

MINUTES OF THE THREE HUNDRED AND TENTH MEETING  
December 13, 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 December 13, 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; John W. Clark, Special Assistant to the Director of Transportation, a member of the press and others in attendance.

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

Present: Ralph H. Anderson, Clarence D. Rogers, Jr., Daniel E. Bricker,  
David L. Weir

Absent: O. L. Teagarden

The Vice Chairman announced that a quorum was present. He said that as Vice Chairman of the Commission, he would be chairing the meeting in the absence of the Chairman, Mr. Teagarden, who had not been feeling well of late and would not be at the meeting. He said that since he had been with the Commission he had observed that Mr. Teagarden had rarely missed a Commission meeting, an indication of Mr. Teagarden's dedication to the Commission, a dedication second to none.

A motion was made by Mr. Rogers, seconded by Mr. Weir, that the minutes for the meeting of October 4, 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. Rogers, Mr. Weir, Mr. Anderson, Mr. Bricker

Nays: None

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

The Vice Chairman reported that Ohio Turnpike revenue bonds in the face amount of \$2,674,000 were purchased and retired on December 6 by the Commission's Trustee, The Ohio National Bank. He said the latest bond purchases, combined with other purchases after the last Commission meeting

on October 4, reduced the outstanding debt to \$58,131,000. He said additional bond purchases were expected to be made before the end of the year.

The Vice Chairman reported also that for the month of October, total revenues were \$4,233,179 as compared with \$3,948,776 posted in October last year. He said tolls collected in October amounted to \$3,621,447, a 7.7% increase over those collected in October, 1976.

The Vice Chairman reported also that total revenues for the month of November were \$3,868,707 or 9.6% greater than recorded for the same month last year. He said tolls collected during the month from commercial vehicles showed a marked increase over those collected in November of 1976. He said revenue from all tolls was \$3,288,827.

The Vice Chairman reported also that under the terms of the Trust Agreement the Commission was to adopt the annual budget for 1978 during the meeting. He said that due to a favorable experience for the year, it would not be necessary to amend or supplement the budget for 1977. He said the chairman of the Committee on Budget and Finance would present the 1978 budget and would comment further.

The Vice Chairman reported also that the contracts with the restaurant concessionaires provide for two-year extensions beyond the present contract expiration date of September 30, 1979. He said it had been determined that the contracts should be so extended now and a resolution had been prepared authorizing said extensions. He said the chairman of the Committee on Service Plazas would present that matter in his report.

The Vice Chairman reported also that during the month of November, there had been one fatal accident on the Turnpike. He said the Executive Director would comment further in the report of the Committee on Safety.

The Vice Chairman said that before concluding his report he wished to take a moment to introduce Mr. Frank Callahan and Mr. James Sawyer, who were in attendance, to the other Commission Members. He said Mr. Callahan was President and Mr. Sawyer was Vice President of Greiner, Incorporated and both men were partners in J. E. Greiner Company-Ohio, the Consulting Engineers retained by the Commission.

The Vice Chairman said the report of the Vice Chairman 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. Month End Release September 1977
2. Month End Release October 1977
3. Month End Release November 1977
4. Litigation Report for Quarter Ending 9-30-77
5. Expense and Budget Report - Third Quarter 1977
6. Traffic and Revenue Report - September 1977
7. Traffic and Revenue Report - October 1977
8. Traffic and Revenue Report - November 1977
9. Weekly Traffic and Revenue Reports
10. Financial Statements - September 30, 1977
11. Financial Statements - October 31, 1977
12. Financial Statements - November 30, 1977
13. Traffic Accident Analysis Report through 9-30-77
14. Traffic Accident Analysis Report through 10-31-77
15. Draft of Minutes of the October 4, 1977 Meeting
16. Detail of Investment Transactions which took place in October 1977
17. Detail of Investment Transactions which took place in November 1977

The Vice 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 an analysis was made of expenses for 1977 compared to the annual budget for 1977 adopted by the Commission in December 1976 and the analysis revealed that expenses were well within the amounts budgeted in the required three classifications and, therefore, it was not necessary to amend nor to supplement the 1977 budget.

Mr. Anderson reported further that at the October 4, 1977 meeting, the Commission adopted a preliminary budget for 1978 as required by the Trust Agreement and the preliminary budget had been filed with the Trustee and mailed to the consulting engineers and principal underwriters. He said

that there had been no requests received for a hearing as provided in the Trust Agreement to modify the budget and, therefore, it was appropriate to adopt the preliminary budget for 1978 as the final budget for 1978.

