

MINUTES OF THE 353RD MEETING OF THE OHIO TURNPIKE COMMISSION

November 14, 1986

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the offices of Squire, Sanders & Dempsey, BancOhio National Plaza at 155 East Broad Street, Columbus, Ohio, at 11:09 a.m. on November 14, 1986, with key members of the staff; a representative, William R. Fleischman, of the consulting engineers, J. E. Greiner Company - Ohio; a representative, Dean Berry, of the Commission's fiscal and labor counsel, Squire, Sanders & Dempsey; 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: William H. Schneider, Sandra Dombey Cooke,  
Clarence D. Rogers, Jr.

Absent: Charles R. Pinzone, Warren J Smith

A motion was made by Mrs. Cooke, seconded by Mr. Schneider, that the minutes of the meeting of June 26, 1986, which had been examined by the Members, be approved without reading.

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

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

Nays: None

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

The Chairman reported that the meeting was the 353rd and it was being held in the Columbus offices of the Commission's fiscal and labor counsel, Squire, Sanders & Dempsey. He said he wanted to thank them and especially Tom Palmer, the managing partner of the offices, for their hospitality.

The Chairman reported further that Mr. Pinzone was unable to attend the meeting, as was Warren Smith, the Director of Transportation. He said he had anticipated that a representative of ODOT would be in attendance, but that was not the case. He said that if a representative came during the course of the meeting, he or she would be acknowledged.

The Chairman reported further that the primary purpose of the meeting was to consider the preliminary budget for 1987, but the Commission had before it another resolution authorizing award of several contracts as part of the Turnpike's continuing construction program.

The Chairman reported further that since the Commission would be discussing the preliminary budget for next year at the meeting, it was appropriate to mention the Commission's financial experience for the first ten months of 1986 because that information supplied the basis for next year's projected income, which was part of the budget analysis.

The Chairman reported further that total revenues for January through October of 1986 amounted to \$71,929,473, an increase of 4.0% over the same period in 1985. He said passenger car toll income came to \$21,828,435, up 6.3%, while toll revenues for commercial vehicles were \$40,312,510, an increase of 3.7%.

The Chairman reported further that copies of the two resolutions had been placed in the Members' folders, and they would be explained and introduced during the various committee and staff reports.

The Chairman reported also that there were two items that he wanted to note for the record. He said that first, the Commission had been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association. He said that before the meeting started he congratulated the Commission's Comptroller, Craig Rudolphy, because it was based on his actions and good work that the Commission had been the recipient of that award. He said that for the record he again thanked Mr. Rudolphy and his staff for the excellence in reporting done for the Commission.

The Chairman said further that the Executive Director, Allan Johnson, had been elected second Vice President of the International Bridge, Tunnel and Turnpike Association of which the Commission was an active member. He said that the post put Mr. Johnson in line to be elected President in two years. He said that on behalf of the Commission he wanted to congratulate Mr. Johnson on the honor and indicate that the Commission supported his and the other staff members' activities in the I.B.T.T.A.

The Chairman said that in the absence of any questions, the report of the Chairman was accepted as offered. He said that since Mr. Pinzone was not at the meeting, the Secretary-Treasurer's report would be given by the Assistant Secretary-Treasurer, Mr. Johnson.

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

1. Weekly Traffic Statistics
2. Investment Transactions which occurred during June, July, August, September and October, 1986
3. Draft of Commission Meeting Minutes of June 26, 1986
4. Traffic Accident Analysis through October 30, 1986
5. Traffic and Revenue Report for June, July, August, September and October, 1986

6. Financial Statements for June, July, August, September and October, 1986
7. Expense and Budget Report - Second and third quarter, 1986
8. Revenue by Month and Year through October 1986
9. Ohio Turnpike Commission Financial Statements from Peat, Marwick, Mitchell & Co., dated June 30, 1986
10. Litigation Report - Second and third quarter, 1986
11. News Release #3 - Construction Suspended During July and August  
News Release #4 - Award of Certificate of Achievement for Excellence in Financial Reporting

