

MINUTES OF THE ONE HUNDRED AND FIFTY-FIRST MEETING
October 17, 1961

Pursuant to bylaws, the Commission met in regular session in Room 907 of the Ohio Departments Building in Columbus, Ohio at 11:00 A. M., eastern standard time, October 17, 1961 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: Teagarden, Beightler, 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 September 19, 1961 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 minutes adopted.

The Chairman reported that the Trustee had advised the Commission prior to the meeting and the newspapers had carried the notice that approximately \$2,200,000 worth of turnpike bonds had been purchased by the Trustee. He said the most significant thing about it was that the bonds were retired from earnings. He said the press from time to time over recent months had mentioned retirements of bonds accomplished by other public authorities. He said that in certain instances the bonds were retired with the money left over in construction funds and accordingly the same money was used to retire bonds on tender or otherwise which had been borrowed and under certain circumstances the lenders

of the very same money received less money back than they lent. The Chairman said that was not true in the Commission's case. He said the moneys which were used by the Trustee for the retirement of the Commission's bonds were not an over-borrowing but represented a profit from the operation of the highway by the Commission. He said the Trustee went into the market and purchased the bonds without disturbing the bond market and without asking anybody to come in and offer bonds at less than he paid for them. He said he personally considered that it was a good plan the Trustee followed and he congratulated the Trustee upon it. He said he thought the result was a good result and he was especially proud of the fact that the money which was used to retire the Commission's bonds was money from profits earned from the operation of the turnpike. The Chairman said also the Commission might have retired \$12,000,000 or \$15,000,000 of bonds if it had over-borrowed to the extent many of its advisors had urged it to do ten years before. He said the Commission did in fact over-borrow at that time and when it found it had over-borrowed it used the money to build service plazas. He said that therefore the money which the Commission had borrowed was used for the purposes envisioned when it was borrowed. He said the Commission could be proud that morning. He said the Trustee was represented at the meeting by Mr. Sam A. Keller, vice president of the Ohio National Bank of Columbus, who would speak to the Commission about the purchase of the bonds later in the meeting.

The Chairman reported also that the Director of Information and Research recently had given a speech of which the Members had all received copies. He said the speech was entitled "Travel the Turnpikes for Substantial Savings" and was presented to the Membership Meeting of the Private Carrier Conference Inc. of American Trucking Associations Inc. on October 10, 1961 in Washington. He said General Beightler had remarked earlier that day that it was an excellent paper. He said the Commission congratulated the Director of Information and Research on the paper.

The Chairman reported also that the Commission's income for September 1961 was \$73,000 less than for September of 1960. He said the Commission's prospects for October looked like October would be better than October of 1960.

The Chairman reported also that since the last meeting a couple of fire departments along the route of the turnpike had refused to service a fire on the turnpike. He said the departments apparently did not recognize the right of a traveler to have a fire put out. He said that by the same token the communities involved might not recognize

the right of a traveler to be protected against robbers. He said the Commission had not had a sheriff decline to take jurisdiction of crime committed on the turnpike nor had it had any other agency of government decline to perform a duty imposed by law, and the Commission did not expect a fire department to decline to perform its ordained duty. He said also that in checking up on the matter the General Counsel had talked to the State Fire Marshall's office and was told that the Commission's problem was nothing to the problem the state was having on Interstate Route 71. The Director of Highways said it was a problem to secure responses to fire calls on Route 71. The Chairman said it was nothing less than preposterous for a traveler to be expected to carry his own fire extinguisher. He said the misconception with respect to fire protection on the turnpike might be a plausible misconception but unwillingness to service a fire on a state highway like Route 71 was not plausible, not understandable.

The Chairman reported further that the chairman of the Committee on Budget and Finance would offer the preliminary budget.

The Chairman reported further that the report of the Consulting Engineers due October 1, 1961 was received since the last meeting. He said that as far as he could tell there was nothing new or startling in the report. He said it was a routine engineers' examination which did not disclose any critical matter one way or the other on the turnpike.

