offered by the Chairman of the Committee on Budget and Finance was received and accepted.

The Chairman of the Committee on Claims reported that since the last meeting the Committee had had several conferences with concerns and persons who had claims against the Commission and that while many of the claims had not been settled the Committee was still working and hoped that very soon some more of the claims would be settled. He said the Committee would meet again on Friday of the following week.

The Chairman said in the absence of objection the report of the Chairman of the Committee on Claims was accepted as offered.

The General Counsel reported he had sent to the Members copies of the suit filed since the last meeting of the Commission in the United States District Court in Toledo by S. J. Groves and Sons Co. against the Commission.

The Chairman asked whether the defendant in the so-called McKarns pig case was complying with the order of the court in that case. The General Counsel replied that local counsel for the Commission, Mr. Lorin Hogue of Toledo, had investigated and that

compliance was being given as the court had ordered. He said further he was unhappy about the court order in that it did not require the pigs moved back farther from the service plaza and in that it did permit the cement feeding slabs to remain where they were although they were not to be used for feeding purposes. The General Counsel said he did not feel that the Commission had won any sweeping victory. He said that when a motion had been made for a new trial the previous Friday in the Williams County Common Pleas Court the Judge had made one additional concession by extending the period during which the pigs must be kept back from the service plaza by one month so that the period was June through October. He said the Judge had the motion for a new trial under advisement but that he felt the Commission would have to take an appeal to the Court of Appeals where there would be a hearing de novo. He said the unfortunate thing about the decree was that although the court had said the defendant - farmer had to move back the feeding operations from the service plaza the court had decided that to require the defendant to remove the cement blocks on which the pigs were fed would be too expensive but it had cautioned him that he could not use those blocks for feeding.

The Chairman thanked General Counsel and said his report was accepted as offered.

The Executive Director reported that on June 25, 1957 he had asked the Employee Relations Committee to study the wage and salary structure for the maintenance employees and the toll collection personnel. He said the Committee had made this study and on August 9, 1957 had reported their findings and a copy of the report had been in the hands of the Members since soon after August 9. He said the study resulted in a recommendation which would increase the wages approximately 4% over the wage and salary schedule for toll collection and maintenance employees which became effective the previous fall and approximately 7 1/2% over the original schedules adopted in April 1956. He said he concurred in the recommendation made by the Committee and in the absence of any objection from the Commission proposed to put it into effect on September 1, 1957. He said an estimate of what the increase would mean in dollars was \$2400 a month for toll collection and \$2100 a month for maintenance employees, or a total of \$18,000 for the remainder of 1957, or a total of \$54,000 for a full year. He said the report had not been submitted formally to the Consulting Engineers. The Chairman said the Executive Director should not consider putting the report into effect until the Consulting Engineers had had an opportunity to examine it. The Executive Director said it was his opinion the amount of money involved would be available within the limits of the budget for that category for 1957.

He said, in response to a question by the Chairman, he had the authority to make the recommended increase effective.

The Chairman said he had been emphasizing to the Executive Director and others that the Commission did have Consulting Engineers and was paying them a substantial fee and they must be consulted.

The Comptroller said he had reviewed the recommendation for wage increases and it had his assent.

Mr. Chastang said if the Consulting Engineers, and the Executive Director, and the Comptroller all approved the recommendation, he was going to approve it also.

Mr. Fred S. Cresswell of the Consulting Engineers said that in view of the fact the last increase had been made in November of 1956 it would be his opinion that, speaking for the Consulting Engineers, the increase of 4% was justified. He said the Consulting Engineers knew the base rates were reasonable.

The Chairman polled the Members to learn whether they were agreeable to putting the increase in effect on September 1, 1957 assuming that the Consulting Engineers were agreeable, and assuming that the Comptroller was agreeable. The Members indicated they were agreeable.

