

MINUTES OF THE 325th MEETING OF THE OHIO TURNPIKE COMMISSION

October 7, 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 October 7, 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; John W. Clark, Special Assistant to the Director of Transportation; 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: Jo Ann Davidson, David L. Weir, Ralph H. Anderson.

Clarence D. Rogers, Jr.

Absent: None

The Chairman said that the meeting was the 325th 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.

A motion was made by Mrs. Davidson, seconded by Mr. Weir that the minutes of the meeting of August 11, 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 responded to roll call. The vote was as follows:

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

Nays: None

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

The Chairman said the Commission had a full meeting agenda but that, since October 1 was the silver anniversary date of the opening of the entire length of the Turnpike, he would review some significant statistics which had been compiled during the existence of the toll road.

The Chairman reported that from the moment the barricades were lifted at the Turnpike's eastgate terminal to let traffic onto the first 22-mile section of the road in 1954 through September 1980, nearly 462,000,000 vehicles had used the Turnpike and travelled in excess of 32,700,000,000 miles. He said total revenues had topped \$884,000,000 and toll revenues, the biggest single source of income, had amounted to more than \$724,000,000.

The Chairman reported further that in addition to toll revenue, income from restaurant and service station concessions neared \$116,000,000, investments produced another \$28,500,000, special hauling permits added almost \$13,300,000 and income from miscellaneous sources was approximately \$2,400,000. He said the revenues, of course, had been used over the years for operating, maintaining and repairing the highway and related facilities, as well as for bond interest payments and bond retirements. He said bond interest payments totalled close to \$210,000,000, while the face amount of bond retirements was \$304,560,000, leaving only \$21,440,000 of the original \$326,000,000 in bonds sold in 1952 to finance construction of the Turnpike yet to be paid.

The Chairman reported also that there had been considerable publicity about the contract the Commission awarded to Oasis Petroleum Corporation to operate the 16 service stations on the Turnpike. He said much of the publicity appeared to be aimed at the Commission's Executive Director, Allan V. Johnson, and he wanted the record to be clear that the Commission stood solidly behind its decision to award the contract to Oasis. He said that to date there had not been anything that would alter the decision of the Commission. He said there had been no facts or circumstances presented that would cause such an action. He said it should be noted that the award had been made at the conclusion of the second bid procedure and it was done after previous bids had been rejected by the Commission. He said that at no time was information brought to the Commission's attention that had been printed in the local media and indeed the state media. He said the Executive Director would report further on the Oasis matter later in the meeting.

The Chairman reported further that there were three resolutions to be considered by the Commission at the meeting, copies of which had been placed in the Members' folders. The resolutions would be explained and presented during the course of the appropriate committee or staff reports. The Members had already been forwarded the bid tabulations on one project, construction of bulk salt storage buildings, for which a resolution had been drafted.

The Chairman said that in the absence of any questions the report of the Chairman was accepted as offered. He said the report of the Secretary-Treasurer would be accepted.

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

1. Weekly Traffic Statistics
2. News Release - Award to Oasis Petroleum 8/11/80
3. Newsletter No. 2 - Second Series of Public Meetings
4. News Release - Oasis Petroleum Fuel Price Changes 9/30/80

5. Traffic Accident Summary Report through 7/31/80
6. Traffic Accident Summary Report through 8/31/80
7. Investment Transactions for August 1980
8. Investment Transactions for September 1980
9. Draft of Minutes of the August 11, 1980 Commission Meeting
10. Traffic & Revenue Report - August 1980
11. Financial Statement - August 31, 1980
12. Ohio Turnpike Commission Bond Redemption Report to Members 9/12/80
13. Ohio Turnpike Commission Bond Redemption Report to Members 10/6/80

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 chairman of the Committee on Budget and Finance, Mr. Anderson, said that, as had been reported at the last meeting of the Commission, the department heads and staff members of the Committee on Budget and Finance were working on a draft of the Preliminary Budget for 1981. He said the preliminary draft was reviewed by Messrs. Johnson, Rudolphy and him on September 17, 1980, and again the day before the meeting.

Mr. Anderson said further the total amount of the proposed Preliminary Budget was \$29,176,407, which was \$2,444,012 or 9.1% higher than the budget for 1980. He said the proposed budget provided for anticipated inflationary increases on supplies, materials, services and so forth and the estimated cost of an annual general wage and salary increase for the Commission's employees, which had been the custom over the years. He said most of the larger changes were for an increase in police patrol in anticipation of a larger complement of troopers, an increase in toll plaza salaries, due to the expected opening of Toll Plaza 9A, and decreases in severance expense and snow and ice control.