The Chairman reported also that since the last meeting the chairman of the Service Plaza Committee had done some inspecting on the turnpike and had had some meetings which he would report upon.

The Chairman said that in the absence of questions the report of the Chairman would be accepted as offered. He 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 - Detail of investment transactions for September 1961.
- 2 - Traffic and Revenue Report for September 1961.
- 3 - Accountants' Report, Summary of Rentals Reported by Service Station Operators for the period July 1, 1960 through June 30, 1961.

4 - Draft of the minutes for the September 19, 1961 meeting.

5 - Financial Report as of September 30, 1961.

The Chairman said that in the absence of questions the report of the Secretary-Treasurer would be accepted as offered. He said Mr. Keller, speaking in behalf of the Trustee, would be heard to advise the Commission on the incidents with respect to the retirement of bonds to which the Chairman alluded in his report.

Mr. Keller said that \$2,196,000 principal amount of turnpike bonds were purchased and retired out of money held in the Redemption Account at a cost of \$2,069,575 plus accrued interest, or an average of \$94,2429 per \$100 principal amount of bonds. He said that during the period the bonds were being purchased by the Trustee the quoted price range was 93-1/2 bid and 95 asked.

The Chairman thanked Mr. Keller. He said the Commission congratulated the Trustee on the results.

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

The Executive Director reported that on September 15, 1961 there was mailed to each of the Members a comprehensive report concerning the preliminary budget for 1962. He said the report included information concerning expenditures during 1958, 1959 and 1960 and the first seven months of 1961. He said the report showed also that the expenses for the first seven months of 1961 were at the end of that period about \$294,000 below budget for the period. He said that at the end of September the difference between budget and expense had increased to \$309,000. He said the report showed also a budget request for the various departments of \$5,556,200 for the year 1962.

The Executive Director said also that pursuant to the request of the Chairman the budget was reviewed by the Budget and Finance Committee in cooperation with the Consulting Engineers and Fiscal Counsel in an effort to determine the least amount necessary to operate and maintain the turnpike during 1962. He said the resulting minimum budget was reviewed by a subcommittee composed of a representative of the Consulting Engineers, Mr. Fred S. Cresswell; Mr. Henry J. Crawford of Fiscal Counsel, and himself. He said that in order to distinguish between the subcommittee's determinations and those made by the Budget and Finance Committee the work of the subcommittee

was listed under the title "Executive Committee". He said it was believed by the Executive Committee that the interests of the Commission and the patrons of the Ohio Turnpike would be so adversely affected by the adoption of certain reductions made in the minimum budget developed by the Budget and Finance Committee that certain restorations ought to be made. He said those restorations were explained in detail in the memorandum accompanying the report of September 15.

The Executive Director said also that since September 15 further consideration had been given to the requirements for 1962 by the Executive Committee and that consideration resulted in a recommended budget of current expense for 1962 in the amount of \$5,131,100. He said that amount was the same amount estimated by the Consulting Engineers in their annual report submitted to the Commission under date of September 25, 1961 as necessary to maintain, repair and operate the turnpike during 1962.

The Executive Director said also that under date of September 15, 1961 there was mailed to the Members the recommendation of the Budget and Finance Committee with respect to an estimate of total income for 1962 in the amount of \$25,750,000. He said that estimate was reviewed by the Executive Committee and approved by it.

The Executive Director said also that under date of October 12, 1961 the proposed preliminary budget of income and current expense was mailed to the Members. He said that in its existing form the preliminary budget included an estimate of income for 1962 in the amount of \$25,750,000 and an estimate of current expense in the amount of \$5,131,100. He said the preliminary budget of income and current expense in those amounts was recommended to the Commission for adoption.

In response to a question by the chairman of the Committee on Budget and Finance, Mr. Chastang, the Executive Director said that his estimate of income for 1961, based upon income for the first nine months and his projection for the last three months, was \$24,500,000. Mr. Chastang said the estimate of income for 1962 was a million dollars, or roughly four per cent, above the Executive Director's estimate for 1961.

