

MINUTES OF THE 329th MEETING OF THE OHIO TURNPIKE COMMISSION

July 7, 1981

Pursuant to bylaws the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street in Berea, Ohio at 11:00 a.m. on July 7, 1981, with key members of the staff; a representative, William R. Fleischman, of the Consulting Engineers, J. E. Greiner Company-Ohio; a representative, Dan Hearl, of the Trustee, The BancOhio National Bank; John W. Clark, Special Assistant to the Director of Transportation; William C. Hartman and Dean Berry of Squire, Sanders & Dempsey, the Commission's bond and fiscal counsel; Captain Ralph Rizzo, Commander District 10, Ohio State Highway Patrol; a member of the Press, Steve Fogarty, Elyria Chronicle Telegram; 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: Sandra D. Cooke, Clarence D. Rogers, Jr.,
David L. Weir

Absent: Ralph H. Anderson, Charles R. Pinzone

A motion was made by Mr. Weir, seconded by Mrs. Cooke, that the minutes of the meeting of April 13, 1981, which had been examined by the Members and on which the corrections suggested by the Members had been made, be approved without reading.

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

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

Nays: None

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

(At this point, Mr. Weir left the meeting room to receive a telephone call.)

The Chairman reported that the meeting was the 329th of the Ohio Turnpike Commission, and it was being held at the Commission's headquarters as provided for in the Commission's Code of Bylaws. He said Mr. Anderson was ill and, therefore, could not travel to the meeting. He said the business of the meeting had been discussed with Mr. Anderson, however, and Mr. Anderson's comments would be mentioned where appropriate. He said Mr. Pinzone was in court that morning, but was expected to join the meeting at the earliest possible time.

The Chairman reported further that he wanted to note that although Mrs. Cooke's initial term as a Member expired June 30, 1981, she had been reappointed by Governor James A. Rhodes to a new, full term. He said she had taken the oath, arrangements were complete for her bond and she was a fully qualified Member. He said the other Commission Members congratulated her on her reappointment.

The Chairman reported further that since Mr. Pinzone had not yet arrived, he would move to some of the regular reports so that, hopefully, Mr. Pinzone would join the meeting to participate in the election of officers and the other formal actions expected to be taken.

The Chairman reported further that he would give the customary report of the Chairman and review briefly the financial experience for the first six months of 1981. He said total revenues were estimated at \$24,539,000, compared to \$24,510,000 in 1980, which was a small increase. He said more significant was the toll revenue, which rose 7.0% to \$20,974,000 from \$19,606,000. He said the toll revenue increase was largely offset by a decline in service station income which, of course, was expected because of the lower rental rate under the current concession contract and also because of construction going on at the service stations, which inevitably had caused some disruption of operations.

The Chairman reported further that commercial activity had picked up steadily with toll revenue up 8.3% for the year and up 20.5% for the month of June. He said that, certainly, if the trend continued, it boded well for the economy but, again, he was not ready to predict that those figures signaled an economic recovery for northern Ohio or the nation.

The Chairman said that in the absence of any questions the report of the Chairman was accepted as offered. He said the reports of the various committees and staff members would be received. He said the election of officers and action on resolutions would be postponed until Mr. Weir and Mr. Pinzone joined the meeting. He said he wanted to recognize the presence of Mr. William Hartman, Mr. Dean Berry and Mr. Donald Kronenberg of Squire, Sanders & Dempsey, the Commission's bond and fiscal counsel. He said Mr. Kronenberg was a summer intern with the law firm. He said that also present were Mr. Dan Hearl of BancOhio National Bank, the Commission's Trustee, Captain Ralph Rizzo, Commander of District 10, Ohio State Highway Patrol, and Steve Fogarty, a reporter for the Elyria Chronicle Telegram, along with various staff members.

The Chairman said the report of the Secretary-Treasurer by the Assistant Secretary-Treasurer, Allan V. Johnson, would be received.