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

The vice chairman of the Committee on Budget and Finance, Mr. Johnson, said that under the terms of the current Trust Agreement the Commission had to adopt a preliminary budget for 1987 by November 15, which of course was the day after the meeting. He said, as in the past, the various department heads had developed the detailed budget items according to the many various accounts included in the Commission's Chart of Accounts. He said those were too numerous to list individually in the budget resolution to be considered by the Commission. He said that instead, the resolution consolidated the amounts into three major expense categories, namely, Administration and Insurance, Operations, and Bond Interest.

Mr. Johnson said further that the total proposed 1987 budget of current expenses was \$45,706,742, compared to the budget of \$43,609,535 for 1986, which was \$2,097,207, or 4.8% higher. He said that was a modest increase that reflected the impact of moderate inflation and projected increased employee expense and sharp increases in certain insurance coverages. He said that, for example, the budget estimate for general liability insurance coverage had been increased from \$400,000 to \$1,000,000, which, by itself, accounted for almost one-third of the entire increase in the proposed 1987 budget. He said as a result the Administration and Insurance category in the proposed budget was up by \$1,117,966, or 10.7%, while the Operations category was up only \$979,241, or 3.0%. He said he thought everyone was aware of the liability insurance crisis which had created the situation. He said hopefully, some relief would develop during the next year that would reduce the liability insurance expenditures. He said that meantime, the Commission had to seek coverage because of its total lack of immunity from liability claims.

Mr. Johnson said further that a resolution had been drafted to adopt the preliminary budget for 1986 and the resolveds read as follows:

"NOW, THEREFORE, BE IT

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

1987

Preliminary Budget of Revenues, Current Expenses  
(Expenditures) and Capital Improvement Fund Requirements

Revenues		\$86,000,000
Current Expenses (Expenditures)		
Administration & Insurance	\$11,577,194	
Operations	33,720,698	
Bond Interest	<u>408,850</u>	
Total Expenses (Expenditures)		45,706,742
Estimated Capital Improvement Fund Deposits		\$40,293,258"

Mr. Johnson said further that he had reviewed the detailed budget items with Mr. Pinzone, chairman of the Budget and Finance Committee, and they both considered the proposed amounts to be reasonable and necessary. He said he wanted to note that while those amounts were slightly different from those contained in the Annual Report of the Consulting Engineers for 1986, which they were required to prepare as one of their obligations under the Trust Agreement by October 1, the differences were refinements made in cooperation with the Consulting Engineers, which were acceptable to them. He said furthermore, the budget as presented would enable the Commission to continue its program and statutory obligation of operating, maintaining and reconstructing the Turnpike. He said therefore he offered the Resolution to adopt the Preliminary Budget for 1987 and recommended that it be adopted.

Mrs. Cooke asked Mr. Johnson if the liability insurance increase pertained to an increase in the amount of liability coverage or an increase in the premium to pay for the same amount of coverage already carried.

Mr. Johnson said it was an increase in the premium for less coverage than the Commission had in the past. He said the staff had been working to get the umbrella coverage increased. He said that just a year ago the Commission had \$30 million of umbrella coverage, but at that moment the coverage did not go over \$2 million. He said he had quotes that would bring that coverage up into the \$7 million range. He said he strongly recommended that the Commission have the umbrella coverage. He said the Commission was a collectible agency. He said there already was one lawsuit on the books that amounted to \$6 million. He said that every time there was an accident on the Turnpike, the Commission probably would be sued on it. He said the increase was not in the amount of the coverage, but in the amount of the premium.

