

MINUTES OF THE 354TH MEETING OF THE OHIO TURNPIKE COMMISSION

December 11, 1986

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street in Berea, Ohio at 10:17 a.m. on December 11, 1986, with key members of the staff; a representative, William R. Fleischman, of the consulting engineers, J. E. Greiner Company - Ohio; a representative, Richard L. Fetzner, of the trustee, AmeriTrust Company National Association; 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, Charles R. Pinzone,  
Clarence D. Rogers, Jr.

Absent: Sandra Dombey Cooke

Not Present: Warren J Smith

A motion was made by Mr. Pinzone, seconded by Mr. Schneider, that the minutes of the meeting of November 14, 1986, which has 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: Mr. Pinzone, 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 354th 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.

The Chairman reported further that Warren Smith, the Director of Transportation, was unable to attend the meeting and none of his assistants could attend either because they were all at a staff meeting in Columbus. He said Mrs. Cooke also was unable to attend. He said that, nevertheless, a quorum was present and the Commission could conduct its business.

The Chairman reported further that the principal purpose of the meeting was to act on the annual budget for 1987, but also before the Commission were three other resolutions for consideration.

The Chairman reported further that while it was customary in this report to give a brief summary of the Commission's financial experience for the year, he would dispense with those figures since the Commission reviewed the ten-month experience at the last meeting when the preliminary budget was adopted and the full-year figures would be available and distributed by the middle of January.

The Chairman reported further that copies of the four resolutions had been placed in the Members' folders. He said he would like to ask for the adoption of one resolution which would authorize him to negotiate with the Executive Director, Allan V. Johnson, and execute a new contract of employment with him.

The Chairman said further that he would read the resolved portion of the resolution and then ask for a motion for its acceptance. He read as follows:

"RESOLVED that the Chairman be and hereby he is authorized to renegotiate and execute a new contract of employment with the current executive director for a term that is not longer than the maturity of any outstanding bonds of the Commission and to amend such other terms and conditions as they shall mutually agree;

FURTHER RESOLVED that the provisions of Resolution No. 2-1985 relating to the contract of employment of the Executive Director hereby are rescinded."

A resolution authorizing renegotiation and amendment of employment contract was moved for adoption by Mr. Pinzone, seconded by Mr. Schneider as follows:

RESOLUTION NO. 7-1986

"WHEREAS, the Commission, under its Code of Bylaws and by Resolution No. 2-1985, authorized Collective Bargaining Negotiation and Execution of Employment Contract;

"WHEREAS, the Commission specifically authorized the Chairman to negotiate and execute an employment contract with the current Executive Director for an initial term of not longer than three years;

"WHEREAS, such a contract has been executed for a term through October 1, 1988;

"WHEREAS, the Commission desires to provide for a continuity of administration and operations in the critical years immediately ahead;

"NOW, THEREFORE, BE IT

"RESOLVED that the Chairman be and hereby he is authorized to renegotiate and execute a new contract of employment with the

current executive director for a term that is not longer than the maturity of any outstanding bonds of the Commission and to amend such other terms and conditions as they shall mutually agree;

"FURTHER RESOLVED that the provisions of Resolution No. 2-1985 relating to the contract of employment of the Executive Director hereby are rescinded."

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. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 7-1986.

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

Mr. Pinzone 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 November, 1986
3. Draft of Commission Meeting Minutes of November 14, 1986
4. Traffic and Revenue Report for November, 1986
5. Financial Statements for November, 1986
6. Revenue by Month and Year through November, 1986

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 chairman of the Committee on Budget and Finance, Mr. Pinzone, said that at the last meeting of the Commission, the Commission adopted a preliminary budget for 1987 in compliance with a requirement of the Trust Agreement and the budget was presented to the Trustee so that the holder of the bonds could exercise the right to request a hearing on the preliminary budget. He said that no such hearing had been requested and it was appropriate, therefore, for the Commission to adopt the budget for 1987 at that time. He said a resolution for that purpose had been prepared and was in the Members' folders. He said the budget amounts were identical to those adopted in the preliminary budget, so he did not believe it was necessary to read the resolution and he moved that the resolution be adopted without reading.

