

MINUTES OF THE ONE HUNDRED TWENTIETH MEETING
October 1, 1957

Pursuant to bylaws, the Ohio Turnpike Commission met in regular session at its headquarters at 8080 Prospect Road in Berea, Ohio at 11:00 a. m. Eastern Standard Time on October 1, 1957 with the key members of its staff, representatives of the Consulting Engineers, 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: Chastang, Beightler, Teagarden, Shocknessy.

Absent: Director of Highways. The Chairman said that the Secretary to the Governor, who usually represented the Director of Highways, had called him by telephone and advised that he could not be present because the United States Commissioner of Public Roads was to be in Columbus that day.

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 July 12, 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 that the day was a special occasion with the Commission because at the very first moment of that first day of October, 1957 the Commission observed the second anniversary of its total operation of the Ohio Turnpike. He said it was at 12:01 a. m. on October 1; 1955 that barriers were removed and traffic admitted to the Ohio Turnpike upon instructions to personnel at all interchanges

over the turnpike radio system from Westgate Terminal where an informal program was held to mark the historic occasion.

The Chairman said that representing the Commission on that day in 1955 were the Governor of Ohio, Frank J. Lausche; its Members: James W. Shocknessy, Chairman; O. L. Teagarden, Vice-Chairman; A. J. Allen, Secretary-Treasurer; Maj. Gen. Robt. S. Beightler U. S. A. (Ret.), Member; and the Director of Highways, S. O. Linzell, Member Ex-Officio, and members of the staff of the Commission including the Executive Director, Frank C. Dunbar, Jr.; the General Counsel, Mrs. Ruth Lloyd Wilkins; the Comptroller, John Soller; the Chief Engineer, Theodore J. Kauer; and the Director of Information and Research, James D. Hartshorne. He said changes in the personnel of the Commission or its staff had taken place in the succeeding two years so that the second anniversary found the operation being carried on under the direction of a Commission whose Members were: James W. Shocknessy, Chairman; O. L. Teagarden, Vice-Chairman; Maj. Gen. Robt. S. Beightler U. S. A. (Ret.), Secretary-Treasurer; Charles J. Chastang, Member; and the Director of Highways; by a staff of which the Executive Director was C. W. Hartford; the General Counsel was Lockwood Thompson; the Comptroller was John Soller; the Chief Engineer was E. W. Meeker; and the Director of Information and Research was James D. Hartshorne. He said the Director of Highways was represented on the Commission by the Secretary to Governor C. William O'Neill, Charles M. Noble and that the Consulting Engineers then as currently was the J. E. Greiner Company.

He said the first two years of operation of the Ohio Turnpike had seen the judgment of those who selected the location for the turnpike and the confidence of those who invested their money in the revenue bonds sold to pay the cost of construction amply justified by the 21,000,000 vehicles which had taken advantage of the high degree of safety and the great time-saving possible through use of the turnpike and by the revenues totaling some \$33,828,000 which had resulted from tolls paid by the users and from rental payments made by concessionaires offering food and fuel to users at service plazas along the turnpike.

The Chairman said that in the early months of operation there were those who apparently could not see beyond the relatively low revenue to be expected while the trucking industry and the motorists of the nation were determining how they could fit the Ohio Turnpike into their transportation needs. He said they could not envision the income potential inherent in the strategic location of the Ohio Turnpike for serving the industrial heartland of the nation, a location enhanced immeasurably by the fact that it permitted inclusion of the Ohio Turnpike in the

great system of directly connected toll expressways between New York and Chicago. He said the statistics based on two years of operation demonstrated conclusively to early precursors of doom and to the whole world that the Ohio Turnpike was fulfilling its promise as a great transportation facility.

The Chairman said a comparison of income for the first 12 months of operation and the second 12 months of operation (September 1957 estimated) showed that during the second year toll revenue increased 30.3% over the first year, revenue from service station concessionaires increased 30.6% over the first year, revenue from service station concessionaires increased 30.6%, revenue from restaurant concessions and operation increased 25.2%, other income (special hauling permits, pay telephones, etc.) increased 196.6%, and total income increased 30.6%. He said that a summary of income, expenses, and interest requirements for the first year of operation, for the second year of operation, and for the first two years of operation was as follows:

Comparison of Two Full Years' Operations

	12 Mos. Ending Sept. 30, 1957*	12 Mos. Ending Sept. 30, 1956	24 Mos. Ending Sept. 30, 1957*	% Increase 1st 12 mos. over 2nd 12 mos.
Income				
Toll Revenue	\$15,740,000	\$12,081,759	\$27,821,759	30.3
Service Stations	2,110,000	1,616,193	3,726,193	30.6
Restaurants (net)	1,150,000	918,841	2,068,841	25.2
Other Income	158,000	53,274	211,274	196.6
Total Income	\$19,158,000	\$14,670,067	\$33,828,067	30.6
Expenses				
Operating Expenses	\$ 4,540,000	\$ 3,569,966	\$ 8,109,966	27.2
Income before debt service	\$14,618,000	\$11,100,101	\$25,718,101	31.7
Interest				
Requirements	\$10,595,000	\$10,595,000	\$21,190,000	-

* Month of September 1957 Estimated.

The Chairman reported further that since the last meeting the Chairman and the Executive Assistant to the Chairman, who is also the Director of Information and Research, and the Consulting Engineers

and Mr. John Lansdale, Jr., Special Counsel, had met in New York at the offices of Blyth & Co., Inc. with persons representative of the restaurant industry with respect to the Commission's restaurant problem and the preparation of specifications. He said that conferences had been held separately with each of six nationally known restaurant operators, as follows:

Howard D. Johnson Company - Sept. 5, 1957, 10:30 a.m. to 12:30 p.m.

Bickford's Inc. - September 5, 1957, 2:00 p.m. to 3:30 p.m.

The Union News Company - Sept. 5, 1957, 3:00 p.m. to 5:15 p.m.

The Interstate Company - Sept. 6, 1957, 10:00 a.m. to 12:00 noon.

Hot Shoppes, Inc. - September 6, 1957, 2:00 p.m. to 3:30 p.m.

Ohio Sportservice, Inc. - Sept. 6, 1957, 3:30 p.m. to 5:15 p.m.

The Chairman said that those attending the conferences were:
For the Ohio Turnpike Commission:

The Chairman

The Director of Information and Research

Special Counsel, Mr. John Lansdale, Jr. (September 6 only).

For the Consulting Engineers to the Commission:

John J. Jenkins, Jr.

Fred S. Cresswell

For Howard D. Johnson Company

Howard D. Johnson, President

Victor Nelson, Executive Vice President

Donald G. Shaftoe, Vice President in Charge of Operations.

For Bickford's Inc.

