

MINUTES OF THE TWO-HUNDRED AND SEVENTY-EIGHTH MEETING
May 7, 1974

Pursuant to bylaws the Ohio Turnpike Commission met in regular session in the conference room of the Ohio Department of Transportation building at 139 East Gay Street in Columbus, Ohio at 11:00 a.m. on May 7, 1974 with the key members of the staff; a representative, Harvey A. Harnden, of the Consulting Engineers; a representative, P. Joseph Sesler, of the Trustee, the Ohio National Bank; Rex C. Leathers, Ohio Division Engineer for the Federal Highway Administration; and others in attendance.

The meeting was called to order by the Chairman. The Chairman directed that there was no need to call the roll, that all Members of the Commission were present and that the Secretary should so note.

The Chairman greeted Mr. Leathers and thanked him for appearing. He said Mr. Leathers would be leaving Columbus some time late in the summer. He said he had always had very happy relationships with the Federal Highway Administration ever since its formation and he had known two division engineers who preceded Mr. Leathers and he dealt with the division engineers of the Federal Highway Administration as Chairman of the Interstate Coordinators' Conference when the Federal Highway Administration was referred to as the Bureau of Public Roads. The Chairman said that the Commission had received a letter from the General Accounting Office of the Federal Government in April, a copy of which had been sent to all Members of the Commission together with the Commission's reply. The Chairman said he had asked Mr. Leathers to attend the meeting because he wanted Mr. Leathers to set the record straight for the benefit of the Ohio Department of Transportation and for the Ohio Turnpike Commission and he hoped as well to the detriment of the person who had written the letter to which the Executive Director, Allan V. Johnson, had replied. The Chairman read the letter as follows:

"May 2, 1974

"Mr. Robert W. Hanlon
Regional Manager
U. S. General Accounting Office
8112 Federal Office Building
Fifth and Main Streets
Cincinnati, Ohio 45202

"Dear Mr. Hanlon:

"Structural File No. 4729773
Bridge No. LOR-80-1871

"Reference is made to your letter addressed to the Ohio Turnpike Commission under date of April 24, 1974, in which you indicate that a survey by your office disclosed that an inspection report for Bridge No. LOR-80-1871, under the jurisdiction of the Ohio Turnpike Commission, had not been received by the Ohio Department of Transportation.

"We are quite disturbed by this finding of your survey inasmuch as all the bridges under the jurisdiction of the Ohio Turnpike Commission were inspected last year in accordance with the Federal National Bridge Inspection Standards and the required inventory reports were furnished to the Ohio Department of Transportation, all at considerable additional expense to the Commission over the expense of the regular bridge inspections performed by our Consulting Engineers on the Ohio Turnpike every year since it was built. It is our understanding that we were the first agency in Ohio to complete the inspections according to the Federal requirements. These facts were conveyed to you by G. Alan Plain, my Administrative Assistant, in his telephone conversation with you on April 26, 1974. Nevertheless, I am enclosing copies of the inspection and inventory reports on the subject bridge and I assure you that all bridges under our jurisdiction were similarly inspected and reported in 1973 and will be done so again soon in 1974 and further I assure you that we have a continuous program to keep our bridges in the highest possible state of repair.

"Very truly yours,

"Allan V. Johnson
Executive Director"

The Chairman said he had called Mr. Leathers and asked him to attend because he did not want to live under the strictures of Mr. Hanlon's letter even though the Commission already had given a good reply. The Chairman asked Mr. Richley whether he wished to say anything before Mr. Leathers spoke.

Mr. Richley said he had copies of both the original letter and the response and he had an opportunity to have the files of the Ohio Department of Transportation checked to find out what had happened and he found it was true that the report had been received by the Department on September 4, 1973 from the District 12 office of ODOT. He said that the report had been acknowledged by a letter to the Ohio Turnpike Commission and the report had been inserted in ODOT's master key punch file on September 19. He said the report, however, had been rejected by some mechanism in the master file for three reasons. He said there was no date on the inspection report, one of the spaces had two numbers rather than one in it, and it was not signed by the inspector. He said once the machine had kicked it out it should have gone to the Turnpike file and then, of course, brought back to the attention of the Turnpike, but for some

reason or other it was put in the Lorain County file. He said the Lorain County file included structures for all of Lorain County and it was not discovered until some time later that the report was in the Lorain County file.

The Chairman said that what the General Accounting Office said about not having received the report was correct but what was said about the Turnpike not having sent it was not correct. Mr. Richley agreed. The Chairman said he wanted to set the record straight in the presence of Mr. Leathers and in the presence of Mr. Richley. He said the Executive Director had furnished a duplicate set of reports and, if the duplicate set had infirmities, no one had so informed the Commission prior to the present meeting.

Mr. Leathers said that the total bridge inspection inventory had recently been sent to the Washington office of the Federal Highway Administration and that a master copy on tape which contained an inventory of all the states in the union had been made and that without exception, problems had been found and the reports had been returned to all the states because of a certain number of discrepancies. Mr. Leathers said in Ohio some 13,700 structures had been submitted in the first list. He said those structures over 20 feet in length were considered bridges under the bridge assessment program and that up to 50% of the reports made had been returned to the organizations which made them because of minor discrepancies in the format, not in the inspection. He said the computer program was designed in such a manner that the computer accepted data only in a certain order or the computer did not work. He said if data was not in the proper order the computer rejected the report and the report was returned. He said the General Accounting Office was clearing up its files and was making a review, not only in Ohio, but in Kentucky, of the bridge inspection program.

