

MINUTES OF THE 367TH MEETING OF THE OHIO TURNPIKE COMMISSION

August 16, 1990

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the conference room of the Toledo Express Airport terminal building at 11013 Airport Highway, Swanton, Ohio at 12:10 p.m., on August 16, 1990, with key members of the staff; a representative, William R. Fleischman, of the consulting engineers, J. E. Greiner Company-Ohio; a representative, Richard Fetzer, of the trustee, Ameritrust Company National Association; two members of the media, Hank Harvey, The (Toledo) Blade, and Pauline Thoma, The (Cleveland) Plain Dealer; 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: Bernard B. Hurst, Douglas E. Fairbanks,
Charles R. Pinzone, Edwin M. Bergsmark

Absent: Clarence D. Rogers, Jr.

A motion was made by Mr. Hurst, seconded by Mr. Fairbanks that the minutes of the meeting of March 22, 1990, 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: Mr. Hurst, Mr. Fairbanks, Mr. Pinzone,
Mr. Bergsmark

Nays: None

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

The Vice Chairman said the meeting was the 367th of the Ohio Turnpike Commission and was being held at the Toledo Express Airport to accommodate the schedule of the Members. He said the Chairman, Mr. Rogers, was unable to attend the meeting due to other commitments and as Vice Chairman, he would conduct the meeting. He said he believed that it was the first time the Commission had ever met in Toledo so it was an historic occasion. He said he was pleased as a resident of the area that the Commission was there. He said the Turnpike was important to the residents of the area.

The Vice Chairman said further that he wanted to introduce some special guests. He said at the meeting were Richard Fetzer from Ameritrust, the Commission's trustee, Ms. Pauline Thoma, The

(Cleveland) Plain Dealer, Hank Harvey, The (Toledo) Blade, Rob Fleischman, J. E. Greiner Co.-Ohio, the Commission's consulting engineers, Dick Juratovic and Harry Lerlinger, representatives of Sun Refining and Marketing Company and, of course, members of the Commission's staff. (Eugene Barr, a representative of BP Oil Company, entered the meeting room a short time later.)

The Vice Chairman said further that he would dispense with the customary statistical report in the interest of saving time. He said the primary reason for the meeting was to act on a number of resolutions, copies of which had been placed in the Members' folders. He said the resolutions would be explained and introduced during the various committee and staff reports.

The Vice Chairman said further that if there were no questions, he would proceed with the report of the Secretary-Treasurer, Mr. Pinzone.

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

- (1) Weekly Traffic Statistics
- (2) Investment transactions which occurred during March, April, May, June and July 1990
- (3) Ohio Turnpike Commission Comprehensive Annual Financial Report for the Year Ended December 31, 1989
- (4) Draft of the Commission Meeting Minutes of March 22, 1990
- (5) Traffic Accident Analysis through June 1990
- (6) Traffic and Revenue Report for March, April, May, June and July 1990
- (7) Financial Statements for March, April, May, June and July 1990
- (8) Expense and Budget Report for the first three and six months of 1990
- (9) Litigation Report for the first and second quarters of 1990
- (10) Bid tabulations for various 1990 construction projects
- (11) News Release #1 - Construction projects for 1990 w/map

News Release #2 - Suspension of Construction projects during July and August

The Vice Chairman said the report of the Secretary-Treasurer was accepted as offered. He ascertained there would be no report from the Committee on Budget and Finance. He said the report of the Committee on Audit/Legal would be received. He said that although he was chairman of that committee the Comptroller, Craig Rudolphy, would give the report as Vice Chairman of the committee.

Mr. Rudolphy said the Audit/Legal Committee had studied whether the Commission should establish a formal investment policy to help safeguard the investment of Commission funds. He

said, initially, he reviewed the subject and prepared a draft policy, which draft was reviewed in detail by the Audit/Legal Committee, General Counsel and Fiscal Counsel for the Commission. He said a number of subsequent drafts were prepared and reviewed, and the final document was before the Commission at the meeting.

Mr. Rudolphy said further that it should be noted that the policy was, in effect, a written statement of the investment practices and procedures which the Commission had used since its inception and it had not been developed because of any past problem, but as a prudent, clear-cut guide for future activities.