A resolution adopting the preliminary budget for the fiscal year 1987 and providing for capital improvement fund requirements during said year was moved for adoption by Mr. Schneider, seconded by Mrs. Cooke as follows:

RESOLUTION NO. 5-1986

"WHEREAS, it is provided by Article V, Section 5.01 of the trust agreement dated as of September 1, 1984, between the Commission and AmeriTrust Company National Association, Cleveland, Ohio, as trustee, that on or before the 15th day of November in each fiscal year, the Commission will adopt a preliminary budget of revenue and current expenses (expenditures) for the ensuing fiscal year;

"WHEREAS, the Commission's executive director and comptroller have submitted a preliminary budget of revenues and current expenses (expenditures) for the fiscal year 1987 to the Commission, and have recommended the adoption thereof, and said budget is now before the Commission;

"WHEREAS, the Commission's consulting engineer, J. E. Greiner Company-Ohio, after consultation with the Commission's executive director and its deputy executive director-chief engineer, have estimated that the capital improvement fund requirements relating to the improvement, maintenance, and repair of the turnpike for the fiscal year 1987 will be adequately covered by the estimated deposits to that fund.

"NOW, THEREFORE, BE IT

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

1987

Preliminary Budget of Revenues, Current Expenses  
(Expenditures) and Capital Improvement Fund Requirements

Revenues		\$86,000,000
Current Expenses (Expenditures)		
Administration & Insurance	\$11,577,194	
Operations	33,720,698	
Bond Interest	408,850	
Total Expenses (Expenditures)		45,706,742
Estimated Capital Improvement Fund Deposits		\$40,293,258"

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 5-1986.

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 accepted.

The chairman of the Committee on Service Plazas, Mrs. Cooke, said Mr. Johnson had told her that the contract had been awarded for the new overlays of the sink countertops in the restrooms at the service plazas. She said that the other Members might recall that the Commission had installed very attractive stainless steel countertops that had not been an asset because they required a great deal of cleaning. She said the resurfacing was expected to be done by the middle of February 1987.

Mrs. Cooke said also that included in the upcoming resolution authorizing the Executive Director to take immediate action concerning award of certain contracts is a contract for the installation of a new service plaza relighting system.

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.

Mr. Plain said the chairman of the Committee on Employee Relations, Louis J. Disantis, was not at the meeting so, as vice chairman of the Committee, he would give the report.

Mr. Plain said that although the Commission's collective bargaining agreement with Laborers' International Union of North America Local 1283 on behalf of regular non-supervisory, full-time toll collectors and maintenance employees was for a three-year term which commenced at the beginning of 1986, the agreement provided for re-opener discussions on the issue of fair share payment to the union by non-union members of the collective bargaining unit and further provided that, if the issue could not be resolved between the Commission and the union, it would be submitted to a fact-finding panel for the purpose of making a non-binding recommendation. He said the discussions were held during the summer and the issue was not satisfactorily resolved. He said, therefore, an arbitration panel consisting of one representative from the Commission, one representative from the union and a third independent member had been selected and a hearing of the panel would be held on Monday, November 17. He said he would keep the Commission members informed on that matter.

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

The Executive Director, Mr. Johnson, said the Members had in their folders a copy of a construction status report with a cover memorandum on it. He said the construction status report primarily showed what had been done on the Turnpike bridge deck replacement program. He said the report also had a tabulation of what was listed as proposed 1987 construction projects, the description of the job number, a list of the bridges, and also the consulting engineering firms that prepared the plans on those projects.

The Executive Director said further that he expected to report to the Commission probably before the end of the year, on some elements of what he considered to be the future construction program. He said that for then he wanted to have the status report in the hands of the Members, and he would present it to officials of the Ohio Department of Transportation, who had indicated in the past that they wanted such a report, so as to alleviate any concern on their part about whether or not the program was on schedule.

The Executive Director said further that the exhibit before the Members showed that the bridge projects had been concentrated within the midsection of the Turnpike, which was the heaviest travelled section. He said that section of the road also was the most vulnerable to inclement weather, and where the most severe deterioration had taken place. He said 138 of the 301 mainline bridges had their decks widened and replaced. He said that although the number of mainline bridges which had undergone repairs was less than half the total, in his judgment, which he had mentioned over and over again, the most difficult ones had been completed. He said the only major bridges yet to undergo deck replacement and widening were the twin structures over the Huron River. He said the staff had the finished plans on those bridges, and although it was listed as a possible 1987 construction project, the staff had yet to decide on whether or not to go ahead with that work next year. He said the staff wanted to carefully fit that project into all those around it to minimize traffic disruption.