Harold E. Bickford, President

James E. Desrosiers, Secretary-Treasurer

John C. Beattie, Sales Manager, Eastern Division, National Food Management Service, a subsidiary.

For The Union News Company

Milton R. Hubsch, Vice President

W. R. Kahrl, Manager, Restaurant Division

Harry A. Grunewald, Vice President

For The Interstate Company

D. S. Tucker, Vice President in Charge of Operations

L. W. Seibert, Vice President

For Hot Shoppes, Inc.

Milton A. Barlow, Executive Vice President

Frank C. Kimball, Vice President

For Ohio Sportservice, Inc. (of Sportservice, Corp.)

William J. Kelley, Director of Airports

Leonard Gordon, Manager of La Guardia Airport Operations.

He said T. Henry Boyd, Vice President of Blyth & Co., Inc. was an auditor at all conferences.

The Chairman said he made it clear at all conferences that the Commission was interested in learning why the restaurant industry had not been more responsive in bidding on Contract TR-1A and what suggestions the industry might have for possible revision of the specifications for Contract TR-1A which might result in bids from more operators in the event of a future letting. He said at each conference he had made it clear also that the Commission did not wish to discuss terms of possible bids by the individual companies represented in the conferences and that the Commission could not under existing law negotiate Contract TR-1A. He said the restaurant industry representatives expressed concern about the trend to ever higher percentages in bidding

on turnpike restaurant contracts. He said he told them that the restaurant industry and not the turnpike authorities determined what was bid. He said he told them the Commission was interested primarily in service to turnpike patrons and that financial return to the Commission, while important, was a secondary consideration. He said he had pointed out that the Commission had demonstrated this was its policy when it turned down a bid of 19% submitted on Contract TR-1A, the 19% representing a higher rate of return than the Commission was receiving from any restaurant operator. He said he explained that the Commission could exercise discretion in making an award for what it would consider to be the best bid in the public interest.

The Chairman said the information and advice received from representatives of the restaurant industry with respect to the specifications of Contract TR-1A might be summarized as follows:

While two companies said that the \$500,000 capital investment would not deter them from bidding, one company said it would not bid if a capital investment were required. One company said that a capital investment would not be a serious problem although it would prefer that the Commission furnish the heavy equipment. One company said an original payment of \$100,000 with the balance payable over six to seven years would be acceptable. The sixth company said a requirement for an original payment in excess of \$100,000 would bar it from bidding, that it might bid if the payment were \$100,000 or less.

Several companies said that regardless of a capital investment requirement by the Commission they would find it necessary to invest approximately \$250,000 to make it possible to have operation of the restaurants conform to their particular practices. Several companies commented that the equipment presently in the restaurants was inadequate.

With respect to so-called "rental" payments it was variously suggested that the Commission might:

- (a) Require a stated minimum annual guarantee,
- (b) Establish the percentage of gross receipts to be paid and require the bidder state the amount of the minimum annual guarantee it would pay (as was done on the Connecticut Turnpike where the minimum guarantee bid was \$800,000).

The industry representatives said the menu requirements were too rigid and gave the operator no opportunity to balance out buying and adjust to menu "seasons" and that the specifications might be restricted to requiring the operator to provide food of good quality. They cited the New Jersey Turnpike specifications on this point. They said Schedule D should be subject to review, and that it might give the operators a little more leaway; that perhaps it should constitute a general control.

It was suggested by the industry representatives that provision should be made for arbitration of disputes between the operator and the Commission, particularly in event of a requirement for capital investment by the operator. There was some general discussion that cancellation on notice by both parties might be provided and that in event of cancellation equipment for which a capital investment would be required would revert to the Commission and there would be no obligation on the operator for further payment.

One operator commented that maintenance of the sewage disposal plant was not required on other turnpikes.

Two operators indicated they would send in comments on this and several other sections relating to such matters as housekeeping, maintenance and other requirements.

Several operators suggested that pay toilets be installed.

One operator suggested that all restaurant operators on the Ohio Turnpike might join to hire an appropriate organization to police all rest rooms.

One operator said that regardless of any provision in the contract it would always be concerned that rest rooms in connection with restaurants it operated be maintained properly at all times.

The Chairman said other suggestions advanced by industry representatives included:

- (1) That the Commission pre-qualify bidders. The practice of the New York State Thruway Authority on this point was cited.
- (2) That an operator be "engaged" as operator and paid

a management fee.

- (3) That a profit-sharing plan be evolved.

The Chairman said the operators were not agreed on the desirability of a commissary, that some used commissaries where possible, while some apparently preferred to purchase all supplies from others. He said some comment was made that in Section 29 of the specifications - FUTURE PLAZAS, the Commission proposed to furnish and install the equipment listed in Exhibit C in restaurants on such plazas, the operator to pay the Commission 10% of the cost to the Commission of such equipment for each year the operator operated such restaurants to a maximum of 10 years.

The Chairman said that on September 10, 1957 one of the restaurant companies communicated to the Consulting Engineers the following additional comments with respect to contract TR-1A:

- (1) The Commission should offer warranties on the equipment.
- (2) Payment for equipment was objectionable but would not necessarily be a bar to bidding.
- (3) The company would put about \$40,000 of its own money into each unit.
- (4) To pay the Commission a percentage of say 15 on gross receipts from cigarette vending machines would cost the concessionaire money since he received only 3¢ commission on a 30¢ package.
- (5) The company would want full liberty in making menus attractive to the public.
- (6) The operator should not have to repair the roof. The service station operator ought to split the cost of air conditioning, heat, water. Company would prefer not to have to maintain sewage treatment plant or would like assurance that the present sewage treatment system was adequate except for routine maintenance.
- (7) The operator's records should not be required to be open to the Commission at all times. There was no objection

to having them available to the Commission at convenient times.

The Chairman reported further that the Annual Report of the Consulting Engineers had been presented to the Commission since the last meeting and all the Members had been provided copies. He said the other copies were available for examination by anybody.

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

- (1) Detail of investment transactions for August 1957.
- (2) Draft of minutes of the July 12, 1957 and August 28, 1957 meetings.
- (3) Unaudited financial report as of August 31, 1957.
- (4) Traffic and revenue report for August 1957.
- (5) Letter with respect to a proposed budget of income for 1958.

The Assistant Secretary-Treasurer reported further that the report of the Auditor of State for the year 1956 which had been adverted to by the Chairman had been received September 4, 1957. He said the report on audit verification of gross sales, covering the turnpike operations of Buddies Food Services, Inc. and the ABC Vending Corporation for the year ending July 31, 1957 had been submitted by Harris, Kerr, Forster & Company under date of September 26, 1957. He said that audit revealed only minor errors in the reporting of sales. He said those errors were being corrected by the restaurant operators.