Mr. Johnson said that since the last Commission meeting the following had been sent to all Members:

1. Weekly Statistics
2. Traffic Accident Summary Report for April and May 1981
3. Investment Transactions which occurred during April and May 1981
4. Draft of Minutes of the April 13, 1981 Commission Meeting
5. Traffic and Revenue Report for April and May 1981
6. Financial Statements for April and May 1981
7. Expense and Budget Report - First Quarter 1981
8. News Releases -
 - No. 1 - Chairman's First Quarter Report for 1981
 - No. 2 - Executive Director's Presentation to the Toledo Area Committee for Improved Transportation, May 29, 1981
 - No. 3 - Public Meetings Schedule for June 1981

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 vice chairman of the Committee on Budget and Finance, Mr. Johnson, said the staff had begun preparation of the preliminary budget for 1982 and it would be presented to the Commission before October 20, as required by 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 vice chairman of the Committee on Service Plazas, Mr. Johnson, said work was in progress on rehabilitation, replacement, and renovation of the underground fuel storage, distribution and dispensing systems at the 16 service plazas. He said the construction operations had caused some initial traffic congestion at the plazas when some of the existing systems were first removed pending replacement with new equipment. He said one problem, parked vehicles blocking operating fuel pumps, had been resolved. He said he expected the total project to be completed on schedule by October 1.

Mr. Johnson said further that the new, modern service station facilities would have canopies over the passenger car and truck fuel islands. He said there will be computerized, fuel-dispensing pumps with self-service capabilities and a central kiosk area. He said he hoped the new facilities would mean greater

convenience for Turnpike patrons.

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, Deputy Executive Director-Chief Engineer, said the committee had yet to receive requests from the various employee groups to set meetings for discussions. He said that, when those requests were received by the committee, meetings would be scheduled accordingly.

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

The chairman of the Committee on Safety, Mr. Johnson, said the safety experience on the Turnpike for the first half of 1981 had been excellent considering a rather significant increase in traffic. He said that although there had been a small increase in the total number of accidents, from 873 for the first six months of 1980 to 896 in 1981, the real measure of the safety record had been the number of fatal accidents and fatalities which had occurred. He said that he was pleased to say that the number of fatal accidents and fatalities had dropped in a comparison with 1980 statistics. He said nine fatal accidents and 14 fatalities had been recorded in the first six months of 1980 versus five fatal accidents and five fatalities in the first six months of 1981. He said he would like to see that safety experience continue through the rest of 1981, although an unfortunate double fatality had taken place on the first day of July.

Mr. Johnson said also that he wanted to mention that nine new troopers, recently graduated from the Ohio State Highway Patrol Academy, had been assigned to the three posts along the Turnpike. He said District 10 had been under the authorized strength for a long time. He said the nine additional troopers were needed, but the district was still about 10 troopers short of a full complement.

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

The Executive Director, Mr. Johnson, said he would begin by giving a brief review of the status of the environmental and engineering studies financed by the Commission. He said that the third series of public meetings, nine in all, had been held at locations across the Turnpike in June. He said the purpose of the meetings, which were held in the evening hours, had been to receive public comment on the improvements to the Turnpike, mainly additional access points under consideration for the Turnpike assuming that it became free of tolls in the future, and also modifications to the existing interchanges. He said he thought the meetings went quite well. He said that once again many of the

people who attended the meetings, in fact all of them, came to talk about the issue of whether tolls should or should not end. He said that, of course, such discussions were not part of the study process. He said the objective of the studies was to identify improvements to the Turnpike as a toll-free road and qualify those improvements for federal funding.

The Executive Director said further that those who attended the meetings actively participated and commented on the various improvements still in the study process. He said that the vast majority of people at the meetings complimented him on the operation of the Turnpike and said they preferred that the Turnpike be kept a toll road. He said he thanked those who had offered compliments and suggested that they inform their legislators and congressmen of their opinions on toll retention.

