

MINUTES OF THE ONE HUNDRED AND THIRTY-NINTH MEETING
April 5, 1960

Pursuant to bylaws, the Ohio Turnpike Commission met in regular session in Hearing Room 3 in the Ohio Departments Building in Columbus, Ohio at 11:00 A.M. Eastern Standard Time on April 5, 1960 with the key members of its staff, representatives of the Consulting Engineers, of the Trustee, of the Auditor of State, 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: Beightler, Teagarden, Chastang, Preston, Shocknessy.

Absent: None.

The Chairman announced that a quorum was present.

A motion was made by General Beightler, seconded by Mr. Teagarden, that the minutes for the meeting of February 2, 1960 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 responded to roll call. The vote was as follows:

Ayes: Beightler, Teagarden, Chastang, Preston, Shocknessy.

Nays: None.

The Chairman declared the motion carried with all Members voting in the affirmative.

The Chairman reported the Commission had received that morning the decision of the Court of Appeals of the Seventh District upholding the constitutionality of the turnpike statute with respect to the powers given to the Commission to establish speed of vehicles on the turnpike. He said the Court specifically said the statute was constitutional and had made an interesting comparison with the authority of the Director of Highways to determine speeds and mentioned the

impossibility of the legislature having to make every minute determination as to speed and affirmed once again the constitutionality of the Turnpike Act. He said the Court of Appeals in the Seventh District had examined the specific section of the act with respect to its constitutionality. He said that whether or not the case would be appealed to the Supreme Court of Ohio was unknown to the Commission. He said he would be glad to see it appealed and see the question resolved utterly and finally even though the Supreme Court of Ohio had already said Sections 1201 through 1221 of the General Code of Ohio were a constitutionally valid enactment.

The Chairman reported further the Commission had had a surprisingly good month in March as to traffic and revenue. He said commercial revenue had amounted to about \$750,000 which was the greatest amount of toll revenue the Commission had ever had in a single month from commercial vehicles. He said private-car numbers were lower for the month of March than in March of 1959. He said the weather had been extremely severe which however had contributed to the increase in commercial traffic. He said the fact the Commission had had so much truck traffic in March was a tribute to the safety features of the turnpike and to its maintenance. He said the commercial public chose to ride the turnpike when the weather was bad. He said that also in 1959 in the month of March the Easter weekend occurred while in 1960 it would fall in the middle of April. He said the loss of the Easter weekend cut the revenue which actually was only down \$17,000 and hardly worth discussion.

The Chairman reported also that the Berea (Ohio) News had carried a statement which he read as follows:

"March 31, 1960

"Who gives callers the best telephone-answering service in northeast Ohio?

"The people at BE 4-2081 - The Ohio Turnpike Commission - according to some other people who should know, the Ohio Bell Telephone Co.

"A survey of leading business firms in the northeast region was made by Ohio Bell, with ratings being for promptness, efficiency and pleasantness of telephone service.

"Skeptical? Their number again is BE 4-2081."

The Chairman congratulated the Executive Director.

The Chairman reported further that there seemed to have been some misunderstanding with respect to the Commission's position on the improvement of Route 18. He said it had been asserted in Akron and Youngstown that the Commission had opposed the improvement of Route 18. He said that was not true at all. He said it was well known that the Commission by action taken at its meetings had recommended some improvements within the City of Akron in 1957 which had contributed to Route 18. He said that more recently the Chairman of the Commission in a statement to the Governor had said that another section of the Interstate System prospectively located in the area of the turnpike most likely would not have any negative effect on the retirement of bonds after ascertaining that that section would not be open until 1970. He said the Commission would have retired sufficient bonds by then to make whatever impact the improvement would have of little effect upon the retirement of its bonds. He said the Commission had done nothing except give cooperation to the Department of Highways on Route 18.

The Director of Highways said he knew there had been much misunderstanding on that point. He said the Chairman had stated the situation clearly: neither the Turnpike Commission nor any of its officials had done anything to the detriment of Route 18. He said the Department of Highways did not recognize an immediate need for Route 18 because of an existing parallel route. He said Route 18 would ultimately be on the Interstate System because of the larger contemplated traffic volume in that area. He said there had been nothing in the way of a retarding influence on the part of the Commission. He said Route 18 was near the end of the Department's schedule of construction priority because of the obvious reason of the existence of the turnpike, a parallel route which provided an adequate facility in the area. He said there was no reason to say that the Ohio Turnpike Commission had put anything in the way of the development of Route 18.