A resolution adopting the annual budget for the fiscal year 1987 was moved for adoption by Mr. Pinzone, seconded by Mr. Schneider as follows:

RESOLUTION NO. 8-1986

"WHEREAS, the Commission, by Resolution No. 5-1986, adopted a preliminary budget for the fiscal year 1987, and caused copies thereof to be filed with the trustee and mailed to the consulting engineers;

"WHEREAS, no request for a hearing thereon has been made to the Commission;

"WHEREAS, pursuant to Article V, Section 5.01 of the trust agreement dated September 1, 1984, between the Commission and AmeriTrust Company National Association, Cleveland, Ohio, as trustee, the Commission desires to adopt a budget of revenues, current expenses (expenditures) and capital improvement fund requirements for the fiscal year 1987, to be designated the "Annual Budget"; and

"WHEREAS, pursuant to Article V, Section 5.01 (iii), the total appropriations in any division of the annual budget do not exceed the total appropriations in the corresponding division in the preliminary budget;

"NOW, THEREFORE, BE IT

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

Annual 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

"FURTHER RESOLVED that the Commission hereby determines that the total appropriations in any division of the budget aforesaid do not exceed the total appropriations in the corresponding division of the preliminary budget heretofore adopted by Resolution No. 5-1986; and

"FURTHER RESOLVED that the assistant secretary-treasurer is hereby instructed to file a copy of said "Annual Budget" with the trustee and to mail copies thereof to the consulting engineers and to the original purchaser forthwith."

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. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 8-1986.

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 received.

The vice chairman of the Committee on Service Plazas, Mr. Johnson, said that, as Mrs. Cooke reported at the last Commission meeting, a contract for the replacement of the sink countertops in the restrooms at the service plazas had been awarded, and that work was set to start the week after the Commission meeting.

Mr. Johnson said further that the staff was in the process of analyzing the contract for replacement of all outside lighting systems in the service plazas, and it was expected a contract soon would be awarded. He said a number of excellent bids had been received, but there had been a slight delay in getting some information from the low bidder. He said he hoped that within several days after the meeting that project would be resolved.

Mr. Johnson said further that the staff also had been working on plans for resurfacing some of the service plazas in 1987. He said it was not an item ready for presentation to the Commission for authorization to award because the plans were incomplete. He said the resurfacing would be done in at least two, maybe four, of the service plazas in 1987.

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 chairman of the Committee on Employee Relations, Louis J. Disantis, said the negotiators for the Commission and for the collective bargaining unit could not reach a negotiated agreement on the question of fair share contributions by non-union members. He said a fact-finding panel was chosen and convened on November 17, for hearings on the question. He said that the parties had until December 21, to file their legal briefs with the fact-finding panel.

Mr. Disantis said also that the subcommittee for the Committee on Employee Relations did meet with those employees who were not covered by the bargaining agreement to receive their requests and suggestions for 1987. He said that meeting was held on December 9, and the subcommittee hoped to present its recommendations to the Executive Director within seven to ten days after the Commission meeting.

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

The Executive Director, Mr. Johnson, said that at the last Commission meeting when the preliminary budget was adopted he reported on behalf of the Committee on Budget and Finance regarding some of the elements that were increases in amounts for the 1987 budget. He said that one of those things involved the Commission's liability insurance coverages. He said he informed the Members at that time that he felt the staff was close to getting a new policy to cover the general and vehicle liability insurance. He said that since then new policies had been executed.

The Executive Director said further that part of the policies involved a substantial self-insurance requirement or deductible, which meant the Commission would have to pay for the underlying amounts of the coverages. He said that the insurance carrier stipulated that the Commission obtain a letter of credit, or letters of credit representing security for a portion of the self-insurance requirements under the policies.