The Executive Director said further that the studies were on schedule. He said the next public involvement in the process would take place approximately one year from the last public meetings. He said public hearings would be held in the summer of 1982, after the draft environmental impact statements had been prepared. He said that the draft environmental impact statements would be supplied to various public agencies and made available for public viewing. He said formal comments on the documents would be taken at the public hearings and recorded as required. He said the Commission's staff would be working with representatives of the consulting firm of Dalton-Dalton-Newport, the Ohio Department of Transportation and the Federal Highway Administration to complete the selection of preferred alternatives and preparation of the draft environmental impact statements before the summer of 1982. He said the final environmental impact statements were scheduled to be prepared and filed with the Federal Highway Administration and the Federal Environmental Protection Agency in September 1983.

The Executive Director said further that a newsletter summarizing the nine public meetings in June would be forthcoming.

The Executive Director said also that Mr. Plain would give the Commission Members an update on the Turnpike's one resurfacing project.

Mr. Plain said that, despite a wet spring and a large quantity of reinforced concrete pavement replacement, the resurfacing project between mileposts 132.3 and 144, which utilized recycled asphalt in the base course, was progressing on schedule. He said it should be completed by the end of July.

The Executive Director said that because the area involved was so long and had such extensive full-depth concrete replacement it required a longer than normal period of restricted traffic including having lanes closed on weekends. He said the concrete replacement work had ended and traffic restrictions were lifted on weekends.

Mr. Plain said he wanted to add that construction of

the four salt storage domes in the Maintenance Department's western division were completed. He said deliveries of salt to those locations had already begun.

The Executive Director said also that in June an origin and destination survey was conducted at each toll plaza as part of a toll rate study authorized by the Commission in compliance with a covenant in the Trust Agreement. He said the study was being done by the Commission's general consultant, J. E. Greiner Company - Ohio, and a subconsultant for traffic statistics, Wilbur Smith and Associates. He said exiting drivers were asked a series of questions in an effort to pin down the comings and goings of traffic. He said the information was being coded for insertion into a computer program. He said the results of the study were set for submission to the Commission in October.

The Executive Director said also that he had asked the consulting engineers to project future, three-to-four year expenses to the Commission for maintenance when they were doing their annual facilities inspections. He said such a projection of expenses should be included in the study on toll rates.

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

Mr. Fleischman said that, as the Executive Director mentioned, in conjunction with the consulting engineers' annual inspection in 1981, particular emphasis was given to major expenses that might be anticipated over the next three to four years. He said one of the major areas of concern was bridge decks. He said a specific rating system had been devised for needed or anticipated bridge deck repairs. He said the bridges were 25 years old and had been subjected to a lot of traffic, salt and heavy loads over the years. He said rather extensive repairs or even complete bridge deck replacements may be suggested.

Mr. Fleischman said the consulting engineers had finished the annual facilities inspection. He said he hoped to forward detailed inspection notes to the Chief Engineer's office before the end of July.

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

Mr. Hearl said bonds having the face value of about \$250,000 called in 1978 were still outstanding. He said approximately \$675,000 in bonds called in 1979 had not been turned in for redemption.

The 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. He said the report of the

Director of Transportation (Mr. Weir had just returned to the meeting room) would be received.

Mr. Weir said he had left the meeting because Drew Lewis, Secretary of the U. S. Department of Transportation, had telephoned Governor Rhodes to inform the governor that the environmental impact statement for the total completion of a 16.5-mile stretch of Interstate Route 675, an east-side bypass of Dayton, had been approved. Mr. Weir said he had been required to call the media and selected congressmen's offices to tell them of the decision.

Mr. Weir said further that the previous U. S. Secretary of Transportation (Neil Goldschmidt) had dropped most of the highway from the interstate system.

Mr. Weir said that O.D.O.T. had received approval from the legislature of a new, two-year budget which took into account an increase in the state's fuel tax. He said the fuel tax increase would provide the state about \$143 million in added revenues with 25% going to municipal governments, and 75% to O.D.O.T. He said the new funds would be matched with federal allocations for road resurfacing, bridge repairs and traffic safety. He said the money would also enable O.D.O.T. to resume work on the Interstate Highway System and projects in the Appalachian area of the state.

