

MINUTES OF THE THREE HUNDRED AND NINTH MEETING
October 4, 1977

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 4, 1977 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; a member of the press and others in attendance.

The meeting was called to order by the Chairman. The roll was called and the attendance was reported to be as follows:

Present: David L. Weir, Ralph H. Anderson, O. L. Teagarden

Absent: Daniel E. Bricker, Clarence D. Rogers, Jr.

The Chairman announced that a quorum was present.

A motion was made by Mr. Weir, seconded by Mr. Anderson, that the minutes for the meeting of September 13, 1977, 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 present responded to roll call. The vote was as follows:

Ayes: Mr. Weir, Mr. Anderson, Mr. Teagarden

Nays: None

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

The Chairman reported that Mr. Bricker and Mr. Rogers were unable to attend the Commission meeting. He said Mr. Bricker had advised the Commission at the last meeting that he would be out of the state and Mr. Rogers was unable to attend because of the death of his mother. He said a resolution had been prepared to offer the sympathy of the Commission to Mr. Rogers and his family and that he would introduce it at the conclusion of his report.

The Chairman reported also that during the month of September, Ohio Turnpike revenue bonds totalling \$4,540,000 face value were purchased and retired by the Commission's trustee, The Ohio National Bank. He said with those purchases, \$11,813,000 of bonds had been retired for the year and the outstanding debt had been reduced to \$64,011,000. He said additional bonds were

expected to be purchased on the meeting day and the Commission might have some information on that by the end of the meeting.

The Chairman reported further that estimated total revenues for the month of September and for the first nine months of 1977 exceeded all previous revenue records for similar time periods in the Commission's history. He said estimated total revenues for September were \$4,503,000 or 5.5% greater than the previous record for the month which occurred in September, 1976. He said for the nine months, estimated total revenues showed a 6.3% increase over the previous record of last year.

The Chairman reported also that at the last Commission meeting it had been reported that State Representative Frederick H. Deering would introduce a resolution into the Ohio General Assembly memorializing the Congress to amend the Federal law, Title 23, Section 111, United States Code, so as to allow the service plazas on the Ohio Turnpike to remain after the last revenue bonds had been retired. He said the resolution was introduced on September 28 as House Joint Resolution 57 but there had not been time for the General Assembly to adopt the resolution prior to its recess.

The Chairman reported also that at the last Commission meeting on September 13, 1977, it was reported that Delbert L. Latta of the 5th District would introduce legislation into the United States House of Representatives to permit the service plazas to remain. He said he was pleased to report that such legislation had been introduced on September 23 and a copy of the bill had been furnished to the Commission along with a letter from Congressman Latta and duplicated copies of both were in each Member's folder. The letter and the bill read, as follows:

"September 26, 1977

"O. L. Teagarden
Chairman
Ohio Turnpike Commission
682 Prospect Street
Berea, Ohio 44017

"Dear Mr. Teagarden:

"Pursuant to your telephone request today, I am pleased to enclose a copy of my bill, H. R. 9275, which was referred to the Committee on Public Works and Transportation.

"I have contacted the office of Senator Metzenbaum and apprised him of my introduction in the House of this legislation and requested his support in the Senate.

"Needless to say, I am hopeful that affirmative action will be taken on this bill and appreciate your interest.

"With best personal regard, I remain

"Sincerely yours,

"Delbert L. Latta
Representative to Congress"

"A BILL

"To amend section 111 of title 23, United States Code, relating to agreements for the use of and access to the rights-of-way of the Interstate System.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That, section 111, title 23, United States Code, is amended by adding at the end thereof the following new sentence: 'Nothing in this section, or in any agreement entered into under this section, shall require the discontinuance, obstruction, or removal of any establishment for serving motor vehicle users on any highway which has been, or is hereafter, designated as a highway or route on the Interstate System (1) if such establishment (A) was in existence before January 1, 1960, (B) is owned by a State, and (C) is operated through concessionaires or otherwise, and (2) if all access to, and exits from, such establishment conform to the standards established for such a highway under this title.' . "

The Chairman reported further that Congressman Latta had also informed the Commission that he was seeking the support of the other members of the Ohio Congressional delegation to co-sponsor the legislation and that seven of them had already agreed to do so. He said that he had been in touch with the offices of both Senators Howard M. Metzenbaum and John Glenn and the Commission expected their cooperation in presenting the legislation in the Senate.

