

MINUTES OF THE ONE HUNDRED AND FORTIETH MEETING
May 3, 1960

Pursuant to bylaws, the Ohio Turnpike Commission met in regular session in Room 702 of the Ohio Departments Building in Columbus, Ohio at 11:00 A.M. Eastern Standard Time on May 3, 1960 with the key members of its staff, representatives of the Consulting Engineers, of the Trustee, of the Auditor of State, the Director of Public Works, 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, Shocknessy.

Absent: Preston.

The Chairman announced that a quorum was present.

The Chairman read a letter he had received that morning from the Ohio Director of Highways, Mr. E. S. Preston, as follows:

"Dear Mr. Shocknessy:

"I sincerely regret that due to a very important meeting having been called by the American Association of State Highway Officials at the test road at LaSalle, Illinois, on May 3, 1960 I will not be able to attend the Turnpike Commission meeting scheduled for the same day. Mr. R. J. Lehman has been asked to represent me at the Commission."

The Chairman said Mr. Lehman, who was present, was accepted as Mr. Preston's representative without vote. He said Mr. Lehman was an old friend who knew the Commission's business and could contribute much from his experience to anything that came up.

The Chairman said also it was a pleasure for him to welcome the Director of Public Works to the meeting room but it was more than appropriate for him to welcome Mr. Kauer, who as Director of Highways had so much to do with Ohio Turnpike Project No. 1, to the meeting. He said Mr. Kauer had contributed greatly, mightily to the highway and it was a joy to have him to sit in with the Commission that morning.

A motion was made by General Beightler, seconded by Mr. Teagarden, that the minutes for the meeting of April 5, 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 present responded to roll call. The vote was as follows:

Ayes: Beightler, Teagarden, Chastang, Shocknessy.

Nays: None.

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

The Chairman reported that the Wall Street Journal had taken note and mentioned in its columns that the Ohio Turnpike Commission's revenue for March 1960 was less than for March 1959. He said the revenue was \$17,000 less but that in 1959 there had not been the kind of weather along the turnpike that there had been in 1960. He said in 1959 the weather had been reasonably mild by comparison and that the Easter week-end had occurred in March in 1959. He said also that the total revenue for April of 1960 was 20% more than for April of 1959 when the total income was \$1,644,500. He said toll revenue from passenger cars totaled almost \$940,000 and was 28% higher than the \$735,840 passenger car toll revenue of April 1959. He said toll revenue from commercial vehicles was \$40,000 or 7% more than the \$619,608 commercial vehicle revenue of April 1959.

The Chairman reported also that he had been advised by the Comptroller that at five different times, spaced roughly a month apart, purchases had been made for the Bond Interest Account of U. S. Treasury Bills due October 17, 1960 and that it was interesting to see the wide differences in yields on those purchases. He said the purchases and yields were:

| <u>Date of Purchase</u> | <u>Yield to Maturity</u> |
|-------------------------|--------------------------|
| December 3, 1959 | 4.97% |
| January 6, 1960 | 5.10% |
| February 4, 1960 | 4.32% |
| March 4, 1960 | 4.26% |
| April 6, 1960 | 2.97% |

He said the Treasury Bills were quoted at the close of the market on May 2, 1960 at 3.40% yield.

The Chairman said that in the absence of questions or objections his report would be accepted as offered.

The Chairman said the report of the Secretary-Treasurer would be received.

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

1. Traffic and Revenue Report for March 1960.
2. Financial Report as of March 31, 1960.
3. Cost and Budget Report, 1st Quarter 1960.
4. Accountants' Report for period ending March 31, 1960.
5. Detail of investment transactions for April 1960.
6. Draft of the minutes for the April 5, 1960 meeting.

The Assistant Secretary-Treasurer reported further that the transfers which the Trustee would be making in the next day or two from the Revenue Fund would complete the requirement for 1960 with respect to deposits to the Reserve Maintenance Fund and would add about \$640,000 to the Reserve Account. He said that would bring the amount in the Reserve Account to slightly over \$10,000,000. He said more substantial deposits to the Reserve Account would be possible in the fall.

The Assistant Secretary-Treasurer reported also that the transfer early in June 1960 would be entirely to the Bond Interest Account to start replenishing that account after the payment of the June 1 interest.

The Chairman said that in the absence of questions the report of the Secretary-Treasurer would be accepted as offered.