General Beightler asked the Comptroller how much money for operating expenses the Commission was going to have to provide in a supplemental budget and whether the addition was required because of the amount of money the Commission had paid for the equipment in the restaurants which had been operated by the Olympic Commissary Company.

The Comptroller replied that the main reason for a supplemental budget was the amount of money the Commission was being required to spend for food and gift shop items and supplies in running the restaurants and which thereby became an operating expense. He said two additional items that had not been contemplated at the time the budget had been adopted were the charge of \$13,600 for the study of passenger car toll rates and the November 1956 wage increase that occurred after the preliminary budget for 1957 had been adopted and which could not be reflected in the annual budget for 1957 according to the terms of the Trust Agreement.

General Beightler asked the Comptroller if he thought the Commission was going to have revenue adequate to cover the things he had mentioned plus the \$525,000 the Commission had paid in the

compromise settlement of the suit of Olympic Commissary Company against the Commission. The Comptroller replied there was no question of exceeding the \$17,181,000 which had been budgeted as income for 1957. He said the last estimate of income he had given to the Members on May 2, 1957 in contemplation of an increase of the toll rates was about \$19,500,000. He said he had trial figures which would exceed the latter amount. The Comptroller said he did not think the Commission was in any precarious position at that time with respect to revenue for the remainder of the calendar year 1957. He said his best guess of income got pretty close to \$20,000,000.

The Chairman said that too many agencies reacted to statements made about income, that too many widows and children owned Ohio Turnpike bonds for the Commission to be casual about how it spoke of income. He said he thought therefore it was a pretty safe thing to say that within the \$20,000,000 expected revenue from tolls and all other sources there was not much likelihood of any distortion in budget which would have a real effect on the economic position of the Ohio Turnpike Commission.

In response to a question by Mr. Chastang, the Comptroller said income from tolls had been about \$200,000 in excess of the May 2 estimate.

The Chairman said the report of the Executive Director would be received as offered.

The Deputy Executive Director reported the Commission had received a letter from the Ohio State Automobile Association advising that at the 51st Annual Convention of the Association in Youngstown there had been adopted a resolution asking the Commission to consider establishment of a minimum speed limit and the posting of that limit on the Ohio Turnpike. He said inquiries had been directed to other comparable highway authorities to learn whether they had a minimum speed limit on their facilities. He said also the matter would be referred to the Inter-turnpike Safety Committee to be placed on its agenda at the next meeting of the Committee the following October.

The Chairman said that in the absence of any questions the report of the Deputy Executive Director was received and accepted.

The Director of Information and Research reported that whereas on occasion criticism about various phases of the operation of the Ohio Turnpike had been expressed by letter or perhaps in the newspapers, the Commission also received quite frequently commendation for the operation of the turnpike. He cited a letter received

shortly before from an employee of the Ohio Bell Telephone Company praising the courtesy shown by the Ohio Turnpike toll collectors and saying that the writer was speaking as a member of an organization which put a high premium upon the public relations potential of the employees who meet the public. He reported the Commission also received complimentary letters with respect to actions of the members of District 10 of the Ohio State Highway Patrol who quite frequently performed services beyond the call of duty to travelers on the turnpike. He said the Disabled Vehicle Service which the previous month had received some unfavorable publicity also was the subject of praise by automobile drivers who had had occasion to experience good service at the hands of the garages who performed the disabled vehicle service on the turnpike. He said some letters cited instances in which the garages had gone out of the way to help people who had been in distress on the turnpike.