A resolution adopting preliminary budget for the fiscal year 1962 was moved for adoption by Mr. Chastang, seconded by Mr. Teagarden, as follows:

Resolution No. 7-1961

"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 1962 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:

"Preliminary Budget of Income and Current Expenses

1962

Income	\$25,750,000
Current Expenses	
Administration & Insurance	875,000
Operations	4,129,100
Trust Indenture Expense	<u>127,000</u>
Total Current Expenses	\$ 5,131,100

"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."

The Chairman said the preliminary budget had been discussed and corresponded about for the past several months. He said every Member of the Commission and department head of the Commission was thoroughly familiar with it and that everyone was well persuaded that the budget was a realistic address to the economics of the Commission. He said it was entirely possible that the final budget might show a further reduction in projected expenses. He said it was to be hoped that it would. The Chairman said also the budget was being adopted with the understanding that any effort which could be made to reduce expenses further would be made, that the Executive Director and every department head under the authority of the Commission would bend their best efforts to make certain that, while maintaining all essential services and all essential safety measures, reductions would be made in expenses and extreme care would be used in authorizing expenses thereafter. Mr. Chastang pointed out that the budget was approximately \$360,000 below the budget of 1961.

The Chairman said the budget was below the budget of 1961 and was projected upon income which was projected to exceed that of 1961. He said that therefore the budget came generally within the standards established for the reduction of expenses during the ensuing year.

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

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

Nays: None.

The Chairman declared the preliminary budget stood adopted. The resolution was identified as No. 7-1961.

The Executive Director reported further that in the Commission's efforts to improve the safety record of the turnpike, particularly with respect to the sleepy driver, arrangements had been made the previous week for another check of trucks on the turnpike by the Interstate Commerce Commission. He said also that, ironically, there was a fatal accident the day before the meeting in which a truck struck a bridge and the driver was killed. He said the hitch-hiker in the truck was not seriously injured. He said the accident was attributed to a sleepy driver because in that case as in a great many such cases the controlling factor was the absence of application of brakes, which indicated either fainting or heart failure or sleepiness. Mr. Chastang said that if a driver knew he was going to hit he would involuntarily put on his brakes. The

Executive Director said that was correct. He said also that in some cases of rear end collisions although there might be skid marks they were too close to the vehicle being struck so that the presumption was that the driver of the rear vehicle awoke just prior to the accident and applied his brakes.

The Executive Director reported further that in connection with the fire-fighting problem the Commission trained its maintenance employees in fire-fighting procedures. He said the fire-fighting schools for 1961 would be held on November 6, 7, 8 and 9 by the Ohio Department of Education which provided specialists in the fighting of fires as instructors. He said the training of the Commission's employees would be in connection with fires of the type that they might encounter on the turnpike.

The Executive Director reported also that a conference was scheduled for the following Friday with all the disabled-vehicle-service contractors operating on the turnpike. He said the conference was an annual one at which the operations of the busy summer season were reviewed and possible improvements considered.

The Executive Director reported further that at the last meeting of the Commission it was suggested the staff ought to direct its efforts to informing the general public that the cost of gasoline on the turnpike was no more than at company-owned stations off the turnpike. He said the staff consequently had added to the already-published slip for the information of travelers with respect to credit cards the statement that "Gasoline costs no more at Ohio Turnpike service stations than at off-turnpike oil company stations in the same general vicinity", and had erected an easel-type sign at one service plaza in advance of the fuel-pump islands advising "Gas at popular prices". He said it was hoped thereby to attract attention of travelers who were not buying fuel on the turnpike. Mr. Chastang suggested that one of the credit card slips be put at each table in the service plaza restaurants for a period of a week or so to give patrons some idea as to the price of gasoline. Mr. Teagarden suggested that a caption in bold type calling attention to the fact that gas costs no more on the turnpike be overprinted on the slips.

The Chairman asked that the record show that the Robert Heller & Associates, Inc. report, which the Executive Director had not mentioned in his report, was before the Commission at its last meeting and no action had been taken on it. He said he thought the Commission might well postpone doing anything about the report for another month.