The Chairman said he thought the Executive Director was doing an exceptional job in sending out minutes of staff conferences. He said the Members were better informed than they had ever been before about the day-to-day operations of the turnpike. He said he found infor-

mation from the Director on the staff conferences very useful. The Chairman addressed Mr. Lehman and said it would be a great help to the Commission if it could get the same type of information from the Highway Department with respect to its discussions anent the Ohio Turnpike. Mr. Lehman said the matter would be properly handled in the future.

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

The Executive Director reported that the memorandum on the subject of employees' medical and hospital insurance which had been sent to the Members contained comparisons in costs gathered by the staff. He said the staff hoped the memorandum was the answer to most questions that had been raised at the last meeting.

There was considerable discussion about whether the prices proposed for changes in the insurance, particularly for the so-called "major medical insurance", were fair and whether other agencies provided similar insurance coverage for employees. The Executive Director said that many of the examples cited in the memorandum were for 90 days coverage and some were for 365 days. He said the Commission's program was basically a thirty-one day plan. He said there had been no changes in the Commission's initial plan for hospitalization adopted in 1955. He said that since that time most insurance plans had been expanded to cover catastrophic occurrences. He said even Blue Cross currently offered a 700-day plan.

The Members concurred in a suggestion by the Chairman that the Consulting Engineers have an opportunity to study and investigate the proposed insurance program and submit a report which would include a policy recommendation or at least include figures on what other agencies were paying for the same type of insurance service.

The Executive Director reported further that approximately one year before the International Business Machines Corporation had advised the Commission it wished to divest itself of that portion of its business relating to toll classification equipment and find a qualified successor to continue in operation the equipment on the Ohio and Pennsylvania turnpikes. He said efforts to find a successor qualified to provide adequate service had been fruitless. He said that even so the I. B. M. Corporation had advised the Commission that it expected to withdraw from the field of manufacture and lease of the type of equipment provided under its contract with the Ohio Turnpike Commission which contract would expire on September 30, 1960. The

Executive Director said also that to further its aims the I. B. M. Corporation had made certain offers to the Commission for the sale and maintenance of the equipment on the Ohio Turnpike. He said the offers of the I. B. M. Corporation had been analyzed by the staff and the Consulting Engineers and had been the subject of negotiations during the last year.

The Executive Director said further that the Comptroller had reported on the status of negotiations at the staff conference held on April 21, 1960 and, if the Commission desired, he could review the negotiations for the benefit of the Members. He said that after consideration of all the aspects of the problem the staff, with the concurrence of the Consulting Engineers, recommended to the Commission that it approve the purchase of the I. B. M. vehicle-classifying toll system at the earliest appropriate date and the negotiation of an agreement for continued maintenance of the equipment in accordance with the terms of plan one included in the proposal submitted by I. B. M. Corporation under date of February 12, 1960.

There was extensive discussion and the General Counsel, the Consulting Engineers, and the representative of the Auditor of State all considered that purchase of the equipment was an appropriate thing to do. The representative of the Trustee was asked whether he wanted to give an opinion and he did not want to go beyond stating that the Trustee was satisfied with the service from the equipment. Mr. Lehman said he considered that if Mr. Preston were present he would approve of the purchase.

The Chairman said that in the absence of further discussion the report of the Executive Director would be accepted as offered.

A resolution authorizing purchase of vehicle-classifying toll-system equipment originally leased under contract TC-2A and authorizing maintenance contract with respect to said equipment was moved for adoption by Mr. Chastang, seconded by General Beightler, as follows:

Resolution No. 4-1960

"WHEREAS the Commission duly advertised, according to law, for the rental of vehicle-classifying toll-system equipment for a fixed monthly rental and for maintenance services for a period of five years, and subsequently, under date of March 12, 1954, as a result of competitive bids, entered into a five-year lease and maintenance agreement with International Business Machines Corporation under

Contract TC-2A which contract has a termination date of September 30, 1960 and under which as of said date International Business Machines Corporation has the right, unless otherwise directed by the Commission, to remove its equipment;

"WHEREAS the equipment leased has been satisfactory and has fulfilled the requirements of the Commission during the period of said contract;

"WHEREAS international Business Machines Corporation has advised the Commission that it expects to withdraw from the field of manufacture and lease of the type of vehicle-classifying toll-system equipment provided under its present agreement but is willing to amend Contract TC-2A to give an option to the Commission to purchase the said equipment owned by the Corporation, in place and functioning at the seventeen interchanges of the Ohio Turnpike Commission;

"WHEREAS in connection with said sale to the Commission, International Business Machines Corporation has likewise offered for a period from date of purchase through September 30, 1961 to provide expert technicians to maintain the equipment referred to if purchased by the Commission; and