Mr. Rudolphy said further it was the conclusion and recommendation of the Audit/Legal Committee therefor that the Commission should adopt a formal written investment policy. A resolution to adopt the policy was before the Commission.

Mr. Bergsmark said he wanted to note that since the last meeting of the Commission the audit of the Commission for 1989 by the independent auditors was released and included in the annual report of the Commission and, for the first time, the independent audit was both a financial and compliance audit done with full participation, review and approval of the Auditor of State. He said the Committee was especially pleased that not a single adjustment was required on any figures of the Commission's Financial Statements and there were no non-compliance citations, which are extraordinary for any agency, but especially for an operation of the Commission's magnitude..

Mr. Rudolphy said further, the independent auditors had just completed the audit work for the first six months of 1990 and would be issuing their report within the next few weeks.

A resolution adopting the Ohio Turnpike Commission's investment policy was moved for adoption by Mr. Fairbanks, seconded by Mr. Pinzone as follows:

RESOLUTION NO. 9-1990

"WHEREAS, there is before the Commission a document setting forth a formal investment policy for the Ohio Turnpike Commission;

"WHEREAS, this document is the result of the joint efforts of the members of the Audit/Legal Committee and has been reviewed and approved by fiscal counsel for the Commission;

"WHEREAS, the Commission deems it desirable to adopt a formal investment policy and has reviewed the investment policy which is before it;

"WHEREAS, the adoption of this policy has been recommended by the Audit/Legal Committee;

"NOW, THEREFORE, BE IT

"RESOLVED that the Ohio Turnpike Commission hereby adopts an investment policy, such policy being set forth in the document entitled, "Ohio Turnpike Commission Investment Policy" dated August 1990, and hereby authorizes and directs the executive director to take all action necessary to implement this policy; and

"FURTHER RESOLVED that the secretary-treasurer of the Commission, the assistant secretary-treasurer of the Commission and the comptroller of the Commission are each designated as "authorized parties" as such term is used in the Commission's investment policy; and

"FURTHER RESOLVED that the copy of this investment policy is attached to this resolution and incorporated herein by reference as if fully re-written herein."

OHIO TURNPIKE COMMISSION
INVESTMENT POLICY

AUGUST, 1990

This investment policy applies to the investments made of the Ohio Turnpike Commission's (Commission) moneys in all funds, unless specifically excluded. All investments shall be made in compliance with the applicable statutory laws of Ohio including Chapter 5537 of the Revised Code of Ohio and the Trust Agreement between the Ohio Turnpike Commission and Ameritrust Company National Association dated September 1, 1984, securing State of Ohio, Turnpike Refunding Revenue Bonds of 1984 and all supplements thereto (Trust Agreement). Any conflict between this policy and the statutory laws of Ohio and the Trust Agreement shall be resolved in favor of the statutory laws and the Trust Agreement.

OBJECTIVES

Investments shall be undertaken to ensure preservation and safety of capital in the overall portfolio. Investments purchased with moneys from the Revenue Fund, Capital Improvement Fund, and Fuel Tax Fund will include securities that will provide for an investment portfolio designed to attain a market average rate of return over the economic cycle with consideration of cash flow requirements of the funds.

The Ohio Turnpike Commission has adopted an "Employee Severance Anticipation Compensation Plan" (Severance Plan) and have made deposits pursuant to such plan, creating a fund (Severance Fund) to meet the anticipated obligations of the Plan. Investments of the Severance Fund are selected in a manner which seeks to ensure preservation of capital in addition to attempting to match the anticipated maturity date, June 1, 1992. Commission Resolution 2-1990 provides that a portion of the amount deposited in the Severance Fund, as well as the Plan's investment earnings, can and should be used to meet ongoing Commission financial obligations to employees resigning and terminating in good standing. The semiannual interest earnings from investment of the Severance Fund will be used to meet the financial obligations under Resolution 2-1990.

INVESTMENT AUTHORITY

Implementation of the Commission's investment policy shall be the responsibility of the Secretary-Treasurer of the Commission and/or the Assistant Secretary-Treasurer of the Commission. The day-to-day management, operation, and implementation of the policy shall be the responsibility of the Comptroller of the Commission. All of the above shall be collectively referred to as "Authorized Parties."