Mr. Anderson said further the proposed Preliminary Budget, along with the Reserve Maintenance Fund deposit of \$15,000,000 during 1981 recommended by the Consulting Engineers in their Annual Report for 1980, which already had been presented to the Commission, and an estimated bond interest cost of \$550,000, would result in estimated total expenditures in 1981 of about \$44,750,000. He said the specific items and programs contemplated in these expenditures, along with the Reserve Maintenance Fund deposit for 1981, represented the continued maintenance effort to keep

all facilities, including the service plazas, in satisfactory condition for eventual turn-over to the state. He said even though this amount was a record high amount, with revenues projected to be \$51,500,000, the Commission should be able to pursue a financial course without the need for any increase in toll rates, although the economic uncertainties that face the entire world no doubt will continue to influence the Commission's affairs and warrant continued careful scrutiny and control of Commission finances as the final years of the Turnpike's existence approached.

Mr. Anderson said further 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.

A resolution adopting the preliminary budget for the fiscal year 1981 and providing for Reserve Maintenance Fund Deposits during said year was moved for adoption by Mr. Anderson, seconded by Mrs. Davidson, as follows:

RESOLUTION NO. 8 - 1980

"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, (now BancOhio National Bank), 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 1981 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 \$15,000,000; and

"WHEREAS, the Commission desires to provide for deposits to the credit of the Reserve Maintenance Fund during the year 1981 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:

"1981"

Preliminary Budget of Income and Current Expenses

Income		\$51,500,000
Current Expenses		
Administration & Insurance	\$ 6,649,380	
Operations	22,283,527	
Trust Indenture Expense	<u>243,500</u>	
Total Current Expenses	\$29,176,407	

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

Total Amount \$15,000,000"

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 8-1980.

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, as had been included in Mr. Anderson's report and in the Consulting Engineer's annual report, various improvements would be made to the underground fuel storage and distribution systems at all 16 service plazas on the Turnpike.

Mrs. Davidson said also that the change in operation of the service stations on the Turnpike from the Standard Oil Company (Ohio) to the Oasis Petroleum Corporation on October 1, 1980, had gone smoothly. She said the Executive Director would comment further.

The Executive Director said that, with regard to the fuel storage and distribution systems, a contract had already been awarded for new fuel dispensers and the Commission's staff would be working with representatives of Oasis on installing the pumps. He said plans were being prepared for revamping the fuel dispensing islands including construction of protective canopies and placement of self-service outlets.

The Executive Director said also that he wanted to comment on the news media stories regarding Oasis and the Commission's decision to award it a contract for operation of the service stations. He said that, first of all, he would like to acknowledge the presence of Tariq Kadri, general counsel and secretary of Oasis. He said he also wanted to note the attendance of and welcome Daniel Holleran, a representative of the Auditor of State, Thomas E. Ferguson. He said the State Auditor had the permissive authority to audit the Commission, but that had not been done since 1968. He said the State Auditor had relied on the audits which had been conducted by the Commission's outside auditor, Peat, Marwick and Mitchell. He said the State Auditor was sent a copy of the audit report on the Commission every six months. He said further that the Auditor of State was notified of the location and time of every Commission meeting so he might decide whether to attend and he invited the Auditor's representative to visit the Commission's headquarters in Berea.

The Executive Director said further that some of the publicity that surrounded the changeover of service station operations, specifically that which dealt with Oasis, seemed to imply that the Commission had acted behind closed doors on the award of the contract. He said that, as the Commission Members knew, the contract was awarded at a meeting open to the public in the same room in the Banc-Ohio building in which the instant meeting was being held approximately seven weeks ago on August 11, 1980. He said the proper meeting notice in accordance with the state's sunshine laws had been sent to the news media. He said the news media had been notified of the instant meeting and he was surprised that, in view of the recent publicity, no members of the news media were in attendance.

The Executive Director said further that he wanted to characterize the start of the publicity as a sneak attack. He said that after the August 11 Commission meeting a news release announcing the award to Oasis was distributed throughout the state, since there were not any reporters at that particular meeting. He said the release was distributed to the news media, elected officials, congressmen, senators and there had been considerable reporting at that time of the award to Oasis.