The Assistant Secretary-Treasurer reported further that the report of the Auditor of State was in his opinion a good, factual audit. He said there were some suggestions in it which had been taken into consideration.

The Chairman said it was noteworthy that since General Chester W Goble had been in the Auditor of State's office there had been an appreciable improvement in the rapport between the Commission and the Auditor of State. He said he had hoped the good relations would be maintained. He said he thought the Auditor of State as represented by General Goble had indicated a cooperative and helpful attitude with respect to the Commission.

A resolution authorizing issuance of \$5000 of new bonds to replace

bonds Nos. TM 227338 to TM 227342, inclusive was moved for adoption by General Beightler, seconded by Mr. Teagarden, as follows:

Resolution No. 25-1957

"WHEREAS, by resolution No. 100-1954, adopted by the Commission on June 8, 1954, provision was made for the execution, authentication, and delivery of new bonds in exchange and substitution for mutilated bonds and their interest coupons, and in lieu of and in substitution for bonds destroyed or lost and their coupons, pursuant to §211 of the trust agreement relating to Turnpike Revenue Bonds, Project No. 1, and by said resolution certain requirements for execution and issuance of such new bonds and coupons were established; and

"WHEREAS the conditions provided for in said resolution No. 100-1954 have been complied with, including the submission to the Commission of the documents required by said resolution No. 100-1954 and the terms and conditions adopted thereby, said documents including a surety bond in the amount of \$22,000.00 relating to bonds Nos. TM 227338, TM 227339, TM 227340, TM 227341 and TM 227342, each of the denomination of \$1,000.00, with no coupons attached and, according to the affidavits and application submitted to the Commission, belonging to Bertha B. McCormick;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby approves the documents submitted to it by the trustee as aforesaid and authorizes the execution, authentication, and delivery of new bonds in lieu of the aforesaid bonds pursuant to §211 of said trust agreement, and the officers of the Commission are authorized to take any and all action necessary and proper to effect the execution, authentication, and delivery of such new bonds, and that said bonds be in definitive form with all coupons maturing subsequent to June 1, 1953, attached."

The Assistant Secretary-Treasurer said the documents in the matter, including a surety bond protecting the Commission and the Trustee should the bonds ever reappear, had been transmitted to the Commission by the Trustee. He said the Trustee had reviewed the documents, had approved them, and had recommended that the Commission consider the resolution. He said the owner of the bonds had been required to put up a surety bond for double the face amount of the bonds and of the coupons.

In response to questions by the Members the Assistant Secretary-Treasurer said the only chance that the Trustee or one of the paying

agents might spot a coupon from a bond which had been lost which was presented for payment was if, as in the instant case, there had been considerable elapse since the maturity date of the coupon. He said the bonds in the instant case were temporary bonds with only two coupons attached and that a coupon some four years of age being presented might give pause to the employee of the paying agent. He said it was possible that such a coupon could be paid and the error not discovered. He said the surety bond therefore could be meaningless as far as the coupons were concerned. He said that with more than 200,000 of the coupons coming in on any single interest payment date the Trustee had determined it was not practical to put them in number order. He said that on the advice of the Trustee the Commission served notice on the payee of bonds that were cancelled or lost or mutilated. He said that probably in more than half the cases of lost securities the securities later were found and it was necessary in such event that the Commission write the payees removing the stop payment order.

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

Ayes: Beightler, Teagarden, Chastang, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted. The resolution was identified as No. 25-1957.

The Chairman of the Committee on Service Plazas, General Beightler, reported that the Committee together with the Commission's staff had continued to operate the six restaurants the Commission took over from Olympic Commissary Company on August 1, 1957. He said that while the Commission's operations had been generally quite satisfactory, the Commission wanted to get out of the restaurant business just as fast as it could. He said that on October 30, 1957 the Commission would be required to place all of the restaurant employees under the Public Employees Retirement System. He said that would result in deduction of 6% from the wages of the restaurant employees and an additional payment of 7.35% of those wages by the Commission to the Public Employees Retirement Fund. He said the payments would complicate operations and also increase the cost of operation. He said another complication was the necessity to advertise for all the food-stuffs and other material purchased for the restaurant operations.

The Chairman of the Committee reported further that on September 25, 1957 the Committee had held a lengthy meeting at the headquarters of the Commission to consider the specifications for a new contract for

operating the six restaurants. He said those attending the meeting, in addition to the members of the Committee, were Mr. Fred S. Cresswell and Admiral Joseph M. Worthington, representing the Consulting Engineers; the Committee's Special Counsel, John Lansdale, Jr., and the Commission's Supervisor of Restaurants, William R. Anders. He said the Assistant General Counsel represented the General Counsel as a member of the Committee for part of the meeting. He said the Committee had discussed all points of issue in the specifications and had considered all the objections that had been raised by representatives of the restaurant industry in the conferences in New York. He said the Committee had taken action upon all such matters and was prepared to present its findings to the Commission for consideration and possible changes and final approval so that specifications could be prepared promptly for final submission to the Commission in preparation for the taking of bids. He said it was his personal opinion that there was not so much wrong with the specifications, that they were far less onerous than had been represented by some persons and by the public press generally. He said the Committee was unanimous in the feeling that the Commission should recapture the capital investment it had made. He said the original restaurant specifications had been prepared by the restaurant consulting firm of Harris, Kerr, Forster & Company and he did not think there was much wrong with them. He said it was his belief that the chief reason the Commission did not get more bids on August 15, 1957 was (1) that the required \$250,000 down payment on equipment may have been excessive and (2) the feeling of restaurant operators that it was probably useless to bid in view of the very high percentages of gross sales that were being paid by the two concessionaires then operating on the turnpike.

The Chairman of the Committee recommended that the consideration of the specifications be postponed until other business was disposed of because of the possible length of time that might be required.

The Chairman of the Committee on Claims, Mr. Teagarden, reported that the Committee had held several meetings during the past month, the last on September 6, 1957. He said the Committee had reviewed and approved five claims which were in the process of payment in a total amount of \$66,725.32. He said other claims before the Committee were being processed as rapidly as possible.

The Chairman said the report for the Committee on Claims was accepted as offered.