The Chairman said the Regional Manager of the General Accounting Office had misinformation and Mr. Richley said if the General Accounting Office had inquired of members of his staff in the Maintenance Bureau and Bridge Bureau, it would have been pointed out at the time exactly what had happened. He said ODOT learned only later that the General Accounting Office had not even inquired about the status of the structure referred to in its letters.

The Chairman asked if there was anything Mr. Richley wanted to do and whether he should write a letter as Director of Transportation. Mr. Richley said his Department could document the situation as it had known it and verify that the report had been received. Mr. Richley asked if ODOT had returned that particular inspection report and asked that it be corrected. The Chairman said the Ohio Turnpike Commission had not received any such request.

The Executive Director said that the Commission was ready to start the 1974 inspection and would appreciate having any previous errors noted promptly. He said it was an extensive inventory and that 1973 was the first year it had been done in the new form and it was inevitable that minor omis-

sions or errors would occur under such a circumstance because there were some 600 bridges to be inspected and all inventory forms had to be prepared on every one of them. He said the procedure was new so it was inevitable that some errors would occur on such an extensive, difficult task. He said he would prefer to know of any such omissions so that they would not be repeated in the 1974 inspection. Mr. Richley said that the designation of the bridge structure on the report was bridge LOR 80-1871. He said that number had the same connotations and references as any other structure on the state or federal system that was identified by county, group and number so it was understandable that it was put in the Lorain County file. He said there was nothing in the number that identified it as an Ohio Turnpike structure other than the number 80 which referred to Interstate 80. He said ODOT had not gotten to the point of correcting deficiencies on those files so it was not returned to the Turnpike Commission. He said if it had been placed in the Turnpike file it would have been returned to the Turnpike Commission automatically. He said it might be wise, in order to avoid future such occurrences, to add a designation to the Turnpike structures, in order to keep them separate from the ODOT structures.

The Executive Director said he would work out something. Mr. Harnden said Turnpike structures would be designated by milepost. Mr. Richley said that would do. G. Alan Plain, Administrative Assistant to the Executive Director, said the milepost designation would be shown on the features intersected blank located at the top of the bridge inspection report form and that should help identify the bridge as an Ohio Turnpike structure. Mr. Plain said the Consulting Engineers had completed a check of the computer print out list of the inspection reports that had been returned to the Commission from ODOT and it had been noticed that 18 inspection report forms had been omitted from the list for some reason or other.

The Chairman said he had promised Mr. Leathers that he would be able to leave the meeting 15 minutes after it began. He said it had been about 16 or 17 minutes and that he was grateful to Mr. Leathers for attending and it was typical of the kind of relationship and rapport that the Ohio Turnpike Commission had had with the Federal Department of Transportation and Bureau of Public Roads ever since the Chairman had been in the Turnpike business. The Chairman thanked Mr. Leathers for coming. Mr. Leathers said he was sorry he was unable to stay for the rest of the meeting and left with the good wishes of the Commission on his new assignment.

A motion was made by Mr. Teagarden, seconded by Mr. Bricker, that the minutes for the meeting of April 2, 1974, which had been examined by the Members 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: Teagarden, Bricker, Richley, Anderson, Shocknessy.

Nays: None.

The Chairman declared the minutes stood adopted with all Members voting in the affirmative.

The Chairman reported that the Commission had received a nasty letter from Wayne A. Keith, Vice President of The Whitaker Merrell Co. of Columbus and that Members of the Commission had received copies. He said the letter had been addressed to the Commission's Purchasing Agent and in it Mr. Keith had taken occasion to challenge the Commission's integrity and morals. The Chairman said he telephoned Mr. Keith and it happened that Mr. Richley and the Executive Director had been in his office the day he called Mr. Keith to tell him who was who and what was what and to determine if Mr. Keith wanted to file a law suit, there was nobody who would be happier if a suit were filed than the Commission because the Chairman was not at all concerned about whether or not there was any chicanery in anything that had been done. The Chairman said the last three paragraphs of the Executive Director's letter dated April 12, 1974 to Mr. Keith should be included in the minutes as follows:

"As you know, both J. Phillip Richley, Director of the Ohio Department of Transportation and ex officio member of the Commission, and I were in the office of the Chairman of the Commission, James W. Shocknessy, when he called you yesterday to protest vigorously your statement that you question the 'integrity and morals' of the Turnpike authorities concerning the award of the subject bid invitation.

"The Commission members and staff resent deeply such an allegation. For your information, it was I who made the decision and awarded the subject contract, acting pursuant to authority granted to me by the Commission and upon the advice of our General Counsel that it was legally permissible to do so without injuring the competitive nature of the bids. In addition, I consider it was in the best interest of the Commission to award the contract to the lowest bidder whose bid was \$6,696 lower than your \$43,276 bid for the same items.

"For these reasons, we would welcome any legal action which you might initiate in an attempt to support your outrageous allegation.

"Very truly yours,

"Allan V. Johnson
Executive Director"

The Chairman asked if anyone had any questions. There were none.