The Executive Director said further that he talked to a reporter for the Cleveland Plain Dealer a few days after the August 11 meeting and had been asked how the contract had been awarded to Oasis. He said he explained that the contract had been awarded to Oasis pursuant to the public bidding process as required by law. He said that bids were necessitated because the Standard Oil Company (Ohio) had declined an option to extend the previous contract. He said the bidding procedure had occurred twice and Oasis had made the best bid both times.

The Executive Director said further that he did not hear again from the Plain Dealer reporter until Monday, September 29, 1980. He said he happened to be in Washington, D. C. for a conference on that day and, in checking with his office for messages, was informed that the reporter wanted to talk to him immediately. He said that when he called he was confronted with questions about whether or not he was aware that Oasis was being investigated by the U. S. Department of Energy, the Federal Bureau of Investigation and other agencies for such things as daisy chaining and manipulating the oil market. He said he told the reporter that he was not aware of any such things, which he said further were presented to him on the telephone as though they were outright facts. He said it turned out they were not, rather they were all allegations and accusations contained in an article on Oasis which appeared in the Plain Dealer on Tuesday, September 30, 1980, the last day of the service station contract with Sohio and the day before Oasis was to take over operation of the stations.

The Executive Director said further that the Plain Dealer reporter called him in the afternoon of the day the first article appeared in that paper and asked him whether, on the basis of her story, the Commission would be changing its mind about allowing Oasis to run the Turnpike service stations. He said he told her he saw nothing in the story that would warrant such action and that the change-over would proceed as planned.

The Executive Director said further that when the first article appeared in the Plain Dealer he immediately discussed it and the allegations contained in it with the president of Oasis, Finn Moller. He said Mr. Moller and Parker Anderson, Oasis Vice President and General Manager of Retail Operations, and Mr. Kadri had agreed to come to the Commission's administration building in Berea to participate in a Commission-called news conference on October 2. He said that at the news conference Oasis officials refuted the allegations and charges which appeared in the newspaper article, point by point. He said that, unfortunately, the Plain Dealer had not seen fit to correct the inaccuracies that appeared in the story. He said he had included in the Members' folders copies of the statements he and Mr. Kadri had made at the news conference.

The Executive Director said further that he had responded to the Plain Dealer editorial, "The Oasis oil deal," of October 1, 1980, in which the newspaper called the award to Oasis a shocking action by the Commission. He said it certainly took the Plain Dealer a long time to feel the shock, seven weeks between the time the contract was awarded until October 1, when it was already

in effect. He said he would next respond to an editorial which appeared in the Toledo Blade on October 4, 1980, titled "Clouds Over Turnpike."

The Executive Director said further he was at one of the service plazas to observe the change in operation of the service stations at 12:01 a.m., October 1, 1980, and there were few if any problems encountered. He said that after one week of operation of the stations Oasis had shown him more about how to operate a service station than Sohio had in the five years that company was on the Turnpike. He said he was not trying at this stage to discredit Sohio. He said that, however, Oasis had an excellent operating team on the Turnpike and he was pleased to say, as had already been announced, that fuel prices had been reduced because Oasis had access to more than one supplier, which Sohio did not. He said that it had always been the goal of the Commission to provide Turnpike patrons with the best possible service at the service plazas and he thought that Oasis was fulfilling its contractual obligations and he would insist that they continue to do so and that Mr. Moller had pledged every effort to do so on behalf of Oasis.

The Executive Director said further that the Commission's General Counsel, Francis K. Cole, might want to comment on the legal aspects of the contract with Oasis. He said the Commission had operated the Turnpike for over 25 years, so bidding contracts and administering them was nothing new. He said he had been with the Commission for nearly 10 years and was well aware of the bidding requirements and procedures and he had no regrets in making the recommendation of the award to Oasis.

The Executive Director asked Mr. Cole, who, he said, happened to be the employee with the longest length of service of any employee of the Commission, more than 27 years, to comment on the bidding procedures.

