

MINUTES OF THE 335th MEETING OF THE OHIO TURNPIKE COMMISSION

October 19, 1982

Pursuant to bylaws the Ohio Turnpike Commission met in regular session at the offices of Squire, Sanders & Dempsey, BancOhio National Plaza at 155 East Broad Street, Columbus, Ohio at 11:00 a.m. on October 19, 1982, with key members of the staff; a representative, William R. Fleischman, of the consulting engineers, J. E. Greiner Company-Ohio; a representative, P. Joseph Sesler, of the trustee, the BancOhio National Bank; Donald Wiper, of the fiscal and labor counsel, Squire, Sanders & Dempsey; John W. Clark, Special Assistant to the Director of Transportation; and others in attendance.

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

Present: William H. Schneider, Charles R. Pinzone,
Saundra D. Cooke, Howard E. Nolan

Absent: Clarence D. Rogers, Jr.

A motion was made by Mr. Pinzone, seconded by Mr. Schneider, that the minutes of the meeting of August 10, 1982, 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. Pinzone, Mr. Schneider, Mr. Nolan, Mrs. Cooke

Nays: None

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

The Vice Chairman reported the meeting was the 335th of the Ohio Turnpike Commission. She said the Commission was meeting in the Columbus offices of its fiscal and labor counsel, Squire, Sanders & Dempsey. She said that on behalf of the Commission, she wanted to thank Donald Wiper, Squire, Sanders & Dempsey's office administrator in Columbus, for the use of the meeting room.

The Vice Chairman reported further that the Chairman, Clarence Rogers, was involved in a trial in Cleveland and could not be released by the court to attend the day's meeting. She said that in Mr. Rogers' absence and as provided in the bylaws, as Vice Chairman, she would serve as Chairman and preside over the day's meeting. She said also that Mr. Weir could not attend the meeting, but he had sent the Assistant Director of the Ohio Department of Transportation, Howard E. Nolan, to represent him.

She said Mr. Nolan had been properly designated to substitute for Mr. Weir and was legally authorized to vote. She said that, thus, a quorum was present and the official business of the Commission could be conducted.

The Vice Chairman reported also that since the principal item of the meeting concerned the budget for 1983, it was appropriate to review briefly the Commission's financial experience for the first nine months of 1982.

The Vice Chairman reported further that Turnpike revenues rose substantially in the first nine months of 1982, in response to the February 1st increase in toll rates. She said toll income was up 30.6% and total revenues increased 30.8% in the first nine months of 1982, compared with the same period of 1981, but those figures did not reflect traffic activity on the Turnpike which was obvious when it was recalled that the tolls increased 40% for passenger cars and 50% for commercial vehicles.

The Vice Chairman reported further that while the number of passenger cars on the road was down only 1.9%, it was the commercial vehicle traffic in the nine-month period which mirrored the nation's and particularly northern Ohio's depressed economic condition and its influence on the Turnpike. She said that from January through September of 1982, commercial vehicles on the Turnpike declined 9.9% in relation to 1981. She said that substantial reduction in commercial vehicle usage of the Turnpike had not been projected by the Commission's consulting engineers' 1981 toll structure analysis report done in association with the traffic engineering firm of Wilbur Smith and Associates. She said that, therefore, the Commission had requested and received a revised estimate of revenues for the remaining months of 1982 and the entire year of 1983, which showed that there would not be any material growth in commercial vehicle traffic until there was a major upswing in the nation's economy.

The Vice Chairman reported also that on September 19th, the trustee, BancOhio National Bank, completed purchase and retirement of Turnpike bonds in the face amount of \$329,000. She said that, therefore, as provided for in the recommendation in the consulting engineer's 1981 toll structure analysis report, which had been accepted and adopted by the Commission in December 1981, bonds in the total face amount of \$4,811,000 had been purchased and retired in 1982. She said the outstanding debt was now \$9,622,000, and no additional bonds would be purchased until 1983 when it was contemplated that another \$4,811,000 face amount of bonds would be retired.

The Vice Chairman reported also that the Commission had before it one resolution pertaining to the Commission's preliminary budget for 1983, and it would be explained and presented by the Executive Director, Allan V. Johnson, in the report of the Committee on Budget and Finance.

The Executive Director said that he would introduce a second resolution in his report which would, if approved, authorize

him to take immediate action concerning award of certain construction contracts for renovation of service plazas. He said copies of that resolution had not been available for distribution prior to sending out the agenda letter to the Members.

The Vice Chairman said that in the absence of any questions the report of the Vice Chairman was accepted as offered. She said the report of the Secretary-Treasurer, Mr. Pinzone, would be received.