The Director of Information and Research reported also that the previous week a delegation of ten federal, state, and local officials from Japan had spent a day at the Commission's headquarters and on the Ohio Turnpike in course of an itinerary arranged by the United States Bureau of Public Roads. He said the visitors were studying road construction in the United States as an aid to the road building program which faced Japan. He said the program prepared for the Japanese had been handled by the Deputy Executive Director and the Assistant to the Director of Information and Research. He reported further that the previous day the Commission had received the following letter under date of August 26, 1957 from August Schofer, Division Engineer for Region Two of the Bureau of Public Roads of the U. S. Department of Commerce:

"File No. 02-33

"P. O. Box #1978  
"New Federal Bldg.  
"Columbus 16, Ohio

"August 26, 1957

"Mr. James D. Hartshorne  
Director of Information and Research  
8080 Prospect Road  
Berea, Ohio

"Dear Mr. Hartshorne:

"Thank you very kindly for your letter of August 23, with attachments. I appreciate immensely the hospitality accorded the Japanese Highway Policy Team. Your courtesy



in sharing with the members of this foreign delegation your experiences in toll road construction and operation is a contribution in the furtherance of national objectives of promoting better understanding among peoples of the world.

"The agenda covering this visit indicates the thoroughness and consideration devoted to this group. The newspaper publicity was likewise capably handled.

"For the Bureau of Public Roads and myself, may I extend my official and personal thanks to you and to the staff of the Turnpike Commission for the handling of this foreign delegation.

"Very truly yours,

"August Schofer  
"Division Engineer"

The Director of Information and Research reported further that in carrying out a program of encouraging greater use of the turnpike by trucks and automobiles his department during August had made a survey to support a suggestion to automobile clubs and other touring agencies that traffic between the Mid-West and Buffalo, and upper New York State, and the New York State Thruway enter and leave the Ohio Turnpike at Warren Interchange rather than at interchanges in the Cleveland area. He said the Assistant to the Director of Information and Research had made a test drive of the public free road route between Strongsville-Cleveland Interchange and Conneaut, Ohio via Route U. S. 42 and Route U. S. 20 and return via Routes Ohio 7 and 5 and the Ohio Turnpike from Warren Interchange. He said the test showed that although the public free road route was 28 miles the shorter, the combined turnpike and public free road route was 32 minutes the faster and was a great deal easier to drive. He said the results of the survey had been sent to all automobile clubs and other touring agencies in the country. He said the suggestion for the use of Warren Interchange had had a good acceptance by such clubs and agencies.

The Director of Information and Research reported further that in connection with the opening of a 41-mile portion of the Erie Section of the New York State Thruway on August 21, 1957 the Department of Information and Research had distributed to all Ohio Turnpike Interchanges from Warren Interchange west routing instructions to be given to travelers who inquired how to get to the New York Thruway. He said the instructions, which recommended use of

the Ohio Turnpike as far as Warren Interchange, were proving quite popular. He said all of the evidence was that the Warren Interchange was being used more and more by traffic between the Mid-West and Buffalo and the New York State Thruway.

The Chairman said he had no doubt the Japanese had been very well handled by the Deputy Executive Director, Mr. Russell S. Deetz, and by the Assistant to the Director of Information and Research, Mr. Blair Willison, Jr. He said the Commission gave bouquets to Mr. Deetz often but did not take notice as often as it might of the very thoughtful, careful, and effective work Mr. Willison did. He said to Mr. Willison, who was present, he wanted him to know that because he was prone to be self-effacing and not likely to draw the plaudits that people less self-effacing did.

The Chairman said that in the absence of any questions the report of the Director of Information and Research was received and accepted as offered.

The Executive Director reported that on August 15, 1957 bids had been opened on Contract TR-1A for the operation of the six easternmost restaurants on the Ohio Turnpike. He said bids had been submitted by Buddies Food Services, Inc. at 19.01% of gross receipts, by Ohio Sportservice, Inc. at 18.6% of gross receipts, by Leonard Seliger at 16.6% of gross receipts, and by The Union News Company at 12.53% of gross receipts.

The Executive Director reported further he was disappointed in the reception given the Commission's invitation for bids. He said he had been hopeful of receiving bids from a number of qualified operators who had expressed an interest in the contract and who had had experience on turnpikes. He said two of the bidders, the high bidder and the low bidder, had had such experience and the wide variance in their bid percentages led him to the conclusion that one or the other bid was not realistic. He said he had received a letter from The Union News Company explaining the reasons its bid was low.