The Chairman of the Committee on Budget and Finance, Mr. Chastang, reported the Committee had had a number of meetings at the headquarters of the Commission. He said the most recent meeting had been held in September and had been attended by the Executive

Director, the Comptroller, the Deputy Executive Director, the Maintenance Engineer, and himself and that the Consulting Engineers had been represented by Mr. John J. Jenkins, Jr., Mr. Cresswell and Admiral Worthington. He said the Committee had estimated the Commission's income for the year 1958 at \$21,895,000, comprised of passenger car toll revenue of \$12,300,000, commercial vehicle toll revenue of \$6,000,000, concession revenue from gasoline filling stations and restaurants of \$3,420,000, and other income of \$175,000 which would consist mainly of special hauling permits, pay telephones, et cetera. He said the Committee had reviewed the budget requests of the various operating departments and had come up with a budget of administration and insurance in the amount of \$908,000, operations in the amount of \$3,749,000, trust indenture expense in the amount of \$130,000, or an estimated total expenditure for the year 1958 of \$4,787,000. He said that total was \$132,000 higher than the total for the 1957 budget which had been \$4,655,877. He said the Committee had cut all the corners it could in making the estimate and he thought it was a fair estimate. He said the budget was concurred in by all members of the Committee and he recommended its adoption as the budget for 1958 operations.

The representative of the Consulting Engineers, Mr. Jenkins, said that the Consulting Engineers recommended the budget exactly as recommended by the Committee on Budget and Finance. He said the Consulting Engineers, as required by the Trust Indenture, had made its recommendation in its Annual Report.

A resolution adopting preliminary budget for the fiscal year 1958 was moved for adoption by Mr. Chastang, seconded by Mr. Teagarden, as follows:

Resolution No. 26-1957

"WHEREAS it is provided by §505 of the trust agreement dated June 1, 1952, between the Commission and The Ohio National Bank of Columbus, as trustee, and The National City Bank of New York (now The First National City Bank of New York), as co-trustee, that, on or before the 20th day of October in each fiscal year, the Commission will adopt a preliminary budget of income and current expenses for the ensuing fiscal year;

"WHEREAS the Commission's executive director and comptroller have submitted a preliminary budget and current expenses for the fiscal year 1958 to the Commission, and have recommended the adoption thereof, and said budget is now before the Commission; and

"WHEREAS all reasonable requests of the consulting engineer as to the classifications in which such budget shall be prepared 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;

"NOW, THEREFORE, BE IT

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

<u>Preliminary Budget of Income and Current Expenses</u>	
1958	
Income	\$21,895,000
Current Expenses	
Administration & Insurance	\$ 908,000
Operations	\$ 3,749,000
Trust Indenture Expense	\$ <u>130,000</u>
Total Current Expenses	\$ 4,787,000

"FURTHER RESOLVED that the assistant secretary-treasurer is hereby instructed to file a copy of said budget with the trustee and to mail copies thereof to the consulting engineer and to the principal underwriters forthwith. "

General Beightler said the anticipated income for 1958 was some 9% over the prospective income for 1957 and in case of a recession there might be a change in that income figure. He said that should business activity continue as it had in 1957 the income figure would be higher so that on the whole it was perhaps a fair estimate. He said he was rather amazed that the Commission's income in 1957 was going to appreciate as much over the previous year as it apparently was going to because statistics showed that usage of gasoline was up less than 1% in 1957 over 1956. Mr. Chastang said he did not believe there would be a recession. Mr. Teagarden said he did not think it was possible to have a recession. The Chairman said the growth of the Commission's business in 1957 had been spectacular but it was also well known that it took a long period of time, maybe up to as much as five years and certainly two

to three years before a highway such as the Ohio Turnpike was really integrated in the transportation economy and it still probably was in the process of being fully integrated. He said the most interesting thing he saw in the Commission's figures was the steady growth of commercial vehicle traffic. He said the turnpike economy was in direct relation to the economy of the nation and the economy of the nation as reflected by the turnpike income from commercial vehicles was still healthy. He said the Commission had had a pronounced fall-off since the first of September in passenger car vehicles but the comparative figures on income from commercial vehicles was still going up. He said that on a recent day there had occurred the second highest income from commercial vehicles. He said the number of passenger vehicles was not as good as might be expected particularly on the last couple of Sundays when it looked like people might have been saving money. He said that income from passenger vehicles was not off because of the increase in Class I rates and that the Commission was still having more commercial vehicles than in the comparable period of 1956.

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. 26-1957.

The Chairman of the Committee on Budget and Finance said it was necessary to offer a supplemental budget for 1957 by reason of the operation of the six restaurants on the eastern end of the turnpike by the Commission. He said it was not because the Commission had lost money on operation of the restaurants. The Chairman of the Committee said the Commission actually had made about \$50,000 more on the restaurants than it would have gotten in rent from Olympic Commissary Company on the basis of all proper figures. Mr. Chastang said the supplemental budget for 1957 contemplated the payment of \$525,000 to Olympic Commissary Company which had been theretofore discussed and approved for settlement of litigation, and \$840,000 for materials, food, supplies, and labor for the operation of the restaurants, or a total of \$1,365,000. He said it was expected that the money would be recoverable. He said that during the month of August the Commission realized a profit of \$116,242 from the operation of the restaurants. He said the expense included 75% of the salaries and expenses of four employees normally charged entirely to Patron Services

and the cost of the accounting office in Youngstown but did not include any other share of administrative overhead or any depreciation. Mr. Chastang said the Commission would have received from Olympic Commissary Company \$67,000 from August operations assuming the company would have done the same amount of business the Commission did, or an overall net before depreciation of \$49,235 in excess of what the Commission would have had if it had not canceled the contract.

A resolution adopting supplement to annual budget for fiscal year 1957 was moved for adoption by Mr. Chastang, seconded by Mr. Teagarden, as follows:

Resolution No. 27 - 1957

"WHEREAS, pursuant to §505 of the trust agreement dated June 1, 1952, entered into between the Ohio Turnpike Commission and The Ohio National Bank of Columbus, as trustee, and The National City Bank of New York (now The First National City Bank of New York), as co-trustee, the Commission, by resolution No. 57-1956, adopted an annual budget for the fiscal year 1957;

"WHEREAS, pursuant to §505 of said trust agreement, the Commission may, at any time, adopt an amended or supplemental annual budget for the remainder of the then current fiscal year;

"WHEREAS experience in the operation of the Ohio Turnpike now indicates a need for certain supplementary budget allowances for the remainder of the current fiscal year; and

"WHEREAS the Commission's comptroller has submitted to the Commission a supplemental budget for the remainder of the year 1957 and has recommended the adoption thereof; and said supplemental budget is now before the Commission;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission, having duly and fully considered the same, hereby adopts the following supplemental budget of current expenses for the remainder of the fiscal year 1957;

Supplemental Annual Budget for Fiscal Year 1957

Expenses:

Operations	\$1,365,000.00
Trust Indenture Expense -	<u>14,600.00</u>
Total -	\$1,379,600.00

"FURTHER RESOLVED that the assistant secretary-treasurer is hereby instructed to file a copy of said supplemental budget with the trustee and to mail copies thereof to the consulting engineers and the principal underwriters forthwith. "

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. 27-1957.