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

1. Weekly Traffic Statistics
2. Investment transactions which occurred during August and September, 1982
3. Accountants' Report and Financial Statements - June 30, 1982
4. Financial Statements for July, August, and September, 1982
5. Traffic and Revenue Report for July, August, and September, 1982
6. Traffic Accident Summary Report for July, August, and September, 1982
7. Draft of Minutes of the Commission Meeting held August 10, 1982
8. Litigation Report for Third Quarter 1982
9. Expense and Budget Report - Third Quarter

The Vice Chairman said the report of the Secretary-Treasurer was accepted as offered. She 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 that he wanted to report that the actual operating expenses for the first nine months of 1982 were some \$750,000, or 3.1 percent below the budgeted amount for that period. He said the budgeted amount for the first nine months of 1982 was \$24,141,563. He said that unless some unexpected emergency occurred in the last three months of 1982 the Commission could conclude the year without the necessity of amending or supplementing the current budget. He said he thought that that was a good record because severe winter weather conditions during the first three months of the year caused the budget for that period to be exceeded.

Mr. Johnson said further that one of the covenants in the Commission's Trust Agreement provided that on or before October 20th of each year the Commission agreed to adopt a preliminary budget of income and current expenses for the following year. He said that as was reported at the last meeting of the Commission, the appropriate staff members once again had been preparing the necessary budget and, in so doing, the staff cooperated with the consulting engineers, who were required to analyze the Commission's income and expenses as part of their Trust Agreement responsibility to prepare and submit an annual report. He said the consulting engineers' annual report was due by October 1st each year. He said that that report had been presented to the Commission Members by October 1, 1982.

Mr. Johnson said further that the total amount of the proposed preliminary budget for 1983 was \$35,188,836, which was \$3,011,681, or 9.4 percent more than the current budget for 1982. He said the increase was proposed to accommodate continuing inflation throughout a wide range of activities of the Commission including supplies, materials, equipment, services, and utilities which were required for what was considered to be the effective operation of the Turnpike.

Mr. Johnson said further that the budget was prepared in three major categories. He said the categories were Administration and Insurance, Operations and Trust Indenture Expense. He said those three categories were broken down into a wide range of individual accounts. He said he wanted to note that more than 95 percent of the \$3 million-plus increase occurred in the Operations category of the budget, which meant that the Commission's Administration and Insurance category was almost the same as it had been in 1982. He said he thought the increase in the Operations category of the budget reflected, in part, the growing effort necessary to keep all the facilities in good repair and operating condition. He said that almost \$1 million of the \$3 million increase occurred in the expenses for Ohio State Highway Patrol services. He said the additional funds were needed in anticipation of increasing the complement of the Turnpike district to authorized numbers. He said that, unfortunately, that complement had been under strength for years, mainly because of a chronic shortage of troopers throughout the state and the inability of the Patrol to graduate enough new troopers out of the Academy. He said he hoped the Turnpike district complement would be at authorized strength in 1983 to help promote safety on the entire Turnpike, and especially as construction activities were intensified in years ahead. He said that the total amount of the Patrol expense in the 1983 preliminary budget was \$4.1 million compared with little over \$3 million for 1982.

Mr. Johnson said further that also included in the preliminary budget for 1983 was a modest amount for employee wage, salary and fringe benefit adjustments, although such adjustments, if any, were subject to the recommendations and conclusions that developed from the annual employee discussions which were held each year between the Committee on Employee Relations and the

various employee representatives. He said the Deputy Executive Director-Chief Engineer, G. Alan Plain, would report on the status of those impending meetings.

Mr. Johnson said further that the proposed budget of expense and the estimate of income would allow bond retirements and Reserve Maintenance Fund projects basically in accordance with the program recommended by the Commission's consulting engineers. He said that the reduction in revenues, as the Vice Chairman had already reported, due to the depressed state of the economy, would probably mean that in both 1982 and 1983 the Commission would be about \$3 million short of the projections initially presented by the consultants. He said that, as the Vice Chairman had indicated, those projections had been updated and reduced to reflect the current state of the economy. He said that, even with the reductions, he hoped the Commission could make up some of the difference when letting projects because it had been found that excellent bids had been received on projects recently advertised.

Mr. Johnson said further that a resolution setting forth the preliminary budget in the classifications requested by the consulting engineers, and also setting forth an estimate of the income and deposits to the Reserve Maintenance Fund for the year 1983 had been prepared. He said copies of the resolution were in the Members' folders. He said he did want to point out that in making the deposits to the Reserve Maintenance Fund during 1983, following discussions with the consulting engineers, periodic transfers would be made from the Reserve Maintenance Fund into the Redemption Account in order to accomplish the bond retirements for the year.