The Chairman said the report of the Director of Transportation was accepted as offered.

The Chairman said that in accordance with the Turnpike Act and the Commission's Code of Bylaws, there would be an election of officers, conducted by nominations and voting, and confirmed by resolutions so that action would appear in the journal. He said he would begin by accepting nominations for election to the office of Chairman.

A nomination of Clarence D. Rogers, Jr. for Chairman of the Ohio Turnpike Commission was made by Mr. Weir and seconded by Mrs. Cooke.

The Chairman said that inasmuch as he had been nominated as Chairman he would turn the chair over to Mrs. Cooke to serve as Chairman pro tem to conduct the election of Chairman.

Mrs. Cooke asked if there were any other nominations, and, there being none, she declared the nominations closed. She asked the Assistant Secretary-Treasurer to call the roll. All Members present responded to roll call. The vote was as follows:

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

Nays: None

Mrs. Cooke declared that Mr. Rogers was elected Chairman of the Commission. A Chairman having been elected, Mrs. Cooke turned the meeting over to the Chairman to conduct the rest of the meeting.

A resolution affirming election of Clarence D. Rogers, Jr. as Chairman was moved for adoption by Mrs. Cooke, seconded by Mr. Weir, as follows:

RESOLUTION NO. 9 - 1981

"RESOLVED that the election of Clarence D. Rogers, Jr. as chairman of the Ohio Turnpike Commission, pursuant to Ohio Revised Code Section 5537.02 and Article I of the Commission's Code of Bylaws, to serve until the first meeting after June 30, 1983 and until his successor is elected and qualified or until the aforesaid term is terminated by law, or until he shall cease to be a member of the Ohio Turnpike Commission, is hereby confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws, and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof."

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

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

Nays: None

The Chairman declared the resolution was adopted with all Members present voting in the affirmative. The resolution was identified as No. 9-1981.

A nomination of Sandra D. Cooke for Vice Chairman of the Commission was made by Mr. Weir, seconded by Mr. Rogers. Mr. Rogers asked if there were any other nominations, and, there being none, he declared the nominations closed.

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, Mrs. Cooke

Nays: None

The Chairman declared Mrs. Cooke was elected Vice Chairman of the Commission.

A resolution confirming election of Sandra D. Cooke as Vice Chairman was moved for adoption by Mr. Weir, seconded by Mr. Rogers, as follows:

RESOLUTION NO. 10 - 1981

"RESOLVED that the election of Sandra D. Cooke as vice chairman of the Ohio Turnpike Commission, pursuant to Ohio Revised Code Section 5537.02 and Article I of the Commission's Code of Bylaws, to serve until the first meeting after June 30,

1983 and until her successor is elected and qualified or until the aforesaid term is terminated by law, or until she shall cease to be a member of the Ohio Turnpike Commission, is hereby confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws, and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof."

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, Mrs. Cooke

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 10-1981.

A nomination of Ralph H. Anderson for Secretary-Treasurer of the Commission was made by Mr. Weir, seconded by Mrs. Cooke. Mr. Rogers asked if there were any other nominations, and, there being none, he declared the nominations closed.

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. Cooke, Mr. Rogers

Nays: None

The Chairman declared Mr. Anderson was elected as Secretary-Treasurer of the Commission.

A resolution confirming election of Ralph H. Anderson as Secretary-Treasurer was moved for adoption by Mrs. Cooke, seconded by Mr. Weir, as follows:

RESOLUTION NO. 11 - 1981

"RESOLVED that the election of Ralph H. Anderson as secretary-treasurer of the Ohio Turnpike Commission, pursuant to Ohio Revised Code Section 5537.02 and Article I of the Commission's Code of Bylaws, to serve until the first meeting after June 30, 1983 and until his successor is elected and qualified or until the aforesaid term is terminated by law, or until he shall cease to be a member or employee of the Ohio Turnpike Commission, is hereby confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws, and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

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

Ayes: Mrs. Cooke, 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. 11-1981.