The Chairman said the report of the Committee on Budget and Finance was accepted as offered.

The General Counsel reported that notice of appeal had been filed in the McKarns pig sty case. He said the Commission had received word on the previous Thursday from the Mahoning County Common Pleas Court in the Blair case that, the motion for judgment notwithstanding, and the motion for new trial filed by the plaintiffs had been over-ruled by Judge Maiden and the journal entry had gone forward to the court carrying that ruling.

The General Counsel reported further that his office had made an examination of the law relating to the Public Employees Retirement System and had conferred with representatives of the retirement system in Columbus in connection with the amendments of the Public Employees Retirement act which became effective September 16, 1957. He said that under those amendments it would appear that notwithstanding the court decision which had been rendered in December of 1955 by the Franklin County Common Pleas Court which had held that employees of the Ohio Turnpike Commission became members of the system only as of June 29, 1955 and not prior, the amendments giving credit for prior service apparently gave credit to Commission members and employees who cared to tender to the Public Employees Retirement System payments which they would have been required to make if members of the system prior to June 29, 1955. He said that although the Attorney General's office and the Public Employees Retirement System apparently had not completely reached a conclusion as to the interpretation of the amendments, the Retirement System was interested in having the reaction of the Commission as to matching the contributions of Commission personnel who might desire to receive credit for prior service.

The Chairman thanked the General Counsel for his report.

Mr. Jenkins reported for the Consulting Engineers that the Annual Report which the Consulting Engineers was required to make to the Commission every year under the Trust Agreement had been submitted to the Commission.

The Chairman said the Commission would receive the Consulting Engineers' report as offered.

The Executive Director reported it appeared that, should the employees of the Commission who were in the employ of the Commission prior to July 1, 1955 and who were currently employed by the Commission wish to obtain credit for their prior service, it would cost the Commission approximately \$28,000 plus 3% interest. He said it was his opinion that it was quite unlikely that all such employees would seek to obtain prior credit. He reported further that a bulletin under date of September 26, 1957 issued by the Public Employees Retirement System revealed that the amendments to the Public Employees Retirement System Act provided also that the service credit requirement for disability retirement would be five years instead of ten, clarified survivor benefits, authorized continuation of survivor benefit payments on account of dependent children under age 18 in certain cases, and brought county law library employees into the system.

A resolution with reference to recent amendments of the act relating to the Public Employees Retirement System was moved for adoption by Mr. Teagarden, seconded by Mr. Chastang, as follows:

Resolution No. 28-1957

"WHEREAS the 102nd General Assembly amended certain sections of the Revised Code of Ohio relative to the Public Employees Retirement System, and extended service credit to certain public employees for periods of service not theretofore covered, granting prior service credit to each such public employee paying into the employees' savings fund an amount equal to the amount he would have paid if he had been continuously a member of the system since January 1, 1935, or since his date of employment, plus interest at the rate of three percent per annum, compounded annually, subject to the final authority of the Public Employees Retirement Board to fix the amount and manner of payment of any such public employee member desiring to claim credit on account of such service;

"WHEREAS it would appear that under the amendments of the act,

employees of the Ohio Turnpike Commission may be entitled, upon compliance with the rules and regulations adopted by the Public Employees Retirement Board to have coverage under the system for periods of service with the Commission prior to June 29, 1955,

"WHEREAS the Public Employees Retirement System has given informal indication of its recognition that coverage may be secured by employees of the Commission; and

"WHEREAS the Commission has heretofore, by resolution No. 1-1956, authorized its comptroller, acting for and on behalf of the Commission, to sign any and all reports, certificates, and other statements which the Commission is or may be required to file with the Public Employees Retirement Board;

"NOW, THEREFORE, BE IT

"RESOLVED that the comptroller furnish any information required by the Public Employees Retirement Board to facilitate coverage of the Commission's employees;

"FURTHER RESOLVED that the executive director request the Public Employees Retirement System to notify Commission employees who are members of the system of recent amendments of the act; and

"FURTHER RESOLVED that the comptroller be authorized to honor billings rendered to the Commission pursuant to Revised Code of Ohio Sec. 145.47 by the Public Employees Retirement System required to match contributions of the Commission's employees seeking credit for such prior service. "

Mr. Teagarden said the sense of the resolution was that the Commission would be giving authorization to the Comptroller to honor billings when rendered by the Public Employees Retirement System. The Chairman said that all the resolution was doing was to advise the Public Employees Retirement System that so far as the Commission was concerned the Commission was prepared to pay in accordance with law.

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 resolution adopted. The resolution was identified as No. 28-1957. The Chairman said the Commission understood that the Comptroller of the Commission as advised by the General Counsel was maintaining negotiations and doing whatever was necessary to be done by the Commission on its behalf with respect to the effectuation of the purposes of the resolution.

The Executive Director reported further that the second Annual Report of the Consulting Engineers, which was due on or before October 1, was received prior to that date. He said copies of the report immediately were mailed to the Members.

The Executive Director reported further that the prevalence of Asian Flu occasioned concern with respect to availability of employees in connection with the operation of the turnpike. He said an effort was being made to obtain vaccine and provide inoculation for employees who desired to be inoculated.

The Executive Director reported further that by letter under date of August 29, 1957 the Superintendent of the Ohio State Highway Patrol, Colonel Fred Moritz, advised that the legislature had passed amended House Bill 125 providing for salary increases for certain patrol personnel and for a new classification for Patrolmen II, both effective October 1, 1957.

He said the existing contract provided that the salaries of Highway Patrolmen to be used in making the necessary computation for each fiscal year should be those in the effect at the beginning of such fiscal year (July 1). He said further that six of the patrolmen currently assigned to District 10 would be reassigned eventually and would then be classified as Patrolmen II. He said the Highway Patrol had requested that an additional corporal be assigned to the Ohio Turnpike as a plain-clothes man to do practically all the investigation work currently being done by uniformed officers in order to permit the latter to spend more hours on their patrol duty on the turnpike. He said all of the changes involved additional money and therefore it would be necessary that the contract be amended. He said an amendment had been drafted and had been brought to the attention of each Member. He said that in the absence of any objections the amendment would be incorporated in the contract. The General Counsel said the contract was a five year contract and provided for reexamination as of July 1st of each year as to salaries.

The Executive Director reported further that negotiations with the Indiana Toll Road Commission for use of the paint striping machine of the Ohio Turnpike Commission by the Indiana Commission had been

completed and the machine was currently in Indiana. He said the Indiana Commission was paying \$50 a day for use of the machine plus reimbursing the Ohio Commission for the wages and expenses of an experienced operator from the staff of the Ohio Turnpike Commission plus the cost of any reconditioning that might have to be done upon completion of the work.