Mr. Johnson said he wanted to read aloud the resolved portion of the resolution. He said, "Now, Therefore, Be It Resolved that the Commission, having duly and fully considered the same, hereby adopts the following: 1983 Preliminary Budget of Income and Current Expenses, Income \$71,081,000." He said the income figure of \$71,081,000 had been supplied to the Commission's staff by the consultants in an update of the toll rate analysis. He said, "Current Expenses, Administration and Insurance \$7,266,578, Operations \$27,633,758, Trust Indenture Expense \$288,500, Total Current Expenses \$35,188,836, Amount to be Deposited to the Credit of the Reserve Maintenance Fund \$35,892,164."

Mr. Johnson said further that the amount to be deposited to the credit of the Reserve Maintenance Fund of \$35,892,164 was an estimated amount. He said the current expenses would be subtracted from the income figures each month to arrive at the credits to the Reserve Maintenance Fund. He said the preliminary budget had been developed by the staff in accordance with the chart of accounts in a wide range of individual categories. He said that the Members each had a copy of the chart of accounts explaining each of the categories. He said he recommended that the budget be adopted as presented.

Mrs. Cooke asked Mr. Johnson if the estimated income figure of \$71,081,000 had been adjusted to take into account the economic situation.

Mr. Johnson said it had been adjusted. He said the estimate in the consulting engineers' toll structure analysis report had been just over \$72 million. He said he had requested in July that the consulting engineers revise the estimates when it became apparent that commercial vehicle traffic was declining significantly on the Turnpike.

Mrs. Cooke asked Mr. Johnson how many additional troopers were needed to bring the Ohio State Highway Patrol's Turnpike district up to full complement.

Mr. Johnson said the Commission's contract with the Patrol called for them to supply 91 troopers and officers and nine other people who were basically radio technicians, a total of 100. He said the district had a sufficient number of officers--20, but it was approximately 15 troopers short of the required number in that category.

A resolution adopting preliminary budget for the fiscal year 1983 and providing for Reserve Maintenance Fund deposits during said year was moved for adoption by Mr. Pinzone, seconded by Mr. Schneider as follows:

RESOLUTION NO. 11-1982

"WHEREAS, it is provided by §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 executive director and comptroller have submitted a preliminary budget of income and current expenses for the fiscal year 1983 to the Commission, and have recommended the adoption thereof, and said budget is now before the Commission;

"WHEREAS, all reasonable requests of the consulting engineers as to the classifications in which such budget shall be prepared have been complied with, and the consulting engineers have 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 engineers have made a recommendation as required by §504 of the aforesaid trust agreement, as to the estimated 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 the highest priority major repairs, equipment replacement, bridge painting, renewals, replacements and improvements and other purposes as set forth in §509 of the said trust agreement, and the estimated amount so recommended is \$35,892,164; and

"WHEREAS, the Commission desires to provide for deposits to the credit of the Reserve Maintenance Fund during the year 1983 of the amount recommended by the consulting engineers;

"NOW, THEREFORE, BE IT

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

1983

Preliminary Budget of Income and Current Expenses

Income		\$71,081,000
Current Expenses		
Administration & Insurance	\$ 7,266,578	
Operations	27,633,758	
Trust Indenture Expense	<u>288,500</u>	
Total Current Expenses	\$35,188,836	

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

Total Amount \$35,892,164

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

Ayes: Mr. Pinzone, Mr. Schneider, Mr. Nolan, Mrs. Cooke

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was No. 11-1982.

The Vice Chairman said the report of the Committee on Budget and Finance was accepted as offered. She said the report of the Committee on Service Plazas would be received.

The vice chairman of the Committee on Service Plazas, Mr. Johnson, said he did want to report on the status of a number of things that were being done in the service plazas. He said

progress continued on the project to remodel and renovate the restaurant facilities at the Fallen Timbers Service Plaza. He said that project, to convert the restaurant into a general store type of operation, was being done in cooperation and conjunction with the restaurant operator, Gladieux Corporation. He said the work included relocating the main entrance and replacing present windows with more energy efficient types. He said the work also included improving the insulation in the building, as sort of a pilot project to see if heating and utility expenses might be reduced. He said he expected that similar energy efficient measures would be taken at other service plazas.

Mr. Johnson said further that the inside work at the Fallen Timbers restaurant, again, was to convert it into a general store operation, including a sit-down restaurant and also a truckers' lounge. He said he hoped that the changes would attract more commercial vehicle activity at the plaza, which was a rather low-volume plaza. He said it was the last service plaza eastbound before the Toledo area and there was plenty of truck traffic by it. He said the changes were being made to attract more truck drivers to come in and use the facilities. He said the project should be completed and in operation before Thanksgiving.