The Chairman reported also that revenues for commercial traffic for April had been 4% more than for April 1973. He said total revenues had decreased by 7.7% principally because the public was afraid to start out on trips because of uncertainty in finding gasoline beyond the Turnpike and the public was also having trouble paying 50 to 60¢ for a gallon of gasoline to cruise around on. He said the first quarter had been down 5.4% from the first quarter of 1973, but he had received a release from the New York Thruway Authority which reported that its decline had been 9.1% in the first quarter. The Chairman said even in the face of the 5.4% decline the Ohio Turnpike Commission should be able to retire 15 to 16 million dollars face value of bonds by the end of the year as compared with the \$23,185,000 retired in 1973 and he felt he was being conservative in his prediction because he thought it would be more likely that the Commission would be able to retire 17 to 18 million dollars worth of bonds.

The Chairman asked Mr. Harnden whether he had made a prediction and Mr. Harnden said he had not. The Chairman asked William G. Gerber, Comptroller, whether he had made a prediction and Mr. Gerber said his prediction varied between \$13,000,000 and \$17,000,000. Mr. Gerber said that \$15,000,000 was a very safe number as things then stood. He said the Trust Agreement called for \$9,200,000 worth of bonds to be retired in 1974 and that the Commission would have to sustain a revenue decline of 25% for the whole year in order to retire so few bonds.

The Chairman said he was not concerned at all. He said that the Commission was not apprehensive because its interest commitment was now so limited, that by the end of the year the Commission would owe only about \$115,000,000, that it would have retired more than \$210,000,000 of its 1952 debt.

The Chairman reported also that ten years ago and before that time, the Ohio Turnpike Commission had done promotion work through automobile clubs and others and that the promotion work should be resumed. He said the promotion was going to have to counter the concern that people have about starting out on a trip. He said he received eight or ten calls a day in his office regarding gasoline supplies and he did not know how many the Turnpike office in Berea was receiving and that he had suggested to the Executive Director that the matter be thought about. He said, of course, his office transferred the calls to Berea but that people were calling from Seattle and San Diego and everywhere else wanting to know whether they could get gasoline on the Ohio Turnpike. The Chairman directed the Executive Director to be sure that automobile club promotion was increased because the Commission was losing passenger traffic because people were concerned about gasoline supply. He said people did not like the 55 mile an hour speed

limit and would even ask his office over the telephone if the limit was enforced. He said the Executive Director had told him that everyone passed him on I-71 when he was coming to Columbus and driving at 55 miles an hour. The Chairman said he had gone to Xenia and that on the way to Xenia he found that trucks passed the vehicle in which he was riding as if it were not moving. He said he had returned on I-70 and he was certain that his automobile was the only one on the highway that was going 55 miles an hour. He said everything passed the car and the trucks were racing one another to get by it. He said the car in which he was riding was in their way and they were annoyed.

The Executive Director said the truck drivers were deliberately taunting the Patrol. He said they violated the speed limit even though the Patrol was right beside them. The Chairman said that was correct and that he had seen that on a trip from Dayton Airport to Columbus.

Mr. Richley said he had seen some figures quoted by the Department of Highway Safety in the preceding two days that said the average speed was 56.1 for automobiles and slightly over 55 for trucks. The Chairman said the Department of Highway Safety had not been watching the same people he had seen. The Executive Director said if that were the average for trucks then they were going a lot faster most of the time. Mr. Richley said that perhaps the Department of Highway Safety was talking about 85% of the traffic. The Chairman said that the Department of Highway Safety had not seen the same people he had seen.

The Chairman reported also that the Ohio Turnpike Commission was doing well on its fatal accident record, that in the whole year there had been only one fatal accident and that the last four months had passed without any fatal accidents. He said the only fatal accident had been in January.

The Chairman reported also that the Superintendent of Patron Services, J. Budd Morrison, was at the meeting. He said he congratulated the General Counsel, Francis K. Cole, and the Superintendent of Patron Services on the very skillful way in which they had handled the oil companies in the so-called "crisis" which the President had said on March 19 was over even though, somehow or other, it could not be proved. He said he gave both of them credit for very skillful handling and he wanted the record to show that the General Counsel and the Superintendent of Patron Services and the Executive Director were entitled to some bouquets for very skillful and wise handling of their responsibilities during the unpleasantness. He said that the rapport that had been developed with Edwin J. Buckley in New York of Texaco Inc. was good for everybody because Texaco was the company with whom the Commission had had a noble row. He said if the Commission looked back in the correspondence to what had been said with respect to Texaco his meaning would be plain. The Chairman asked if there were any questions about the Chairman's report.

Mr. Richley asked rather facetiously whether the pilot of the aircraft that had landed on the Turnpike had been charged a toll when he left the Turnpike. The Chairman said that was one thing that the Turnpike did, that it billed those involved in accidents. He asked whether ODOT did, and Mr. Richley's reply was in the affirmative. Mr. Bricker asked what was meant by billing and the Chairman explained that if any damage to the Turnpike occurred the person involved in the accident was billed.

In the absence of further questions, the Chairman said the report of the Chairman was accepted as offered. He said the report of the Secretary-Treasurer would be received.

The Assistant Secretary-Treasurer, Allan V. Johnson, reported for the Secretary-Treasurer, Mr. Anderson, that since the last meeting the following had been sent to all Members:

1. Traffic & Revenue Report for March 1974.
2. Financial Statements as of March 31, 1974.
3. Budget Report - First Quarter 1974.
4. Detail of Investment Transactions which took place in April 1974.
5. Draft of the minutes of the April 2, 1974 meeting.

The Chairman said the report of the Secretary-Treasurer was accepted as offered. He said the report of the Committee on Budget and Finance would be received.