"WHEREAS the Commission has canvassed the field and has explored various possibilities with respect to the wisdom of continuing to have and to use the type of vehicle-classifying toll-system equipment in present use and the offer on the part of International Business Machines Corporation to sell the said equipment, in place and functioning, for the sum of \$300,000.00 if paid for as of May 1, 1960 or in an amount decreasing by \$9,000.00 per month thereafter up to and including September 1960 appears to be fair to the Commission, it being understood that such purchase would supersede the monthly payments under the existing contract of lease, and the Commission likewise in connection therewith has the opportunity to avail itself of the skilled technician service offered at the rate of \$10,650.00 per month from the date of purchase through September 30, 1960, and at the rate of \$15,950.00 per month from October 1, 1960 to September 30, 1961 inclusive, under a maintenance agreement of said equipment to be purchased;

"NOW, THEREFORE, BE IT

"RESOLVED that the Executive Director be, and hereby he is, authorized (1) to execute a contract with International Business Machines Corporation substantially in the form of agreement of sale

presented to the Commission by International Business Machines Corporation at the earliest appropriate date at a price not to exceed \$300,000.00; (2) to enter into a contract with the same Corporation to provide its skilled technicians under the maintenance agreement proposed at the rate of \$10,650.00 per month from the date of purchase through September 30, 1960 and at the rate of \$15,950.00 per month for the year October 1, 1960 to September 30, 1961 inclusive, under a maintenance agreement by the Corporation of said equipment; and (3) to take any and all action necessary or proper and as approved by General Counsel to carry out the terms of said offer of sale and any agreement for maintenance. "

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 resolution adopted with the four Members present voting in the affirmative. The resolution was identified as No. 4-1960.

The Chairman said the report of the Committee on Budget and Finance would be received.

The Chairman of the Committee on Budget and Finance, Mr. Chastang, reported that the budget adopted by the Commission was practically in balance, being off 2%. He said one of the reasons why the budget was not in balance was because \$70,000 over budget had been spent on snow and ice control, much of it during the month of March.

The Chairman said that in the absence of questions the report of the Committee on Budget and Finance would be accepted as offered.

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

The General Counsel reported the Commission had filed a petition for an accounting against the toll collector who had been charged with and had admitted embezzlement of tolls at Eastgate and that his deposition had been taken. The General Counsel said that under date of April 28, 1960 he had received information of a docket entry of that date which had appeared in the Youngstown Legal News.

He said it read as follows:

"Court Room No. 5
"Hon. Frank J. Battisti, Presiding
"Tuesday, April 26, 1960

"20629-The State of Ohio vs. Sylvester Jackson Jr; For good cause shown, the defendent is ordered released from the County Jail and shall report to the Probation Officer forthwith and continue his probation until the expiration of the term stipulated in the entry of this Court on Jan. 7, 1960."

The General Counsel said also the collector had served four months less ten days off for good behavior in jail in accordance with the sentence imposed by Common Pleas Court of Mahoning County.

The General Counsel said also the defendent had filed an answer on the petition of accounting stating he could only estimate the amount he had taken but could say with reasonable certainty that the money involved was between \$3500 and \$4000.

The Comptroller said the Commission had filed its proof of claim for its loss with the Insurance Company of North America who had supplied bond for the collector.

The Chairman said that in the absence of questions the report of the General Counsel would be accepted as offered.

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

Resolution No. 5-1960

"WHEREAS the executive director, deputy executive director, chief engineer, general counsel, assistant general counsel, secretary-treasurer, assistant secretary-treasurer, comptroller, 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 April 5, 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 April 5, 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. 5-1960.

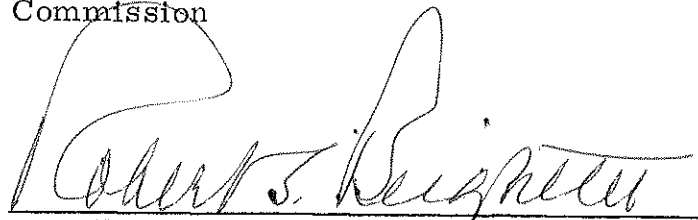
There being no further business to come before the Commission, a motion was made by General Beightler, seconded by Mr. Teagarden, that the meeting adjourn subject to call of the Chairman. A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Beightler, Teagarden, Chastang, Shocknessy.

Nays: None.

The Chairman declared the meeting adjourned. The time of adjournment was 12:43 o'clock P.M.

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



Robert S. Beightler, Secretary-Treasurer