The Chairman said the Commission had given its patronage to the improvement. He said that by the time the road was built it would be well needed. He said it was never the Commission's purpose to stand in the way of improvement of highways for the very good reason that an improvement contemplated was not likely to be done until it was needed nor a road built unless it was needed.

General Beightler said he supposed the publicity with respect to Route 18 had been based on some remarks he had made when the

matter was first brought up. He said he still had his doubts about the effect of Route 18 on the turnpike if Route 18 were to be completed in the immediate future. He said he agreed with what had been said on the possible effects on the turnpike if Route 18 were not completed until the 1970s. He said that his agreement was predicated on continued prosperity in the 1960s and also on the hope that the Commission would have no serious trouble such as the loss of a bridge or some act of God that might cause a very heavy loss.

The Director of Highways said that continued prosperity was of course desirable and essential for the operation of the turnpike but that the increase in traffic volume was almost foregone. He said the Department of Highways had reason to believe potential traffic would increase for all metropolitan areas and sections in terms of 200% or more over what it had been expecting 10 years before. He said the Department had complete confidence in the future economy. He said almost all roads the Department was able to build it was able to use so far. He said there was need for prosperity in the retirement of the turnpike bonds but he did not believe the Commission had anything at all to worry about in the matter of competition of other roads. He said the expansion of traffic was almost explosive as would become more clearly apparent during the next decade.

The Chairman said that with population increase, business increase and traffic increase the turnpike would have all the traffic it could handle and there would be plenty of need for other roads to serve the public. He said the effect of the turnpike on the economy of northern Ohio had been beneficial.

The Chairman directed that correspondence relating to a recent request from the Department of Highways asking approval of an alteration of a proposed project in the Cleveland area resulting in the deletion of a portion of the Ohio Turnpike from the Interstate System and the Commission's approval thereof be incorporated in the minutes. The correspondence follows.

"February 19, 1960

"Mr. C. W. Hartford
Executive Director
Ohio Turnpike
8080 Prospect Road
Berea, Ohio

"Subject: Federal Aid Interstate System

"Dear Sir:

"The Ohio Turnpike from the Indiana Terminal to Interchange No. 9 and from Interchange No. 15 to the Pennsylvania Terminal is a part of the approved Interstate System in Ohio.

"On September 14, 1959 the Highway Department requested the Bureau of Public Roads to delete that portion of the Ohio Turnpike between Interchanges No. 8 and No. 9 from the Interstate System. For your information we are attaching a copy of our request to the Bureau of Public Roads.

"By letter dated December 4, 1959 the Bureau stated in part that

'The analysis relative to the effect of the proposed change of the Ohio Turnpike is confined to statements regarding the probable effect on Turnpike Traffic. The submission does not include information to show that the Turnpike Commission has made an analysis of their own as to traffic and revenues or expressed any views in regard to the proposed elimination of turnpike mileage from the Interstate System'

"For your information, we are enclosing a copy of said letter dated December 4, 1959.

"If you agree that the herein proposed revision of the Interstate System would not adversely affect the retirement of the Turnpike Bonds it is suggested that Turnpike Commission should notify the Director of Highways of its official action on this subject. It should be noted in your consideration that until a substantial length of the proposed Interstate System (from Interchange No. 8 northeasterly toward the center of Cleveland) is constructed and open to traffic, the Turnpike would experience little or no loss in revenue. The State firmly believes that it is unlikely that this section of the Interstate System would be open to traffic prior to the fiscal year of 1970, due to the foreseeable lack of Federal, State and Local monies and the complexities involved in clearing the right-of-way.

"In order to complete our new Interstate System Cost Study in time for the Bureau of Public Roads to make their report to Congress it is necessary that this proposed revision be resolved in the near future.

"Your early review and expeditious handling will be greatly appreciated.

"Very truly yours,

"GEN:ms

"Guy E. Neeper, Deputy Director
"Division of Planning and Programming"

"March 1, 1960

"J. E. Greiner Company
682 Prospect Street
Berea, Ohio

"Gentlemen:

* "Attached for your consideration and recommendation is a proposal of the Department of Highways to reroute a portion of project FAI-2.

"Although it is not expected that funds will be available for the construction of the proposed facility for some years the question of location is of immediate concern so the department can complete its estimate of cost study of the interstate system in Ohio.