The Executive Director reported for the chairman of the Committee on Budget and Finance, Mr. Anderson, that the Turnpike had been able to stay within its budget in the first quarter. He said the expenditures were \$220,000 less than the budget which amounted to about 6.6%. He pointed out events were likely to occur in the balance of the year which would put pressure on the budget including one item that he had notified the Commission Members of recently and that was an increase in the reimbursement rate to the Ohio State Highway Patrol for its patrol cars from 7-1/2 cents to 9-1/2 cents a mile. The Executive Director said that was one item and that there were other items which he regretted had been underestimated when preparing the budgets, such as fuel costs. He said the budgeted figure for gasoline, diesel fuel and heating oil had been increased by 25% over 1973 but actual experience was greater than the 25%. He said as the year progressed more would be known. He said everything would be done to stay within the budget. The Executive Director said there would be no need to supplement the budget until December if at all.

The Chairman said he took every occasion he could to say something nice about the Ohio State Highway Patrol. He said the Commission's relationships with the Patrol were first class. Mr. Bricker said he had been on the Ohio Turnpike a few days before the meeting and at a toll plaza he parked in an unauthorized area and had received a nice little note from the Patrol, telling him he had 15 minutes to move that car.

The Chairman said he never got complaints about the Ohio State Highway Patrol. He said people would stop him on the street about cold mashed potatoes and the price of this or that but nobody ever called to say a patrolman was rude.

Mr. Richley said he never received complaints about the Patrol and the Patrol had an excellent reputation.

The Chairman said the report of the Committee on Budget and Finance 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, Mr. Teagarden, reported that for some time the Committee and administrative staff had been grappling with the extraordinarily inflationary condition in the food industry as it related to the contracts for operation of the Turnpike restaurants. He said the inflation had seemed to go on unchecked despite federal controls which were now ended. He said the wholesale food price index, for example, was 28.6% higher than it was a year ago. He said the cost of fuel oil which was used at all the service plazas, and was furnished by the restaurant operators, had doubled in less than a year and new minimum wages had gone into effect. He said there had been almost continuous requests by the restaurant operators for price relief on those standard menu items controlled by the Commission under the provisions of the contracts. He said the requests had normally been handled by the Committee which, in turn, had furnished its advice to the Executive Director who thereupon acted on behalf of the Commission pursuant to the provisions of the contracts and resolutions of award. He reported that although there had been increases in nearly all items, no increase had been excessive and all prices were competitive with comparable off-turnpike restaurant prices.

Mr. Teagarden reported further that since the April Commission meeting the Committee and the Executive Director had granted an increase in the price of an 8-ounce carton of milk from 20¢ to 25¢ without realizing that the Commission had indicated opposition to such an increase at its meeting on October 2, 1973. He said the increase was subsequently rescinded so it could be considered by the Commission in meeting.

Mr. Teagarden reported further that the 20¢ price of milk had been set in March, 1971, at a time when the unit cost to operators was 7¢. He said the

current unit cost to the operators was 10.6¢ an increase of 3.6¢ or 51.4%. Mr. Teagarden reported further that in the same period the wholesale price for a hundredweight of milk had risen 75.4%. He said the operators had always insisted that three times cost was a reasonable retail price for food items if their operations were to be successful, a figure which had been generally accepted by the Committee in analyzing price increase requests. He said on that basis, the increase in wholesale cost and comparative surveys, the committee believed the 25¢ price was justified and recommended its approval. He said a recent survey showed that milk cost 25¢ for an 8-ounce carton of milk in the Indiana Toll Road and 35¢ for 10 ounces. He said an 8-ounce carton of milk sold at restaurants on the Pennsylvania Turnpike for 30¢. He reported further that a survey showed the following prices at restaurants near Turnpike exits for an 8-ounce carton of milk: Exit 2, 30¢; Exit 3, 25¢; Exit 4, 30¢; Exit 5, 25¢; Exit 7, 25¢; Exit 11, 30¢; Exit 13, 25¢; Exit 15, 25¢, and Exit 16, 25¢. He said 10 ounces of milk cost 40¢ near Exit 11 and 35¢ near Exit 16.

Mr. Teagarden reported also that the Committee had been asked to recommend an increase in the price of coffee from 20¢ to 25¢. He said the increase had not been supported in the latest comparison survey. He said the prices of coffee varied across the Turnpike from 20¢ to 25¢, a great majority 20¢ with refills which were given on the Ohio Turnpike. He said the Committee felt that in view of the variation no increase was justifiable.

Mr. Teagarden reported also that the Committee had been asked to recommend an increase in the price of ice cream from 35¢ to 40¢. He said while the increase appeared to be supported by the comparison surveys, the Committee would prefer to study the request more before making a recommendation.

Mr. Teagarden said contracts provided that the Commission would endeavor to act on price increase requests within 30 days and that it had been extremely difficult to act in that period because of the current situation. He said that consideration of a temporary, limited form of automatic adjustment depending upon market conditions, as suggested by one of the operators, was warranted.

Mr. Teagarden said that Gladieux Food Services, Inc. had made that request. He said Gladieux requested that temporary control be removed on all controlled items and that the restaurant operator be allowed to price those items according to the existing market. Mr. Teagarden said, as a Member of the Commission, he could never agree with such an action.

Mr. Teagarden reported also that restaurant operators had advised that the paper shortage was becoming more evident and the shortage would hinder them from furnishing adequate restroom supplies during the summer season.