The Executive Director said further that he had discussed such a letter of credit with the Commission's trustee and the depository bank, AmeriTrust. He said that in order to obtain the letter of credit, AmeriTrust officials suggested that it would be appropriate for the Commission to adopt a resolution authorizing the Executive Director to take action concerning it. He said a resolution authorizing the Executive Director to take immediate action concerning letters of credit and security for letter of credit had been prepared and copies were in the Members' folders. He said the resolution was short and he would read it as follows:

"WHEREAS, the Commission has purchased automobile liability insurance and general liability insurance from Insurance Company of North America, a CIGNA Company (INA), effective December 1, 1986;

WHEREAS, the insurance policies have deductibles for both general liability and automobile liability to the extent that the Commission is self-insured in the amount of \$250,000 on the automobile liability policy and \$1,000,000 on the general liability policy and the direct or indirect payment by the Commission under those deductibles being Current Expenses under the Commission's Trust Agreement;

WHEREAS, as a result of the deductibles involved therewith, INA requires that the Commission post a Standby Letter of Credit in the amount of \$300,000, said Letter of Credit to be posted by AmeriTrust Company National Association (AmeriTrust), and the said amounts to be used to reimburse INA for certain costs incurred by said company, but chargeable to the Commission under the deductible provisions;

WHEREAS, in connection with the posting of the Letter of Credit, AmeriTrust requires that the Commission secure said Letter of Credit in the form of an assignment or encumbrance of bank accounts, certificates of deposit or other accounts or portions of accounts which the Commission has on deposit at AmeriTrust;

NOW, THEREFORE, BE IT

RESOLVED that the executive director is authorized and directed to execute any and all documents necessary to obtain the letter of credit and for the assignment or encumbrance of bank accounts, certificates of deposit, or other accounts or portions of accounts which the Commission has on deposit with AmeriTrust in order better to secure the issuing of the Letter of Credit."

The Executive Director said some discussion certainly could occur on the resolutions, but he recommended that the Commission adopt it so the Commission could go forth with what he called the last element of the insurance coverage.

A resolution authorizing the Executive Director to take action concerning letters of credit and security for letter of credit was moved for adoption by Mr. Pinzone, seconded by Mr. Schneider as follows:

RESOLUTION NO. 9-1986

"WHEREAS, the Commission has purchased automobile liability insurance and general liability insurance from Insurance Company of North America, a CIGNA Company (INA) effective December 1, 1986;

"WHEREAS, the insurance policies have deductibles for both general liability and automobile liability to the extent that the Commission is self-insured in the amount of \$250,000 on the automobile liability policy and \$1,000,000 on the general liability policy and the direct or indirect payment by the Commission under those deductibles being Current Expenses under the Commission's Trust Agreement;

"WHEREAS, as a result of the deductibles involved therewith, INA requires that the Commission post a Standby Letter of Credit in the amount of \$300,000, said Letter of Credit to be posted by AmeriTrust Company National Association (AmeriTrust), and the said amounts to be used to reimburse INA for certain costs incurred by said company, but chargeable to the Commission under the deductible provisions;

"WHEREAS, in connection with the posting of the Letter of Credit, AmeriTrust requires that the Commission secure said Letter of Credit in the form of an assignment or encumbrance of bank accounts, certificates of deposit or other accounts or portions of accounts which the Commission has on deposit at AmeriTrust;

"NOW, THEREFORE, BE IT

"RESOLVED that the executive director is authorized and directed to execute any and all documents necessary to obtain the letter of credit and for the assignment or encumbrance of bank accounts, certificates of deposit, or other accounts or portions of accounts which the Commission has on deposit with AmeriTrust in order better to secure the issuing of the Letter of Credit."

Mr. Schneider asked the Executive Director if in following the procedure the Commission actually would be encumbering its accounts in the amount of \$300,000.

The Executive Director said he didn't expect that to really happen, but it would be an accounting procedure if the letter had to be drawn on. He said it would be for those expenses the insurance company might incur that ultimately would be determined were chargeable to the Commission because of the deductible provisions. He said he could not know what those circumstances might be, but perhaps General Counsel might have further information on that subject.

General Counsel, James C. McGrath, said that the Commission and the insurance carrier might become involved in court action defending against a general liability claim in excess of \$1 million. He said that the carrier could decide at the termination of the claim that it wasn't liable, and the Commission had to pay. He said that in the event that there would be a dispute between the Commission and the carrier, the carrier would be able to draw on the account, while discussions between the two parties continued.

Mr. Schneider said that the normal arrangement would be that the Commission would pay the amount and never use the letter of credit.