The Executive Director reported further that should the Commission make an award that day there were certain advantages and disadvantages he would like to bring to its attention. He said in the advantage category the Commission, in the event of an award, would receive \$250,000 immediately and \$250,000 additional over a period of five years, or a total of \$500,000 over and above the percentage of gross receipts offered. He said secondly an award would get the Commission out of the business of operating six restaurants on September 17, 1957. He said also that in contrast to those

advantages an award to the high bidder would be an abandonment of the competitive policy established by the Commission when bids initially had been taken for the operation of the sixteen restaurants on the turnpike. He said that at that time the sixteen restaurants had been divided into three groups and bidding documents had contained the statement that "no bidder will be awarded more than one contract". He said it was his opinion that there was merit to the original policy.

The Executive Director reported further that following receipt of the bids the Consulting Engineers had made a survey of qualified operators who had expressed an interest in the contract but had not submitted bids. He said the Members of the Commission had received a copy of the report. He said the Commission had received a telephone call from Howard D. Johnson Company, a letter from Bickford's Inc., and a letter from The Interstate Company. He said he considered all three companies reliable and qualified to offer constructive criticism. He said all had been critical of the Commission's requirement with respect to the investment of \$500,000 in restaurant equipment and the limitations in the specifications with respect to operations.

The Executive Director reported further that should the Commission see fit to reject the bids such action would afford an opportunity to revise the contract documents to the mutual advantage of the operator, the traveling public, and the Commission. He said in such case he would feel certain a new invitation would result in competition from qualified, experienced operators which, in turn, would afford the Commission a broader field from which to select a new operator.

The Chairman adverted to the statement of the Executive Director that award to the high bidder would be an abandonment of the competitive policy established by the Commission when bids initially had been taken for the operation of the sixteen restaurants and said he had not personally abandoned that theory. He said, however, he was not denying he was given notice of the specifications for Contract TR-1A as they were advertised and was not denying any responsibility he might have had for not having asserted the desirability of the competitive program for the operation of the groups of restaurants which the Commission originally had enunciated and made manifest in its first advertisement for the operation of the restaurants.

The representative of the Consulting Engineers, John J. Jenkins, Jr., reported the Consulting Engineers had made an in-

vestigation in an effort to determine why so few bids for Contract TR-1A had been received compared to the number of potential bidders as indicated by the list of those who had taken out specifications. He said the Consulting Engineers had talked by telephone to a representative of each of fourteen firms which did not submit bids to try to draw out from them their reasons for not bidding. He said the Consulting Engineers already had submitted a written report of those conversations to the Commission. He then proceeded to summarize the findings of the survey.

Mr. Jenkins said that almost without exception the fourteen firms had stated they were perfectly well aware of the percentages being paid to the Commission by the current restaurant concessionaires and for reasons of their own had come to the conclusion that the bids on Contract TR-1A were likely to be in the same range as the percentages then being paid. He said all had stated that as far as their operations were concerned they could not make a profit at those rates and comply with all the requirements in the specifications.

Mr. Jenkins said also that almost without exception the firms had stated they simply were not willing to make the capital investment which had been required in the specifications. He said there had been a number of other comments with respect to other requirements of the specifications and the comments all boiled down to a statement, in effect, that the specifications were very tough.

Mr. Jenkins said also that in its report the Consulting Engineers had assumed the Commission would want to know what it might do to attract more bidders in case it should decide not to award to the low bidder or the high bidder for Contract TR-1A. He said it was almost a necessity, if the specifications were going to be revised in order to attract more bidders, to eliminate the requirements for the capital investment. He said also there would have to be a general review of the specifications and revisions to the specifications which would eliminate some of the specific features to which a good many of the restaurant firms had objected. He said that under those circumstances the Consulting Engineers believed a considerable number of the firms it had talked to could be expected to submit proposals.