He said the operators proposed that the Commission furnish and install at the Commission's expense hand dryers in all public restrooms as soon as possible. He said the operators had asked for six dryers for every women's restroom and six dryers for every men's restroom at all plazas with the exception of Fallen Timbers and Oak Openings where four had been requested for every restroom. He said if the hand dryers were purchased and installed, the cost for the eight plazas operated by Gladieux would be approximately \$10,000 plus cost of installation. He said the Committee had not given approval on that item but he supposed it would receive another request for its consideration.

Mr. Teagarden said he had asked the Superintendent of Patron Services to furnish the Commission with a report showing increases on all controlled items that had been put into effect from January 1, 1973 to May 7, 1974 and a list of non-controlled items. He said the Commission had 18 or 19 price controlled items on its lists.

The Superintendent of Patron Services said two breakfast items, four sandwiches, five dinner items and about a half a dozen miscellaneous items were controlled for a total of 17 or 18.

Mr. Teagarden said there were 50 or more non-controlled items over which the Commission had no jurisdiction but that when an increase was made the Patron Services Department checked it and if the increase was not acceptable to the Committee the operator was then advised either to remove the item or continue it without the price increase. He said the Superintendent of Patron Services would distribute the report to the Commission. Mr. Teagarden said adjustments had been given on January 1, 1973, March 22, 1973, October 26, 1973, January 18, 1974, February 13, 1974 and April 10, 1974. He said some requests for increases had been allowed and some had not been allowed.

The Executive Director said there was a statement in Mr. Teagarden's report in which Mr. Teagarden said it appeared that some form of limited automatic adjustments might be warranted because of the continuing economic inflationary pressure. The Chairman asked whether such adjustments would be instantaneous rather than within 30 days. The Executive Director said that was right but that in any such agreement he would exclude any sensitive items and would not permit instantaneous increases on items such as milk, coffee, ice cream, hamburgers, cheeseburgers or frankfurters. Mr. Teagarden said that included most of the controlled items. The Executive Director said those were the ones he would exclude from any automatic increase despite the fact that they would be the ones that increases would normally be requested upon. Mr. Teagarden said if the concessionaires were given a free hand and all controls would be removed the Commission would be in serious trouble. The Executive Director said he was not suggesting that, that what he would propose would be that certain items be tied to the true price index and that

not more than certain maximum amounts of increase be permitted in each month or other period.

The Chairman said he had trouble with such an arrangement. He said if the Executive Director agreed that he would handle all requests within 30 days, it would not be unreasonable. He said the past decisions had not been reached within 30 days and the increases had been held off for months. The Chairman suggested that the Executive Director make a firm promise, not a contract, but an understanding that requests would be handled within 30 days. The Executive Director said that under that basis he felt there would be a request every 30 days. The Chairman said he did not want to have someone wake up in the morning and decide he would need an increase that day. The Executive Director said he had been searching for some way to make the task somewhat easier. He said it had been very difficult and he expected it to get worse now that federal price controls had been removed.

Mr. Teagarden proposed that the Commission proceed in the way in which it had been doing and see what the results were. The Chairman said it would be with the understanding that action be taken within 30 days after receipt of the request for price increase. Mr. Teagarden said it could be done. The Executive Director said he was perfectly willing to keep trying on that basis and he was perfectly willing to live within the existing provisions of the contract and see what happened.

Mr. Richley asked if there was any way when prices were inspected at private facilities along the Turnpike that some kind of an index be developed that would reflect what was happening in the private arena and guarantee that the Turnpike prices were no greater, and perhaps less, than comparable prices off the Turnpike at any of the interchanges. Mr. Richley proposed that 15 or 20 staple items be included in such an index. The Chairman said that was something the Superintendent of Patron Services could undertake but that the increases should not be as automatic as pushing buttons, that perhaps with such an index the Committee on Service Plazas could grant requests within 30 days. Mr. Teagarden said he understood and that his Committee would like to give its answer as quickly as possible but there were sometimes circumstances that made it difficult to render a decision because of the rapid, even daily, fluctuation of prices. The Chairman said that that was one of the hazards of business. He said he was willing to accept any conclusion that was reasonable and he did not think automatic increases were the Commission's way of doing business. Mr. Anderson said he thought the Committee was doing a great job. The Chairman said it was, that he was not criticising. Mr. Teagarden said he wanted the Members of the Commission to know that the Committee had two things in mind; one was to be fair with the operator and at the same time to be reasonable and fair with the man who had to pay the bill. The Chairman said the public had to pay the bill. The Chairman said the public had to be protected and so far as he was concerned

unbridled laissez faire could not operate on the Turnpike. The Executive Director said he was not suggesting unbridled laissez faire. He said the Commission had come to a conclusion that was operable. He said the Committee had operated under very difficult circumstances and the increases had not been excessive. He said the prices were competitive and the operators were still in business.

The Chairman determined that the Commission was agreed. He asked if there were any further questions about the report. Mr. Bricker asked if there were any increases proposed that the Committee wanted that day. Mr. Teagarden said only the increase from 20¢ to 25¢ on eight ounces of milk.

The Chairman said he was going to comment on that and on the hand dryers. Mr. Teagarden said at one time hand dryers had been installed and that they were not successful. He said when the last contract was written hand dryers were not acceptable and would not be permitted. The Chairman said that was correct. The General Counsel said that was correct in the then existing state of hand dryers.

