

MINUTES OF THE 324th MEETING OF THE OHIO TURNPIKE COMMISSION

August 11, 1980

Pursuant to bylaws the Ohio Turnpike Commission met in regular session at the BancOhio National Bank Building at 155 East Broad Street, Columbus, Ohio, at 10:00 a. m. on August 11, 1980, with key members of the staff; a representative, William R. Fleischman, of the Consulting Engineers; a representative, P. Joseph Sesler, of the Trustee, BancOhio National Bank; 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, Jo Ann Davidson, Clarence D. Rogers, Jr.

Absent: Ralph H. Anderson

The Chairman said that the meeting was the 324th of the Ohio Turnpike Commission, and it was being held at the BancOhio National Bank Building at the invitation of the Trustee, BancOhio National Bank, for the convenience of the Columbus-area Members and participants. He said that Mr. Anderson was out of the country and, therefore, was unable to attend the meeting. He said that a quorum was present and the official business of the Commission could be conducted.

A motion was made by Mrs. Davidson, seconded by Mr. Weir that the minutes of the meeting of July 2, 1980, 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: Mrs. Davidson, Mr. Weir, Mr. Rogers

Nays: None

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

The Chairman said his report would be a brief summary of the Commission's financial experience for the first seven months of 1980. He said Turnpike total revenues for the first seven months of the year came to \$29,510,000, a decline of \$1,173,000 or 3.8% in comparison with the same period in 1979. He said toll income amounted to \$23,583,000, down \$1,866,000 or 7.3% from last year.

The Chairman reported further that passenger car tolls for the seven months were \$8,800,000, a minute 0.6% increase over 1979, while tolls from commercial vehicles totalled \$14,783,000, a decrease of \$1,921,000 or 11.5%.

The Chairman reported also that there were two resolutions to be considered by the Commission at the meeting, copies of which had been placed in the Members' folders. He said the resolutions would be explained and presented during the course of the appropriate committee or staff reports. He said the bid tabulations on one project, operation or management of the service stations, for which a resolution had been drafted, had been forwarded to Members.

The Chairman said that in the absence of any questions the report of the Chairman was accepted as offered. He said the Assistant Secretary-Treasurer would report for Mr. Anderson in his absence.

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

1. Weekly Traffic Statistics
2. Investment Transactions which occurred in June and July 1980
3. Traffic and Revenue Report for June and July 1980
4. Financial Statements for June 30 and July 31, 1980
5. Litigation Report for Quarter Ending June 30, 1980
6. Traffic Accident Analysis Report through June 30, 1980
7. Expense and Budget Report for First Half 1980
8. Draft of the Minutes of the Ohio Turnpike Commission July 2, 1980 meeting

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

The Assistant Secretary-Treasurer said that the Commission's staff had been in the process of preparing the budget for 1981, and it would be completed prior to the next Commission meeting so that it might be adopted before October 20 in accordance with the Trust Agreement.

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, Mrs. Davidson, said that at the last meeting of the Commission, the Commission rejected all bids that had been solicited and received on contracts to operate the Commission's

sixteen service stations after the present contract expired on September 30, 1980, and instructed the Executive Director to take such action deemed appropriate to assure continued operation of the stations. She said that, as a result, new bidding documents were prepared and advertised and bids were opened and read on August 5, 1980. She said a tabulation of the bids received had been furnished to the Members and also was in the Members' meeting folders.

Mrs. Davidson said further that the new documents provided for three-year term contracts either to operate the stations and pay rent to the Commission or in an alternative to manage the stations for the Commission with the Commission being the operator and receiving all revenues and paying a fee to the manager.

Mrs. Davidson said further that two companies bid on the various contracts to operate the stations. The Standard Oil Company (Ohio), the present operator, and Oasis Petroleum Corporation of Culver City, California. She said two companies submitted bids to manage the stations, Great Lakes Petroleum Management Services, a partnership, of Garfield Heights, Ohio and C & F Management Company, a corporation, of Lapeer, Michigan.