"Very truly yours,

"C. W. Hartford
"Executive Director

*Attachments

"cc: Members w/copy of Neeper letter
Chief Engineer w/copies of all letters
J. E. Greiner - 2 copies of Neeper letter
2 copies of Johnson letter
2 copies of Preston letter
map 'Diagrammatic location of portions etc.'

"CWH/ma"

"J. E. Greiner Company
1106 N. Charles Street
Baltimore 1, Md.

"C-720-48

"March 25, 1960

"Mr. C. W. Hartford, Executive Director
Ohio Turnpike Commission
8080 Prospect Road
Berea, Ohio

"Re: FAI-2 - Interstate Route 80N

"Dear Mr. Hartford:

"As requested in your letter of March 1, 1960, we have given consideration to the proposal of the Ohio Department of Highways concerning the relocation of the subject Interstate Route and the deletion from the Interstate Highway System of approximately 7.2 miles of the Ohio Turnpike, being the section between Interchanges 8 and 9.

"Squire, Sanders and Dempsey, fiscal counsel to the Commission, by letter dated March 9, 1960, addressed to the Chairman, presented the combined views of the Consulting Engineers, the Trustee, the principal Underwriters, and themselves to the effect that all bonds would be retired by 1979.

"On the assumption that the proposed Interstate Route from Interchange 8 northeasterly toward the center of Cleveland will not be available until fiscal 1970, we are of the opinion that the estimated date for bond retirement will not be materially affected.

"Very truly yours,

"J. E. GREINER COMPANY

"by

"Fred S. Cresswell

"FSC:ccb"

"Ohio Turnpike Commission
8080 Prospect Road
Berea, Ohio

"March 31, 1960

"Mr. Guy E. Neeper, Deputy Director
Division of Planning and Programming
Department of Highways
Columbus 15, Ohio

"Dear Mr. Neeper:

"Pursuant to the promise made to you in our letter of March 1, 1960 we have directed our attention to the proposal of the Department of Highways to reroute a portion of Interstate project FAI-2 and to eliminate from the Interstate System of Highways that portion of the Ohio Turnpike between interchanges eight and nine.

"Just prior to the receipt of your letter the Chairman of the Ohio Turnpike Commission, Mr. James W. Shocknessy, received a related question concerning the retirement of the Commission's bonds from the Governor.

"In response to the question of Governor DiSalle and particularly in consideration of your question also, the Chairman wrote to the Governor under date of March 10, 1960 as follows:

"If Mr. Guy E. Neeper, Deputy Director, Division of Planning and Programming, Department of Highways, is correct in the statement made in his letter, the first page of which is dated February 19, 1960 and the second page of which bears a date of January 13, 1960, addressed to the Executive Director of the Commission which was received at the Commission's Headquarters in Berea on February 29 that the section of the Interstate System referred to in his letter most likely would not be available to traffic prior to the fiscal year of 1970 then it is doubtful that that section of the Interstate System would have any negative impact on the estimate for retirement of the bonds of the Commission by the end of 1979 because bonds would have been retired in sufficient amounts by 1970 to reduce substantially the Commission's interest obligations thereafter.'

"It is hoped you will find the quotation from the Chairman's

letter a complete response to your question and sufficient for your purpose in furthering the Department's proposal for rerouting a portion of Interstate Project FAI-2.

"Very truly yours,

"C. W. Hartford
"Executive Director

"cc: Members w/copy of J. E. Greiner letter of 3/25/60
Chief Engineer " " " "
Consulting Engineer

"CWH/ma"

The Chairman reported also that a copy of a letter from Mead Papers, Inc. relating to the Commission's annual report for 1959 had been made available to the Commission. He read the letter as follows:

"MEAD PAPERS, INC.
118 West First Street
Dayton 2, Ohio

"March 16, 1960

"Mr. Delbert Nida
Nida-Eckstein Printing Company
198 East Rich Street
Columbus 15, Ohio

"Dear Mr. Nida:

"We are sure you and Mr. Eckstein will be gratified to learn that the 1959 Annual Report produced by you for the Ohio Turnpike Commission has been selected for a Mead Award in our national competition for fine printing.

"The printed reports of state agencies throughout the country are such dull, drab and uninteresting compilations of statistics that it is refreshing to note the contrast in the Turnpike Commission's presentation. Not only does it cover its activities completely but the well-written text and abundant

illustrations impart interest and vitality to the report. Congratulations are due those who planned it and prepared the material.