The Chairman said the milk proposal gave him great trouble. He said he had great concern about families travelling on the Turnpike with children who had to have milk. He said no one had to buy coffee, if one wanted to drink coffee that was all right, but milk was a necessity. He said he would not hesitate to make a choice if he were given a choice and that he would not worry about 25¢ coffee because no one had to drink coffee. He asked what the difference was between what the Commission got from coffee and what the concessionaire got and what the Commission and the concessionaire got from milk. The Comptroller said coffee was one of the greatest revenue producing items for the concessionaires. The Chairman said he wanted terribly to hold the price line on milk if he could, that 22¢ for coffee and 20¢ on milk would be acceptable. He said that passenger car revenue was going down and people were complaining. He said one thing he did hear complaints about was captive customers and prices. He said he got complaints about table d'hote dinners and whether they were table d'hote or not. Mr. Teagarden said the price of coffee was \$1.06 a pound and that three gallons was made from one pound of coffee and the concessionaires served coffee in a seven-ounce cup and that when the seven-ounce cup was poured one did not get even seven ounces because it was not filled to the top. He said the customer got between six and seven ounces. The Chairman said it was his understanding the concessionaires gave a "bottomless cup." Mr. Teagarden said it was called a refill. He said assuming one cup was sold for 20¢ and two free refills were given, there would be 18 servings of three cups at 20¢ equaling \$3.60, at a cost of \$1.06, at a difference of \$2.54.

The Chairman said the concessionaires had asked for an increase in the price of coffee. He said he would be satisfied but he would give 22¢ or 23¢ or

whatever he had to give for coffee if he were able to hold the line on milk. He said that it had just been said that there was more profit in coffee than there was in milk to say nothing of the concern that he had about families. He said there was more public relations in a glass of milk for a child than a cup of coffee. He said he wished the Committee would consider it again. He said he was not trying to do the operators in but that he would prefer that they received a price increase for coffee rather than a price increase for milk. Mr. Teagarden said it might be interesting to read a paragraph from Mr. Gladieux's letter. The Chairman said Mr. Gladieux was one of the people whose maledictions did not impress him. Mr. Teagarden said Mr. Gladieux said about it: "Our cost has increased on coffee, milk, and soft drinks, but I don't think the public would accept increases on these three items." Mr. Teagarden said Mr. Gladieux had written that sentence in September 1973 but had since changed his mind. The Chairman said that was interesting. He said he worried about the Ohio Turnpike Commission's public. He said he did not worry about the Indiana Toll Road public or Pennsylvania Turnpike public but he worried about the children of families travelling on the Ohio Turnpike and that he was not sure the milk item was a big item. The Comptroller said the concessionaires, if they could get the people to go down the cafeteria line, would make out very well because they were offering food that was very attractive and that one undoubtedly bought more than he intended when he went down a cafeteria line. He said if people went through a snack bar, they merely picked up a sandwich. The Comptroller said his conclusion was that if everybody went down the cafeteria line a nickel difference in the price of milk would make no difference because the concessionaire was going to make up the small difference on other things. The Chairman said he did not believe that would apply to the man who had three children. The Comptroller said the man with three children was in trouble if he took them down the cafeteria line. Mr. Bricker said 25¢ for a small glass of milk was too high.

The Chairman asked Mr. Anderson what his opinion was. Mr. Anderson said he was going to ask whether the children took the milk or did they buy pop or something else. He said he found that children usually bought something sweet unless their parents made them take milk.

The Chairman asked Mr. Teagarden what his opinion was. Mr. Teagarden said that he was trying to support the recommendation of the Committee on Service Plazas. He said he, as an individual, would not go along with the increase in the price of milk but he felt as chairman of the Committee he did not want to go along on the increase in price but the majority of the Committee felt that they wanted to go to 25¢ and as chairman he was trying to uphold the position of the majority of the Committee.

The Chairman said that the Committee had come to its conclusion by democratic processes. He said the Commission had discussed milk prices

before and he was not willing to see the milk price increased arbitrarily but as on a previous occasion he said that he did not want to see the price of milk increased arbitrarily but to bring the question before the Commission again and that was why it was before the Commission. He said it was a very important matter.

Mr. Richley said he was trying to absorb what the Chairman was saying and felt exactly as the Chairman and he thought it was a proper philosophical position except that when he looked at the numbers, everybody charged more for an 8-ounce glass of milk than was charged on the Ohio Turnpike.

The Chairman noted the other toll roads also had higher tolls.

Mr. Richley said that milk was 20¢ on the Ohio Turnpike and there were ten other companion locations that had been surveyed by the Committee and all of those locations had prices above 20¢. Mr. Richley said the next item was coffee. He said the Ohio Turnpike price was 20¢ for coffee with unlimited refills and that there were many places that had 20¢ with refill and that two or three places did not. He said for the sake of argument he would accept milk at 20¢ but did recognize that the concessionaires needed to have more money and he would grant 2¢ on the price of coffee, he thought the price would be disproportionately high for the coffee drinkers and the concessionaires would probably make more money. The Chairman said he was not asking that the determination be made at the meeting, that he was saying the Executive Director and the Comptroller ought to examine the question. He said he was not at all sure that they were not going to be asking for 25¢ coffee on the Indiana Toll Road pretty soon or they might already be getting more than 20¢ for coffee. Mr. Richley said that was the way it was but one should consider volume - how many cups of coffee or how many glasses of milk were sold. He said the concessionaires would probably be happier to have coffee go up than they would be to have milk go up. The Chairman said that was probably the case but the Ohio Turnpike Commission would not have to go to 25¢. He said one could find out what the balance would be, and he would wager that Virgil Gladieux could tell where he would be. He said he was not saying to charge more for coffee than it was worth but he was saying he would rather make the trade on coffee than on milk. He said he did not think one had to give a windfall by what he did on coffee because he would rather balance on coffee than on milk and the concessionaire was asking for both and there was a difference in what the Commission was willing to do.