In response to questions from General Beightler, Mr. Jenkins said the Consulting Engineers had never operated any restaurants nor had they been consultants on any restaurant operations nor did they consider themselves experts on the operation of rest-

aurants. He said the Consulting Engineers were merely reporting facts they had turned up in the investigation. He said the Consulting Engineers were prepared to make recommendations, however.

In response to another question by General Beightler Mr. Jenkins said the Consulting Engineers had not approved the specifications for Contract TR-1A. The Executive Director said the restaurant specifications for Contract TR-1A were substantially the same specifications which the Commission had used at first with the exception that the equipment was to be furnished for a price and a limitation was to be placed on the price that could be charged for stable items such as chewing gum and candy. He said no formal submission of those changes had been made to the Consulting Engineers.

The Chairman said it was certainly consistent with everything else the Commission did that all specifications be submitted to the Consulting Engineers. He said if such submission had not been made with respect to Contract TR-1A he did not know why. He asked the Executive Director why the limitation with respect to the maintaining of competition among the operators had been dropped. The Executive Director replied that as far as he could find out the dropping had been an oversight. The Chairman said he had asked because he had thought the specifications as approved by the Commission were in general the specifications used when restaurant bids were originally taken and he had found upon receipt of the bids that the specifications were in fact substantially different in a major policy respect without the Commission having itself adverted to the change.

In response to a question by Mr. Chastang, Mr. Jenkins said the Consulting Engineers did not know whether the two concessionaires then operating restaurants on the turnpike had made a profit for 1956 and for the first six months of 1957 nor whether the bid of 19.01% by Buddies Food Services, Inc. would afford that firm an adequate return on its investment.

The General Counsel reported he had analyzed the bids. He said the bid of Leonard Seliger was not in compliance with the specifications because it was described as a joint venture and the affidavit submitted with the bid stated "Made on behalf of Joint Venture for a corporation to be formed at a later date if awarded the contract -". He said nothing further was stated in reference to identity of the joint venture except that three individuals in addition to Mr. Seliger were listed in the affidavit as persons interested in the proposal. He said no balance sheet had been submitted with that bid and there appeared to be one or two other defects in the bid. He said also the

other three bids were proper legally.

General Counsel said also the Commission, should it determine it ought to do so could reject all bids. He said the Commission had the authority to do so because it was written into the statute that it might reject all bids and because cases from other jurisdictions as well as from Ohio made it clear the provisions of the statute established that authority.

The General Counsel said also the Commission, should it determine that in consideration of the public interest one of the bids received was the best, might accept such bid. He said that under the statute the bid to be accepted was the one determined by the Commission to be the best in consideration of the public interest.

General Beightler said he was disappointed in not only the number of bids received but also the high percentages offered the Commission in at least two instances. He said he would have preferred that the bids would have been somewhat lower because he thought that would have made it easier for the Commission properly to police the operation. He said he wished it might be possible for the Commission to negotiate with some restaurateur of national standing to operate the six restaurants at a figure or percentage but that was not possible under Ohio law.

General Beightler said also the Commission in making an award would receive from the bidder \$500,000 eventually to compensate it in part at least for the equipment the Commission had taken over from Olympic Commissary Company. He said that to eliminate the requirement of making that capital investment would make for unfair competition on the turnpike in that the other restaurant operators had been required to make a very considerable capital investment. He said only time would tell whether the Commission would get a better concessionaire by taking bids on a new contract which eliminated the capital investment requirement. He said he felt very strongly the Ohio Turnpike Commission had no business operating the restaurants, that the Commission was not expert in such operation and should get out of it just as soon as it possibly could. He said also with respect to abandonment of competition among restaurant concessionaires on the turnpike he had been one of those, when he was Executive Director, who favored at least three restaurant concessionaires in order to have competition. He said his own observation since that time was that competition did not mean a thing and he would prefer to deal with only one concessionaire rather than with three.

