

MINUTES OF THE TWO HUNDRED AND EIGHTY-SECOND MEETING  
October 1, 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 October 1, 1974 with 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, members of the press and others in attendance. The Chairman said all Members were present and that the minutes should show that O. L. Teagarden, Ralph H. Anderson, Daniel E. Bricker, J. Phillip Richley and James W. Shocknessy were present.

The Chairman said only three weeks had passed since the previous meeting because the September meeting had been postponed to September 10 and it had been postponed because under the bylaws it would have occurred the day after Labor Day and, therefore, it had been postponed one week. He said the present meeting was being held on the first Tuesday in October and, accordingly, a number of things had had to be telescoped. The Chairman said the Assistant Secretary-Treasurer, Allan V. Johnson, had been at a meeting in Palm Beach, Florida, for a couple of days at the beginning of the week and that fact, combined with the fact that there had been only three weeks since the previous meeting, had made distribution of the minutes late but all the Members had received them. The Chairman said Mr. Johnson had talked to several of the Members about the minutes. The Chairman said he would entertain a motion for approval of the minutes of September 10 without reading.

A motion was made by Mr. Teagarden, seconded by Mr. Bricker, that the minutes for the meeting of September 10, 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 the revenues for September were estimated at \$3,960,000 which was only \$174,000, or 4.2%, less than the revenues for September 1973. The Chairman said September 1973 had been an all-time record revenue September and it had also been the first September when revenue was in excess of \$4,000,000. He said revenues were holding up very satisfactorily and would support the predictions that had been made early in the year and would also support the budget for 1974 which would become final in December and, in the absence of untoward events, the 1974 budget was not likely to need any supplementation. The Chairman reported also that it was likely that the Trustee would be receiving tenders on October 3 of perhaps as much as \$3,800,000 in bonds and the redemption would bring the face value of bonds redeemed during 1974 to \$14,900,000. He said he had predicted \$16,000,000 would be redeemed in 1974 and, with the acquisitions that the Ohio Turnpike Commission should make in December, more than \$2,000,000, the total should be far more than \$16,000,000. He said that would be done even in the face of gasoline and other emergency shortages and the exorbitant prices that the public had been required to pay for gasoline during the year. He said a very interesting thing was that as the passenger traffic had decreased, the commercial traffic had increased, and thus revenues had not declined markedly because the commercial tolls had partially offset the losses in passenger traffic.

The Chairman reported also that Mr. Anderson had the budget resolution for the preliminary budget for 1975 which he would offer in due course during the meeting. He said Mr. Richley had inquired at the September meeting about the toll audit system and that the Executive Director, Allan V. Johnson, would report on it. He said the toll audit system had been mentioned in the month-end statement issued October 1, 1974 in which special reference was made to the fact that it was about to be put into operation. He quoted the release as follows:

"Before the end of October a new computerized toll audit system is expected to be put into operation on the Ohio Turnpike under the supervision of Allan V. Johnson, Executive Director of the Ohio Turnpike Commission. The same toll collectors who have continuously served the patrons of the Ohio Turnpike courteously and efficiently over the years will have new machines in their booths to help them in their task of collecting tolls and aiding travellers on the Ohio Turnpike."

The Chairman reported also that because it was October 1 the Annual Report of the Consulting Engineers on its survey of conditions on the Ohio Turnpike as required by the Trust Agreement had been presented that morning by the J. E. Greiner Company and was before the Members of the Commission. He said he had not had time to study it so he had no comment

but whatever suggestions the Consulting Engineers might make about the operation of the Turnpike would be given consideration in accordance with the intent of the Agreement. He said in referring to the Consulting Engineers that he would mention that the Commission had received from the President of the J. E. Greiner Company, George S. Jenkins, a note enclosing a reproduction of a story from the Baltimore Evening Sun of Wednesday, September 18, that declared that any ban which had been imposed on the Greiner Company because of the unpleasantness which had occurred in the State of Maryland in 1973, an unpleasantness which had touched many engineering firms, had been lifted. He said a copy of the newspaper article was in the folder of every Member of the Commission that morning.

The Chairman reported also that he had before him letters from three of the four oil companies doing business on the Ohio Turnpike, Texaco, Inc., Gulf Oil Corp. and Atlantic Richfield. The Chairman said that the four companies all held ten-year contracts with the Ohio Turnpike Commission to supply motor fuel and other products and services to patrons. He said the contracts ran from October 1, 1965 to September 30, 1975 and would automatically expire unless the companies wished to renew them on their present terms in which case notice had to be given by the companies to the Commission by September 30, 1974, that the companies wished to renew. He said Texaco, Gulf and ARCO had all advised that they did not seek continuation of their contracts as they stood and that no such letter had been received from Mobil, the fourth company. He said he assumed such a letter had not been sent and therefore the Mobil contract would automatically end on September 30, 1975. The Chairman said it would be necessary for the Commission to seek bids on new contracts for all the service stations. The Chairman read a portion of the Texaco letter as follows:

"PLEASE BE ADVISED that Texaco Inc. will not extend its tenancy for the above two contracts after September 30, 1975 under its present terms. We would, however, appreciate the opportunity to discuss with the appropriate members of the Ohio Turnpike Commission just as soon as possible terms under which Texaco Inc. would be pleased to consider continuing as operator after September 30, 1975."