Mr. Anderson reported further that a resolution had been prepared to adopt the annual budget for 1978, a copy of which was in each of the Members' folders. He said he offered the resolution to adopt the annual budget for 1978.

A resolution adopting the annual budget for the fiscal year 1978 was moved for adoption by Mr. Anderson, seconded by Mr. Rogers, as follows:

RESOLUTION NO. 20-1977

"WHEREAS the Commission, by resolution No. 18-1977, adopted a preliminary budget for the fiscal year 1978, and caused copies thereof to be filed with the trustee and mailed to the consulting engineers and the principal underwriters;

"WHEREAS no request whatsoever for a public hearing thereon has been made to the Commission by any person or persons whomsoever;

"WHEREAS pursuant to Sec. 505 of the trust agreement dated June 1, 1952, entered into 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, the Commission desires finally to adopt a budget of income and current expenses for the fiscal year 1978, to be designated the 'Annual Budget'; and

"WHEREAS Sec. 505 of the trust agreement provides that the total appropriations in any division of the annual budget will not exceed the total appropriations in the corresponding division of the preliminary budget;

"NOW, THEREFORE, BE IT

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

"Annual Budget of Income and Current Expenses  
for the Fiscal Year 1978

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	

"FURTHER RESOLVED that the Commission hereby determines that the total appropriations in any division of the budget aforesaid do not exceed the total appropriations in the corresponding division of the preliminary budget heretofore adopted by resolution No. 18-1977; and

"FURTHER RESOLVED that the assistant secretary-treasurer is hereby instructed to file a copy of said 'Annual Budget' with the trustee and to mail copies thereof to the consulting engineers 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. Rogers, Mr. Weir, Mr. Bricker

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 20-1977.

Mr. Anderson reported further that he did want to note that in accordance with a new section of the Ohio Revised Code adopted in 1977 by the General Assembly, copies of the Commission's 1978 budget would be submitted to the Members of the General Assembly, to the Office of Budget and Management and to the Legislative Budget Office of the Legislative Service Commission. He said that the requirement was an amendment adopted by the General Assembly after the Commission objected to an earlier provision adopted by the Senate which would have required the Commission to furnish two-year budgets which were not in accordance with the annual budgets required under the Commission's Trust Agreement.

The Vice 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. Johnson, reported that, as the Vice Chairman had mentioned in his report, the Commission's current restaurant contracts with Gladioux Food Services, Incorporated and the Howard Johnson Company had an expiration date of September 30, 1979, the end of a ten-year term which began in 1970. He said the ten-year term had been selected at that time as the best estimate of the length of time needed to coincide the restaurant contracts with the retirement of the outstanding bonds. He said that included within the contracts were provisions allowing for two-year extensions. He said he thought the reasoning behind extending the contracts now could be best explained by reading the resolution authorizing said action. He read as follows:

RESOLUTION NO. 21-1977

"WHEREAS the present contracts for the operation of restaurants on the Ohio Turnpike were made in 1970 pursuant to Ohio Revised Code Section 5537.13 with the two bidders whose bids were determined to be the best bids in the public interest, the length of the terms of such contracts being fixed in relation to, and thus limited by, the Commission's then current estimate of the time when all of the bonds issued by the Commission for Ohio Turnpike Project No. 1 would be retired;

"WHEREAS the initial terms of such contracts, namely, Contract TR-4E and Contract TR-4G, expire at midnight September 30, 1979, and said contracts include options to extend the terms thereof for successive periods of two years which options provide that they may be exercised by the operators, in a time period of 12 to 9 months prior to the initial expiration date, subject to Commission veto for unsatisfactory performance;

"WHEREAS the Commission estimates that the bonds of the Commission will not be fully paid prior to said September 30, 1979, but that the time when this will occur is now estimated to be so soon thereafter that the Commission cannot have reasonable assurance of obtaining new contracts, which would be satisfactory in the public interest, by bidding pursuant to Ohio Revised Code Section 5537.13 inasmuch as the short length of term that necessarily would be specified in such contracts would not allow new operators to amortize their start-up and demobilization costs;

"WHEREAS the Commission is advised by its director of operations and executive director that the present operators have performed their contracts in a satisfactory manner and the executive director recommends that said operators be authorized to exercise the options at the present time to provide continuity in the operations of the restaurants, if legally permissible; and