Mr. Johnson said further that work was well along on projects to repave the parking areas at the Erie Islands and Commodore Perry service plazas. He said he had been authorized by the Commission at its last meeting to award contracts for those projects. He said excellent bids had been received for them.

Mr. Johnson said further that the parking lots at the Middle Ridge and Vermilion Valley service plazas were being repaved and enlarged. He said those plazas were the two busiest plazas on the Turnpike with respect to commercial vehicle traffic. He said those projects would include adding a number of truck parking spaces to avoid congestion that had developed over the years at those plazas.

Mr. Johnson said further that plans were finished and in final review stages to renovate and enlarge truckers' showers at ten of the plazas, and he expected bids would be opened in mid-November. He said that plans were being prepared to add truckers' showers at the remaining six service plazas where no showers existed. He said it had been found that the showers were very popular and needed at all plazas.

Mr. Johnson said further that a resolution had been prepared pertaining to renovating and enlarging the truckers' showers at ten plazas. He said that building showers at the remaining six plazas would be a separate project which would come about at a later date.

Mr. Johnson said further that advertisements would soon be run to solicit bids on the showers at the ten plazas. He said he

didn't anticipate that the Commission would hold a meeting until December and he requested authorization to take immediate action to award those contracts, once the advertising process had been concluded and bids accepted. He said authority to award the contracts was similar to that he requested and received at the last Commission meeting for contracts awarded for other projects.

Mr. Johnson said further that renovation projects at the ten plazas were designated RMP 53-82-03, although bids were going to be made in three separate groups. He said he expected them to exceed the \$250,000 limit of authorization granted to him by the Commission. He said he thought it imperative that the contracts be awarded, assuming that proper bids and good bids were received, so that those indoor projects might begin as soon as possible to take advantage of the rather slow construction period in the winter months. He said that, again, he was requesting authority to award the contracts as soon as bids were taken. He said that he would send the bid tabulations to the Commission Members once they were received, and he would advise the Members of the intended action before the awards were made.

A resolution authorizing the Executive Director to take immediate action concerning award of certain construction contracts for renovation of service plazas was moved for adoption by Mr. Schneider, seconded by Mr. Nolan as follows:

RESOLUTION NO. 12-1982

"WHEREAS, the Commission is preparing to advertise for bids on contracts for building renovations at certain service plazas, to wit: Indian Meadows, Tiffin River, Oak Openings, Fallen Timbers and Blue Heron, designated Contract RMP 53-82-03, (Group I); Wyandot, Middle Ridge and Vermilion Valley, designated Contract RMP 53-82-03, (Group II); and Portage and Brady's Leap, designated Contract RMP 53-82-03, (Group III);

"WHEREAS, it is imperative that the work to be performed under these contracts be commenced as soon as possible so as to take full advantage of the construction season and to minimize disruptions at the plazas;

"WHEREAS, it is estimated that the cost of each of the aforesaid contracts will exceed the \$250,000 limit of authorization heretofore granted by the Commission to the executive director with respect to the awarding of such contracts;

"WHEREAS, the Commission desires to delegate to the executive director authority to make award of these contracts for the performance of the work on each of these projects so that such awards may be made as soon as appropriate without waiting for a meeting of, and award by the Commission;

"NOW, THEREFORE, BE IT

"RESOLVED that with respect to the soliciting of bids and award of Contract RMP 53-82-03 (Group I); RMP 53-82-03 (Group II); and RMP 53-82-03 (Group III), if in the opinions of the executive director, the deputy executive director chief-engineer and the consulting engineer it is in the best interest of the Commission for an award to be made by the executive director in advance of any meeting of the Commission, the executive director hereby is authorized to award and enter into any contract or contracts and to take whatever other action, on behalf of the Commission, the executive director, with the recommendation of the deputy executive director-chief engineer and the consulting engineer, shall determine to be in the best interest of the Commission, notwithstanding any limitation imposed upon the authority of the executive director under the bylaws or any resolution heretofore adopted, provided that any award made and contract entered into pursuant to authority granted herein shall be approved by general counsel; and

"FURTHER RESOLVED that the executive director shall inform the Commission of the actions taken hereunder;"

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

Ayes: Mr. Schneider, Mr. Nolan, Mr. Pinzone, Mrs. Cooke

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was No. 12-1982.