The Chairman reported further that the Commission had received several editorials supporting its position and copies of those editorials and a fact sheet of the situation had been distributed to all the members of the Ohio General Assembly and to the Ohio Congressional delegation. He said that all in all the response to the Commission's efforts had been encouraging. He said he specifically wished to mention the acknowledgement of Vernal G. Riffe, Speaker of the Ohio House of Representatives, which he read into the record of the meeting, as follows:

"September 29, 1977

"O. L. Teagarden, Chairman
Ohio Turnpike Commission
682 Prospect Street
Berea, Ohio 44017

"Dear Mr. Teagarden:

"Thank you for the information of September 22, 1977, dealing with the Ohio Turnpike Commission's effort to retain the service plazas.

"The informative fact sheet and editorials concerning this matter are certainly complimentary to your cause. You can be assured they will be considered as I deal with this issue in the General Assembly.

"Thank you again for bringing this information to my attention.

"Sincerely yours,

"Vern Riffe
Speaker
Ohio House of Representatives"

The Chairman reported further that the Executive Director would attend the annual meeting of the International Bridge, Tunnel and Turnpike Association in Detroit, Michigan in the week following the meeting and at that time he anticipated discussing the action taken by the Commission concerning retaining the service plazas with officials from other toll roads. He said the Executive Director would comment further on that subject in his report.

The Chairman reported also that it did not appear that it would be necessary for the Commission to meet in November. He said also that it had been customary to postpone the December meeting so that as much financial experience would be available in considering the final budget for the current year. He said that accordingly, he suggested that the November meeting be cancelled subject to call of the Chairman and that the December meeting be postponed from the regular date of December 6 to December 13.

The Chairman said he wished to offer a resolution extending sympathy to Mr. Rogers on the occasion of his mother's death. The resolution read, as follows:

RESOLUTION NO. 17-1977

"WHEREAS it has been with sorrow and regret that the Commission has learned of the death of Willa Rogers, the mother of Clarence D. Rogers, Jr., member of the Commission;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission, by the adoption of this resolution, extends its sympathy to Mr. Clarence D. Rogers, Jr. and his family on the death of his mother; and

"FURTHER RESOLVED that the assistant secretary-treasurer be, and he hereby is, instructed to transmit a certified copy of this resolution to Mr. Rogers. "

The Chairman called for the unanimous adoption of the resolution by all the Commission Members and such action was taken. The resolution was identified as No. 17-1977.

The Chairman said the report of the Chairman 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 as reported at earlier meetings of the Commission, the department heads and staff members of the Committee on Budget and Finance had been working on a draft of the Preliminary Budget for 1978. He said the preliminary draft had been reviewed in detail by Mr. Clark, Mr. Johnson, Mr. Rudolphy and him on September 13, 1977, after which further refinements were made by the staff.

Mr. Anderson reported further that the total amount of the proposed budget was \$21,745,494 which was \$1,836,904 or 9.2% higher than the supplemented budget for 1977.

Mr. Anderson reported further that two significant items of increase were a \$500,000 increase in the Employee Severance Fund as a result of contributing to the fund for a whole year compared to only eight months in 1977 and \$210,686 in contributions to the Public Employee Retirement System which was largely due to an increase in the employer contribution rate and a larger anticipated total payroll expense.

Mr. Anderson reported further that the remaining increased costs, amounting to \$1,126,218, included expected inflationary increases and the estimated cost of a general wage and salary increase for the Commission's employees which had been the custom over the years. He said the increases represented 5.2% of the total budget.

Mr. Anderson reported further that the proposed preliminary budget, along with the Reserve Maintenance Fund deposits of \$11,000,000 recommended by the Consulting Engineers and an estimated bond interest cost of \$1,750,000, resulted in estimated expenditures in 1978 of about \$34,500,000 which would permit the Commission to continue on a financial course similar to the past and to comply with the financial requirements of the Trust Agreement.

Mr. Anderson reported further that 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. He said the budget items contained in the resolution had been recommended by the Commission staff, the Committee on Budget and Finance and the Consulting Engineers and he, therefore, offered the resolution and recommended that it be adopted.

A resolution adopting preliminary budget for the fiscal year 1978 and providing for Reserve Maintenance Fund deposits during said year was moved for adoption by Mr. Anderson, seconded by Mr. Weir, as follows:

RESOLUTION NO. 18-1977

"WHEREAS it is provided by Sec. 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 Citibank, N.A.), 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 chairman of the Committee on Budget and Finance, the executive director and comptroller have submitted a preliminary budget of income and current expenses for the fiscal year 1978 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 Sec. 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 Sec. 509 of the said trust agreement, and the amount so recommended is \$11,000,000; and

"WHEREAS the Commission desires to provide for deposits to the credit of the Reserve Maintenance Fund during the year 1978 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:

"1978

"Preliminary Budget of Income and Current Expenses

Income \$47,000,000

Current Expenses

Administration & Insurance	\$ 5,441,804
Operations	16,107,190
Trust Indenture Expense	<u>196,500</u>
Total Current Expenses	\$21,745,494

"Amount to be Deposited to the Credit of the Reserve
Maintenance Fund

Total Amount \$11,000,000

"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."