Mrs. Davidson said further that the Executive Director and other staff members had met with representatives of the three companies other than Sohio and had solicited information from all the companies on which to evaluate the bids and make a recommendation.

Mrs. Davidson said further that the two companies which submitted management service bids were formed specifically to bid on these contracts and, therefore, had no previous records. She said that because of that total lack of experience, and the absence of evidence of adequate financial strength of either company, the Committee considered the potential risk of entering into a contract with either management company to be too great to warrant serious consideration of an award to either.

Mrs. Davidson said further that the bids of Oasis and Sohio to operate all sixteen stations and to pay rent based on each gallon of fuel sold were quite close being 4.39 cents per gallon for Oasis and 4.27 cents per gallon for Sohio. She said that since Sohio had been the operator for almost five years, the Commission was familiar with their operations and satisfied they could fulfill the obligations of the contract.

Mrs. Davidson said further that, as for Oasis, the Committee had requested, received and reviewed information submitted by the company and had met with top level officials of the company. She said that as a result, the Committee was convinced that, even though the company was relatively new and small, it had the capability, resources and attitude to operate the sixteen stations. She said that, although Oasis was not a producer or refiner, the committee believed that, barring implementation of the federal rationing which would affect everyone, adequate fuel supplies could be obtained for the Turnpike stations and that the

Commission's pricing controls would keep them competitive with off-Turnpike stations. She said that, furthermore, the Commission was engaged in a program to modernize the stations which coincided with the corporate philosophy and image projected by Oasis.

Mrs. Davidson said further that it was the second time the contract had been bid. She said both times Oasis had submitted the highest bid to operate all sixteen (16) stations. She said that under the circumstances, the committee believed the bid by Oasis to operate all sixteen stations was the best bid received and recommended that an award be made to Oasis.

Mrs. Davidson asked the Executive Director if he concurred with the Committee's recommendation.

The Executive Director said that he concurred with the recommendation both as Executive Director and as a member of the Committee on Service Plazas.

A resolution awarding Contract SS 8-A was moved for adoption by Mrs. Davidson, seconded by Mr. Weir, as follows:

RESOLUTION NO. 6 - 1980

"WHEREAS, the Commission has heretofore advertised for bids for the performance of Contracts SS 8-A, SS 8-B, SS 8-C, SS 8-D, SS 8-E, SS 8-F, SS 8-G, SS 8-H, SS 8-J, each of which is a contract for the operation and/or management of various combinations of the dual service stations (i. e., pairs of service stations, each pair having individual stations located opposite each other on both sides of the Ohio Turnpike) at the service plazas on the Ohio Turnpike;

"WHEREAS, advertisements of notice for the taking of bids for each of the aforesaid contracts were duly published according to law and bids for the performance of such contracts were thereafter received and duly opened and read as provided in said published notice, and said bids are before this Commission meeting;

"WHEREAS, said bids have been analyzed by the executive director and by the Commission's Committee on Service Plazas, and recommendations predicated upon said analyses have been tendered to the Commission for its consideration;

"WHEREAS, the Commission has duly and fully considered said bids and the aforesaid analyses and recommendations;

"WHEREAS, all of the aforesaid bids were solicited on the basis of the same terms and conditions with respect to all bidders and potential bidders;

"WHEREAS, the Commission has determined that the bid of Oasis

Petroleum Corporation, Culver City, California, for the performance of Contract SS 8-A is, in consideration of the public interest, the best of all bids and combinations of bids received in response to the advertisement for said contracts;

"WHEREAS, the Commission has been advised by its general counsel that said bid conforms to the requirements of all applicable statutes and to the terms and conditions set forth in the legal notice and other documents applicable thereto, and that the Commission may legally accept said bid; and

"WHEREAS, the Commission is satisfied with the capacity and ability of said bidder to perform its obligations pursuant to its bid;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of Oasis Petroleum Corporation, Culver City, California, for the performance of Contract SS 8-A in the amount of 4.39 cents per gallon of fuel sold is, and is by the Commission determined to be, the best of all bids and combinations of bids received, in consideration of the public interest for the performance of any of the aforesaid contracts and is accepted;

"FURTHER RESOLVED that the chairman and the executive director or either of them, be, and hereby each of them is, authorized to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, and to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that the executive director is instructed to return the bid security of all other bidders as soon as said contract is executed."