The Chairman said it was not possible to negotiate with Texaco or anyone else for any independent extension other than the extension provided in the contract entered into pursuant to the bids which had been received in 1965. The Chairman said it would therefore be necessary for the Executive Director to undertake to develop specifications for new bids which could be received early in 1975 so that any transition which might be required to other operators could be made in an orderly fashion as the transition was made in 1965. He said it came with no great surprise that the oil companies

would want to have different terms for continuing service other than the terms of the bid made in 1965. He said it was especially interesting that Texaco asked to continue under what would amount to negotiated circumstances in the face of the brouhaha the Commission had with Texaco in 1973. He said he was glad that professionals did not have rancors. He said that was the oil company story which came as no surprise.

The Chairman reported also that he had received a copy of a letter that morning from the Director of Transportation, the distinguished ex-officio member of the Ohio Turnpike Commission, transmitting to E. S. Preston and Associates for review and guidance an itemized statement of factors which the Director believed pertinent and which would require review for inclusion of the Ohio Turnpike in the highway appendix of the Ohio Department of Transportation report.

The Chairman said the Executive Director had consulted with representatives of the Director of Transportation as well as the Director himself and that the Chairman had also attended one meeting so the letter, which he considered a progress report, was quite self-explanatory and would require further study by the Executive Director and further consultation with the Director of Transportation and his associates. Mr. Richley said that was true.

The Chairman said the Members' folders contained a letter from the Attorney General of Ohio in 1964 addressed to a predecessor of Mr. Richley's, a predecessor whose title was then Director of Highways. He said also in the folders was a letter from the Division Engineer of the U. S. Bureau of Public Roads. He said the letters had been placed in the folders because they were matters to which he had adverted at earlier meetings of the Commission and it was not to be expected that new Members could digest all minutes of all meetings which had occurred prior to the 282nd meeting. He said the letters were for the information of the Members so that they did not have to pull that information out of the minutes. He said the minutes of the Ohio Turnpike Commission, in contrast to those of certain other agencies, were full and complete and would support everything that the Commission did pursuant to the authority exerted and conferred upon the staff in the past 25 years.

The Chairman reported also that he had a letter dated September 30, 1974, a copy of which was in all the Members' folders, from Squire, Sanders & Dempsey in response to a letter from the General Counsel of the Commission, Francis K. Cole, in which the General Counsel asked for opinion with respect to a request for an expenditure by the Commission of \$12,000 as a contribution to a program undertaken by the Department of Administrative Services, the Division of Public Works and the Ohio Environmental Protection Agency. He said as Chairman of the Commission he was concerned that there was a question about whether or not the funds of the Commission might be

expended for other than payment of bonds, maintenance and operation of the Ohio Turnpike. He said that the letter from Squire, Sanders & Dempsey addressed itself to that concern which the Chairman had mentioned to the General Counsel and the General Counsel had sought advice from Squire, Sanders & Dempsey as fiscal counsel and that Squire, Sanders & Dempsey had indicated much the same concern that the Chairman had with respect to the use of the \$12,000 and concluded by saying:

"If the improvements contemplated by the study are not to be funded through the proposed Capital Improvement Budget and appropriations of the General Assembly, it would seem that they must be paid for from monies held for the credit of the Reserve Maintenance Fund as provided in the Agreement. Section 504 of the Agreement requires the Consulting Engineers to make an inspection of the Turnpike and, on or before the first day of October in each year, to submit to the Commission a report setting forth, among other things, 'their recommendations as to the amount that should be deposited during the ensuing fiscal year to the credit of the Reserve Maintenance Fund ...'. Under these circumstances it would seem to be necessary in connection with this matter to consult such Consulting Engineers as to whether they would find it necessary to make their own inspection and study in order to determine whether and to what extent additional facilities would be needed to comply with applicable federal and state environmental laws relating to water, waste water and solid waste and the estimated cost of such additional facilities for which monies would have to be deposited in the Reserve Maintenance Fund.

"In our opinion, clarification on these points with the State Architect and the Consulting Engineers is necessary before the Commission could consider expending Turnpike revenues in furtherance of the proposal made by the State Architect in his letters of August 23rd and September 16, 1974."

The Chairman said the opinion was self-explanatory and he assumed the General Counsel would persevere on the question and let the State Architect, Carl E. Bentz, know that the Commission was not rejecting his request out of hand but that it was not complying with the request until it had full and complete understanding about it and a formal opinion from its fiscal counsel that such expenditures were valid. He said as time went on and as the Ohio Turnpike Commission grew older its monies became more and more attractive to other agencies that needed money and for that reason the Ohio Turnpike Commission had to be very jealous of its funds.

The Chairman reported further that in the General Counsel's letter to Squire, Sanders & Dempsey, fiscal counsel had also been asked to give an opinion with respect to another matter, a matter which required an under-

standing of the terms of indenture under which the Ohio Turnpike Commission was financed. The Chairman quoted from the letter as follows:

"The Chairman has asked me to suggest also to you that in view of the concerns of his related hereinabove, it might be well for you to prepare a formal opinion embodying conclusions with respect to the use of toll revenues for capital improvements not necessary for the operation of the Ohio Turnpike as conceived and financed in 1952, but rather as he discussed with you, related to the needs of the Turnpike after it is delivered debt free to the State of Ohio. It is the Chairman's belief that it was never the intention of the 98th Ohio General Assembly, or the Commission, or the underwriters of the bonds, or the Trustee, that funds derived from tolls for the payment of the bonds and for the construction, operation and maintenance of the Ohio Turnpike might be diverted to the expanded purposes which would relieve posterity of responsibilities which it, and not the current users of the Ohio Turnpike, should bear. This second request herein contained need not be given full compliance by the rendering of an immediate opinion as in the case of the first opinion hereinabove mentioned which we would like prior to October 1, 1974."