Mr. Cole said the previously mentioned newspaper publicity suggested that the Commission should have done something different in its bidding procedure, including a more thorough investigation into the background of Oasis with regard to alleged investigations of improprieties, before awarding that company a contract to operate the Turnpike's service stations. He said that never, since the Turnpike was starting to be constructed, had regulatory agencies or prosecutors been asked whether potential bidders were under investigation. He said that he had spoken with a representative of the U. S. Energy Department about certain features of Oasis' supply position prior to the bidding. He said that after the Plain Dealer's story appeared he called the same official and indicated to him that suggestions had been made that the contract should not have been awarded to Oasis if Oasis were in fact under investigation by the Department of Energy. He said that the official responded: "I didn't think we did business that way in this country."



Mr. Cole said that if the Commission had discovered that Oasis were under investigation by any federal agency, the Commission would have had to make the award to Oasis anyway or resort to one of three alternatives, each of which would have been improper. He said that the first alternative would have been to deny the contract to Oasis and award it to the other bidder because of an investigation in progress. He said, that would have been in effect condemning Oasis prior to any determination and could have made the Commission a target for all sorts of litigation including charges of denial of due process and similar claims. Mr. Cole said further that the second alternative open to the Commission would have been to investigate the charges itself thereby undertaking to perform a function being performed by whatever agency was investigating. He said the Ohio Turnpike Commission lacked the authority to issue subpoenas all over the countryside as would be necessary to do that. He said the extreme complexity of the type of investigation relating to such matters as daisy-chaining, spot-market manipulations and allegations to keeping two sets of books would be extremely complex. He said it would be impractical for the Commission to perform such an investigative function. He said he also questioned the wisdom of seeking information about bidders from a number of sources whose responses could be influenced by motives which might not be known to the Commission. He said that the third and remaining alternative would be equally impractical and absurd. Mr. Cole said further that this last alternative would be to have sought to defer action until the completion of whatever investigations might have been found to be in progress. He said it was clear that awards could not be delayed indefinitely while other agencies investigated, decided whether or not to make some sort of charge, and, if a charge were made, action on it was resolved. He said that there was no official charge of any kind even claimed to have been filed against Oasis.

The Executive Director said that since all the publicity had occurred, he had not heard from a single federal agency, state agency, senator, congressman, or any official about the Commission's contract with Oasis. He said he had only heard from members of the news media. He said no one had stepped forward and offered any information about the alleged investigations and certainly no one had inquired about the specifics of the service station contract.

Mr. Cole said that an energy department official had been quoted in an Akron Beacon Journal story, which appeared on October 1, 1980, as saying that had an inquiry been made as to whether or not a specific company had been under investigation, they would not have told us (or anyone else).

Mrs. Davidson said that the Service Plaza Committee began discussions of future service station requirements a long time ago in view of how long the contracts should be relative to the uncertain future of the Commission. She said Sohio had been asked to extend its contract which, for understandable reasons, it had not done. The Committee had discussed whether or not, due to the unusual set of circumstances, a contract could be negotiated

for operating the service stations rather than go to the bidding procedure. She said it was determined at that time that going to the bidding procedure would be best. She said that the Commission Members were aware that the first bids received were rejected. She said Sohio's bid was disqualified and it had not been felt then that the Commission had sufficient information to award to Oasis. She said that when the second set of bids had been sought some modifications had been made to the specifications. She said that again Oasis had been the best bidder and a great deal of checking had been done and lengthy discussions had been conducted between the staff and committee members before the contract had been awarded. She said she felt the correct decision had been made and wanted to reaffirm her support of that decision.

The Chairman said the report of the Committee on Service Plazas was accepted as offered. He ascertained there would be no report from the Committee on Safety. 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 meetings would be scheduled with the various employee groups and results of those meetings would be reported to the Commission at the December meeting.

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 his tax revenues had declined for the 15th consecutive month. He said that amounted to about \$30 million in lost revenue to Ohio Department of Transportation. He said the production of diesel fuel which went into inventory, the point where the tax was applied at the refinery or wholesale level, had been down 18 percent in July 1980 as compared to July 1979. He said that in that one month there had been some 12 million gallons less produced or inventoried, which exceeded the 7.5 million gallon loss for the whole previous 12 months. He said that was an indication of what had been happening in the commercial area of moving goods and services across the state.

Mr. Weir said further that, as he had reported to the Ohio Senate Transportation Committee, as a result of all factors, O.D.O.T. was deferring work on 260 projects and suspending work on 70 jobs once current phases were completed. He said over \$3 billion of work would be affected, a traumatic but necessary step.