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

Ayes: Mr. Anderson, Mr. Weir, Mr. Teagarden

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 18-1977.

The Chairman said the report of the Committee on Budget and Finance 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. Weekly traffic statistics
2. Traffic and Revenue Report - August 1977
3. Finance Statements - August 31, 1977

4. Traffic Analysis Report through August 1977
5. Draft of the minutes of the September 13, 1977 meeting
6. Detail of Investment Transactions which took place in September 1977.

The Chairman said the report of the Secretary-Treasurer was accepted as offered. He ascertained there would be no report from the Committee on Service Plazas. He said the report of the Committee on Employee Relations would be received.

The vice chairman of the Committee on Employee Relations, G. Alan Plain, reported that on October 5, 1977 the staff members of the Committee would meet to discuss the various proposals received from the two union and one non-union employee groups and also talk about any possible changes in the Employee Manual. He said further that on October 19 and October 20, 1977 the Committee would be meeting separately with the three employee groups at the Commission's Administration Building in Berea.

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

The chairman of the Committee on Safety, Mr. Johnson, reported that regrettably since the last Commission meeting there had been two fatal accidents recorded on the Turnpike.

The Executive Director reported further that in each of the two accidents, the vehicles went out of control and the victims were thrown out of the vehicles because they were not wearing seat belts. He said that in almost every fatal accident occurrence on the Turnpike, seat belts were not in use.

The Executive Director reported further that one of the fatal accidents which took place since the last Commission meeting was a hit-skip. He said a vehicle travelling at a high rate of speed struck another vehicle in the rear, forcing it from the mainline and one of its occupants was killed. He said the Ohio State Highway Patrol had succeeded in apprehending the occupants of the offending vehicle and charged them with vehicular homicide.

The Executive Director concluded the report from the Committee on Safety by stating that despite the two recent fatalities there had been fewer fatal accidents in 1977 as compared with the previous year although the traffic volume was greater.

The Chairman said the report from 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 major mainline resurfacing and guardrail replacement projects had been completed for the year. He said contracts had been signed for resurfacing of two tandem trailer lots and work was expected to begin the week following the meeting and be completed in approximately seven days.

The Executive Director reported also that contracts had been signed for replacement of the microwave antenna and associated cables on the Commission's radio towers. He said he had reported to the Commission in the past about the age of the radio equipment and the problems which had been encountered with its operation of late. He said replacement of the microwave antenna was the first phase of some rather extensive rehabilitation of the radio system.

The Executive Director reported also that the Members of the Commission had before them copies of the 1977 annual report prepared by the Consulting Engineers, the J. E. Greiner Company-Ohio. He said the report followed the annual inspection by the Consulting Engineers and the maintenance department had already begun working on many of the needed corrections pointed out in the report.

The Executive Director reported also that, as the Chairman had previously mentioned, he and several staff members would be attending the annual meeting of the International Bridge, Tunnel and Turnpike Association on October 10, 11 and 12 in Detroit, Michigan. He said the meeting would afford him the opportunity to discuss with officials of other toll roads whose facilities are on the Interstate Highway System the matter of retaining service plazas on those roads after they became toll free. He said he also would use the occasion of the meeting to make arrangements to visit some of the other toll roads, primarily those in the eastern United States.

The Executive Director reported also that Ms. Jean M. Floasin, who was in attendance, had joined the Commission's Department of Information and Research as Communications Specialist.

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, reported that the trustee, The Ohio National Bank of Columbus, had received notice from an Iva Billings that an Ohio Turnpike revenue bond in the face amount of \$3,000 had been stolen. He said that in addition to the notice the Trustee had received the documentation required for the issuance of a replacement bond. He said he had reviewed the application and affidavit of the bondholder together with a surety bond to protect the Commission from any loss that it might incur from issuing the replacement bond and found it to be entirely in order. He said a resolution had been prepared authorizing the issuance of the replacement bond which Mr. Anderson would present.