"WHEREAS the Commission's general counsel has advised that under the circumstances such authorization is legally permissible;

"NOW, THEREFORE, BE IT

"RESOLVED that the executive director be, and hereby he is, authorized to inform the restaurant operators that each may exercise the option in Contract TR-4E and Contract TR-4G, respectively, at any time within the next 90 days, and that the Commission will and hereby does waive the 60-day period within which it may reject the exercise thereof, and agrees that upon the exercise of its option by either of the restaurant operators a binding continuation of said operator's contract with the Commission for a period of two years from and after September 30, 1979, will result, subject to all the provisions of said contract including all provisions relating to cancellation on the cessation of the Commission's jurisdiction over the Turnpike or for any other reasons specified therein."

Mr. Johnson reported further that the contract extensions had been discussed with representatives of both restaurant operators and they had shown interest in exercising the options included in their current contracts at the present time instead of waiting until the specified time, 12 to 9 months prior to the initial expiration date. He said that the Commission would benefit by extending the contracts at the present time because such action would eliminate any possibility that the existing contracts would expire shortly before the Commission's jurisdiction over the operation of the service plazas ran out.

Mr. Johnson reported further that the new, two-year extended contract included a provision that once the jurisdiction of the Commission ended, the contract was automatically cancelled.

Mr. Anderson inquired as to whether or not the Commission would continue to have the same authority, under the new contracts, to control prices charged by the concessionaires at the restaurants. Mr. Johnson responded by saying that with the new contracts the concessionaires would still have to submit to the Commission any proposed price increase.

The Vice Chairman said the chairman of the Committee on Service Plazas had already read the resolution authorizing a two-year extension of restaurant contracts. He asked that one of the Members offer the resolution for adoption.

A resolution authorizing a two-year extension of restaurant contracts was moved for adoption by Mr. Weir and seconded by Mr. Rogers.

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. Rogers, Mr. Anderson, Mr. Bricker

Nays: None

The Vice Chairman said the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 21-1977.

Mr. Johnson said he would conclude his report on service plazas by saying that, as already had been mentioned, the Commission had and would continue to exercise a great deal of control over prices charged at the service plaza restaurants, particularly with respect to what was known as the standard menu. He said at that time a request had been received for price increases on standard menu items which the Committee on Service Plazas was analyzing. He said the Commission had not adjusted prices of standard menu items since earlier in the year and he did not expect that whatever price increases were approved would go into effect until around February of 1978. He said that prior to approving any price increases representatives of the Patron Services Department conducted price comparison surveys at off-turnpike restaurants.

He said that one of the important factors to be considered with regard to prices charged at the Turnpike restaurants was an increase in the Federal minimum wage which was scheduled to become effective at the beginning of 1978. He said that increase would be taken into consideration when the surveys of the off-turnpike restaurants were conducted.

The Vice 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.

On behalf of the chairman of the Committee on Employee Relations, Mr. Bricker, the Committee vice chairman, G. Alan Plain, reported that on Wednesday, December 7th the Committee on Employee Relations met separately with the three employee groups representing the full-time non-supervisory employees in the maintenance and toll departments. He said further that on Thursday, December 8th a subcommittee of the Committee on Employee Relations met with the representatives of the supervisory personnel in toll and maintenance and with representatives for employees of the administration building. He said that the purpose of those meetings was to inform the employee groups of proposed changes in wages, benefits and general working conditions that the Committee was recommending to the Executive Director for his implementation for the year 1978. He said the Committee's recommendations were developed after considering proposed changes in wages, benefits and general working conditions submitted by all the employee groups at meetings held on November 9 and 10, 1977.

Mr. Plain reported further that the following recommendations were made to the Executive Director by the Committee on Employee Relations:

1. A general pay increase of 40¢ per hour for all full-time nonsupervisory employees in the toll and maintenance departments and an equivalent 7% general wage increase for supervisory and nonsupervisory salaried employees, except for certain positions where a 6% increase would apply.
2. Addition of a \$2.00 deductible prescription drug plan for all employees and dependents.
3. Increase the major medical limit from \$50,000 to \$75,000.
4. A modification of the method of determining eligible vacation, with the basic effect that employees with at least four years service would be granted one added day of vacation each year.
5. Various changes in the language of the Employee Manual.