The Chairman said it was the duty of the Secretary-Treasurer to appoint an Assistant Secretary-Treasurer and ask for assent of the other Members to the appointment in accordance with the Bylaws. He said Mr. Anderson had indicated that if he were reelected Secretary-Treasurer, he would reappoint Mr. Johnson as Assistant Secretary Treasurer. He said that since Mr. Anderson had so indicated, he asked whether such appointment had the assent of the Members. Mrs. Cooke and Mr. Weir responded yes and Mr. Rogers declared that Mr. Johnson was duly appointed as Assistant Secretary-Treasurer.

The Chairman said it was then appropriate to redesignate the five active committees of the Commission, pursuant to Article I, Section 3.00 of the Code of Bylaws as follows:

Committee on Budget and Finance

Ralph H. Anderson, Chairman
Allan V. Johnson, Vice Chairman
Craig Rudolphy, Secretary
G. Alan Plain
J. Budd Morrison
W. R. Fleischman, Adviser
John W. Clark, Observer

Committee on Service Plazas

Saundra Cooke, Chairman
Allan V. Johnson, Vice Chairman
J. Budd Morrison, Secretary
Craig Rudolphy
Francis K. Cole
G. Alan Plain
Robert L. Asman
Jean M. Floasin

Committee on Employee Relations

Clarence D. Rogers, Jr., Chairman
G. Alan Plain, Vice Chairman
Louis J. Disantis, Secretary
Francis K. Cole
Robert P. Barnett
Craig Rudolphy
J. Budd Morrison
David H. Ransbury
Jean M. Floasin
William C. Hartman, Adviser

Committee on Safety

Charles Pinzone, Chairman
Allan V. Johnson, Vice Chairman
J. Budd Morrison, Secretary
G. Alan Plain
W. R. Fleischman, Adviser
Captain Ralph J. Rizzo, Observer

Committee on Turnpike Transition

Clarence D. Rogers, Jr., Chairman
David L. Weir
Allan V. Johnson

The Chairman said there were two other resolutions to be acted upon by the Commission. He said one resolution, pertaining to the state fuel tax increase, would be read and explained by Mr. Johnson.

Mr. Johnson said that, on behalf of Turnpike users, he had testified before the committee in the Senate which held hearings on proposals for a state fuel tax increase. He said he told the committee that Turnpike users had never received any benefits from state fuel taxes because those funds were not used for toll road maintenance. He said he had supported a tax increase as necessary for the Ohio Department of Transportation, but he questioned whether Turnpike users should shoulder an added tax burden. He said he asked the committee either to exempt the Turnpike users from the increase, or in the absence of an exemption, to return the increase generated by the Turnpike users to the Commission.

Mr. Johnson said he was gratified that the Senate committee accepted his latter proposal and agreed that the added tax collected on the fuel sold at the Turnpike's 16 service plazas would be returned to the Commission on a monthly basis upon certification to the Treasurer of State of the tax amounts collected and gallons of fuel sold.

Mr. Johnson said further that the Ohio Constitution stated that highway derived funds must be used for construction, reconstruction, maintenance or repair of highways. He said Amended Substitute House Bill 102, the fuel tax increase measure, had similar wording regarding the use of funds returned to the Commission. He said he felt it was appropriate for the Commission to establish by resolution, a special account for the fuel tax monies. He said the resolution was carefully prepared in consultation with the Commission's general counsel and fiscal counsel.

(At this point in the meeting, Mr. Pinzone entered the room.)

Mr. Johnson said further that one provision of the bill required mandatory fueling in the state. He said that meant commercial

vehicle operators who used the state highway system would either have to buy the fuel they burned in the state or pay the tax on it. He said that as that provision was first being discussed there had been some opinions voiced that truck drivers on the Turnpike should be exempt. He said he argued that it would be unwise to exempt Turnpike mileage from that requirement, and so the idea of an exemption was dropped. He said he didn't believe the Commission would necessarily benefit from the provision, but the state would because there was a tremendous amount of commercial mileage travelled on the Turnpike. He said he thought it amounted to consumption of about 100 million gallons of fuel a year. He said that, in the past, only a small fraction of the fuel consumed on the Turnpike had actually been bought in the state. He said most of the fuel had been bought in the surrounding states which already had mandatory fueling.