Mr. Richley said he was only trying to get at what free market practices were in the area. The Chairman said the free market would change too, but he was willing to turn the question back to the Committee and the Committee could do as it pleased.

Mr. Teagarden said the Committee was composed of the Director of Operations, Andrew R. Grace; the General Counsel, Francis K. Cole; the Deputy Executive Director, James D. Hartshorne; the Comptroller, William G. Gerber; the Executive Director and himself. He said the Superintendent of Patron Services, J. Budd Morrison, was an advisor to the Committee but was not a member.

Mr. Richley asked what the recommendation was. The Executive Director said the recommendation was that a price increase to 25¢ be permitted on milk and that no increase be permitted on coffee and ice cream. He said the recommendation was based on the fact that the cost of milk since October 1973 had increased almost 3¢ per 8-ounce carton to the concessionaires. He said there was some possibility of justifying the increase because the cost of milk had risen since the last previous change in March 1971. He said the concessionaires had recognized a need for an increase in the price of milk in October 1973, but they did not ask for it then. The Executive Director said Howard Johnson Company had asked for an increase in the price of milk in July 1973, an increase to 25¢ and the Committee had not acted upon the request.

Mr. Richley asked whether the Commission controlled the price of soft drinks. The Executive Director said it did. He said the cost of soft drinks was basically controlled by the cost of sugar. Mr. Teagarden said the concessionaires wanted to charge 30¢ for soft drinks but the Committee had not approved it because there was no place along the Turnpike, but off the Turnpike, where soft drinks were higher than 25¢.

The Comptroller said that in that particular case the concessionaires had expected a wholesale price increase but the Committee ruled that the wholesale price increase had to be a fact before the Committee would consider a retail price increase. Mr. Teagarden said if the Commission wanted to refer the whole matter back to the Committee, the Committee would take it back and do the best job it could. He said the Committee understood everyone's feeling but that Mr. Bricker had not expressed himself.

Mr. Bricker said he had said that the proposed milk price was too high but he had not been clear on what the Committee had recommended. He said he was willing to abide by what the other Members of the Commission wanted. He said he had not negotiated a nickel for many years and it was a novel situation for him.

The Chairman said the Committee should reconsider the matter and that the Committee and the Executive Director might go ahead and make whatever decision it felt was necessary and to make the decision effective when it had been reached. He said the Executive Director had the authority to make the decision. The Chairman polled the Commission to make certain they were in agreement and they were. The Chairman said the Commission had con-

sidered the milk situation but he felt that it should not pay for the hand drying machines. He said the contract with the concessionaires provided that the concessionaires furnish the accessories in the restrooms and he was not in favor of spending \$20,000 or \$25,000 or whatever it would take to provide the hand drying machines. He said if Gladieux Food Services, Inc. wanted to install the machines that was something else that the Committee would have to decide on a management basis but that he did not think the Commission had the right to spend the money on the machines. Mr. Teagarden said he would like to have the General Counsel read that portion of the contract.

The General Counsel read as follows: "It shall be the obligation of the Operator to furnish, install, repair, maintain and replace all furnishings, fixtures, equipment, decorations and accessories necessary for the conduct of the Operator's business and for the furnishing and decoration of the Operator's area of responsibility as delineated in Exhibit A". He said dryers in the public restrooms were mentioned elsewhere and the contract was possibly a little less clear. He said the contract went on to say: "The Operator is cautioned that the condition of rest room facilities has been and will continue to be a matter of particular concern to the Commission as it is to patrons of the Turnpike; that such facilities are used by patrons who may not patronize the restaurant, and that the Commission will insist upon full and strict compliance with this section. It is the Operator's responsibility to maintain the equipment in the rest rooms (See Section 12) and to keep them adequately supplied at all times with soap, towels (electric hand dryers, at least as presently available, have been tried and are unacceptable) and other rest room necessities."

The Chairman said he did not care if the concessionaires paid for the machines. Mr. Anderson said he had just travelled the Florida Turnpike and he had found both drying machines and paper towels in the men's rooms. Mr. Teagarden said that Gladieux Food Services, Inc. had been operating the restaurants on the Florida Turnpike since October 1, 1973.

The Executive Director said the Committee was examining hand dryers to see whether they were better than they were four years ago when the contract was written. The Chairman said that the Gladieux Food Services argument was not valid because Gladieux was being given regular increases in prices, and items such as paper towels or hand dryers were overhead, based upon moneys that Gladieux derived from the operation of the restaurants and Gladieux's argument was not a good one. He said that just because Gladieux's prices were going up did not mean that his proportion relationship did not also go up.

Mr. Teagarden said the Committee had a similar request from The Howard Johnson Company. The Executive Director said the operators were citing the paper shortage rather than the price of paper towels. The Chairman

said if Howard Johnson wanted to put dryers in, that was their business. He said it was Howard Johnson's job to get paper just as it was to get potatoes.