General Beightler said also it was his opinion that should the Commission reject the bids it might stand to lose a very considerable sum of money. He said he had looked over the operations of Buddies Food Services, Inc., the previous Sunday, visiting four restaurants and eating at three of them. He said he had found the service good and the food good. He said that out of some fifty people he had interrogated, only two had expressed complaint but not as to service. He said the Commission's Supervisor of Restaurants had made several trips to check on the operation of the six restaurants operated by Buddies Food Services, Inc. and had made some suggestions to the Commission in regard to the quality of the meat being used which he, General Beightler, understood had resulted in corrections being made by the Company.

General Beightler said also the president of Buddies Food Services, Inc. was a reputable restaurateur who had been recognized by his fellow restaurant operators the previous year by being elected president of the Ohio Restaurant Association. He said the company operated some 153 restaurants according to the list submitted with their bid, nine of them on another turnpike, a comparable facility, the New York State Thruway. He said the company had indicated in its report to the Commission it had made a profit in 1956. He said with the increase in business in 1957 the company was perhaps increasing that profit. He said the A B C Vending Corporation was paying the Commission a percentage of 18.9 on gross revenue and had made a profit in 1956. He said the best interests of the public and the Commission would be served by awarding the contract. He said he had met the president of Buddies Food Services, Inc. only once. He said no one had represented the president to him nor had the president talked to him since the bids had been submitted or while they were being advertised. He said he had no interest whatsoever in the concern.

A motion was made by General Beightler that a resolution be adopted awarding Contract TR-1A to Buddies Food Services, Inc. at its bid of 19.01% of gross receipts.

Mr. Chastang seconded the motion. He said he had given the matter considerable thought and it seemed to him the bid form had not limited the bidding. He said the Commission had recently employed a Supervisor of Restaurants who was unquestionably competent and capable to "ride herd on these restaurants." He said the Commission was already seeing the benefits of those efforts. He said the Commission should not assume that Buddies Food Services, Inc., could not serve food and perform under the contract a a percentage of 19.01. He said while he believed the comfort and welfare of the traveling public

was of the utmost importance, and the Commission should guide itself accordingly, nevertheless if the Commission could recover \$500,000 of turnpike money, that also was in the interest of the public.

Mr. Chastang said he had always been opposed to government competing with private enterprise and while he had regretted the necessity of voting to cancel the contract of Olympic Commissary Company he had done so with the hope the Commission could quickly get out of the business and get a suitable operator for the restaurants. He said he knew no operator, whether on the turnpike or elsewhere, could satisfy customers one hundred percent of the time. He said satisfaction depended upon the food and upon the customer's attitude.

The Chairman asked Mr. Noble whether he would like to make any comment. Mr. Noble said it seemed to him the first issue would be to be sure the patrons on the turnpike were going to get top service. He said service was of the utmost importance to the Commission and the public so the Commission should be very sure it was going to get the best service that was available to the public on the turnpike. He said if the service was not good it reflected adversely at the toll booths, probably considerably more than represented by the high percentage. He said he had eaten on the turnpike only once and was not in a position to judge the service of the restaurant operators. He said he had seen some adverse comments on the high bidder but, having had no personal experience, he was not capable of comment on that. He said he felt the public was entitled to the best service available on the turnpike.

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

Ayes:           Bightler, Chastang

Nays:           Teagarden, Shocknessy.

In casting his vote Mr. Teagarden said he thought that getting back the \$500,000 the Commission had spent for equipment was secondary to the operation of the restaurants by the Commission. He said the Commission's first duty was service to the public. He said he would like to see the Commission get the money back and he thought it would in due time. He said he would like to see the Commission continue to operate the restaurants for a period of time but he hoped that eventually the Commission could get out of the restaurant business. He said also operation of the restaurants by the Commission



for a period of time would afford the Commission an opportunity to revise the specifications in the manner referred to at the meeting. He said the specifications for the contracts with the other restaurant concessionaires were inadequate and to some degree had given rise to some reasons why some restaurant companies had not bid. He said he was voting no in the hope that thereby the Commission could be afforded time to prepare proper specifications that might make the contract attractive to other restaurant companies. He said he was sure there were many more companies which would like to bid on a contract to operate the restaurants and improved specifications would give them an opportunity to do so.