The Chairman reported also that at a conference between Mr. Anderson, Mr. Richley and the Executive Director on September 30 some concern was expressed as to whether or not the contracts which had been approved for toll facilities might not have the same character as the facilities which the Chairman considered capital improvements which were posterity's concern and responsibility. He said that toll facilities which had been approved for contract were for facilities which were required in the collection of tolls for the Ohio Turnpike during its operation in the years before it would become debt free. He said he did not consider that the toll facilities required were anything other than facilities required in the operation and maintenance of the Ohio Turnpike and that was his answer to any concern that had been expressed on September 30 to the Executive Director.

The Executive Director said there had been a letter to the Commission from Squire, Sanders & Dempsey dated June 28, 1966 in the same vein as the letter dated September 30, 1974. The Executive Director distributed copies of the letter to the Members. The Chairman said that the letters brought up to date those Members of the Ohio Turnpike Commission who had not been on the Commission since it began and that the letter that had just been distributed was one that the Executive Director had mentioned to Mr. Richley on September 30. He said that the Executive Director had also mentioned that Mr. Richley and Mr. Anderson had expressed some concern about the information they received on budget matters. The Chairman said budget information was sent to Members about four times a year and it also came up at every Commission meeting when the Secretary-Treasurer reported what had been given to Members since the last meeting and that the record would show that the

Secretary-Treasurer reported regularly that "since the last meeting certain papers, documents and other material have been sent to the Members of the Commission." The Chairman asked if there was anything else that happened on September 30 that he should comment on.

Mr. Richley said that the word "inquiry" would be more appropriate than the word "concern." He said he and Mr. Anderson had inquired as to the various procedures that were used in Ohio Turnpike accounting because some of the terms that identify the account numbers did not fully explain the use of the funds in that particular account. Mr. Richley said the terms were misleading. The Chairman said the terms might be misleading to the layman but they would not be misleading to accountants because accountants had been dealing with them for the last 25 years. Mr. Richley said that he had been dealing with public budgets for many years and he still thought the words were misleading. He said the terms left one with a different conclusion from that which was intended for the purpose of the budget, which had been acknowledged by the Executive Director. He said the false conclusion had led to some confusion when he and Mr. Anderson were trying to interpret what the various items were.

The Chairman asked if Mr. Richley was satisfied. Mr. Richley said he was. The Executive Director said the account numbers had to be matched with the Chart of Accounts which gave the detailed explanation. He said it was unfortunate that no one had had a copy at the discussion on September 30.

The Chairman said he wanted to be sure to cover everything that he knew had been a subject at the conference of September 30. He said he wanted to cover those matters for the benefit of the Commission before the budget was adopted. Mr. Richley said he and Mr. Anderson found no problem with the proposed budget. The Chairman asked Mr. Richley whether he was concerned on September 30 or whether he was merely inquiring. Mr. Richley said that was exactly the case. He said the Budget Committee was every bit as good as the Employee Relations Committee.

The Chairman said apropos of the Employee Relations Committee, the Executive Director had mentioned that Mr. Richley had made an inquiry with respect to the 11.5% item which was in the budget for salaries and how that came about. The Chairman said that came about through the Employee Relations Committee which Mr. Richley had just complimented so highly. He said the Commission operated through an Executive Director who was comparable for all practical purposes to a president of a corporation and who had no more authority than the president of a corporation ordinarily had from its board. He said the Ohio Turnpike Commission operations were comparable to those of private corporations.

Mr. Richley said his inquiry had been prompted by the Executive Director's letter of transmittal which had included the words "at least 11.5%". He said that was the only reason he raised the question as to what the Commission would be approving in a budget for 1975 that had salaries in it that amounted to "at least". He said he did not know what the meaning of the words "at least" were. The Chairman said the words bore their dictionary meaning. He said the Commission had no way of knowing, in the face of the inflation with which it was living, that the 11.5% would be other than "at least". The Executive Director said the Committee had a detailed conversation on just that point and how the Commission came through 1974 and how the Commission made a mid-year adjustment which was not customary. The Chairman said that Mr. Richley was aware of the mid-year adjustment and that the Commission had had to make some adjustments in salaries because of the inflation with which it had been coping. He asked if that cleared up everything. Mr. Teagarden said that it was difficult to pinpoint a definite percentage due to the fact that the Commission never knew how much over-time the employees would accrue and that had an effect upon the percentage. The Executive Director said that taking that into consideration, without further adjustments, 11.5% should be fairly accurate.

Mr. Richley said that in reviewing the budget he and Mr. Anderson had noted with no special concern but only with a sense of inquiry, that the Executive Director's letter did contain the words "at least". He said that had prompted some discussion as to the kind of pay structure the Commission had and the longevity of the pay structures. He said Mr. Anderson and he were not quite sure how long "at least" meant - whether it meant six months, a year or 18 months. The Chairman said it meant within a year. Mr. Richley said it was customary in the minds of most that wages and salaries for public employees tended to be fixed by law or by agreement or by understanding for relatively fixed periods without some unknown concluding date. He said he and Mr. Anderson were satisfactorily brought up to date on the matter and that they were not by any means criticizing the efforts of anybody but were trying to learn all the things that the Chairman had been able to learn during the last 25 years. The Chairman said he had learned a great deal by osmosis. He determined that Mr. Bricker had no questions. Mr. Richley said he was sure the Chairman wanted the Committee to do a good job. The Chairman said of course he would, there was no question about that. He said regardless of how proprietary he might seem and sound at times, he still recognized that he was a member of a Commission and that everybody on the Commission had equal concern, equal responsibility and equal duty.

Mr. Richley asked if there might be some discussion on the letter



from Squire, Sanders & Dempsey. The Chairman said that would be discussed when the report of the General Counsel was reached.