In response to a question by General Beightler as to the unwillingness of some fire departments adjacent to the area through which the turnpike went to respond to fire calls originating on the turnpike the Executive Director said he understood the reason for the denial of help to be the fact that volunteer firemen were not covered by industrial insurance when they went outside their territory. He said in a great many cases the departments had to go outside their territories in order to reach fires on the turnpike within their territories. He said he understood the last session of the General Assembly had enacted some remedial legislation which would protect the departments on trips outside their territories. He said it was possible the departments which had declined to respond to fire calls on the turnpike were not informed of that legislation. The General Counsel said he did not know the effective date of the legislation because the amendment had not yet been published but he had the citation as to the Ohio Revised Code sections which supplemented the previously existing coverage under Workmen's Compensation. He said one purpose of the legislation was to ensure fire departments being covered under Workmen's Compensation when they had to go outside the state to reach roads which they might follow back to the locations of fires within their jurisdictions. He said the legislation declared also that if fire departments went outside their territories in order to get to portions of the territories where they were supposed to serve, their members were covered under Workmen's Compensation. He said the State Fire Marshal would call at the Commission's headquarters on October 31, 1961 to discuss the matter further with him.

The Chairman said that in the absence of further questions the Executive Director's report was accepted as offered. He said the report of the Committee on Service Plazas would be received.

The chairman of the Committee on Service Plazas, General Beightler, reported that the Committee had met separately with representatives of the Howard Johnson Company and of the Gladioux Corporation. He said that copies of the minutes of the meetings had been sent to the Members. He said the first item discussed with the Howard Johnson representatives was rest rooms. He said the rest rooms were inadequate during peak periods of traffic and the Commission was going to have to expand them in the not distant future. Mr. Chastang said he thought the Commission should find some way to construct larger rest rooms and put in pay facilities. General Beightler said that not all of the rest rooms would have to be expanded, certainly not on the western end of the turnpike. He said planning for expansion was already under way. He said also that something was going to have to be done about the terrazzo floors in the rest rooms of the restaurants operated by Howard Johnson Company. He

said the floors presented a very unsightly appearance and were extremely difficult to clean.

General Beightler reported further that Howard Johnson Company wanted to try out a cafeteria system at one or two service plazas. He said the Company had submitted to the Committee a layout sketch for such a system and since had submitted a completely detailed plan which he had not yet had the opportunity to see. He said the Committee definitely favored a trial of a cafeteria system in one or two locations in each of the two operations on the turnpike. He said such a system should result in the elimination of many of the common complaints the Commission received about the restaurants. He said he did not feel that cafeteria operation was completely fool-proof but it might better the operations of the restaurants. He said that probably it would be 1962 before the cafeteria systems could be placed in operation. General Beightler said also that where a cafeteria system was installed existing restaurant services would be continued to a limited extent, particularly counter service. He said there would be less table service.

General Beightler reported also that the Howard Johnson Company requested an increase in the dinner price differential. He said that from the beginning of operations a price differential of 50¢ between the a la carte service and the dinner service had been permitted. He said that currently the value of the items permitted under the complete dinner service in the Howard Johnson's restaurants could total 85¢ instead of the 50¢ that the patron must pay. He said the company had asked for a 10¢ increase in the differential. He said that a visit to a Howard Johnson's restaurant after the Committee meeting revealed that there was a difference of 85¢ between dinner and a la carte prices if each of the higher-price a la carte items were considered. He said a selection of the lowest-price a la carte items would cost 55¢. He said the Committee probably would grant the request.

General Beightler reported further that the vice president and general manager of Gladieux Corporation and three of his assistants were present at the meeting of the Committee on Service Plazas. General Beightler said the improvements he had noted in June 1961 on visits to the Gladieux-operated restaurants on the turnpike were not maintained during the summer. He said service, particularly, deteriorated. He said the excuse given by the company involved personnel problems and inadequacy of supervision. He said the Gladieux representatives said that thereafter there would be a definite betterment to be brought about through changes in supervision that had already been made and because the unrest incident to a union organization drive among employees of the

company on the turnpike was dispelled by the completion of unionization of most of the ten restaurants operated by the company.