The Executive Director reported further the Chairman had informed him a short time before he had heard that a responsible official of the Harrison Construction Company, contractors on Construction Section C-1 of Ohio Turnpike Project No. 1, had made certain unsupportable statements concerning claims having been filed by the Company against the Commission. He said he had checked the files and had found that some letters which purported to be claims had been filed by the Company. He said the letters had been received as claims to the extent that they had been examined in detail by the Contracting Engineers, by the Consulting Engineers, by the Chief Engineer, by the General Counsel, and by the Committee on Claims. He said that since the letters were very vague in many respects, numerous conferences had been held with the Harrison Company in an effort to learn of the details behind each. He said the conferences came to an impasse in December of 1955. He said no further work could be done on the claims unless the supporting information should be forthcoming from the Harrison Company. He said that since December of 1955 the Company had furnished no information in addition to that previously furnished.

The Chairman said he wanted a letter back from the Executive Director replying to his statement to the Executive Director that he had been told the Harrison Construction Company had made certain statements with respect to the Commission's failure to pay certain claims to that Company and he wanted to know what the story was because he had been told that those statements had been made to the Governor of Ohio. He said he had had no inquiry from the Governor of Ohio but he wanted a letter which he expected to send to the Governor because if the Harrison Company wanted to negotiate about claims, the headquarters of the Commission was the place to come to do it.

The Executive Director said that in a recent discussion with representatives of the Harrison Construction Company in connection with a claim which the Company was interested in in connection with work for which they were sub-contractors, the representatives had been asked about the Company's plans for its claims on Construction Section C-1. He said at that time the representatives had advised the Commission the Company intended to reactivate the claim and to furnish the required supporting data.

The Chairman said he wanted the record to show there was such a thing as Harrison Construction Company and that the Commission had heard of the Company talking other places than at the Commission. Mr. Teagarden said that as far as the Committee on Claims was concerned there was to his knowledge no claim by Harrison Construction Company before it. The Executive Director said the statements by the Harrison Company in the letters referred to had received partial support. He said the Commission by Resolution 14-1955 admitted that it had claims before it because by that resolution the Commission had resolved to waive the provision of paragraph G. 907 of the General Specifications for the Harrison Construction Company. He said one report of the Committee on Claims had stated that the claim of Harrison Company was currently dormant and no action by the Committee was necessary until such time as the Company should furnish the substantiating material. Mr. Teagarden said the statement of the Executive Director was correct but that as of that time the Committee on Claims had no claim by Harrison Construction Company before it. He said the claim before the Committee was an unsupported claim.

The Chairman said that the Commission had not paid because no authentic claim had been proved. He said that the report of the Executive Director was received as offered.

The Deputy Executive Director reported he had been advised that the Chairman recently had had a complaint made to him that weeds were not being well mowed in the western portion of the turnpike and that some weeds were growing on the paved shoulders. He said the Commission had received a letter from the Honorable Charles F. Kerfess, representative to the General Assembly from Wood County, advising that some farmers in Perrysburg Township were complaining that the Commission was not mowing the areas next to the right-of-way fence. He said the Commission's maintenance force had been aware of the condition but that portions of the fall weed mowing program had been delayed somewhat because of pressure to complete other work such as joint sealing, shoulder sealing, jacking of settled pavement slabs, etc. before cold weather should set in. He said the final mowing program was then in process in the west, and should be completed within a few weeks. He said that with respect to weeds growing on the paved shoulders, the root system of the weeds was shallow and the growth would die following the first good frost. He said as the weeds dried up they would disappear. He said there was no practical way to remove the weeds in 1957 due to the sparsity of growth. He said that in 1958 all growth of weeds would be sprayed in the early stages so

as to eliminate completely the problem of weeds growing on the shoulders.

The Deputy Executive Director reported further that after the last Commission meeting he had inspected the pig farm adjacent to the Tiffin River Service Plaza and it was his opinion that the operator of the farm was in substantial compliance with the order of the Common Pleas Court of Williams County with respect to abating the nuisance which had been charged by the Commission. He said there were no pigs within the area designated by the court to be cleared of the animals. He said subsequent checks confirmed his observations. He said that on the morning of his visit it had rained in the area of the service plaza and there was a very offensive odor throughout the entire parking area and around the buildings at Tiffin River Service Plaza and across the roadways at Indian Meadow Service Plaza.

The Deputy Executive Director reported further that the two-year contracts for providing emergency road service to disabled vehicles in seven of the nine disabled-vehicle-service zones on the Ohio Turnpike had expired at midnight September 30, 1957. He said that pursuant to advertising a total of eleven bids on new contracts had been received and opened on September 27, 1957. He said there had been at least one bid for each zone. He said the bids had been evaluated and award made on September 30, 1957 to the garage in each zone determined to be the best qualified to handle disabled vehicle service promptly and efficiently in the best interest of the traveler. He said in each case the award was made to the garage which had held the contract previously.

The Deputy Executive Director reported further that the Executive Secretary of the Ohio State Automobile Association had recently issued a release to affiliated automobile clubs, to newspaper editors and to radio stations setting forth information for American Automobile Association members traveling on the Ohio Turnpike. He said he was unable to understand why the Ohio State Automobile Association should issue such a notice when in reality the Commission's disabled vehicle service contract was substantially the same as that recommended to the Commission by the Association under date of March 13, 1953. General Beightler said that in 1953 the Commission had called in the Association and asked for its advice. The Deputy Executive Director said he had in his possession the recommendations made by the Association and they included a recommendation that the Commission receive 3% of the gross receipts for service rendered on the turnpike by the disabled vehicle service

garages. He said that while operating the Eastgate section the Commission had relinquished its demand for the 3% of gross receipts and currently received no revenue from disabled vehicle service garages. He said the Commission had done so in order to avoid an increase in maximum charges to the traveler.

The Deputy Executive Director said also the original recommendations of the Association had provided a service charge of \$1.00 minimum plus 50¢ per mile from point of the location of the disabled vehicle service truck to the site of the disabled vehicle to a maximum total charge of \$5.50. He said the service charge subsequently had been changed by the Commission to a flat \$3.00.

General Beightler said the current specifications for disabled vehicle service were substantially what the Association had recommended. He said the Association originally had talked of the Commission taking care of the disabled vehicle service itself entirely at its expense. The Deputy Executive Director said that that was still the position of the Association. The Chairman said that that was ridiculous, that everybody who had a tire about to blow would come on the turnpike because it would be much simpler to pay a 20¢ fare on the turnpike if the driver could get the Commission to repair the tire.