The Chairman reported also that there had been two slowdowns by truckers on the Turnpike during the month on September 19 and 27. He said the Commander of District 10 of the Ohio State Highway Patrol, Capt. M. L. Stansbery, had addressed himself with fervor and directness to the situation and that traffic was brought under control within hours in both instances. He said both incidents had been recounted in the press release for the month of September and that he had communicated promptly with the office of the Governor so that he would be advised and that John E. Hansan, the Chief of Staff of the office of the Governor; Colonel Robert M. Chiaramonte, Superintendent of the Ohio State Highway Patrol, and he had reconstituted themselves a committee to distill whatever information might be derived from their own sources from around the State with respect to any untoward event which would affect the total highway system as well as the Ohio Turnpike.

The Chairman said that it had been alleged that enforcement of the speed limit and other traffic laws was severe in Ohio. He said that was not the fact, it was just that there was enforcement in Ohio as compared with a lack of enforcement in some other states. He said he thought it was to the great credit of the Superintendent of the Ohio State Highway Patrol that the enforcement in Ohio was what it was and certainly the fatal accident record for 1974 was a confirmation of the validity of the reduced speed as well as of the good enforcement of the Ohio State Highway Patrol. He said he had given thanks often over the last two years that the Turnpike Commission in its wisdom 25 years ago did not set up a patrol system of its own but arranged with the Ohio State Highway Patrol to do the enforcement. He said, therefore, there was no division of responsibility within the enforcement agencies of Ohio so far as the Turnpike Commission was concerned. He said when people called him and berated him about speed on the Turnpike he could say very piously that the Commission did not interfere with enforcement of the law on the Turnpike. He said the Commission did not ask the Ohio State Highway Patrol to have a different standard on the Turnpike from its standards on other roads in Ohio and neither would the Commission want, as citizens and as members of society in Ohio, to seek to have a police enforcement agency do less than the law required. He said that was all he would say on that.

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

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

1. Traffic & Revenue Report for August 1974.
2. Financial Statement as of August 31, 1974.
3. Draft of the minutes of the September 10, 1974 meeting.
4. Detail of Investment Transactions which took place in September 1974.
5. Month-end Release.

The Chairman said the Members would notice that the Secretary-Treasurer's reports were made in some detail as to what had been forwarded to the Members during the month. He said if there was anything more that the Members thought should be forwarded to them he was sure that the Assistant Secretary-Treasurer, Mr. Johnson, would make certain, at the direction of the Secretary-Treasurer, to see that such things were forwarded.

The Assistant Secretary-Treasurer said that at the conference of the Budget and Finance Committee on September 30, he and the Comptroller, William G. Gerber, had agreed that certain comparisons that were made on the reports might be extended. He said that could be easily done and might make the reports more easily understood.

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 chairman of the Committee on Budget and Finance, Mr. Anderson, reported that the Committee spent several hours on September 30 examining the budget and that action by the Commission was required at the October meeting on the Preliminary Budget for 1975. He said the Preliminary Budget had been prepared by the Commission staff and had been reviewed by the Committee on Budget and Finance. He said the total amount of \$14,971,500 represented an increase of 12.1% over the budget adopted for 1974. He said the Committee believed the increase reflected, to the best of its ability to forecast, the extraordinary inflationary pressures on the economy and the increase was necessary in order to continue the efficient and effective operation of the Ohio Turnpike. Mr. Anderson said a resolution setting forth the Preliminary Budget in the classifications requested by the Consulting Engineers and setting forth an estimate of income

for the year and providing for the deposit to the credit of the Reserve Maintenance Fund of the amount recommended by the Consulting Engineers had been prepared and was in the Members' folders. Mr. Anderson recommended that the preliminary budget be adopted.

A resolution adopting the Preliminary Budget for the fiscal year 1975 and providing for Reserve Maintenance Fund deposits during said year, was moved for adoption by Mr. Anderson, seconded by Mr. Richley, as follows:

RESOLUTION NO. 18-1974

"WHEREAS it is provided by Section 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 First National City Bank, 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 of income and current expenses for the fiscal year 1975 to the Commission, and have recommended the adoption thereof, and said budget is now before the Commission;

"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;

"WHEREAS the consulting engineer has made a recommendation as required by Section 504 of the aforesaid trust agreement, as to the amount to be deposited to the credit of the Reserve Maintenance Fund during the ensuing fiscal year for the purpose of paying the cost of major repairs, equipment replacement, bridge painting, renewals, replacements and improvements and other purposes as set forth in Section 509 of the said trust agreement, and the amount so recommended is \$10,500,000; and

"WHEREAS the Commission desires to provide for deposits to the credit of the Reserve Maintenance Fund during the year 1975 of the amount recommended by the consulting engineer;

"NOW, THEREFORE, BE IT

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

1975  
Preliminary Budget of Income and Current Expenses

Income		\$42,000,000
Current Expenses		
Administration & Insurance	\$ 2,888,400	
Operations	11,895,600	
Trust Indenture Expense	<u>187,500</u>	
Total Current Expenses	\$14,971,500	
		<u>Amount to be Deposited to the Credit of the Reserve</u> <u>Maintenance Fund</u>
Total Amount	\$10,500,000	

"FURTHER RESOLVED that the assistant secretary-treasurer is hereby instructed to file a copy of said budget of income and current expenses, and of the amount to be deposited to the credit of the Reserve Maintenance Fund during the ensuing fiscal year with the trustee and to mail copies thereof to the consulting engineer and to the principal underwriters forthwith."