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

The vice chairman of the Committee on Employee Relations, Mr. Plain, said the dates for the initial meetings with the various employee groups would be scheduled within a short period of time. He said he expected the discussions to be concluded and recommendations made to the Executive Director prior to the December Commission meeting.

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

The Executive Director said he anticipated that the draft Environmental Impact Statement, which detailed the complex work done during the almost three years of environmental and engineering studies concerning the future of the Turnpike in the event it goes

toll-free, would soon be printed. He said the pre-draft of the statement had been circulated through the necessary offices of state, Federal Highway Administration and the Commission. He said that once the draft Environmental Impact Statement had been printed, it would be distributed to various agencies and offices as required by the federal and state transportation development process. He said formal public hearings would be scheduled for sometime in December. He said advertisements announcing the dates of the meetings would be placed in newspapers in areas through which the Turnpike passes. He said that with the hearings scheduled for December, he considered the studies are on target for completion and filing of the final Environmental Impact Statement, which was required by federal law to qualify for Interstate funding by September 30, 1983.

The Executive Director said further that the public hearings would be conducted by the Director of Transportation, but probably by the Deputy Directors in the various districts through which the Turnpike passes, which was the required method of holding the hearings.

The Executive Director said also that the next item he had to report on was the Commission's Minority Business Enterprise program. He said that, as the Members were aware, the Commission adopted a formal Minority Business Enterprise program for construction contracts in the spring when mainline resurfacing contracts were awarded for 1982. He said all such construction contracts, including those, and others since that time, have included the MBE requirements, and the program, he was pleased to say, was working well. He said contractors working on Turnpike projects had met the MBE goals set by the Commission and the Commission's list of certified MBE contractors was growing rapidly. He said that the Commission was working with a number of other agencies in developing certified MBE contractors, including the Ohio Department of Transportation, the Ohio Department of Natural Resources, and cities and counties along the Turnpike. He said the Commission's staff was ready to implement a program for MBE goals and requirements in the procurement of supplies, services, equipment and materials. He said a copy of that plan had been furnished to the Members. He said the plan had been reviewed with the Commission's outside counsel, its General Counsel and its MBE coordinator before proceeding in those areas. He said also that the Commission's staff was establishing set-aside contracts, limiting the bidding solely to certified MBE contractors and four set-aside contracts had been awarded. He said he was pleased with the progress on the MBE program, and he would keep the Commission advised of future actions.

The Executive Director said further that plans were in the final stage for replacing the decks on the Cuyahoga River bridges, which happened to be the Turnpike's longest bridges. He said all the design decisions had been made. He said he expected the final plans for the project to be filed by the Commission's consulting engineers at the end of October. He said the projects would be advertised during November. He said he anticipated that the Commission would award the contract, due to the size and nature of the project, at the December Commission meeting.

The Executive Director said further that in preparation

for the deck replacements the Commission had awarded a contract at a special meeting on April 30, 1982, to repair the piers on the Cuyahoga River bridges. He said repair of the bridge piers was a rather massive undertaking and, although the work was slightly behind schedule, he was confident that the work would be finished during the remainder of October and November so that the bridge would be ready for the project to replace the decks. He said the deck on the westbound lanes would be replaced in 1983, at which time all traffic would be routed over the eastbound bridge. He said that in 1984, the deck on the eastbound lanes would be replaced and traffic would be shifted over to the new deck on the westbound bridge. He said the decks would be widened to include full-width berms for safety purposes on both bridges.

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

General Counsel, James C. McGrath, said the Commission Members had received the litigation report for the quarter ending in August.

The Vice Chairman said the report of General Counsel was accepted as offered. She said the report of consulting engineers would be received.

Mr. Fleischman said that the consulting engineers' annual report had been completed and presented to the Commission and trustee as required by the Trust Agreement.

The Vice Chairman said the report of the consulting engineers was accepted as offered. She said the report of the trustee would be received.

Mr. Sesler said there had been four Turnpike bond calls since 1978, totalling \$13,207,000. He said that of those bonds called, bonds in the face amount of \$2,255,000 were outstanding, which represented 17 percent of the total called.

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

The Vice Chairman said the next meeting of the Commission would be on December 20, 1982, with the meeting to be held at the Commission's headquarters in Berea to coincide with the annual Christmas luncheon for employees.

There being no further business to come before the Commission a motion was made by Mr. Pinzone, seconded by Mr. Schneider 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.

Ayes: Mr. Pinzone, Mr. Schneider, Mr. Nolan, Mrs. Cooke

Nays: None

The Vice Chairman declared the meeting adjourned. Time of adjournment was 11:35 a.m.

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



Charles R. Pinzone, Secretary-Treasurer