The Assistant Secretary-Treasurer announced the vote as follows:

In favor: General Beightler, Mr. Chastang; opposed: Mr. Teagarden, Mr. Shocknessy.

The Chairman declared the resolution had failed of adoption for want of a statutory majority. He asked if anybody would like to change his vote before the vote was recorded. No changes were requested.

The Chairman asked if anybody would offer a resolution for the acceptance of the bid of the second high bidder, Ohio Sportservice, Inc. No one offered such a resolution. The Chairman said he would entertain a resolution for the acceptance of the bid of the third high bidder, Leonard Seliger. No one offered such a resolution. The Chairman said he would entertain a resolution for the acceptance of the bid of the fourth highest bidder, The Union News Company.

In response to a question by Mr. Chastang, the Comptroller said that the estimated difference in revenue to the Commission between the 19.01% bid by Buddies Food Services, Inc. and the 12.53% bid by The Union News Company would be about \$162,000 in a year based on the sales of Olympic Commissary Company during the previous twelve months. Mr. Chastang asked Mr. Jenkins whether the Consulting Engineers felt The Union News Company could make a profit under its bid to pay the Commission 12.53% of gross revenue and to pay it \$500,000. Mr. Jenkins replied he had no way of knowing the answer to that.

The Chairman said he did not hear any Member offer a resolution for the acceptance of the bid of The Union News Company. The Executive Director said there were no other bids with respect to Contract TR-1A before the Commission. General Beightler said

that since the bids had been rejected, the Staff should work on specifications for consideration by the Commission in event it wanted to take new bids. He said he would like to see bids taken again just as promptly as possible. He said employees working in the restaurants would have to be classified as permanent state employees after they had worked for the Commission 90 days which would result in increasing the Commission's costs for insurance and hospitalization and retirement.

Mr. Teagarden and the Chairman said they agreed the Commission should get out of the restaurant business. Mr. Teagarden said he went along with the statement of General Beightler that the specifications governing the contracts with the other restaurant concessionaires were inadequate and should be changed and that the specifications for Contract TR-1A should be changed so new bids could be advertised for very shortly. General Beightler said he was not sure the specifications should be changed. He said he thought the Commission should say whether it was going to permit either of the two existent restaurant concessionaires to bid in any future letting. He said he knew of only one other turnpike, the New York State Thruway, where there was competition in the operation of the restaurants by reason of the existence of more than one restaurant concessionaire. Mr. Teagarden said he had no desire to prohibit Buddies Food Services, Inc. or A. B. C. Vending Corporation from bidding on a future letting of Contract TR-1A if the specifications should be set up so that the Commission could be sure the type of service the successful bidder would render would be the type of service the general public would accept.

Mr. Chastang said it should be kept in mind the Commission then had a restaurant operation on the turnpike which was paying it 18.9% of gross sales whereas the bid it had turned down was just about one tenth of one percent in excess of that percentage. He said he thought the answer might be, if it were legally possible, to modify existing contracts so that if the Commission should readvertise Contract TR-1A there would be no great discrepancy between the contract of one operator and that of another operator.

The Chairman said the contracts which the Commission had with its existing contractors had been entered into in accordance with the provisions of law. He said he did not know of any way to change them.

In response to a question by the Chairman, Special Counsel for the Commission said it was his opinion the Commission, having rejected the bid of Buddies Food Services, Inc., should by resolution

reject the other three bids for Contract TR-1A. General Counsel said that to reject the other three bids by resolution would be desirable but perhaps not essential. The Chairman said he thought the only way the Commission could properly ask for new specifications to be drawn was to reject the other three bids in their entirety and, therefore, he would like to see the bids rejected and the Executive Director and the Staff directed to proceed with the development of plans and specifications.