The Chairman said the resolution had been moved by the Member of the Commission who was chairman of the Budget & Finance Committee and seconded by the other Member of the Commission who was a member of that committee. He said he knew it had been examined in great depth and he also knew that the increases which it contemplated were generally related to inflation. He said he had read somewhere that the United States had already taken in twenty billion dollars more than contemplated just because of the inflation. He said, of course, they were inflation dollars just as the dollars the Commission was talking about in the resolution were inflation dollars.

The Chairman determined there was no further question on the budget. He asked Mr. Harnden whether the Consulting Engineers had approved the budget. Mr. Harnden said the budget was identical with that shown in the Annual Report of the J. E. Greiner Company and that the company did approve the budget.

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

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

Nays: None.

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 18-1974. The Chairman said that on behalf of the whole Commission he extended its expressions of gratitude to the two Members who served on the committee and to the staff of the Commission which had, over the years, done a magnificent job in preparing the Commission budgets. He said the Commission had rarely had to supplement a budget unless the expenditure had been caused by an act of God. He said the Commission had never had to increase a budget by any significant amount. Mr. Anderson said quarterly reports would be received so the Members could see where the Commission stood on the budget and that no money would be spent beyond the budget, unless the Commission approved a supplement. The Executive Director said that was correct.

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, said he had no formal report about the service plazas but he said he had one concern about them. He said that when the Turnpike was built the Commission used approximately \$16,000,000 to build the 16 service plazas and that nothing had ever been said about what would happen to the service plazas when the bonds were paid off. He said he supposed Mr. Richley knew he would not be Director of Transportation because by that time he probably would be Governor. Mr. Teagarden said his concern was what would happen if the Director of Transportation at that time said he did not want service plazas. The Chairman said everything that belonged to the Turnpike would become the responsibility of the Director of Transportation at that time. He said the law was clear and that the service plazas were just part of the Turnpike. Mr. Richley said they would form good rest areas. The Chairman said the Turnpike included material, machinery and everything that it had and that was why the Commission continued to do business as business should be done. He said the Commission did not change its purchasing or anything else in the ensuing years, other than as required by the exigencies of economics, but everything the Commission had in the till and on the highway would be the responsibility of the Director of Transportation when the bonds were paid.

The Chairman said it was not necessary for the General Counsel to

render an opinion on the matter, that everything that belonged to the Turnpike would belong to the State of Ohio when the bonds were paid and actually the title was already in the State of Ohio. He said the State of Ohio might not use the many things it would receive at that time in the same fashion as the Commission used those things but everything would belong to the State of Ohio.

The Chairman said the report of the Committee on Service Plazas was accepted as offered. He said the record would show that the Commission had discussed what becomes of the service plazas and everything else when the bonds were paid. He said the only thing the bondholders had a right to under the Indenture was the income and that they were not entitled to foreclose on the highway, which belonged to the State of Ohio, but the bondholders could claim the funds.

The Chairman ascertained there would be no report from the Committee on Employee Relations. He said the report of the Director of Transportation would be received.

Mr. Richley said he had no report but he wished to use his place on the agenda to ask a question. He said he would like Mr. Teagarden and Mr. Bricker to give a two or three minute summary of where the Commission stood on discussions with employees and if, in fact, pay increases were contemplated and if so, on what basis.

Mr. Teagarden said the Committee met and discussed with the employees any requests that the employees might make on the subject of working conditions, wage conditions, and so forth. He said the meetings were completed in June and the Committee made its recommendations after the employees approved the Committee's proposal. He said 85% of the employees approved the proposal in 1974. He said the proposal provided for a wage increase for the first pay in July of 1974 and another at the beginning of 1975 and the understanding with the employees ran until December 31, 1975. Mr. Teagarden said the increases had been agreed to and the Executive Director had put the first one into effect but that the Committee did not know what would happen in 1975. He said the Committee thought its work had been completed for 1974 but in June it was found necessary to give consideration to an increase to take effect on the first of July even though the arrangements had been made in 1973 for all of 1974. Mr. Teagarden said the Committee would start discussions with employees in June of 1975 for the year 1976.

The Chairman said that the Commission considered that the matter had been handled for 1975. He said the only reason there would be any

change during 1975 would be if conditions in 1975 warranted what conditions in 1974 had warranted and that was why Mr. Johnson said "at least".

Mr. Richley said that it answered his question but he did not necessarily comprehend the logic of the answer. He said he had concern for the discussions which depended upon economic conditions at that time. He said he had not been aware that the Commission could adjust wages based on economic conditions. He said he thought the Commission had fixed periods during which it did not adjust wages and that the Commission would rediscuss within the fixed period. The Chairman said the Commission did so. He said that the Ohio Turnpike Commission was not in a vise to the extent that an agency controlled by the legislature was in a vise and, therefore, the Commission had a better opportunity to deal with its employees in a compassionate and just basis than an agency that was in a vise could deal. He said the Ohio Department of Transportation had to go to the legislature on such matters. Mr. Richley agreed. He said he had not been aware of the complete flexibility that the Commission had. Mr. Teagarden said he wished to add that in 1972 when the Committee met with the employees, the Commission was more or less bound by a 5.5% limit on increases that the President of the United States had placed everyone under and that after the restriction was lifted, 5.5% was not a justifiable increase. He said that when the Committee met in June of 1974 it tried to adjust as soon as possible, effective July 1, 1974 for the balance of the year and to recommend another increase, based on conditions that the Committee expected, effective January 1, 1975 for that whole year. Mr. Teagarden said the Committee would not necessarily be compelled to meet with its employees until 1975 unless conditions warranted it but the Committee did not know what those conditions were going to be.