INVESTMENT STANDARDS

All investments under the Commission's investment policy shall be in accordance with the Trust Agreement, Chapter 5537 of the Revised Code, all other applicable laws and regulations and all actions and agreements of the Commission.

All action by Authorized Parties under this policy shall be in compliance with the applicable ethics and interest in contract legislation of this state. None of the Authorized Parties nor members of the Commission shall be held accountable for any loss occasioned by sales or liquidations of investments or deposits at prices lower than their cost.

INTERNAL CONTROLS

A system of internal accounting controls that safeguard assets and provides reasonable assurance of proper recording of all financial transactions has been established and will be followed in the implementation of the investment policy. The internal control procedures relevant to the investment transactions have been designed to prevent losses arising from fraud, collusion, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the Ohio Turnpike Commission.

Internal accounting control procedures shall be reviewed and updated, when necessary, by the Commission's Accounting and Auditing Department, as well as the Commission's outside auditing firm.

INVESTMENTS

In accordance with the Trust Agreement, assets of all funds of the Commission governed by the Trust Agreement shall be invested only in the following, which shall also be the eligible investments of other funds of the Commission:

(i) Any bonds, debentures, notes, participation certificates or other obligations which are, or which evidence undivided fractional or proportionate interests in, direct obligations of, or fully guaranteed as to principal and interest by, the United States of America or any agency or public body which is controlled or supervised by and acting as an instrumentality of the United States of America, including obligations issued or held in book entry form on the books of the U.S. Department of Treasury;

(ii) Bankers acceptances, certificates of deposit or time deposits of banks or trust companies, including the Trustee or any affiliate of the Trustee, which is a member of the FDIC and has a combined capital and surplus of at least \$50,000,000 in dollars of the United States of America (including any investment in pools of those bankers acceptances, certificates of deposit or time deposits owned by the bank or trust company);

(iii) Certificates of deposit of any savings and loan corporation or savings association or bank or trust company, including the Trustee or any affiliate of the Trustee, provided the certificates of deposit, to the extent not insured by the FDIC or FSLIC, are secured (a) by Eligible Investments described in clause (i) above having a market value (exclusive of accrued interest other than accrued interest paid upon the purchase thereof) at all times at least equal to the uninsured amount of such deposit, and which shall be placed in the custody of the Trustee or a depository by such savings and loan corporation or savings association or bank or trust company together with its undertaking, in form satisfactory to the Trustee, that the aggregate market value of the securities securing such certificates of deposit or time deposits will at all times be an amount which meets the requirements of this clause (a), or (b) in accordance with the requirements of Chapter 135 of the Revised Code for securing deposits of public moneys;

(iv) Any repurchase agreement (a) with any bank, including the Trustee and its affiliates, (b) which is secured by collateral of the type specified in (i) above which collateral (1) is in the possession of the Trustee or the Commission, or a third party acting solely as agent for the Trustee or the Commission, as the case may be, (2) is not subject to any third party claims, and (3) has a market value (determined at least once every 14 days) at least equal to the amount invested in the repurchase agreement, and (c) which permits the Trustee or the Commission, as the case may be, to liquidate the collateral immediately upon failure to maintain the collateral at the required level;

(v) General obligations of the State, provided that such general obligations are rated as "AA" or higher by a Rating Service;

(vi) Obligations of any state of the United States or any political subdivision of any state which are secured by obligations specified in (i) above and are rated "AAA" by a Rating Service; and

(vii) Interests in any money market fund or trust the investments of which are restricted to obligations of the types specified in (i) through (iv) above.

Investments in repurchase agreements can be made only pursuant to a properly executed Master Repurchase Agreement.

All securities shall be held in accordance with a properly executed Master Custodian Agreement.

REPORTING

The Comptroller shall submit a monthly listing, by fund, of all investment transactions, including purchases, early sales, maturities, and swaps to the Commission, to each of its members, and to the Assistant Secretary-Treasurer.

For new securities purchased, the report will contain the type of security purchased, the amount purchased, the purchase date, the maturity date, the cost and the yield to maturity.

For securities sold prior to maturity date, the report will list the type of security sold, the face amount sold, the purchase date, the maturity date, the actual sale date, the proceeds received, the gain or loss realized on the sale and the yield to maturity.