The Vice Chairman said the report of the Committee on Employee Relations was accepted as offered. He ascertained that 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 since the last Commission meeting on October 4, 1977 one fatal accident had occurred. He said that for 1977 up to the meeting day, there had been 22 fatalities recorded as compared with 21 during the same time period in 1976. He said that although the traffic volume had shown a substantial increase in 1977 over the previous year, the fatality rate had remained relatively low.

Mr. Johnson reported further that, as he had mentioned at a previous Commission meeting, he intended to compile a summary of each fatal accident which occurred during the year with regard to usage or non-usage of seat belts. He said that of the 22 fatalities he recalled only one such accident where seat belts had been reported to have been in use.

Mr. Anderson said that he suggested the Committee on Safety forward a copy of the summary on fatal accidents to the Ohio Department of Highway Safety. Mr. Johnson said that once the summary had been completed a copy of it would be sent to that state agency.

The Vice 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 a bill calling for retention of the service plazas on the Turnpike after the last revenue bonds had been retired, which had originally been sponsored by Delbert L. Latta of the 5th District in the U. S. House of Representatives, had been co-sponsored by 13 other representatives from Ohio. He said the bill, House Resolution 9591, had been referred to the House Committee on Public Works and Transportation for action.

The Executive Director reported further that he had mailed copies of the bill to toll road officials in 15 other states who maintained service plazas on their roads which were included in the interstate highway system. He said he had called upon those individuals to seek the support of the bill from the congressional delegates of their respective states.

The Executive Director reported further that he had been informed by officials of the Kentucky Department of Transportation that they had distributed copies of the bill to their congressional delegation and sought their endorsement of it. He said the State of Kentucky was particularly interested in seeing that the bill was passed since the service plazas on the original portion of the Kentucky Turnpike were in jeopardy under the current law which called for their elimination since that road became toll free over two years ago.

Mr. Anderson said he had spoken with Representative William H. Harsha of the 6th District regarding support of the bill. He said that Representative Harsha, the ranking minority member of the Committee on Public Works and Transportation, had expressed some reservations regarding its passage but that the Executive Director would be furnishing him with material regarding the need for the bill in an effort to garner his backing of it.

The Director of Transportation suggested that the Commission keep abreast of any new legislation pertaining to federal transportation statutes which might emanate from the hearings of the Surface Transportation Subcommittee of the House Public Works and Transportation Committee chaired by Representative James J. Howard of New Jersey. He said the Commission should also remain cognizant of proposals by the U. S. Department of Transportation which might influence the availability of federal funds for construction of new Turnpike interchanges once the road became toll free.

The Executive Director said the Commission would continue to closely monitor both situations referred to by the Director of Transportation.

Mr. Rogers asked the Executive Director if any action had been proposed whereby a unified lobbying effort would be established to promulgate the interests of those toll roads who sought a revision to the Federal law concerning service plazas on interstate routes. The Executive Director said that such action had yet to be taken and it appeared the Commission would have to serve as the catalyst in the matter.

The Executive Director reported also that the City of Strongsville had requested that two parcels of land purchased by the Commission in 1953 for the Turnpike right-of-way be released to it. He said the parcels, which the Consulting Engineers had recently stated were not required for the maintenance and operation of the Turnpike, had been bought in the name of the State of Ohio for the purpose of relocating a Strongsville city street due to construction of the Turnpike.

The Executive Director reported further that neither the Commission nor the State of Ohio had any interest in the two parcels and the City of Strongsville had informed the Commission that there was an encroachment problem related to them which would be eased if the title were transferred to the city. He said that this was the first time such a situation had arisen and a resolution had been prepared authorizing him to explore the various ways an orderly transfer of jurisdiction could be accomplished.

A resolution releasing parcels Nos. 134-LL and 134-LL-1 was moved for adoption by Mr. Rogers, seconded by Mr. Anderson, as follows:

RESOLUTION NO. 22-1977

"WHEREAS the Commission purchased in the name of the State of Ohio a perpetual easement for public highway purposes on two parcels of real estate designated as Parcels Nos. 134-LL and 134-LL-1 located in the City of Strongsville, Cuyahoga County, Ohio, said purchase being from Otto B. Ekelman and Mildred Ekelman, dated August 17, 1953, and recorded in Cuyahoga County on August 26, 1953, Volume 7856, Page 532;

"WHEREAS the purchase of the aforesaid parcels was for the relocation of a Strongsville city street, to wit, Blazey Road, which road was being relocated as a result of the construction of the Ohio Turnpike;