Mr. Weir said also that the department was doing about 770 miles of resurfacing in 1980. He said it should be resurfacing about one third or 1900 miles of the system per year, but, revenue losses and the dramatic impact of inflation, which had almost doubled costs in two years, prevented the department from reaching that goal.

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, as had been mentioned, the 25th anniversary of the opening of the entire length of the Turnpike had occurred on October 1, 1980, which coincided with the changeover in service station operators, and the whole anniversary became obscured in the resulting publicity. He said he did not expect any major observance of the anniversary, but did expect that some recognition would be extended to the 41 Commission employees, who had been working for the Commission at least 25 years.

The Executive Director said also that the Commission had a 1979 contract with a salt supplier which carried the stipulation that 80 percent of the estimated quantities of salt for snow and ice removal had to be purchased regardless of need. He said that, since the 1979-80 winter weather had been mild, the use of salt had fallen below the 80 percent estimate. He said the result was that between 7,000 to 8,000 tons of salt still had to be delivered in order to fulfill last year's contract obligations. He said facilities were not available to store that large a quantity of salt so plans were prepared and bids had been solicited for eight beehive-type storage buildings, one at each of the maintenance buildings. He said that four such structures were to be constructed this fall and the remaining four buildings would be built in 1981.

The Executive Director said further that the first time the bids were opened the bid bonds for both the low and high bidders were defective and there had been some notice about possible patent problems. He said that, as a result, all the bids were rejected and the project was readvertised. He said that in opening new bids, it was found that again the low bidder submitted a defective bid bond and, because he considered it urgent to have some of the buildings constructed as soon as possible, he awarded the contract to the second lowest bidder, using the rarely used emergency authority granted him by Commission Resolution No. 57-1955.

The Executive Director said further that the Commission had been sent a letter by the low bidder suggesting some action against the Commission which he was confident could not succeed based on advice from the legal staff, which had determined that the defect could not be waived. He said the staff was in the process of preparing a response to the letter. Mr. Weir pointed out that his department also could not waive an improper bid bond.

A resolution adopting and ratifying the award of Contract RMP 56-80-01 was moved for adoption by Mr. Weir, seconded by Mr. Anderson as follows:

RESOLUTION NO.9-1980

"WHEREAS, the Commission by Resolution No. 57-1955 has authorized the executive director to enter into contracts notwithstanding any limitation imposed by the authority of the executive director when in the opinion of the executive director and the consulting engineer an emergency has arisen and immediate action is necessary;

"WHEREAS, Contract RMP 56-80-01 provides for the construction of bulk salt storage buildings at certain of the Commission's maintenance locations prior to the onset of the winter season;

"WHEREAS, the necessity of having the storage buildings erected as soon as possible required that immediate action be taken on the award of Contract RMP 56-80-01;

"WHEREAS, the Commission originally advertised for bids on Contract RMP 56-80-01 and opened said bidson September 2, 1980. Due to certain defects in two of the three bids received, it was necessary to reject bids and readvertise same. Bids for the contract as readvertised were opened on September 22, 1980;

"WHEREAS, due to the delays incurred, and the urgency of the need for such buildings, the executive director has heretofore awarded a contract for the furnishing and construction of such buildings, as he was advised by general counsel that he might legally do so;

"WHEREAS, the Commission now desires to approve, ratify and confirm the action thus taken by its executive director; and

"WHEREAS, the Commission is advised by its general counsel that the bid security of the low bidder does not conform to the requirements of the Commission's advertisement and to law; and

"WHEREAS, the bid of the second low bidder, Seitz Builders, 1885 West Sprague Street, Brecksville, Ohio has been found to conform in all respects to the specifications and requirements of the advertisement for bids and the executive director has been advised by the Commission's general counsel that he might legally award a contract to said Seitz Builders, and he has accordingly done so; and

"WHEREAS, the Commission has determined that such award was made to the lowest and best bidder whose bid for said contract might legally be considered and that such award was and is in the best interest of the Commission;

"NOW, THEREFORE, BE IT

"RESOLVED that the award of Contract RMP 56-80-01 for

furnishing self-supporting bulk salt storage buildings at eight maintenance building locations on the Ohio Turnpike to Seitz Builders for the lump sum amount of \$553,040.00 is hereby approved, ratified and confirmed, and the executive director is hereby directed to see that the terms of said bid and said contract are carried out."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 9-1980.