The Deputy Executive Director said the towing charge originally recommended by the Association was a base of \$1.00 for the first mile plus 50¢ per mile for each additional mile traveled to a maximum of \$10.00. He said the Commission had modified that recommendation while operating the Eastgate Section and had done so upon an audit of the books of the garage concerned and upon inquiry about towing work on public roads. He said the towing charge had been revised to allow a maximum charge of \$7.00 for the first six miles or any portion thereof and 50¢ per mile for each additional mile to a maximum of \$10.00. He said the wrecking service charge originally recommended by the Association was \$3.00 per hour and the amount subsequently was changed by the Commission to \$4.00 per hour. He said it was obvious the Commission had not made any substantial changes in the original recommendations of the Association and the changes which had been made were necessary in order to persuade garages to bid on the disabled vehicle service contracts.

The Deputy Executive Director said also the Association had passed very few complaints concerning the disabled vehicle service on to the Commission in the past two years of operation. He said that with respect to promptness of service for disabled vehicles the Com-

mission in the month of August 1957 had handled 3,531 calls of which 83% had been answered in less than 30 minutes. He said that in July of 1957 a total of 3,295 calls had been handled of which 82% had been answered within 30 minutes. He said that throughout 1957 the percentage of calls answered within less than 30 minutes ran between 81 and 88. He explained that by time required to answer calls he meant the time from which the disabled vehicle was reported to the Commission's radio room until the disabled service truck arrived at the site of the disabled vehicle. He said the Commission kept an accurate log of such calls.

The Deputy Executive Director said further a recapitulation of towing service for passenger vehicles during the month of August 1957 revealed that 234 towing charges were under \$14.00, 514 were exactly \$14.00, and 20 exceeded \$14.00. He said the towing charges exceeding \$14.00 included tows made from a turnpike interchange to locations other than the contractor's garage. He said that in towing to the contractor's own garage, \$14.00 was the maximum that could be charged, including towing and use of the wrecker or crane.

The Deputy Executive Director said also that unfortunately due to special circumstances there had been a few travelers who had been delayed three hours or more in receiving disabled vehicle service. He said it was the Commission's everyday concern and that of the garages also to eliminate such delays. The Chairman said there was no question that those instances were atrocities and those atrocities were what were heard about. The Deputy Executive Director said the number of letters of commendation on the disabled vehicle service received by the Commission during the previous summer greatly exceeded the number of letters of complaint received. He read a letter received that morning from Dr. William F. Via, Jr. of the Henry Ford Hospital in Detroit, Michigan, addressed to the Supervisor of Patron Services, M. A. Coles, as follows:

"September 25, 1957

"Mr. Coles
The Ohio Turnpike Commission
Berea, Ohio

"Dear Mr. Coles:

"I recently had the unfortunate experience of having the hydraulic on my car burn up while traveling the Ohio Turnpike. In

due course, a patrolman stopped and notified the Lyle Chevrolet Company to come and tow my car in to their garage.

"I found the people at Lyle Chevrolet Company most gracious and understanding of my problem. They had an expert hydramatic mechanic on duty and had the work on my car completed within twenty-four hours. I felt this was record time, considering the extensive repairs necessary.

"It was necessary for my wife and I to spend the night in Cuyahoga Falls and again the people at Lyle Chevrolet went out of their way to find us a very nice place to stay.

"As you can see, I am most happy with the service rendered by the Lyle Chevrolet Company and I am very grateful to you, Sir, for providing such excellent service to those of us who are unfortunate enough to have automobile difficulty on the turnpike.

"Sincerely,

/s/ William F. Via, Jr. D.D.S.
Department of Dentistry and Oral
Surgery"

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

The Director of Information and Research reported the Commission had received or had become aware of two letters critical of the operations of the Ohio State Highway Patrol on the Ohio Turnpike. He said one letter which had been published in the Cleveland Plain Dealer had been written by Mr. Clement J. Lewis of Dearborn, Michigan who had complained that when he stopped on the turnpike to pick up two hitchhikers during a severe rain storm he had been arrested. He said Mr. Lewis had asserted in the letter that he had seen no traffic approaching from the rear within any close distance. He said the Highway Patrol had informed the Commission that the reason Mr. Lewis had been arrested was that he had stopped on the paved roadway and had not pulled over on to the shoulder.

The Chairman said the Commission was going to put out the facts of that case.

The Director of Information and Research said also the other letter had been written by a woman who said she and her husband and

their 17 year old son were driving on the turnpike when the car was stopped by a Highway Patrolman who arrested the mother for contributing to the delinquency of a minor and took the family off the turnpike for an appearance in court. He said Patrolman Murdock of the Highway Patrol had written on his report of the incident that "the son of this subject was driving the car. It was clocked at 85 miles per hour and stopped. He advised that he knew he was exceeding the speed limit. That he was seeing how fast the car would go." The Director of Information and Research said that in her letter the woman had said the boy had a drivers license issued him in Indiana and his parents were willing to have him drive their new car so why should anyone else object.

The Chairman said he thought those two letters made the Highway Patrol look good.

The Chairman of the Committee on Service Plazas resumed presentation of his report. He said he deferred to Special Counsel for the Committee, Mr. John Lansdale, Jr., who was present to present the various matters on which the Committee had taken action at its recent meeting and on which the Committee would like to have the pleasure of the Commission as a whole.

Mr. Lansdale said the Committee had considered how, if at all, the previously used restaurant specifications could be re-written in order to procure qualified bidders and an adequate number of bidders. He said that in the course of that consideration, which had taken all day and had been very thorough, the Committee finally had arrived at a relatively few changes and the only important changes involved a fuller statement of the qualifications to be required of bidders. He said the courts had held the Commission could, in advance of receipt of bids, establish qualifications of bidders as a part of the terms and conditions of the bidding. He said that in other words the court had ruled the Commission could establish standards. He said it was not known how far the Commission could go in the exclusion of bidders in advance but obviously any qualifications established resulted in the exclusion of some bidders and certainly the Commission could establish in advance reasonable guides to their consideration. He said that, however, the Committee had considered a number of items of qualification and proposed to put down certain qualifications, not as stringent, specific limitations in themselves, but as being the kind of thing which the Commission would, among other things, consider when awarding bids to the bidder which in the Commission's opinion was best qualified, taking into consideration the public interest.

Mr. Lansdale said paragraph (a) of the recommended qualifications of bidders had to do with competition and the Committee would recommend that among the qualifications to be stated to the bidders the Commission would consider whether the bidder was currently supplying restaurant service on the turnpike or had an interest in such service or whether a current supplier of restaurant service on the turnpike had an interest in the bid.

The Chairman said that paragraph (a) of the proposed revised specifications referred to by Mr. Lansdale would say in effect that the Commission would consider whether a bidder had any interest directly or indirectly or any substantial financial interest in any contract for the operation of restaurant facilities currently on the turnpike other than the ones being bid for.