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

Ayes: Mrs. Davidson, Mr. Weir, Mr. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 6-1980.

The Executive Director said that two price increases requested by the restaurant concessionaires had been approved, namely an increase from 45 cents to 50 cents for a cup of coffee and a can of pop. He said the concessionaires requested the increases because current economic conditions had resulted in reduced income during the normally busy summer months. He said the Committee had also authorized the placement of certain types of coin-operated, electronic game machines in the lobbies of the service plazas on a trial basis. He said revenues from the machines, the sit-down, cabinet types, were expected by the

concessionaires to help offset rising utility costs.

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

The vice chairman of the Committee on Employee Relations, G. Alan Plain, said the Committee had received a request from Commission employees to consider a mid-year cost of living wage adjustment. He said the Committee Chairman responded that such a request would not be considered, but the effect the economy has had on the cost of living during the entire year would be considered when the Committee met with various employee groups late in 1980. He said a memo of response from the Commission had been posted at all Turnpike installations.

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

The Director of Transportation, Mr. Weir, said the department's motor fuel revenues had declined for the past 14 months, approximately a \$25 million decline.

Mr. Weir said also that, as the Commission Members recalled, the General Assembly required the department to make an analysis of the economic impact upon the department for the transition of the Turnpike to the state after the final bonds sold to construct the toll road were retired. He said the department had been working toward an engineering agreement with a private consulting firm for that study.

The Executive Director said the Commission's staff had been closely working with Mr. Weir on the scoping of the impact study. He said he thought that there were various aspects of the impact study that overlapped and coincided with the environmental and engineering study, which was in progress for the Commission. He said he had offered the services of the Commission's staff and any services of the Commission's general Consulting Engineers, the J. E. Greiner Company - Ohio and the environmental and engineering study engineers, Dalton·Dalton·Newport, which were beyond their normal services.

The Executive Director said further that one of the keys in determining the financial and fiscal impact on the Ohio Department of Transportation when the Turnpike was turned over to it as a toll-free entity was the determination of the exact meaning of the phrase in the Turnpike Act which ended, "... being in condition and repair to the satisfaction of the Director of Transportation." He said the Commission needed to know what the Director of Transportation would be willing to accept and in what condition the road needed to be. He said a decision on that matter should be made and considered in the impact study.

The Executive Director said further that the Turnpike had been properly

maintained over the years of its existence and particular attention was then being given to such things as the condition of bridge decks in anticipation of the transfer of the road. He said that if it were decided that certain things would need to be done to the road before it was acceptable to the Director of Transportation, then it would be the obligation of the Commission to either fund them or make provisions to have them done.

Mr. Weir said the analysis of the general condition of the Turnpike would be done on its present state and not include any potential modifications in the future.

The Executive Director said one aspect of the environmental and engineering study, funded by the Commission to determine what improvements to the Turnpike were necessary to incorporate it into the Interstate Highway System once it was free of tolls and to qualify those improvements for 90% federal aid, was the study of alternatives. He said one alternative was the so-called "no build," in which very limited modifications would be done to existing interchanges. He said the extent of those changes had yet to be finalized in meetings the Commission's staff had been having with O. D. O. T. officials.

Mrs. Davidson said she would not like to see the Commission become locked into a position where it must strictly adhere to a present statement by the Director of Transportation concerning acceptable condition of the road which would preclude any other course of action in the future regarding road improvements and how they are funded, including matching moneys.