Mr. Johnson said that was correct. He said that if it were known that a claim was going to be under \$1 million the chances were the Commission would handle it all by itself, and the insurance company would not be involved. He said that as Mr. McGrath had stated the situation would be different if someone sued the Commission in an amount of say \$6 million, and the final judgment or award was \$500,000. He said that would mean the whole amount would be covered by the deductible, but, in the meantime, the insurance company would have had a role in defending the case. He said that under those circumstances he imagined the Commission would negotiate with the carrier on what their expenses would be,



and the letter of credit would not need to be used. He said that the letter of credit would be used in cases where there was a dispute over the settlement amounts.

Mr. McGrath said the Commission had been advised by the insurance company that they required all clients including General Motors Corporation to follow the same procedure. He said it wasn't a matter of the insurance company contending that the Commission could not pay its bills. He said he thought the policy was rather stringent, but under the circumstances he didn't think the Commission had much choice. He said that in addition all interest on the \$300,000 accrued to the Commission.

The Executive Director said he did mention at the last Commission meeting that the previous general liability coverage was only a \$2 million policy with a \$1 million deductible, and at a substantial premium. He said the new policy had the same deductible limit with greater umbrella coverage.

Mr. Disantis said the new coverage for general liability was up to \$6 million and \$6.75 million for the automobile liability, whereas the Commission only had \$1 million on both policies with the last coverage. He said that as the Members knew from attending recent International Bridge, Tunnel and Turnpike Association meetings, the IBTTA Risk Management Committee had done extensive study on available insurance for toll facilities. He said Insurance Company of North America, a CIGNA Company (INA), the company from which the Commission purchased its policies, and one other insurance carrier were presented as companies willing to write liability insurance for toll facilities. He said the information provided by the Commission to CIGNA also was provided to the other company, both directly through their home offices in New York and through their local offices in Cleveland. He said the Commission did not receive a proposal from that company so it was a situation where CIGNA was the only carrier to provide the coverage. He said he wanted to add that the umbrella coverage was being increased from \$1 million to \$6 million at a cost approximately \$20,000 less annually than the previous coverage.

The Chairman asked the Assistant Secretary-Treasurer to call the roll on the resolution.

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. Rogers

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 9-1986.

The Executive Director said the next resolution authorized award of several more construction contracts. He said that as the Members recalled a resolution was adopted at the last Commission meeting authorizing the award of a number of bridge and resurfacing projects. He said the resolution then before the Members was entitled "Resolution Authorizing the Executive Director to take Immediate Action Concerning Award of Certain Asbestos Removal Contracts, and a Contract for the Installation of a Ground Water Interceptor."

The Executive Director said further he wasn't sure that he had talked a great deal with the Members about it, but he was sure everyone had heard the word asbestos. He said it had become a dirty word of late, and the staff had done a great deal of work to remove it from various facilities. He said asbestos removal primarily had been done at the service plaza buildings in conjunction with the remodeling and renovation that went on in 1985 under the new restaurant contracts. He said asbestos had been removed from the Commodore Perry and Erie Islands Service Plazas when the Rax Restaurants were installed several years ago. He said that, unfortunately, it had been discovered that asbestos had been used in pipe insulation and other insulation found in additional areas of buildings. He said asbestos also could be found in ceiling tiles such as those already removed from the administration building.

The Executive Director said further the staff had to keep going on the asbestos removal and it then was testing and analyzing the asbestos used in the Turnpike's eight maintenance buildings. He said it might not be in all 20 toll plazas, particularly the newer ones. He said, however, that testing would be done at all the toll plazas, as well as in the sewage treatment buildings at eight service plazas. He said he was asking for authorization to proceed with award of contracts on that project.

The Executive Director said further that the second project listed in the resolution, CIP 59-87-03, Phase I, was for the installation of a ground water interceptor--pipe underdrain, paved ditch and drainage appurtenances at milepost 178.4 in Summit County.