Mr. Lansdale said also the second item provided the Commission would consider whether the bidder's principal business was the operation of retail restaurants, whether he could demonstrate he had successfully operated restaurants doing a business similar to those on the Ohio Turnpike. Mr. Lansdale said that operation of retail restaurants contemplated operation other than that of industrial facilities or other than the commissary type of operation.

Mr. Lansdale said also the Committee had considered whether the specifications should state specifically that the Commission would not consider anybody who had not had experience in the operation of retail restaurants or who did not have some of the other qualifications listed. He said the Committee had decided it was not sensible to hamstring the Commission but it did consider that the bidders and the public at large should be advised as to the things which would govern the Commission in determining the qualifications of bidders. He said the consideration to be given to the qualifications in relationship to the questionnaire should assist bidders considerably by indicating the kind of information the Commission wanted and what it would consider.

Mr. Lansdale said also the Committee felt the experience referred to should have been over a long enough time in order, as set forth in paragraph (b) to enable the Commission to judge the character and quality of the operation, and whether such operations had been sufficiently large and varied to warrant the Commission's confidence in the ability of the bidder to perform the type of operation desired on the Ohio Turnpike.

Mr. Lansdale said paragraph (c) relating to qualification of

bidders dealt with financial soundness. He said there was nothing new involved, that the Commission would consider whether the bidder had demonstrated he was in a sound financial condition and whether he had or could readily obtain sufficient capital to provide the required facilities necessary for the operation of the restaurants, including adequate working capital. He said the conferences in New York had demonstrated the necessity of looking at that aspect.

Mr. Lansdale said also paragraph (d) relating to qualification of bidders would say in effect the Commission would consider whether the bidder had an existing organization engaged in restaurant operations of sufficient size and experience to handle the facilities being bid for. He said paragraph (e) relating to qualifications of bidders would say in effect the Commission would consider whether the bidder had demonstrated by past experience that it was his practice to train employees in such a manner that they rendered efficient and courteous service.

Mr. Lansdale said the Committee had considered other qualifications and had rejected them. The Chairman said he was concerned about making the qualifications definite, that language was the problem. Mr. Chastang said he thought the qualifications of bidders described by Mr. Lansdale was useless language in that it covered all the matters the Commission in the exercise of its judgment would be required to consider. The Chairman said he thought Mr. Chastang had asked whether it wouldn't be simpler to say the Commission would not award to certain bidders or to certain prospective bidders. Mr. Lansdale said such a statement would be much simpler and bidders would be more certain as to whether they should bid or not.

The Chairman said an original principle had controlled the award of the restaurant contracts on the Ohio Turnpike, that the principle was that no operator would have more than one group of restaurants. He asked where the Committee was on that point. Mr. Lansdale replied the Committee felt that was an item which the Commission could consider but the Committee was not prepared to recommend to the Commission that it should flatly state in its qualifications that the award would not be made in contradiction to the principle stated. The Chairman said he thought the paragraphs referred to were all designed to say that the Commission was not likely to look with favor upon an award of the group of six restaurants on the eastern portion of the turnpike to an operator who had another group. Mr. Lansdale said the sense of the paragraphs was that the intent of the Commission was not to make such an award but that the Commission was not going to tie its hands on it and might do it at some time. Mr. Chastang said the paragraphs were saying that if at the time the Commission should

consider that a bid from either of the current restaurant operators was the best bid in the public interest it could accept the bid. He said that on the question of whether or not the Commission should beforehand say it would not consider such a bid he, for one, was not convinced the Commission ought to say to the two current operators that they should not bid.

Mr. Lansdale said also the Committee was unanimous in feeling the Commission should recover its investment in equipment in the six restaurants and should continue to require a new operator to make the investment himself. The Chairman said the Commission had never expressed a view contrary to that. Mr. Lansdale said the Committee had agreed the down payment required of an operator should be \$100,000 and the operator should be required to make a monthly payment of \$4,000 to be applied towards interest and the balance of \$400,000. He said that at an interest rate of about 4%, the monthly payments would just about pay out the \$500,000 for the equipment by the completion of the 10-year period of the contract.

After considerable discussion initiated by Mr. Teagarden the Members of the Commission indicated that the Committee on Service Plazas should give consideration to asking for bids in the alternate on a seven year contract and a ten year contract. A seven-year contract was proposed in order that the contract would terminate at the same time approximately as the two existing restaurant contracts.

Mr. Lansdale said also that the Committee after considerable discussion had voted to continue the existing method of receiving bids on the percentage of gross sales which the bidder was willing to pay monthly to the Commission for the privilege of operating. There was a brief discussion of the so-called Connecticut plan under which the bidder specified the annual minimum amount he would guarantee to pay the Authority and the Authority specified a percentage of gross sales as the maximum the bidder could expect to earn. The Commission did not indicate disagreement with the recommendation of the Committee.

Mr. Lansdale said also the Committee had recommended that an operator be permitted to install pay toilets and to receive the revenue from the pay toilets without considering such revenue as gross receipts. He said the Committee recommended that income from cigarette and stamp vending machines be excluded from gross sales. He said the Committee recommended that the Commission make repairs to roofs of the service plaza buildings as it was in fact doing under the existing restaurant contracts. He said the Committee

recommended that the Commission take over the maintenance and operation of the sewage treatment plants at the service plazas and charge the operator a flat sum for that service. He said the staff of the Commission was working out appropriate charges. He agreed that the Commission would have to offer the same advantage to the current restaurant operators. He said the Committee recommended that the contract include a formula for arriving at the price of the equipment in the event of a cancellation of the contract and in the event the Commission should desire to continue the operation of the restaurants. He said the Committee tentatively proposed 10% depreciation per year or whatever might be necessary to accomplish the full rate of depreciation over the period of the contract. He said the Supervisor of Restaurants was in the process of revising the standard menus and the revisions would be reported on when the new specifications were ready.

The Members of the Commission agreed that the Committee on Service Plazas should proceed to put the specifications for the restaurant contract in final form and send copies to the Members so they could take action with respect to the specifications at the next meeting of the Commission.

A resolution ratifying actions of administrative officers was moved for adoption by Mr. Teagarden, seconded by Mr. Chastang, as follows:

Resolution No. 29-1957

"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 August 28, 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: Teagarden, Chastang, Beightler, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted. The resolution was identified as No. 29-1957.

There being no further business to come before the Commission, a motion was made by Mr. Chastang, 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: Chastang, Beightler, Teagarden, Shocknessy.

Nays: None.

The Chairman declared the meeting adjourned, the time of adjournment being 2:38 o'clock p. m.

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



Robert S. Beightler, Secretary-Treasurer