"WHEREAS the consulting engineer, by letter dated November 2, 1977, has advised that Parcels Nos. 134-LL and 134-LL-1 are no longer needed for the construction and operation of the Turnpike, and recommends that any interest which the Commission or the State of Ohio has in said parcels be transferred to the City of Strongsville;

"WHEREAS the chief engineer, by letter dated November 2, 1977, has stated that Parcels Nos. 134-LL and 134-LL-1 are not required for the maintenance and operation of the Ohio Turnpike, and he recommends that any interest which the Commission or the State of Ohio has in said parcels be transferred to the City of Strongsville;

"WHEREAS the City of Strongsville, by Resolution No. 1977-191, has requested the Department of Transportation to release its interest in Parcels Nos. 134-LL and 134-LL-1 to said city; and

"WHEREAS the Commission has determined, based on the recommendations of the consulting engineer and the chief engineer, that Parcels Nos. 134-LL and 134-LL-1 are no longer needed for the construction, operation and maintenance of the Ohio Turnpike;

"NOW, THEREFORE, BE IT

"RESOLVED that the executive director shall take any and all action necessary on behalf of the Commission or by or through the appropriate officers of the State of Ohio to convey Turnpike Parcels Nos. 134-LL and 134-LL-1 to the City of Strongsville; and

"FURTHER RESOLVED that the authority hereby granted to the executive director shall include authority, if deemed appropriate by him, to execute an interagency transfer of jurisdiction over said easements to the Director of the Ohio Department of Transportation."

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

Ayes: Mr. Rogers, Mr. Anderson, Mr. Weir, Mr. Bricker

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 22-1977.

The Executive Director reported further that on Friday, December 16, the annual Christmas luncheon for the Commission's Administration Building employees would be held in Berea. He said that all the Members were invited to attend should they be in the immediate area.

The Vice 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 Court of Appeals had ruled that the issue of damages of the Stacey case had been wrongly handled in the trial court and had called for a re-trial on December 5. He said Mr. Stacey's counsel had requested that the trial date be turned into a pre-trial, which did occur. He said the Commission had been instructed by the Court to prepare and file by the 6th of January a brief advising the Court of the meaning of the opinion of the Court of Appeals. He said that he would proceed to file the required brief.

The Vice Chairman said the report of the General Counsel was accepted as offered. He ascertained there would be no report from the Consulting Engineers. He said the report of the Trustee would be received.

Mr. Sesler reported that from December 6 to the morning of the meeting day tender offers totalling \$473,000 face amount of bonds had been received. He said the total amount of bonds tendered up to the date of the meeting in December was \$3,147,000.

The Vice Chairman said the report of the Trustee was accepted as offered. He ascertained there would be no report from the Director of Information and Research.

The Vice Chairman asked if there was any new business to be brought before the Commission. Mr. Rogers said before the meeting was adjourned he wished to express his gratitude on behalf of himself and his entire family for the expression of sympathy offered by the Commission and all its employees in October when his mother passed away. The Vice Chairman thanked Mr. Rogers for his comments.

Mr. Anderson said he thought it would be appropriate for the Assistant Secretary-Treasurer to send a message on behalf of the Commission to the Chairman wishing him an early recovery from his illness. The Assistant Secretary-Treasurer said he would be pleased to do so.

The Vice Chairman said that as had been the custom, it appeared it would not be necessary for the Commission to meet in January. He said he suggested that the next meeting be held on the regular date in February, namely February 7, 1978.

Mr. Anderson said that February 7th was the day he would be leaving the country for two to three months. The Vice Chairman said that, with Mr. Anderson's situation in mind, the date of the next meeting would be changed to February 6, 1978.

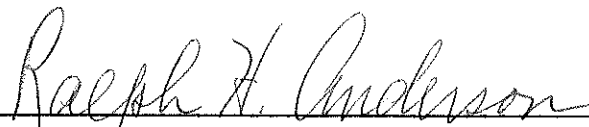
There being no further business to come before the Commission, a motion was made by Mr. Weir, seconded by Mr. Anderson, that the meeting adjourn until February 6, 1978 subject to call of the Chairman. A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Weir, Mr. Anderson, Mr. Rogers, Mr. Bricker

Nays: None

The Vice Chairman wished everyone in attendance the best for the holiday season and declared the meeting adjourned. Time of adjournment was 12:02 p.m.

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

  
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Ralph H. Anderson, Secretary-Treasurer