The Executive Director said also that the Commission would be hosting a meeting of the Maintenance Committee of the International Bridge, Tunnel and Turnpike Association in Cleveland on October 19 through October 21, 1980. He said that it would be the first time the Commission would be hosting such an event since it became a member of the organization several years ago. He said he and the staff members involved were looking forward to showing off the Turnpike facilities and having the group come to Cleveland, which it had never done before.

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

General Counsel said the quarterly litigation report, which was then due, would be delayed a few days because he had been unable to review some cases with outside counsel employed by the Commission.

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

Mr. Fleischman said the Consulting Engineers had completed and forwarded to the Commission their 25th annual report before October 1 in accordance with the requirements of the Trust Agreement.

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

Mr. Sesler said he wished to present an update on the bond calls made on December 1, 1978, and December 1, 1979. He said that, on the 1978 call, the Trustee still had \$328,000 in bonds which

had not been presented for payment. He said that the amount of bonds not presented for payment on the 1979 call came to \$1,777,000. He said that the amounts did not include any bonds which the paying agents had paid themselves but had not yet been presented to the Trustee.

Mr. Sesler said further that the Trustee had recently had two bond tenders. He said the first had been on September 11 for settlement on September 18. He said tenders then received totalled \$3,361,000 and the amount purchased had been \$1,391,000. He said the high price had been 99.938, the low price had been 94.75 and the average had been 98.6. He said, however, that of the tenders accepted the Trustee then had \$88,000 in bonds which had not been presented for redemption.

Mr. Sesler said further that the second tender had been on October 2 for settlement on October 9. He said \$2,793,000 in bonds were tendered by the Trustee and \$2,756,000 face amount were purchased. He said the high price had been 101, the call current price, the low had been 87 and the average had been 100.04135.

Mr. Sesler said further that for the year the Trustee had purchased and retired bonds in the face amount of \$5,418,000, thus reducing the outstanding debt to \$21,440,000. Mr. Johnson noted that all available moneys in the redemption account had been used so a call in 1980 would not be required.

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

The Chairman said the Commission had one more resolution to adopt, a resolution concerning a study regarding continuing obligations of the Commission after the Turnpike became free of tolls and was turned over to the state.

The Executive Director said adoption of that resolution perhaps would not be necessary. He said that the Commission had adopted a resolution at its last meeting, Resolution No. 7-1980, wherein provisions were to be made with the Industrial Commission of Ohio to arrange to fund outstanding liabilities of the Ohio Turnpike Commission to former employees of the Ohio Turnpike Commission after the road became free. He said meetings had been held with representatives of the Industrial Commission and the resolution of the Turnpike Commission had been expected to result in a refund of \$260,000 for overpayments. He said that, since that resolution indicated that arrangements would be made to fund any outstanding liability the Commission might have at the time it ceased to have jurisdiction over the Turnpike, we decided it might be proper for the refund monies to be kept in a separate fund to cover such liabilities. He said he thought the study regarding continuing obligations of the Commission could be done without adoption of a resolution.

The Executive Director said further that the Ohio Turnpike had yet to receive the refund and apparently the Industrial Commission had decided to contact the Department of Transportation concerning the transition of the Turnpike as a free road to the state and what obligations O.D.O.T would incur.

The Executive Director said further that one suggestion by the staff had been that the Commission might adopt a resolution to amend the severance program to put the Industrial Commission refund in the severance fund. He said a study of continuing obligations would not be confined only to the possibility of liability against the Commission in the workers compensation area. He said that the Commission, if it should go out of existence, could have liabilities in other areas, possibly in the category of employee insurance, lawsuits and so forth. He said he would have a report on the refund at the next Commission meeting.

The Chairman said he did not believe a resolution would be necessary to authorize a study of the continuing obligations of the Commission.

The Chairman asked the Executive Director to investigate some way of properly recognizing the Commission employees with 25 or more years of service.

The Executive Director said he would look into a noteworthy observance.

The Chairman said there did not appear to be a need for a Commission meeting in November. He said the next meeting would be held at the Commission's Berea headquarters in December, with the traditional Christmas lunch to follow. He said the precise date of the meeting would be determined after 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. Anderson that the meeting adjourn, 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: Mrs. Davidson, Mr. Anderson, Mr. Weir, Mr. Rogers

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:56 a.m.

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

*Ralph H. Anderson*

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Ralph H. Anderson, Secretary Treasurer