A resolution authorizing issuance of new bond in the face amount of \$3,000 to replace Bond No. R-5710 lost through theft per affidavit and application of Iva Billings was moved for adoption by Mr. Anderson, seconded by Mr. Weir, as follows:

RESOLUTION NO. 19-1977

"WHEREAS by Resolution No. 100-1954, adopted by the Commission on June 8, 1954, provision was made for the execution, authentication, and delivery of new bonds in exchange and substitution for mutilated bonds and their interest coupons, and in lieu of and in substitution for bonds destroyed or lost and their coupons, pursuant to Sec. 211 of the trust agreement relating to Turnpike Revenue Bonds, Project No. 1, and by said resolution certain requirements for execution and issuance of such new bonds and coupons were established;

"WHEREAS the documents required by said Resolution No. 100-1954 have been submitted to and approved by The Ohio National Bank of Columbus, as trustee, and said bank, as trustee, has submitted such documents to the Commission as required by the aforesaid Resolution No. 100-1954, and the other terms and conditions of said resolution have been complied with in relation to Bond No. R-5710 issued by the Ohio Turnpike Commission, which according to the affidavit and application submitted to the Commission belong to Iva Billings; and

"WHEREAS the aforesaid documents submitted to the Commission pursuant to said Resolution No. 100-1954 satisfy the requirements of said resolution, and include a surety bond on which the Buckeye Union Insurance Company is surety, said surety bond being unlimited in amount;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby approves the documents submitted to it by The Ohio National Bank of Columbus, as trustee, as aforesaid, and authorizes the execution, authentication and delivery of a new bond in lieu of the aforesaid Bond No. R-5710 in the amount of \$3,000, and that same be in definitive form and registered in the name of Iva Billings."

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

Ayes: Mr. Anderson, Mr. Weir, Mr. Teagarden

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 19-1977.

The Chairman asked the representative of the trustee, Mr. Sesler, what action would be taken if the stolen bond should be submitted for payment. Mr. Sesler responded by saying that the individual attempting to present the bond for payment would encounter rebuttal since the bond was in registered form. He said further that if by chance the stolen bond were cashed, the Commission was protected by surety bond in the event of double payment.

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 reported that as the Executive Director had previously stated, the 1977 annual report of the J. E. Greiner Company-Ohio had been presented to the Commission in advance of the October 1 deadline.

The Chairman said the report of the Consulting Engineers was accepted as offered.

The Chairman requested that the representative of the trustee, Mr. Sesler, telephone his office to inquire about Turnpike bond purchases prior to giving his report since the day of the meeting was the advertised tender day.

(At this point Mr. Sesler left the meeting room.)

The Chairman said that the Commission, through the trustee, had until October 15 to continue purchasing revenue bonds on a daily, open market basis in an effort to use up the available moneys in the Redemption Account.

The Executive Director said that if the Commission had more than \$50,000 in the Redemption Account as of October 15, then the money, according to the provisions of the Trust Agreement, must be utilized to retire bonds by a call which would then be on December 1. He said the Commission was attempting to buy the bonds on the open market at or below the call price of 101 and would continue to do so until October 15 in the anticipation that a call would not be necessary.

(At this point, Mr. Sesler reentered the meeting room.)

Mr. Sesler reported that the trustee had just purchased revenue bonds with a total face value of \$1,736,000. He said the trustee planned to continue the purchase of bonds on a daily basis until October 15 if necessary to use up the remaining funds in the Redemption Account.

The Chairman said that with the latest bond purchases, the outstanding debt had been reduced to \$62,275,000.

The Chairman said the report of the trustee was accepted as offered.

Mr. Anderson asked the Executive Director whether or not the trustee approved the Commission's annual budget.

The Executive Director said that that was not the procedure. He said the preliminary budget, after having been approved by the Commission, was transmitted to the trustee and the bondholders then had until November 1st to request a hearing on it. He said that in the past such action had never been requested. He said that after the final budget had been approved by the Commission, copies of it were presented to the trustee and the principal underwriters and in the absence of any request for a hearing, the final budget was, in essence, approved.

The Chairman ascertained there would be no report from the Director of Information and Research.

The Chairman said it did not appear to be necessary for the Commission to meet in November so, with the approval of the Members, the Commission would adjourn until December 13, subject to call. The Members indicated approval.

There being no further business to come before the Commission, a motion was made by Mr. Anderson, seconded by Mr. Weir, that the meeting adjourn until December 13, 1977, at 139 East Gay Street in Columbus, subject to call of the Chairman.

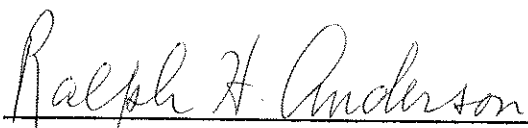
A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Anderson, Mr. Weir, Mr. Teagarden

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:51 a.m.

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



Ralph H. Anderson, Secretary-Treasurer