A motion was made by Mr. Chastang which did not receive a second that the Commission reject the bids of Leonard Seliger, Ohio Sportservice, Inc. and The Union News Company. Mr. Lansdale said he would accept such a motion as a rejection of all the bids. Following considerable discussion concerning the wording of the motion offered by Mr. Chastang, the Chairman suggested to Mr. Chastang he withdraw his resolution and let General Beightler introduce one he was discussing as an alternate. Mr. Chastang said he withdrew the motion he had made with respect to the rejection of the bids of Leonard Seliger, Ohio Sportservice, Inc. and The Union News Company.

A motion was made by General Beightler, seconded by Mr. Teagarden, that a resolution rejecting certain proposals for Contract TR-1A and directing the Executive Director to make a study and report back to the next meeting of the Commission recommendations for terms and conditions to be employed in the solicitation of bids for the operation of the six easternmost restaurants on the Ohio Turnpike be adopted, as follows:

Resolution No. 23-1957

"WHEREAS the commission has duly advertised, according to law, for bids for a contract for the operation of the six easternmost restaurants on the Ohio Turnpike, which contract is designated Contract TR-1A, and proof of said advertising is before the Commission;

"WHEREAS bids for the performance of Contract TR-1A were received and have been duly opened and read, as provided in the published notice for said bids, and said bids are before this meeting;

"WHEREAS said bids have been analyzed by the Commission's executive director and general counsel, and they have reported thereon to the Commission with respect to said analysis; and

"WHEREAS the Commission having been duly advised, concludes

that, in consideration of the public interest, it is desirable to reject the bids of Ohio Sportservice, Inc., Leonard Seliger, and The Union News Company, and the Commission's general counsel has advised the Commission that it may legally reject any and all bids for the performance of said contract;

"NOW, THEREFORE, BE IT

"RESOLVED that the bids aforesaid received for the performance of Contract TR-1A be, and hereby they are, rejected, and the executive director is authorized to notify the bidders in writing of said action; and

"FURTHER RESOLVED that the Commission's executive director be directed to make a study and report back to the Commission recommendations for terms and conditions to be employed in the solicitation of bids for the operation of the restaurants aforesaid."

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

Ayes: Beightler, Teagraden, Chastang, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted. The resolution was identified as No. 23-1957.

A motion was made by Mr. Chastang, seconded by Mr. Teagarden, that a resolution ratifying actions of administrative officers be adopted, as follows:

Resolution No. 24-1957

"WHEREAS the executive director, deputy executive director, chief engineer, general counsel, assistant general counsel, secretary-treasurer, assistant secretary-treasurer, comptroller, maintenance engineer, and the 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 July 12, 1957, hereby are ratified, approved, and confirmed."

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

Ayes: Chastang, Teagarden, Beightler, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted. The resolution was identified as No. 24-1957.

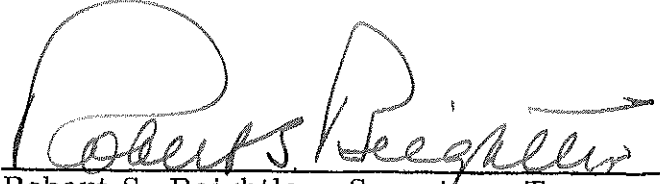
There being no further business to come before the Commission, a motion was made by Mr. Teagarden, seconded by General Beightler, that the meeting adjourn subject to call of the Chairman. A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Teagarden, Beightler, Chastang, Shocknessy.

Nays: None.

The Chairman declared the meeting adjourned. The time of adjournment was 4:58 o'clock p.m.

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

  
Robert S. Beightler, Secretary-Treasurer