General Beightler said also that he was not thoroughly sanguine that the changed operations were going to result in a great betterment of the operations of the turnpike restaurants under the supervision of the Gladieux Corporation. He said he had informed the vice president and general manager of the corporation in no uncertain terms what the Commission expected.

General Beightler said also that the Gladieux Corporation wanted to try out cafeteria operation in one or two of its turnpike restaurants and had submitted detailed plans for consideration by the Committee.

At the request of General Beightler the Executive Director reported that there were two different clauses with respect to cigarette sales in the contracts with the restaurant concessionaires. He said the Howard Johnson Company paid no percentage to the Commission on the sale of cigarettes. He said that ABC Vending Corporation and Gladieux Corporation did pay a percentage on the sale of cigarettes. He said also that at the time the state tax on cigarettes was increased by two cents per pack the Commission permitted the concessionaires to pass the tax along so that the concessionaires were charging 32 cents per pack and refunding three pennies per pack for the 35 cents required to be deposited in vending machines for the purchase of a pack of cigarettes. He said two pennies of the refund were placed inside the cellophane cover of the pack of cigarettes and one was taped to the outside. He said the frequent result was that the cigarette vending machines were jammed by loose pennies. The Executive Director said also that the concessionaires asked that they be permitted to charge 30 cents per pack for standard-size cigarettes which was a reduction of two cents from what they were then selling for and to charge 35 cents per pack for king-size and filter-tip cigarettes thus eliminating the need for providing change. He said a check had indicated that those prices were pretty much the accepted pricing for cigarettes in many machines in the area of the turnpike. He said the cost of cigarettes to the restaurant operators with the pennies enclosed with the pack was substantially higher than that of cigarettes without the pennies because it cost the operators 1.4 cents to put the three-cent refund in each pack. General Beightler said the Committee had not voted on that request but was favorably inclined toward it.

The Chairman said the Committee was most fortunate that General Beightler was the Member who was chairman of the Committee on Service Plazas. He said it had just been marvelous the attention

General Beightler had given the service plazas and the results he had gotten. He said that bringing General Beightler's abilities and prestige to the problem had certainly impressed the operators and been good for them.

The Chairman said also that Mr. Chastang had presented a very elaborate and fine budget and he complimented him and the Committee on Budget and Finance on having developed it. He said he complimented everybody who worked on it on the good analysis that was made. He said he had a belief there was never a better, if as good, an analysis made for the development of the budget as was made for 1962. He said that was what tight times did for one, that when one was facing reduced incomes one looked all around to see where one could cut down.

The Chairman said also that everything Mr. Teagarden had ever done had been good. He said also that the Commission had never had a better Director of Highways nor one who was more interested in its work, with all due respect to former Director of Highways Theodore J. Kauer. He said he would not ever forget what Mr. Kauer did when he was Director of Highways because he had had much to do with development of the hypothesis into form.

The Chairman addressed the General Counsel and said he was especially pleased with what he had been hearing about some recent court appearances that had been made in behalf of the Commission.

The Chairman said that in the absence of further comments or questions the report of the Committee on Service Plazas would be accepted as offered.

The Chairman said he saw no reason to meet on the first Tuesday of November so that the meeting for the first Tuesday of November could be cancelled with the understanding that the Commission would be called into special session during the month if necessary, and otherwise the Commission would expect to meet on the regular time in December.

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

Resolution No. 8-1961

"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 September 19, 1961, 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 September 19, 1961, hereby are ratified, approved, and confirmed."

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

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

Nays: None.

The Chairman declared the resolution adopted with all Members voting in the affirmative. The resolution was identified as No. 8-1961.


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 responded to roll call. The vote was as follows:

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

Nays: None.

The Chairman declared the meeting adjourned. The time of adjournment was 12:10 o'clock p. m.

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


Robert S. Beightler, Secretary-Treasurer