For securities that matured during the month, the report will list the type of security that matured, the face amount, the purchase date, the maturity date, the total proceeds received, the interest received, if applicable, and the yield earned.

For securities swapped (that is, securities sold prior to maturity in order to purchase another security that earns a higher yield) the report will list the type of security sold, the amount sold, the purchase date, the maturity date, the sale date, the proceeds received, the gain or loss realized, and the yield to maturity. For the new security purchased, the report will list the type of security purchased, the amount purchased, the cost, the purchase date, the maturity date and the yield to maturity.

In addition, the Comptroller's monthly report will contain a summary of investment revenue earned by fund for the month reported and investment revenue earned year to date by fund.

The Commission's monthly financial statements contain schedules of outstanding investments by fund as of month end. The schedules list the type of security purchased, the interest rate, the maturity date, the principal amount purchased, the cost, the amortization of the discount or premium and the current book value of the security. In addition, a schedule of investment revenue is included for each fund.

PERFORMANCE EVALUATION

As an integral part of the Commission's semiannual audit by an independent certified public accounting firm, a review of investment transactions will be performed.

In November of each year, the Comptroller will project investment revenue by fund for the following year. An internal evaluation of the investment program will be performed annually based on a comparison of projected revenue to the actual revenue earned.

BANK AND DEALER SELECTIONS

All investments shall be made only through a member of the National Association of Securities Dealers, Inc. or through an institution regulated by the Superintendent of Banks, Superintendent of Savings and Loan Associations, Comptroller of the Currency, Federal Deposit Insurance Corporation, Board of Governors of the Federal Reserve System, or Federal Home Loan Bank Board. Payment for securities shall be made only upon the delivery to the Commission of securities representing such investments. If the securities transferred are not represented by a certificate, payment shall be made by the Commission only upon receipt of confirmation of transfer from the custodian.

All purchases of securities will be made through an informal quotation process, whereby the Commission will obtain offerings from at least three eligible banks or dealer. Investment transactions will be executed with the bank or dealer offering the highest yield to the Commission after consideration of the fees to be charged for wiring of funds, if needed.

Certificates of deposit will be purchased through local banks that have pledged collateral to secure the certificates of deposit. When dealing with the Commission's Trustee and/or depository bank, the amount of collateral held in the Commission's name must secure all uninvested moneys in all funds, in addition to all investments in certificates of deposit purchased from the Trustee or depository bank.

DIVERSIFICATION

It is the policy of the Commission to diversify the investment portfolio. Investments made with all funds shall be diversified to reduce the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Maturities selected shall provide for stability of revenue and liquidity as needed based on the specific fund type.

Liquidity for the Revenue Fund shall be assured through practices ensuring that sufficient funds are available for current expenditures including payroll, and for retaining the working capital reserve allowing for transfer of the remaining balance to the Capital Improvement Fund on a monthly basis. This transfer is made on the first working day of each month and consists of all moneys in the Revenue Fund as of the last working day of the prior month less the working capital reserve amount.

Throughout the month, short term investments can be made with moneys in the Revenue Fund not needed for current expenditures. The maturity date of these investments can not extend beyond the month end, with the exception of a part of the working capital reserve amount needed. Amounts up to Ninety Percent of the working capital reserve amount can be invested in a security maturing beyond month end depending on other cash requirements for current expenditures. The amount of funds to be deposited to the Revenue Fund on the day of the transfer to the Capital Improvement Fund must be considered in the investment decision.

Liquidity in both the Capital Improvement Fund and the Fuel Tax Fund shall be assured through practices ensuring that costs for acquisitions or construction of major capital facilities, for major repairs and replacements and for engineering expenses are covered when due through maturing investments or through the sale of marketable government obligations.

Through coordination with the Engineering department an estimate of the date invoices will be submitted for payment shall be obtained. Historically, the largest dollar amounts needed for payment for Capital Improvement and Fuel Tax Fund projects has been during the months of June, July, October and November. With consideration of the payment requirements, investments with funds from the Capital Improvement Fund and the Fuel Tax Fund are made in short term securities, generally not to exceed one year. For the months requiring the largest cash disbursements, an investment for \$1.0 million dollars or more maturing in each week of the month is desirable.