Mr. Johnson said the resolution had been carefully prepared to comply with the statute to insure that the gas tax funds were properly accepted and ultimately expended. He said that, based on past figures, fuel sales at the Turnpike service stations amounted to nearly 40 to 50 million gallons a year. He said the initial 3.3 cents per gallon tax would net the Commission about one and a half million dollars on those fuel sales. He said that since the tax funds would be received by the Commission on a monthly basis it would take some time for them to accumulate. He said the resolution provided that the Commission Members approve any projects financed by the tax money.

A resolution to provide for funds received pursuant to Amended Substitute House Bill 102 was moved for adoption by Mrs. Cooke, seconded by Mr. Pinzone as follows:

RESOLUTION NO. 12 - 1981

"WHEREAS, Am. Sub. H B. 102 enacted by the 114th General Assembly has amended Sections 5735.05 and 5735.23 of the Revised Code and thereby provided that the portion of the proceeds of motor vehicle fuel taxes referred to in said sections representing the amount of increased motor vehicle fuel taxes from sales at stations on the Ohio Turnpike shall be paid to the Commission to be expended for the construction, reconstruction, maintenance and repair of the Ohio Turnpike;

"WHEREAS, the Commission has determined, on the advice of the Commission's general counsel and fiscal counsel that those amounts (and proceeds of any investment and/or reinvestment thereof) derived from taxes upon sales made at the Commission's stations on the Ohio Turnpike, and thus generated upon the Ohio Turnpike, can properly be treated as other than revenues arising from the ownership or operation of the Turnpike for the purposes of the trust agreement between the Ohio Turnpike 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, and that the legislation providing for the payment of such funds to the Commission provides for their use for purposes other than those provided for the revenue fund under the trust agreement;

"WHEREAS, Section 5537.04(M) of the Revised Code authorizes the Commission to receive and accept aid or contributions of money from any source, to be held, used and applied only for the purposes for which made; and

"WHEREAS, to provide for the proper use and expenditure of those moneys to be received by the Commission, it is appropriate that those moneys be credited to a special account as provided in this resolution;

"NOW, THEREFORE, BE IT

"RESOLVED that the executive director and the comptroller be and are hereby authorized and instructed to: (a) establish, upon consultation with the trustee, a separate special account of the Commission, separate and apart from any other fund or account of the Commission whether under the trust agreement or otherwise, and cause to be directly credited to that special account all moneys received from the Treasurer of State pursuant to Section 5735.23 of the Revised Code, it being understood that those moneys may be expended only for the purposes stated in Section 5735.23 of the Revised Code; (b) as from time to time provided by the Commission, cause the moneys in that special account to be encumbered and expended for the payment of costs of construction, reconstruction, maintenance or repair of the Ohio Turnpike; (c) provide for the interim investment and reinvestment of moneys in that special account in the following categories of obligations:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the export-import bank of Washington;
3. Bonds and other obligations of the State of Ohio;
4. Repurchase agreements for a period not to exceed thirty days with any eligible institution mentioned in Section 135.03 of the Revised Code, under the terms of which agreement the Commission purchases, and such institution agrees unconditionally to repurchase any of the securities listed in 1. or 2. above that will mature or are redeemable within five years from the date of purchase;

and (d) cause a proper record of the receipts to the credit of, investments of moneys in, and expenditures from, that special account to be kept and to be appropriately reported in the financial reports of the Commission."

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

Ayes: Mrs. Cooke, Mr. Pinzone, 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. 12-1981.

The Chairman said the next resolution would be explained by General Counsel, Francis K. Cole.