"And to the members of your staff equally warm commendation for the physical production. The format is attractive, the typography in excellent taste and the press-work beautifully sharp and clean. We feel sure the results must have been eminently satisfactory to your customer. .

"We of the Mead organization are delighted with the results secured by your able pressmen on Black & White Offset Enamel and Dilcol Offset Translucent, our finest coated papers, and we appreciate very much indeed their purchase through Jim Hughes and the fine Scioto Paper Company.

"Cordially,

"Mead Papers, Inc.

/ s / Frank J. Clifford"

The Chairman said in the absence of questions the report of the Chairman would be received 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. Financial Reports as of January 31, 1960 and February 29, 1960.
2. Traffic and Revenue Reports for January 1960 and February 1960.
3. Recommendation with respect to the replacement of certain IBM equipment in the Central Office Tabulating Section.
4. Detail of investment transactions for February 1960 and March 1960.
5. Draft of the minutes for the February 2, 1960 meeting.

The Assistant Secretary-Treasurer reported further that in March 1960 he had attended a one-day conference of comptrollers at which ten toll road authorities had been represented including those of Pennsylvania, Indiana, and Illinois. He said the purpose of the conference was to discuss mutual problems and to determine if it would be worth while for the group to get together about twice a year. He said most of the time had been spent on the subject of equipment operating costs and standardization of cost accounting. He said that because so many conferees wanted information on a wide range of policies and procedures there had not been enough time to spend on any one subject. He said that at the next meeting in September 1960, perhaps to be held in the Cleveland area, an attempt would be made to limit the agenda.

The Assistant Secretary-Treasurer reported further that on April 4, 1960 the Trustee had made a transfer from the Revenue Fund to the Bond Interest Account which had filled the latter to its limit of two interest payments. He said that in addition a transfer in the amount of \$50, 536 had been made to the Reserve Maintenance Fund as a part of the \$750, 000 transfer recommended by the Consulting Engineers. He said the remainder of \$699, 464 would be transferred to the Reserve Maintenance Fund early in May 1960 and at the same time there likely would be some amount available for transfer to the Reserve Account.

The Assistant Secretary-Treasurer reported further that under date of February 29, 1960 he had sent to each Member a recommendation concerning IBM equipment in the central office. He said the recommended change in equipment, although increasing the Commission's rental by \$278. 00 per month, would result in a net savings of about \$766. 00 a month because of labor reductions. He said other advantages had been listed such as increased capacity and improved working conditions. He said delivery would require about 18 months.

At this point the Director of Highways was excused.

A resolution authorizing and directing the Comptroller to replace one or more units installed under contract TA-1 while limiting total monthly rental payments under the contract to \$3, 800. 00 was moved for adoption by Mr. Chastang, seconded by Mr. Teagarden, as follows:

Resolution No. 2-1960

"WHEREAS the Commission, having advertised for bids ac-

ording to law for Contract TA-1 for the furnishing by lease, installation and maintenance at the Commission's central office of toll-audit equipment comprising a toll-audit system for a period of ten years, thereafter, pursuant to Resolution No. 154-1954, entered into a certain agreement under date of October 28, 1954 with International Business Machines Corporation to furnish and deliver materials and to do and perform all work and other services under the said contract with the Commission referred to as Contract TA-1, which said contract since said date has been continuously in effect;

"WHEREAS the total monthly rental bid of International Business Machines Corporation provided that the Commission should pay for equipment and services, on the basis of unit rentals per month, the bid prices for the suggested quantities being \$3,695.00 per month;

"WHEREAS by SP-12 of the said contract relating to replacement of equipment it is specifically provided as follows:

"SP-12 REPLACEMENT OF EQUIPMENT

'If at any time or times during the term of the Contract the Contractor offers to the Commission at a specific rental other equipment to replace one or more units installed under the Contract and the Comptroller determines that such replacement is beneficial to the economic interests of the Commission and that the substituted equipment will better effect the results and reports required of the toll-audit system, the Comptroller may authorize such replacement provided that it does not result in an increase in the total monthly rental payments under the Contract. If such replacement would result in an increase in the total monthly rental payments under the Contract, the Commission may authorize its Comptroller to accept such replacement if it determines that such replacement is beneficial to its economic interests and that the substituted equipment will better effect the results and reports required of the toll-audit system. In such case, the Commission will cease to be liable for the monthly rental bid for the equipment replaced and in lieu of such rental shall pay to the Contractor the rental at which the substituted equipment is accepted.'