The Executive Director said that since the representative of ODOT was not at the meeting, he would ask Mrs. Leah Fox, who prepared the transcript of the meetings, to take a copy of the status report when she returned to her office and present it to the ODOT director.

The Executive Director said also that many of the projects listed in the resolution authorizing the Executive Director to take immediate action concerning award of certain bridge renovation contracts and a contract for the installation of a new service plaza relighting system coincided with the status report and the information he had in the proposed construction projects. He said there were 20 projects listed in the resolution, 16 of them were bridge deck replacement and widening projects. He said three of them were

mainline resurfacing contracts on which bids would be taken and the last was the installation of the relighting system. He said that he expected those contracts to exceed \$250,000, which was the bylaw limitation for him to award without further action of the Commission.

The Executive Director said further he was asking for authority to award so that the staff could proceed with the advertising and solicitation of bids, and awards could be made on a timely basis. He said that, again, he would keep the Members informed of the bid openings, furnishing them with the tabulations. He said that, as always had been done, the bids would be reviewed by the Commission's engineering-maintenance staff, General Counsel, Deputy Executive Director-Chief Engineer, and him. He said he recommended that the resolution be adopted.

A resolution authorizing the Executive Director to take immediate action concerning award of certain bridge renovation contracts, certain roadway resurfacing contracts and a contract for the installation of a new service plaza relighting system was moved for adoption by Mrs. Cooke, seconded by Mr. Schneider as follows:

RESOLUTION NO. 6-1986

"WHEREAS, the Commission is preparing to advertise for bids for sixteen bridge renovation contracts providing for replacement and widening of bridge decks and parapet replacement; three contracts providing for roadway repair, resurfacing and guardrail replacement; and a contract for the installation of a new service plaza relighting system, such contracts being designated and described as follows:

CIP 43-87-01	DT&I Railroad, Milepost 34.2; S.R. 108, Milepost 34.5, Ful- ton County, Ohio;
CIP 43-87-02	S.R. 295, Milepost 51.4 and Penn Central Railroad, Mile- post 52.3, Lucas County, Ohio;
CIP 43-87-03	Albon Road, Milepost 56.1; Penn Central Railroad, Mile- post 56.3 and Swan Creek, Milepost 58.5, Lucas County, Ohio;
CIP 43-87-04	S.R. 65, Milepost 63.3; B&O Railroad, Milepost 63.5; White Road, Milepost 63.6; Simmons Road, Milepost 63.9 and E. Br. Grassy Creek, Milepost 64.3, Wood County, Ohio;



CIP 43-87-05            Nine Mile Creek, Milepost 85.3 and Muddy Creek, Milepost 87.3, Sandusky County, Ohio;

CIP 43-87-06            Fuller Creek, Milepost 101.5; Dirt Access Road, Milepost 103.4 and Pickel Street, Milepost 103.5, Sandusky County, Ohio;

CIP 43-87-07            Mills Creek, Milepost 108.3; Penn Central Railroad, Milepost 109.1 and Portland Road, Milepost 109.2, Erie County, Ohio;

CIP 43-87-08            West Ridge Road, Milepost 142.6; Lorain County, Ohio;

CIP 43-87-09            Exit 8 Ramp, Milepost 145.5, Lorain County, Ohio;

FTP 43-87-10            S.R. 83, Milepost 150.5; Lorain County, Ohio;

FTP 43-87-11            S.R. 252, Milepost 156.9, Cuyahoga County, Ohio;

CIP 43-87-12            Edgerton Road, Milepost 169.6 and Highland Road, Milepost 171.1 and Barr Road, Milepost 171.6; Cuyahoga County, Ohio;