Mr. Cole said that for a substantial length of time the Executive Director, the Commission's legal staff, particularly Jim McGrath, and the Commission's fiscal counsel, Squire, Sanders and Dempsey, had been holding discussions with the Industrial Commission of Ohio for the purpose of ascertaining whether the Ohio Turnpike Commission might become self-insured with regard to workers' compensation for Ohio Turnpike Commission employees. He said it had finally been concluded that the Ohio Turnpike Commission was eligible to become self-insured. He said that conclusion had been reached after consideration had been given to such matters as what happened to claims already in the process of being paid and the security bonding required of the Ohio Turnpike Commission.

Mr. Cole said the desirability of becoming self-insured was that it would give the Ohio Turnpike Commission tighter control over handling of claims and enable the Ohio Turnpike Commission to render better service to those employees who were injured or otherwise entitled to compensation.

Mr. Johnson said that after almost five years of discussions with the Ohio Industrial Commission it had been determined that the Ohio Turnpike Commission had been overcharged for premiums. He said a refund of \$260,000 had been given to the Ohio Turnpike Commission by the Ohio Industrial Commission in the fall of 1980 and he was not sure that amount was exactly what the overcharge had been. He said that, in view of past experiences, he was of the opinion that the Ohio Turnpike Commission could adequately administer a self-insured workers' compensation program, provide better service and probably save money.

The Chairman asked the Executive Director if the Ohio Turnpike Commission had staff capabilities to administer the proposed program or would additional employees have to be hired for that purpose.

The Executive Director said administering the self-insured program would not necessitate hiring additional employees but might require more time for existing employees.

The Chairman said that the resolution authorized the Executive Director and General Counsel to enter into a contract with the Ohio Industrial Commission accepting self-insured status, should said status be found to be in the best interest of the Ohio Turnpike Commission and its employees. He said he thought the Ohio Turnpike Commission Members should have an opportunity to review any such contract before it would be signed.

The Executive Director said that the Ohio Turnpike Commission Members would be given that opportunity.

A resolution authorizing the Executive Director and General Counsel to accept self-insured status for the Ohio Turnpike Commission under the Workers' Compensation Act was moved for adoption by Mrs. Cooke, seconded by Mr. Pinzone as follows:

RESOLUTION NO. 13 - 1981

"WHEREAS, for the last several months the executive director and general counsel have been discussing with the Industrial Commission the possibility of the Ohio Turnpike Commission becoming self-insured under the Workers' Compensation Act;

"WHEREAS, the Industrial Commission has agreed that the Ohio Turnpike Commission can legally be granted self-insured status;

"WHEREAS, the discussions have proceeded beyond the preliminary stage, and the executive director and general counsel are determining the impact of self-insured status as it relates to the Commission and its employees;

"NOW, THEREFORE, BE IT

"RESOLVED that the executive director and general counsel are hereby authorized to continue the discussions with the Industrial Commission concerning self-insured status for the Ohio Turnpike Commission, and are authorized to enter into any contracts or commitments with the Industrial Commission accepting said self-insured status provided that in their judgment self-insured status under the Workers' Compensation Act is in the best interest of the Ohio Turnpike Commission and its employees."

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

Ayes: Mrs. Cooke, Mr. Pinzone, 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. 13-1981.

Mr. Weir told the Chairman he was under the impression that, in the event a transition of the Turnpike to O.D.O.T took place, any liabilities under compensation claims would not be transferred on to O.D.O.T., and self-insurance from the Ohio Turnpike Commission would take care of those liabilities.

The Executive Director said the Ohio Turnpike Commission had passed a resolution on August 11, 1980, recognizing that it had an obligation with regard to future compensation claims from former employees.

Mr. Cole said the Industrial Commission had been concerned that the Ohio Turnpike Commission reserve funds for those types of claims, when and if the Turnpike was turned over to O.D.O.T. as a free road.

The Chairman said the next Commission meeting would be held in October with the date to be determined after consultation with the Members.

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

Ayes: Mr. Weir, Mrs. Cooke, Mr. Pinzone, Mr. Rogers

Nays: None

The Chairman declared the meeting adjourned. The time of adjournment was 12:24 p.m.

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



Allan V. Johnson
Assistant Secretary-Treasurer