"WHEREAS the corporation, pursuant to said SP-12 last hereinabove quoted, has offered to the Commission at a specific rental, other and improved equipment to replace various units originally installed under the contract, which said replacements will cause the monthly payments called for under the contract to be increased to \$3,745.00 per month;

"WHEREAS the comptroller has determined that such replacements would be beneficial to the economic interests of the Commission and that the substituted equipment would better effect the results and reports required of the toll-audit system, even though such replacements would result in an increase in the total monthly rental payments under the contract, since eventual reduction in costs would be achieved, and the comptroller has, therefore, recommended to the Commission that the replacements should be accepted even though an increase in total monthly rental payments under the contract during the balance of the term of said contract presently expiring September 20, 1965 would be required; and

"WHEREAS the Commission, as a result of the report and recommendation of the comptroller, is satisfied to accept such replacement, or replacements, or such other replacements during the life of the contract as in the future may be deemed essential and economically beneficial to the Commission so long as the monthly rental payments during the balance of the term of the contract shall not exceed \$3,800.00 per month;

"NOW, THEREFORE, BE IT

"RESOLVED that the comptroller be, and he hereby is, authorized, during the remainder of the term of Contract TA-1, to accept the replacement, or replacements, determined by him to be beneficial to the economic interests of the Commission and which, in his opinion, will better effect the results and reports required of the toll-audit system provided, however, that the monthly payments required by virtue of any substituted or replaced equipment shall not, without prior approval of the Commission, cause subsequent monthly rental payments under Contract TA-1 to exceed \$3,800.00 per month."

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 with the four Members present voting in the affirmative. The resolution was identified as No. 2-1960.

The Chairman directed that a letter addressed to the Chairman under date of February 8, 1960 from Governor Michael V. Di Salle asking when the schedule of bond retirements could be begun and what the life span of the issue was apt to be, together with the Chairman's reply to Governor Di Salle's request under date of March 10, 1960; a letter addressed

to the Chairman under date of March 9, 1960, by Fiscal Counsel, Squire, Sanders & Dempsey, which was enclosed with the Chairman's reply to Governor Di Salle; and a letter addressed to the Chairman under date of March 15, 1960 by Governor Di Salle acknowledging receipt of a report of possible retirement of Ohio Turnpike Commission bonds be incorporated in the minutes. The correspondence follows:

"The State of Ohio
Office of the Governor
State House, Columbus

"February 8, 1960

"James W. Shocknessy, Chairman
Ohio Turnpike Commission
8080 Prospect Road
Berea, Ohio

"Dear Jim:

"Having now had the opportunity of reviewing the report of the Ohio Turnpike Commission, I want to compliment you and the Commission for the excellent presentation.

"For my own information, I would like to know when you feel the schedule of bond retirements could be begun and what the life span of the other bond issue is apt to be in view of present and projected revenues. I know that this, of its very nature, must be an estimate, but I would appreciate having the same for my files.

"Thanking you again, I am

"Sincerely,

"MICHAEL V. DI SALLE
"Governor

"MVD:nd"

"Ohio Turnpike Commission

"17 South High Street
Columbus 15, Ohio
March 10, 1960

"The Honorable Michael V. DiSalle
Governor - State of Ohio
State House
Columbus 15, Ohio

"Dear Governor DiSalle:

"Pursuant to the statement made to you in my letter of February 12 the appropriate conferences have been held with the Consulting Engineers, the Trustee, the principal Underwriters and the fiscal counsel of the Commission to develop an answer acceptable to all the conferees with respect to the question in your letter of February 8 as to the probable date of the retirement of the Ohio Turnpike Commission bonds. The conclusions of the conferees have been summarized by the Commission's fiscal counsel, Squire, Sanders & Dempsey of Cleveland, in their letter addressed to the chairman which is enclosed for your information. Signed copies of the original letter of Squire, Sanders & Dempsey are being retained in the files of the Commission. Its distribution by Squire, Sanders & Dempsey is indicated on its face. It is hoped that the letter of fiscal counsel is adequate for your purposes.

"If Mr. Guy E. Neeper, Deputy Director, Division of Planning and Programming, Department of Highways, is correct in the statement made in his letter, the first page of which is dated February 19, 1960 and the second page of which bears a date of January 13, 1960, addressed to the Executive Director of the Commission which was received at the Commission's Headquarters in Berea on February 29 that the section of the Interstate System referred to in his letter most likely would not be available to traffic prior to the fiscal year of 1970 then it is doubtful that that section of the Interstate System would have any negative impact on the estimate for retirement of the bonds of the Commission by the end of 1979 because bonds would have been retired in sufficient amounts by 1970 to reduce substantially the Commission's interest obligations thereafter.