CIP 43-87-13            Hudson Aurora Road, Milepost 184.2 and N&W Railroad, Milepost 186.0, Summit and Portage Counties, Ohio;

CIP 43-87-14            Erie Lackawanna & Penn Central Railroad, Milepost 208.1; Penn Central Railroad, Milepost 208.7 and Newton Falls-Braceville Road, Milepost 208.9, Trumbull County, Ohio;

CIP 43-87-15            Newton Falls-Bailey Road, Milepost 211.5; B&O and Penn Central Railroad, Milepost 211.7; Branch of Duck Creek, Milepost 212.6 and Carson-Salt Springs Road, Milepost 213.6, Mahoning County, Ohio;

CIP 43-87-16	Tippecanoe Road, Milepost 228.4; Indian Run, Milepost 228.6; Mill Creek, Milepost 230.4; and Raccoon Road, Milepost 226.7, Mahoning County, Ohio;
CIP 59-87-01	Mainline Resurfacing at Milepost 71.0 to Milepost 80.7, Wood, Ottawa and Sandusky Counties, Ohio;
CIP 59-87-02	Mainline Resurfacing at Milepost 111.7 to Milepost 118.7, Erie County, Ohio;
CIP 59-87-03	Addition of a third lane at Milepost 177.4 to 180.2; rehabilitation of railroad bridge at Milepost 179.0; resurfacing and correction of slope failure, Summit County, Ohio;
CIP 53-86-02 Grp. I, II, III and IV	Installation of new Service Plaza Relighting System;

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

"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 of each of these projects so that such awards may be made immediately as soon as appropriate;

"NOW, THEREFORE, BE IT

"RESOLVED that with respect to the award of the contracts as set forth above, 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 approval 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 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: Mrs. Cooke, Mr. Schneider, Mr. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 6-1986.

The Executive Director said also that work was winding down on the 1986 bridge projects. He said that he expected all the bridges would be open within a week of the meeting, and there had not been any problems with bad weather causing delays.

The Executive Director said also that expansion and renovations to the administration building in Berea were moving ahead, and that was the reason the Commission was meeting in Columbus because the offices were pretty well torn apart. He said the staff was still operating out of the building, but it was not a very nice place to hold a Commission meeting. He said the next Commission meeting might be held at the building, but there would not be the annual Christmas luncheon. He said he had distributed a notice to all employees informing them that the luncheon had been cancelled, but that a substitute, grand-opening ceremony might be held when the building work had been completed.

Mr. Schneider asked the Executive Director when the administration building work would be finished.

The Executive Director said the contract called for 420 days after notice to proceed, and that notice was given in July 1986. He said that he hoped the work would be done by July 1987, although the contractor had indicated that the deadline might be beat, and he hoped that would occur.

Mrs. Cooke said she wanted to congratulate Mr. Johnson and the other staff personnel involved in the bridge and resurfacing projects in 1986. She said his decision to suspend construction during the months of July and August had been extremely successful and she thought a job well done.

The Executive Director thanked Mrs. Cooke and said the decision had made life a lot easier for the staff during those two months, and he expected to continue that policy in the remaining years of bridge renovations. He said that is why he had said he wanted to be very careful on how those bridge projects were fit together. He said the bridges over the Huron River were quite long, and that project might be one where, unfortunately, work could not be suspended the full two months. He said he did agree with Mrs. Cooke that the program had been extremely successful, and the Commission had received compliments on it in 1986.

The Chairman ascertained there would be no reports from General Counsel, Consulting Engineers, or the Director of Information and Research.

The Chairman said the next Commission meeting would be held in December. He said the exact time and location of the meeting would be determined after consultation with the Members.

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

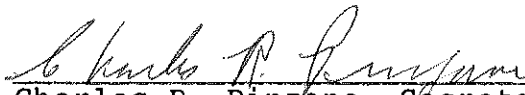
A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

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

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:38 a.m.

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

  
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Charles R. Pinzone, Secretary-Treasurer