The Executive Director said that such flexibility would necessitate changes in the language of the state and federal statutes governing the Turnpike. He said the statutes would have to be reviewed and a determination made about what would have to be done to achieve the needed flexibility.

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

The Executive Director said that before giving his report he wished to introduce Parker Anderson, a vice president of Oasis Petroleum Corporation, who was in the meeting room. He said Mr. Anderson did not know in advance what decision the Commission would be making in awarding a contract for operation of the service stations on the Turnpike but had requested to attend the meeting since it was open to the public. He said that since Oasis had been awarded the contract he anticipated many future discussions with Mr. Anderson and other Oasis representatives.

The Executive Director said also that nine public meetings were held in the month of July as part of the environmental and engineering studies. He said that public comment had been sought on additional potential Turnpike interchanges. He said 27 new potential interchanges were included in the study and at each meeting only those potential interchanges in the immediate area of the meeting place were examined.

The Executive Director said further that he thought the meetings went well even though they were not attended by a large number of people. He said he thought the goals of the meetings had been accomplished although they wouldn't have if the issue of what should happen to the road after the debt was paid had not been quelled at the outset.

The Executive Director said further that those who attended the meetings were given an opportunity to express their views on the future of the Turnpike during open discussion periods at the conclusion of the agendas. He said that, to be honest, the vast majority of the attendees wanted the road to stay as a toll road indefinitely. He said they were aware that O.D.O.T. lacked adequate funds to properly maintain the roads in the state and they did not want the Turnpike to deteriorate.

He said the studies were essentially on schedule and were not to be completed until September 30, 1983.

The Executive Director said also that the Members had copies of a resolution in their folders pertaining to the Industrial Commission of the State of Ohio and also a letter addressed to him dated July 21, 1980, from William C. Hartman of Squire, Sanders & Dempsey, the Commission's labor and fiscal counsel, concerning the Ohio Turnpike Commission's relationship with the Industrial Commission. He said that Ohio Turnpike Commission employees were covered by workers' compensation and the Ohio Turnpike Commission had the obligation to pay to the Industrial Commission premiums for that coverage.

The Executive Director said further that for several years the Ohio Turnpike Commission had contended that the Industrial Commission's rates were higher than they should have been. He said the Industrial Commission had finally agreed that that indeed had been the case. He said that, however, the Industrial Commission had been concerned about the Ohio Turnpike Commission's ongoing payment obligation in the event the Ohio Turnpike Commission ceased to exist after the road was turned over to the state because injured employees or former employees were entitled to workers' compensation benefits for a period of time after the date of injury.

The Executive Director said further that adoption of the resolution would enable the Ohio Turnpike Commission to get a refund from the Industrial Commission for overpayments. He said the minimum amount of refund would be \$260,000.

The Executive Director said further that Mr. Hartman's advice had been sought because he was an expert in the workers' compensation field. He said Mr. Hartman had aided in drafting the resolution. The Executive Director said he would be transmitting the resolution with a cover letter to the Industrial Commission.



The Executive Director said further that another aspect of the situation had been that an opinion had been requested about whether or not the Ohio Turnpike Commission qualified as a self-insurer. He said counsel for the Industrial Commission said that the Ohio Turnpike Commission could not become self-insured. He said Mr. Hartman advised him to pursue the self-insured issue further after the adopted resolution had been sent to the Industrial Commission and the overpayment was funded.

Mrs. Davidson asked the Executive Director if the language in the resolved section of the resolution was the statement required in order to secure the return of the \$260,000.

The Executive Director responded that the language was intentionally vague because there was a question about the future monetary obligations of the Ohio Turnpike Commission. He said that both the Ohio Turnpike Commission's general counsel, Francis K. Cole, and Mr. Hartman had approved the language.

The Chairman asked Mr. Cole if the resolution dealing with the Industrial Commission and the resolution awarding the contract for service station operation were in the form as prescribed by law.