"Very truly yours,

"James W. Shocknessy
"Chairman

"Enc. 2 (Letter of Squire, Sanders & Dempsey dated March 9, 1960
(Photocopy of letter of Mr. Guy E. Neeper

"cc Commission Members
Executive Director
General Counsel
Comptroller
Blyth & Co., Inc.
B. J. VanIngen & Co., Inc.
The Ohio Company
J. E. Greiner Company
The Ohio National Bank of Columbus, Trustee
Squire, Sanders & Dempsey"

"Squire, Sanders & Dempsey
Union Commerce Bldg.
Cleveland
March 9, 1960

"James W. Shocknessy, Chairman
Ohio Turnpike Commission
8080 Prospect Road
Berea, Ohio

"Dear Sir:

"You have requested that we, as Fiscal Counsel, present a statement of conclusion reached with respect to the request to you by Governor DiSalle, in his letter dated February 8, 1960, that you advise him when the Commission will be able to commence the retirement of its bonds and when their retirement will be completed.

"You stated to the Governor in your reply of February 12, 1960 that you would confer with the Consulting Engineers, the Trustee and the Principal Underwriters, before providing him with a competent estimate of retirements. You have so conferred with J. E. Greiner Company, the Consulting Engineers, with Blyth & Co., Inc. and B. J. Van Ingen & Company, Principal Underwriters and, through us as Fiscal Counsel, with The Ohio Company, Principal Underwriter and The Ohio National Bank of Columbus as Trustee, with the result that the conclusions hereinafter set forth, have been made with the complete concurrence of all of the conferees.

"Such conclusions are based upon estimates of a number of factors, and each estimate requires, for its validity, continued economic beneficence (to use the phrase in your letter of February 12.)

"In making those estimates, and the conclusions dependent upon them, the conferees relied upon the following assumptions:

"1. That the Ohio Turnpike will continue to enjoy growth in traffic and in revenue in keeping with the past growth, and in keeping with the fact that its capacity for traffic will not be reached.

"2. That future costs for operations and for repairs, maintenance and replacement will not exceed those now anticipated.

"3. That the general level of prosperity and commercial activity will continue unhampered by gasoline rationing or other extreme conditions.

"4. The absence of conditions, beyond the control of the Commission, which would adversely affect its retirement of bonds at reasonable and fair prices.

"5. The continued attractiveness of the Turnpike in comparison with competing free highways, both those now existing and those that may be built by the Federal Government, or by Ohio, or other states. In this connection, reference was made to a letter from the State of Ohio, Department of Highways, by Guy E. Neeper, Deputy Director, Division of Planning and Programming, to C. W. Hartford, Executive Director, Ohio Turnpike Commission, dated February 19, 1960, but not received until February 29. This letter states that on September 14, 1959, the Ohio Highway Department requested the Federal Bureau of Public Roads to delete a segment of the Turnpike from the approved Interstate System in Ohio, and that the Bureau replied to the Department, pointing out that its request did not include information to show that the Commission had made an analysis as to traffic and revenue, or expressed any views in regard to the proposed elimination of Turnpike mileage from the Interstate System. We understand that the Department had not taken this matter up with the Commission before the February 19th letter and that the Commission had no previous knowledge of the proposal.

"It was recognized among the conferees that the proposal of the State Highway Department, if approved by the Bureau, might have a substantial adverse effect upon the traffic on the Turnpike and on the revenue, after construction of a substantial length of the proposed Interstate System northeasterly toward the center of the City of Cleveland. Mr. Neepier says that it is 'unlikely' that this section of the Interstate System would be open to traffic prior to the fiscal year 1970 (that is to say, prior to July 1, 1969). It is problematical what effect the proposal of the Highway Department would have upon the estimates concurred in by the conferees.

"Based upon the assumptions above stated, which were considered to be vital to any estimates, the conferees estimated that the Commission will be able first to retire some of its bonds late in the year 1961, probably about \$5,000,000 face value, and that it probably will be able to complete retirement of all of its bonds by the end of the year 1979.

"Such conclusions are based upon a method of handling the funds of the Commission, which, in our opinion, complies with the provisions of the Trust Agreement securing the bonds.