The Executive Director said further that it was really the first stage of a project for which he already asked for authority to award. He said it was part of a project in the area of the Cuyahoga River bridges. He said it was from the end of those bridges, up to the Akron (#12) Interchange. He said a third, climbing lane would be added in that section, and resurfacing also would be done. He said the two sections just east of the bridges were the highest fill areas on the Turnpike. He said there had been a long-standing problem of water seeping into those fills and affecting their stability whereby sluffing off had occurred and it had been studied for years. He said the consulting engineers also

had been studying the situation for years. He said the sections were long upgrades, and there were areas above the fills believed to be contributing to the ground water getting into them. He said that after a great deal of study, borings, and examinations it had been decided the first stage of the project would be to put in what is described as a ground water interceptor. He said it would involve digging a deep trench in a ridge area just above and east of the fill where the most problems had been experienced. He said the work would call for cutting down into that ridge far enough to intercept the ground water before it entered the fills and draining it.

The Executive Director said further that the work was not the end of the situation because something eventually would have to be done to stabilize the slopes. He said excavation had to be done to see what was encountered, install the collector drain, and move on to other aspects of that project.

The Executive Director said further that the plans for the interceptor were complete, and advertisements for bids would be placed. He said the project may or may not be over \$250,000. He said he hoped it was under that amount, but at any rate, he wanted to proceed with it. He said the analysis of all bids would be done by the consultants, General Counsel, Deputy Executive Director-Chief Engineer and him before the award was made. He said he would keep the Commission informed of the process, and he recommended that the resolution be adopted.

A resolution authorizing the Executive Director to take immediate action concerning award of certain asbestos removal contracts, and a contract for the installation of a ground water interceptor was moved for adoption by Mr. Schneider, seconded by Mr. Pinzone as follows:

RESOLUTION NO. 10-1986

"WHEREAS, the Commission is preparing to advertise for bids for contracts for the asbestos removal at the Commission's maintenance buildings, toll plazas and service plaza water and sewerage treatment building; and the installation of a ground-water interceptor at Milepost 178.4, such contracts being designated and more fully described as follows:

CIP 56-87-01	Asbestos removal at maintenance buildings, toll plazas and service plaza water and sewerage treatment buildings;
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CIP 59-87-03 Phase I	Installation of a groundwater interceptor consisting of a pipe underdrain, paved ditch and drainage appurtenances at Milepost 178.4 in Summit County, Ohio;
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"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: Mr. Schneider, Mr. Pinzone, 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. 10-1986.

The Executive Director said also that he was pleased to report that all of the mainline roadway construction projects were completed for the year. He said the last barrier on the last, remaining project had been removed at 1:00 p.m. on the Wednesday preceding Thanksgiving. He said that project had been located east of the Youngstown area. He said the project was opened in the nick of time because traffic was heavy on Wednesday and record levels were set, almost 120,000 vehicles. He said that, fortunately, there had not been any snow during the weekend, but plenty of rain.

The Executive Director said further that after the meeting perhaps the Members might have some time to take a little tour of the administration building to see the renovation and addition work. He said an artist's renderings of the finished addition to the building were in the meeting room.

The Executive Director said further that the engineering staff had been very busy developing the plans for next year's projects. He said that starting the day after the meeting advertising would be placed for the first 1987 projects, and there would be a steady flow of that activity in the months ahead.

The Chairman said the report of the Executive Director was accepted as offered. He ascertained there would be no reports from General Counsel, consulting engineers or the Director of Information and Research. He said the report of the trustee would be received.

The representative of the trustee, Mr. Fetzner, said that all the requirements of the Trust had been met on a prompt and timely basis and he was very pleased about the situation. He said he also wanted to thank the Commission for the continued close relationship that had been maintained and he commended all members of the Comptroller's staff. He said it was a pleasure doing business with the Commission.

The Chairman said he did not believe there would be a need for a January meeting, unless something came up which required it. He said a meeting would be set for February, subject to the availability of most of the Members.

The Chairman said also that he wanted to wish everyone in attendance and their families happy holidays. He said historically a festive Christmas luncheon was held at the administration building, but due to the construction work he thought it was best to forego the party this year. He said that maybe an even better party would be held in 1987.

The Executive Director said that as he mentioned to the Chairman perhaps some kind of grand opening celebration would be held once the construction work was completed.

The Chairman said absolutely, and it would be appropriate to celebrate the conclusion of the building's much needed repairs. He said he really had to commend the staff for having worked under some of the conditions that they've worked under over the years.

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

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 10:47 a.m.

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

  
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Charles R. Pinzone, Secretary-Treasurer