Mr. Cole responded by saying that they were in the proper form.

A resolution titled Resolution - Industrial Commission was moved for adoption by Mr. Weir, seconded by Mrs. Davidson, as follows:

RESOLUTION NO. 7 - 1980

"WHEREAS, the Ohio Turnpike Commission is subject to the Workers' Compensation Act, Chapter 4123 of the Revised Code of Ohio, and under said Act Turnpike Commission employees injured in the course and scope of their employment are entitled to compensation and/or medical benefits;

"WHEREAS, the Ohio Turnpike Commission reimburses the Industrial Commission for such payments to and on behalf of Commission employees;

"WHEREAS, an employee of the Ohio Turnpike Commission who was injured within the course and scope of his employment may be entitled to benefits under the Workers' Compensation Act for a period of time after the date of the injury;

"WHEREAS, under the provisions of Section 5537.21 of the Revised Code of Ohio, when Turnpike bonds issued pursuant to Sections 5537.01 to 5537.23 of the Revised Code of Ohio are paid, or the payment thereof secured and certain other statutory provisions are satisfied, the Turnpike shall become part of the State Highway System and shall become toll-free;

"NOW, THEREFORE, BE IT

"RESOLVED, that the Ohio Turnpike Commission agrees that, at such time, as the conditions of Section 5537.21, Revised Code, are met, provisions will be made with the Industrial Commission to fund the ongoing obligations of the Industrial Commission to former employees of the Ohio Turnpike Commission,"

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

Ayes: Mr. Weir, Mrs. Davidson, Mr. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 7-1980.

The Executive Director said that under his report he would ask Mr. Plain to report on the status of certain construction projects.

Mr. Plain said the deck replacement and widening project on the Gulf Road bridge over the Turnpike was on schedule. He said the deck had been removed and stay-in-place forms had been installed. He said that work had not begun on a new toll plaza where the Turnpike was to link with Interstate Route 480 because the state's contractor had not permitted the Commission's contractor access to the site. He said the result was that the Commission's contractor was four weeks behind schedule.

Mr. Plain said further that the resurfacing of Turnpike mainline from milepost 127.3 to 132.0 had been completed. He said resurfacing from milepost 144 to 153.5 was 85 percent finished and should be done by August 27, 1980. He said resurfacing from milepost 230.6 to 241.2 was completed with the exception of certain bridge deck repairs. He said that project would be done by the end of August.

Mr. Plain said further that the Commission's Consulting Engineers, J. E. Greiner Co. - Ohio, had furnished specifications for new fuel dispensing equipment as part of the renovations and improvements to the service stations on the Turnpike, and he expected bids to be advertised in August. He said the plans and specifications for new underground fuel storage tanks and distribution systems, including pump islands and building modifications, were nearing completion.

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

Mr. Cole said he had filed a motion in the Stacey case with 6th District Court of Appeals to reverse the court's previous decision in favor of Stacey. He said the court adhered to its previous decision. He said the next step would be the filing of an appeal with the Ohio Supreme Court.

The Chairman said the report of General Counsel was accepted as offered. He ascertained there would be no reports from the Consulting Engineers, the Trustee or the Director of Information and Research.

The Chairman said the next meeting of the Commission would be on October 7 with the meeting place open pending further consultation with the Members.

There being no further business to come before the Commission, a motion was made by Mrs. Davidson, seconded by Mr. Weir that the meeting adjourn, subject to call of the Chairman.

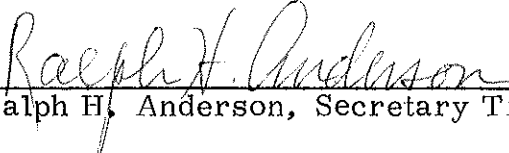
A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Davidson, Mr. Weir, Mr. Rogers

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 10:55 a.m.

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

  
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Ralph H. Anderson, Secretary Treasurer