"Very truly yours,

"cc: Commission Members
Executive Director
General Counsel
Comptroller
Blyth & Co., Inc.
B. J. Van Ingen & Co., Inc.
The Ohio Company
J. E. Greiner Company
The Ohio National Bank of Columbus, Trustee"

"THE STATE OF OHIO
Office of the Governor
State House, Columbus

"March 15, 1960

"James W. Shocknessy, Chairman
The Ohio Turnpike Commission
8080 Prospect Road
Berea, Ohio

"Dear Jim:

"Thanks so much for your report on the possible retirements of Ohio Turnpike Commission bonds. I did not get from the report whether or not any of the bonds are callable.

"1979 seems to be a long ways off. One thing is certain - I will not be Governor, but you will still be Chairman of the Commission.

"Thanks again and best wishes.

"Sincerely,

"MICHAEL V. DI SALLE
"Governor

"MVD:nd"

The Chairman addressed the Executive Director and the Deputy Executive Director and said there had been nothing but complimentary remarks with respect to the maintenance of the Ohio Turnpike. He said there was a vast difference in maintenance between the Ohio Turnpike, a toll road, and free roads.

Mr. Teagarden said he was unfortunate in getting caught in a severe snow storm on the turnpike and had an opportunity to see the turnpike crews at work. He said he wanted the Executive Director and anybody connected with the clearing of the turnpike when those

storms came up to know he appreciated the quickness with which the crews were out. He said he had pulled off to the side of the road and in about ten minutes the crews were out and he and others were able to continue their journeys. He said those who were responsible certainly deserved a pat on the back. He said it certainly impressed him. The Executive Director expressed appreciation for Mr. Teagarden's comments. He said he would see that the men in the maintenance department received his words.

The Executive Director reported that included in the minutes of a staff conference held on February 24, 1960 which had been mailed to the Members on March 3, 1960 was a report relating to a proposal submitted by Continental Assurance Company for broader hospital and medical coverage for Commission employees. He said the major difference between the proposal reported in the minutes of the staff conference and the existing coverage was the provision of so-called "Major Medical Insurance" which would become effective after the benefits under the existing plan were exhausted and after the employee had had an out-of-pocket expense of \$100 under the basic plan. He said the Major Medical Insurance would then cover 80% of subsequent costs to a maximum of \$10,000 per disability. He said that in an effort to minimize the extra cost of broader coverage the insurance company had been asked to quote on the basis of the employee assuming the first \$25 cost of any disablement. He said that because of a survey made of costs for rooms in hospitals along the route of the turnpike the insurance company had been asked also to quote a plan on the basis of a \$16-per-day-room benefit in lieu of the existing \$14 daily limitation.

The Executive Director said also that considerations subsequent to those reported in the minutes of the staff conference had resulted in the consensus that the \$25 per day deductible should be eliminated and the maximum liability for room benefit be reduced to \$15 per day. He said it should be noted that the \$14 daily room benefit under the existing plan had been established in February of 1955 and that rising costs since that time had resulted in an increase in net costs to employees for hospitalization. He said it was true also that a \$15 daily room benefit would be inadequate to provide complete protection in many cases but was an improvement over the existing plan.

The Executive Director said also that the need for the major medical coverage was best demonstrated by the fact that there had been over 100 incidents in the preceding five years where insurance under the current plan was inadequate to provide reasonable coverage,

especially in cases of extended disability. He said it was in those cases where life savings and homes were in jeopardy.

The Executive Director said also it was the consensus of the staff that the increased coverage was desirable in consideration of the wage level of the majority of the employees of the Commission and in consideration of the many instances where the existing coverage had not provided protection in the catastrophic area.

The Executive Director said also there had been received a proposal from the Commission's carrier which would increase daily hospital expense benefits from \$14 per day to \$15 per day and provide the supplemental major medical expense benefit to a maximum of \$10,000 at a total cost to the Commission of \$4.13 per month per employee compared to the cost under the existing plan of \$2.53 per month per employee and at an increase in cost to employees for dependent insurance from \$6.87 per month to \$9.77 per month. Based on the existing number of employees, the increased cost to the Commission, if the plan were approved, would be \$731.20 per month. He said existing costs were about \$1,150 per month.

The Executive Director said also the entire proposal was made contingent upon 75% of eligible employees approving the increased coverage for dependents. He said there was no way of knowing what reception employees might give to the plan nor of ascertaining their reception unless a solicitation were made. He said a solicitation could not be made unless the Commission made application for the insurance as outlined. He said that following application by the Commission employee coverage would be automatic if 75% of eligible employees made application for the increased coverage for dependents and the Commission's costs would be increased approximately \$700.00 per month.