The Executive Director said the Committee tried to meet about mid-year so the staff would be able to have the information available for preparing the budget which had to be ready for adoption in October. The Chairman said the Commission was not in the same position as an agency that depended upon appropriations. He said appropriations were ordinarily made every two years and the income of the Department of Transportation, except for the gasoline tax, was fixed by appropriation. He said the income of the Ohio Turnpike Commission was dependent upon what the Commission did. He said the Commission could increase tolls at any time but the Commission had not chosen to do so for 16 years and he for one would see no reason under the budget that was adopted that day that would require an increase in tolls. Mr. Teagarden said that statement was borne out by the fact that, as the Chairman had said several times, the Commission would finish paying the bonds 12 years ahead of time.

The Chairman said that if Mr. Richley wanted to continue the highway as a toll road after the bonds were paid, the State of Ohio could do it. Mr. Richley asked whether the Chairman was attempting to put words in his mouth. The Chairman said he was not doing so, he was just stating what he had always stated that the Commission would deliver the road debt free. The Chairman said that as far as he was concerned he was willing to make anything he knew the subject of portrayal and if there was any Member of the Commission that did not know everything he knew, it was because the Chairman had not been asked. Mr. Richley said that was true and he did not hesitate to ask questions.

Mr. Bricker said he had asked a question in the Employee Relations meeting and he could understand the concern because while Turnpike employees were outstripping the State employees as far as wages went, he had asked how things were going to work out once the Turnpike was handed debt free to the State. The Chairman said that at the time the Turnpike became debt free the employees would be working for the State of Ohio in the fashion that all other employees of the State of Ohio did and the then Governor could do whatever he chose with the approval of the legislature. He said the Commission had a kind of flexibility but that flexibility had also inured to the benefit of the Ohio Turnpike Commission. Mr. Anderson said that 12.1% increase in one year was quite large and that the Committee members were trying to do their job and since approximately 50% of the total amount of money in the budget was for labor, they wanted to ask some questions and did.

The Executive Director said that the announcements which implemented the Committee's recommendations were made by him in memorandum form and sent to all employees affected. He said he had sent copies of all announcements to all Commission Members and any other things that developed from the Committee's report would be incorporated into the Employee Manual and copies of the Manual including the changes would be sent to all Commission Members as soon as the manuals were available.

The Chairman said the Director of Transportation had been recognized and made such statements as he considered appropriate in lieu of a 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 seven fatalities to date in 1974 compared to 18 at the same date in 1973. He said the problem of a possible truckers' slowdown was being watched very carefully and the staff and Ohio State Highway Patrol would do whatever was necessary if another one occurred.

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 the new toll audit system was expected to be in use before the next meeting of the Commission. He said the Comptroller and he had attended a conference of the International Bridge, Tunnel and Turnpike Association in Palm Beach during the week of September 23 to participate in a panel to bring the association and its members up to date on the Ohio Turnpike's new toll audit system. He said the members of the association were deeply interested because the Ohio Turnpike was the only major toll road which had reached the final stages of replacing existing aging toll audit equipment. He said the other toll roads were watching the Ohio Turnpike closely and were deeply interested.

The Chairman said that one of the concerns the Commission had when it bought the equipment was that its equipment might not be used more than six years and was it justifiable to build it or not. The Chairman said it was concluded by the whole Commission that it was justifiable to build the new equipment and so it had been done.

The Executive Director reported further that during the month of September work on the toll audit project continued to progress. He said the following significant things had been accomplished: 20 more toll terminals had been produced to bring the total produced to date to 86 and that number of terminals was sufficient by itself for cutover to the new system but the contract contemplated 20 spare terminals and those had not yet been produced. He said the only major items of equipment which remained to be made were the automatic ticket spitters.

In answer to questions by Mr. Richley, the Executive Director said the 86 toll terminals had been stored with the manufacturer but were now moving out to the toll plazas where they were being installed but that the spares had not yet been produced and when they were produced they would be stored at the plazas so they could be put into service immediately if one of the regular machines broke down.

The Executive Director reported further that the toll collector training program had progressed during the month and was expected to be concluded on schedule on October 8.

The Executive Director reported further that there had been extensive plaza system checks at 11 of the toll plazas and checks at the remaining six plazas should be completed by October 4. He said an exact date had not been picked for the cutover but October should see all of the elements of the systems come together so cutover could be made. He said

that on October 9, 10, and 11 extensive system tests would be made at plazas 14, 15, and 16 and at the Berea headquarters for the purpose of verifying that all the installed equipment and software were performing in accordance with the specifications for the system. He said all equipment necessary for cutover was expected to be installed by October 21 and on that date a complete system test involving the functioning of the entire system at all 17 toll plazas and Berea headquarters would begin and the system would be tested thoroughly except for the issuing of the new tickets to patrons. He said the test would take one and a half to two weeks and that during that period, the Electon Inc. project manager; the Comptroller, who was the Commission's project manager, and Dr. David R. Schelling, of the Consulting Engineers and representatives of the RCA maintenance organization would visit every one of the plazas and would at that time agree on a plaza by plaza basis, that the system was ready for cutover. He said if all the October work and testing were successful the system should then be ready for cutover at the end of the month and the staff would select that exact date when they were assured that everything was "go". He said he would not recommend that the Commission try to force it any earlier than a date when all were in agreement that it was ready but he was now confident that that date was very, very close.

The Executive Director reported also that the Consulting Engineers' 1974 Annual Report had been backed up by very detailed inspection logs that they had made in the preparation of their report. He said he had already reported that the bridge inspection had been done in accordance with the Federal bridge inspection requirements and the deficiencies noted were already in the possession of the staff and corrective action on any deficiencies was already under way. He said the detailed inspection logs of the service plazas and other building facilities would be used for follow-up with detailed corrective action. He said he wanted the Commission to know that the staff had some advance information before the summary report was prepared and that the staff was already taking action. The Chairman directed that the Executive Director acknowledge receipt of the report to the president of the J. E. Greiner Company.