The Chairman said the report of the Committee on Service Plazas was accepted as offered. He said the report of the Committee on Employee Relations would be received.

The chairman of the Committee on Employee Relations, Mr. Teagarden, reported that a number of requests had been received from the employees and the Committee was trying to set dates so that the Committee could meet with the employees and discuss the requests.

The Chairman said the report of the Committee on Employee Relations was accepted as offered and ascertained that the Director of Transportation had no report. He said the report of the Committee on Safety would be received.

The chairman of the Committee on Safety, Mr. Johnson, reported that there had been only one death during the year and the overall accident rate was about half of what it had been in the corresponding period of 1973. He said the improvement could be attributed to lower speeds, to lower traffic and to favorable weather.

The Chairman said the report of the Committee on Safety was accepted as offered. He said the report of the Executive Director would be received.

The Executive Director reported that mainline resurfacing contracts were about 25% complete and were proceeding satisfactorily. The Executive Director said that the renovation of the older section of the administration building had been halted by a carpenters' strike.

The Executive Director reported also that interchange and service plaza resurfacing projects by the Commission's own maintenance forces were in their early stages.

The Executive Director reported further that the Commission's maintenance forces were improving the area at Milepost 15 and that the work was about 10% complete.

The Executive Director reported also that the staff had had a lack of cooperation with the Penn Central Railroad on maintenance of a bridge over the Turnpike but that he was able to report that the work had now been completed.

The Executive Director reported also that the interchange with I-90 being built by the Ohio Department of Transportation was proceeding and all piers for the bridge over the Turnpike were completed. He said that

all work requiring traffic zones on the Turnpike was expected to be completed by the end of May.

The Executive Director reported also that he and the Administrative Assistant to the Executive Director had attended the ground-breaking ceremony for the interchange with I-680 with Mr. Richley on April 23. He said the project was now under way and the new interchange would be between Exits 16 and 17.

The Executive Director reported also that during April the first ten toll booth terminals for the new toll audit system were produced. He said the production run disclosed some minor production problems which were inevitable but the problems had been corrected and the production rate was expected to increase to 20 during May and it was expected that the system would be entirely implemented in mid-September. He said the first order of new magnetic toll tickets had been received and approximately 1,000,000 of the tickets in the initial run would be pre-encoded for charge customers and for non revenue use. He said the preparation of the new toll collector training program was nearly completed and that training of all toll collectors would soon begin. He said Electron was close to completing an arrangement with outside investors which was expected to eliminate Electron's financial difficulties.

The Executive Director reported also that the only limitation on the fuel sales was at the four Texaco stations where a maximum of 12 gallons of gasoline was being supplied to passenger cars. The Executive Director said that the oil companies submitted daily figures on which the staff decided whether it was necessary to restrict fuel sales. He said all companies were supplying figures and that during April there were times when the Commission had decided to agree to restrict at some of the ARCO stations and some of the Mobil stations.

The Executive Director reported also that he had begun to attend meetings of two committees that he had been asked to serve on, the Highways, Terminals, and Parking Advisory Committee of Ohio Transportation Development Program and the Technical Advisory Committee to Ohio Transportation Development Program. He said he was attending a meeting of the Technical Committee on May 8 but he had had to miss the first meeting because of a snow storm and that the Chairman had attended in his place.

The Chairman asked Mr. Richley where the Ohio Department of Transportation stood on reimbursements for the bridge on I-71 in Cleveland. He asked whether the Federal Government had finally accepted its legal responsibility. Mr. Richley said he did not know its exact status. The Executive Director said that the Federal Government had accepted its responsibility but had not settled on an amount. The Chairman said at least there was no controversy on it. He said the Executive Director was a consultant to the Ohio

Department of Transportation on that matter.

The Chairman said the report of the Executive Director was accepted as offered. He said the report of the General Counsel would be received.

The General Counsel said he had no report but he wished to talk to Mr. Richley after the meeting in order to set up a meeting for the committee on bidding procedures.

The Chairman ascertained there would be no report from the Consulting Engineers or from the Director of Information and Research. He said the Executive Director should thank Mr. Leathers for coming to the Commission meeting and to give him the Commission's best wishes on whatever further assignment he had.

The Chairman said Haskell Short, who had covered the Commission's meetings for Scripps-Ohio Press Service, was in the hospital, and he should receive a letter.

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

RESOLUTION NO. 13-1974

"WHEREAS the executive director, deputy executive director, chief engineer, 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 2, 1974, 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 2, 1974 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, Anderson, Richley, Bricker, Shocknessy.

Nays: None.

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 13-1974.

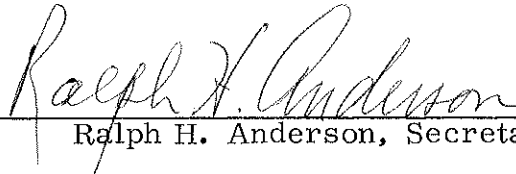
There being no further business to come before the Commission, a motion was made by Mr. Richley, seconded by Mr. Anderson, that the meeting adjourn until June 4, 1974, subject to call of the Chairman. A vote by ayes and nays was taken and all Members responded to roll call. The vote was as follows:

Ayes: Richley, Anderson, Teagarden, Bricker, Shocknessy.

Nays: None.

The Chairman declared the meeting adjourned. The time of adjournment was 12:52 p. m.

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



Ralph H. Anderson, Secretary-Treasurer