The Executive Director said also the Commission had granted the Executive Director broad authority with respect to insurance but it would not be his desire to exercise that authority, particularly in that instance, without an expression from the Members since the question related to the welfare of all employees of the Commission including those Members of the Staff having considered the proposal.

In response to questions by the Members the Executive Director said the matter was being brought up at that time because of the loss experience of employees who had had cases in which, because of the extended length of the illness, the cost had become a serious matter financially to the employees. He said also that under certain circum-

stances the existing basic plan was adequate for employees with respect to hospital costs since there was no limit to the number of times an employee might receive benefits for different periods of confinement provided the different periods were due to unrelated causes or were separated by one day of active work. He said the existing basic plan covered hospital expenses for thirty-one days for any one illness but employees could return to the hospital after one day at work. He said dependents could not go back to the hospital until three months' time had elapsed following their return from the hospital.

The Executive Director said also he had compared the Blue Cross Insurance under Central Hospital Service in the Columbus area subscribed to by the Ohio State Highway Patrol with the proposed plan with respect to coverage and costs. He said it was very difficult to make definite comparisons because the plan proposed to the Commission provided greater coverage than did Blue Cross and Blue Shield. He said Blue Cross coverage in the Cleveland area was substantially more expensive than in Columbus. He said that when the Commission first provided coverage for its employees consideration had been given to Blue Cross Insurance as well as to plans of other insurance companies and the resulting determination had been in favor of Continental Assurance Company. He said the basic differences that existed at that time still existed.

The Executive Director said also that industrial cases were excluded under the proposed plan. He said all employees of the Commission were required to take a medical examination at the time of being employed. He said that about 90% of the employees were participating in the existing plan. He said the rates paid by the Commission were determined by its experience. He said one of the most influential factors in determining hospital insurance rates was percentage of female employees and the percentage of female employees on the Commission's staff was low and favored a low rate.

The Executive Director was asked to submit a written summary of the details of the existing and proposed plans to the Members so that the matter could be further considered at the next meeting of the Commission.

The Executive Director reported further that he had consulted with the architect partner of Pace and Associates, consultants to the Illinois State Toll Highway Commission in planning, constructing and operating restaurants, concerning the design, operation and cost of the overhead type restaurants on the Illinois State Toll Highway. He said it was learned that the Illinois Commission had opened bids on

February 23, 1960 for the construction of three new service plazas. He said the low bidder bid \$7,798,806 for the construction of the three plazas. He said the construction cost including incidentals but not expendable restaurant equipment nor the cost of land was estimated to be \$8,750,000.

The Executive Director reported further that with respect to the trial operation of overlength tandem-trailer combinations some problems had been experienced in using the improvised make up and breakup areas but no problems had been experienced in operating the combinations nor had there been any public reaction.

The Chairman said that in the absence of questions the report of the Executive Director would be received as offered.

The Chairman of the Committee on Service Plazas, General Beightler, reported the Committee had received a letter from one of the restaurant concessionaires petitioning for an increase in certain prices. He said the letter had been returned for justification of the raise.

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

The General Counsel reported he had sent out his quarterly report to the Members.

The Chairman said the report of the General Counsel would be received as offered.

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

Resolution No. 3-1960

"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 on February 2, 1960, 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 February 2, 1960, 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, Beightler, Chastang, Shocknessy.

Nays: None.

The Chairman declared the resolution adopted with the four Members present voting in the affirmative. The resolution was identified as No. 3-1960.

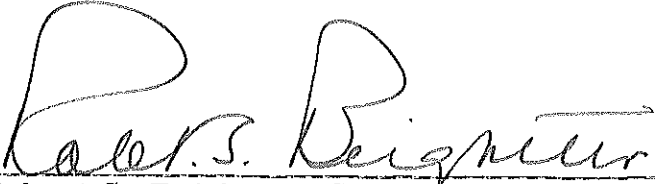
There being no further business to come before the Commission, a motion was made by Mr. Teagarden, seconded by General Beightler, that the meeting adjourn subject to call of the Chairman. A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Teagarden, Beightler, Chastang, Shocknessy.

Nays: None.

The Chairman declared the meeting adjourned. The time of adjournment was 12:40 P. M.

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


Robert S. Beightler, Secretary-Treasurer