The Executive Director reported also that the contract awarded at the September meeting for the toll plaza at the I-90 interchange had been executed. He said a preconstruction meeting had been held and the contractor was in the process of mobilizing and moving into the area. The Chairman asked Mr. Richley when the Ohio Department of Transportation portion of the new interchange would be completed. Mr. Richley said he was counting on completing it in May.

The Executive Director reported also that the plans for the new I-680 toll plaza were being prepared and it was hoped to have them complete within a month to six weeks so that the Commission would be able to award the contract for that project at the December Commission meeting.

The Chairman asked the Executive Director whether Andrew R. Grace, who had been Director of Operations, had retired. The Executive Director said Mr. Grace had retired on September 30. The Chairman asked that Mr. Grace be thanked for his years of service. Mr. Teagarden said he intended to attend the retirement party which was being held for Mr. Grace on October 3.

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, Francis K. Cole, said he would be sending the quarterly litigation report to the Members within the next two days so he would not go into any detail on the report. He said a pretrial hearing was being held on the Stacey case.

The General Counsel reported as to the opinion of Squire, Sanders & Dempsey, fiscal counsel, upon request of State Architect for Ohio Turnpike Commission Funds. He said basically Squire, Sanders & Dempsey said the State Architect could be used as a Commission agent to accomplish necessary maintenance and operation on the Turnpike if the thing or things he proposed were in fact for the maintenance or operation of the Turnpike. Mr. Cole said Fiscal Counsel said there were doubts as to whether the proposed program met that condition. He said Fiscal Counsel mentioned that the study proposed by the State Architect had certain goals that did not appear to be close enough to the operation of the Turnpike to bring it within the meaning of the Act. Mr. Cole said that some goals, no doubt, were good things but there was a question as to whether they were related to the operation and maintenance of the Turnpike. He said the fiscal counsel, in effect, said that unless the State Architect proposed to use State funds for the project, which they did not believe to be the case, then that use of the funds would, if it were anything, be an improvement within the Reserve Maintenance concept and therefore would have to be recommended and approved by the Consulting Engineers.

The Chairman said the last paragraph of the opinion of Fiscal Counsel, read earlier in the meeting, provided the answer and that what the Commission should do hereafter was to find out from the State Architect

what he wanted. He said the receipt of the letter should be acknowledged.

The General Counsel said the request that had been made to Squire, Sanders & Dempsey was whether the Commission could participate in the study. He said it was not a question as to whether the Commission would want to and he assumed it would raise a question as to whether the Commission, which had its own engineers and its own autonomous authority to proceed, would rather make the study with its own engineers and maintain some liaison with the State.

The Chairman said the question was further, whether \$12,000 was the proper amount for the Ohio Turnpike Commission to contribute, provided that Squire, Sanders & Dempsey said that the Turnpike might provide funds, to the State Architect for the study the State Architect has asked for.

Mr. Richley said Squire, Sanders & Dempsey should also determine whether or not the State Architect, in fact, should be the agent of the Ohio Turnpike Commission. The Chairman said he did not know what possessed the State Architect to ask the Ohio Turnpike for funds but when the Executive Director called the State Architect to find out, they themselves were not sure. The Chairman said that even the Director of Public Works, Roland A. Nesslinger, had not known anything about the request. The General Counsel said the State Architect had sent notice that he wanted the Ohio Turnpike Commission's record of encumbrance of the funds which, the General Counsel said, was language applicable to the State and then apologized about having done it without having told the Commission what was going on and stated that was an oversight due to the fact that they had not generally related to Turnpike operations. The Chairman said that people dealing the the Turnpike Commission found it was usually like picking up a porcupine.

Mr. Richley said he had asked the question because he had somewhat the same problem in the Department of Transportation and that the Department of Transportation had not yet resolved what direction it was going to take in the matter but that he assumed the Department of Transportation was going to comply with the law, the air quality standards and water quality standards, whether State or Federal, the only question was the machinery on how that got done. The Chairman said that was the attitude of the Commission, that it had to be done on a better basis than had been proposed, so far as the Commission was concerned.

The Executive Director said that the Commission was applying for permits and receiving approvals for the facilities that he thought the State

Architect was talking about. Mr. Richley said there were a large number of sewage disposal facilities under the jurisdiction of the Ohio Department of Transportation. He said perhaps the Commission could ask Mr. Harnden if he had any idea at all as to the compliance of the Turnpike sewage disposal facilities and whether that would be under Federal or State law.

Mr. Harnden said this was the first he had heard of the study and he was bewildered and he did not know what the State Architect was driving at. Mr. Johnson said in addition to sewage disposal the study was to cover emissions of gasses from boiler installations. Mr. Richley said the study was for air and water quality standards and therefore package plants and incinerators were included. The Chairman asked whether the State Architect handled that sort of thing and whether the State Architect did not report to the Director of Public Works. Mr. Richley said that he did. The Chairman said that Mr. Nesslinger did not know anything about the program. Mr. Richley said that it was a program sponsored by the Environmental Protection Agency which wanted to coordinate the updating of all State facilities for all departments and that the Department of Public Works was to act as the agent coordinating the study. Mr. Richley said perhaps Mr. Nesslinger was not familiar with the project but that Mr. Bentz was. The Executive Director said Mr. Bentz had not been available when he first called and so he had then spoken to Mr. Nesslinger.

Mr. Harnden said he did not know whether he had answered the question or not. He said the Turnpike had an existing plant that was operating as designed and to the satisfaction of the Consulting Engineers. Mr. Richley said that was correct but asked if they were in compliance with existing State and Federal regulations. Mr. Cole said he thought it would be necessary to get more information about Mr. Bentz's proposal and then go back to Squire, Sanders & Dempsey. The Chairman said that was what had been agreed on. He said the Commission had no right to proceed until it knew what it was dealing with. Mr. Richley suggested that the Consulting Engineers review the request from a technical point of view. The Chairman said he would appoint the Consulting Engineers, the General Counsel and the Executive Director as a committee to study the report and make a report at the next meeting.

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

Mr. Harnden said he had no report. The Chairman said that the Commission had acknowledged receipt of the Consulting Engineers' Annual Report and Mr. Johnson would formally advise of the Commission's receipt of it.

Mr. Richley asked how the amount to be deposited in the Reserve Maintenance Fund was arrived at and what kind of items were covered by that Fund. The Executive Director said that in the Reserve Maintenance category were projects that were defined in the Trust Agreement as long range projects that were non-recurring. He said they were projects that often carried over a number of years and that the major element in the Reserve Maintenance Fund was the resurfacing program. He said expenditures on that kind of project made up the bulk of the Reserve Maintenance Fund but there were a number of projects that fell into the category. He said the new toll audit system was a good example and a major one. He said the recent addition to the Administration Building was a Reserve Maintenance Fund project. He said the new toll plazas that were being constructed were financed from the Reserve Maintenance Fund and that the Fund also included things like conversion of guard rail to current standards. Mr. Richley asked why such items as landscaping or guard rail replacement were included or why new maintenance equipment was, which seemed to be an annual, repetitive kind of item that was routine. Mr. Harnden said that was a repetitive item but there was a gray area between budget and maintenance. He said the guard rail was a new design that was being installed in new locations and extensions to existing guard rail to update the guard rail program. The Executive Director said that during the year the Commission would replace about 90,000 feet of guard rail along the Turnpike and that most of it would be conversion of the cable type rail which existed in many areas of the Turnpike, to the current galvanized deep beam type with the added post and spacer blocks to bring the guard rail to current Federal standards. He said therefore that was a long range addition. He said equipment that was expected to last for years, such as front-end loaders and the like, were included in the Reserve Maintenance Fund category. Mr. Richley asked whether the trucks were not also in the normal budget. The Executive Director said some of them were. He said that was what Mr. Harnden had said, that there were some gray area things. The Executive Director said the cost of operation of the trucks and such equipment was in the normal budget. He said that was where the Committee had had trouble the day before and that certain things seemed to be for the purchase of equipment but were for the operation of equipment and included all the labor and fuel used to operate those pieces of equipment. He said every year the staff reviewed with the Consulting Engineers the list of projects under way and that were charged to RMP accounts and would carry on into the following year. He said the account itself was carried on; whatever was left in it at the end of a calendar year, which was coincidental with the Commission's fiscal year, carried over to the following year for continuation of the projects. Mr. Richley said that it was almost a capital improvement fund for maintenance. The Executive Director said that

was correct, that the fund kept going so the staff knew every year what was going on, what was expected to be completed, what was expected to be added during the following year and what portion of new projects to be added were expected to be paid for during that year. He said the staff went through a tabulation of the current projects and the amounts expected to be required to complete them, and the projects that would be added the following year.

The Executive Director said the staff in cooperation with the Consulting Engineers determined what additional amount would be needed for the following year. He said that the 10-1/2 million dollars that appeared in the J. E. Greiner Company Annual Report was a sum they recommended for 1975 and that sum also appeared in the budget resolution for 1975. He said that would be the additional amount to be deposited in 1975 to carry out the expected new projects and complete the old ones that would continue into 1975. He said that sum would also include any carry-over that was left in the RMP fund at the end of the year. He said he did not want to imply that only 10.5 million dollars worth of work projects would be done in fiscal 1975. He said it might be more because of work that carried over. He said that deficits rarely occurred and that usually what happened was that there was some carry-over of funds as there would be in 1974. The Executive Director said the Commission expected, for example, to resurface 11 miles of an original concrete section at the west end of the Turnpike in 1974 and, because of a series of events, the Commission did not let that contract so those funds would carry over and would be available for the Commission to do the project in 1975.

The Executive Director said that in the periodic financial reports distributed to the Members there was a list of the current projects that were funded from the Reserve Maintenance Fund. He said he might expand such reports to include more information than was now contained in them.

The Chairman said he was always proud of the Executive Director when he gave an explanation of anything the Commission was doing.

The Chairman said the report of the Consulting Engineers was accepted as offered. He said the report of the Trustee would be received.

Mr. Sesler reported he had nothing to add to what the Chairman had already said. The Chairman ascertained there would be no report from the Director of Information and Research.

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

RESOLUTION NO. 19-1974

"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 10, 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 September 10, 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, Richley, Anderson, Bricker, Shocknessy.

Nays: None.

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 19-1974.

There being no further business to come before the Commission, a motion was made by Mr. Anderson, seconded by Mr. Bricker, that the meeting adjourn until November 5, 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: Anderson, Bricker, Teagarden, Richley, Shocknessy.

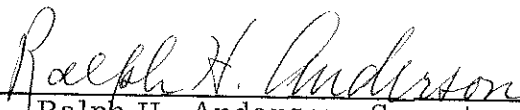
Nays: None.

The Chairman declared the meeting adjourned. The time of ad-



Journalment was 12:58 P. M.

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

  
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Ralph H. Anderson, Secretary-Treasurer