Liquidity in the Debt Service Fund shall be assured through practices ensuring that the payment of principal and interest on the long-term debt is covered. Liquidity for the interest payments, due June 1 and December 1, shall be maintained through certificate of deposit maturities or treasury bill maturities on or about the interest payment due dates.

Liquidity in the Severance Fund shall be assured through practices ensuring that moneys will be available for the purposes of that fund with the maturities of eligible investments to be due near the date of June 1, 1992. In order to comply with Resolution 2-1990, the semiannual interest earnings from securities purchased in the Severance Fund will be used to meet the financial obligations per this Resolution. If the interest earnings are insufficient to meet the obligations for termination benefits, a security in the Severance Fund can be sold prior to maturity date.

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

Ayes: Mr. Fairbanks, Mr. Pinzone, Mr. Hurst,
Mr. Bergsmark

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 9-1990.

The Vice Chairman said the report of the Committee on Audit/Legal was accepted as offered. He said the report of the Committee on Service Plazas would be received.

The chairman of the Committee on Service Plazas, Mr. Fairbanks, said the committee had investigated the service station operations and bids were solicited under contract SS-9. He said the contract would begin on October 1, 1990 and run through June 1, 1992. He said that, in addition, the Commission or its successor could authorize multiple, two-year extensions of the contract, at the sole discretion of the Commission or its successor.

Mr. Fairbanks said the Commission had received bids from Sun Refining and Marketing and BP Oil. He said the Members had before them the report on the bids from the committee. He said he directed the Members attention to page 3 of that report where the committee evaluated the bids carefully and reviewed the interviews held with representatives of each of the bidders. He said the bidders were found to be equal or substantially equal in five of the areas listed 1 through 8 on page 3.

Mr. Fairbanks said however, the bidders were not equal in the three other areas. First, BP's prices for the most popular fuels sold on the Turnpike, regular, unleaded gasoline and diesel, would be lower than Sun's. Sun proposed \$2.6 million for capital improvements, while BP Oil offered \$3,585,000. He said in the area of promotion it was felt that BP Oil would initiate far more promotional activities than Sun.

Mr. Fairbanks said further that on page 7 of the report was a summary and that the committee felt it was important to provide the lowest price possible to the majority of patrons on the Turnpike, and also there was a substantial opportunity to increase the sale of diesel fuel, which the committee would like very much to happen.

Mr. Fairbanks said further that after the committee's review of the two bids received, including the documentation submitted with the bids, and meetings with representatives of the bidders, it was the conclusion of the committee that the bid submitted by

BP Oil Company was in consideration of the public interest, the best bid received, and the committee recommended that the Commission award contract SS-9 to the BP Oil Company.

The Vice Chairman said that both bidders were reputable, fine, upstanding companies.

Mr. Fairbanks said they were both excellent companies, the bids were good and the committee appreciated Sun bidding.

A resolution awarding contract SS-9 was moved for adoption by Mr. Fairbanks, seconded by Mr. Pinzone as follows:

RESOLUTION NO. 10-1990

"WHEREAS, the Commission has heretofore advertised for bids for the performance of Contracts SS-9-A, SS-9-B and SS-9-C, each of which is a contract for the operation of various combinations of the dual service stations (i.e. pairs of service stations, each pair having individual stations located opposite each other on both sides of the Ohio Turnpike) at the service plazas on the Ohio Turnpike;

"WHEREAS, advertisements of notice for the taking of bids for each of the aforesaid contracts were duly published according to law and two bids for the performance of such contracts were thereafter received and duly opened and read as provided in said published notice, and said bids are before this Commission meeting;

"WHEREAS, said bids have been analyzed by the executive director and by the Commission's Committee on Service Plazas, and recommendations predicated upon said analyses have been tendered to the Commission for its consideration;

"WHEREAS, the Commission has duly and fully considered said bids and the aforesaid analyses and recommendations;

"WHEREAS, all of the aforesaid bids were solicited on the basis of the same terms and conditions with respect to all bidders and potential bidders;

"WHEREAS, the Commission has determined that the bid of BP Oil Company of Cleveland, Ohio for the performance of Contract SS-9-A, is, in consideration of the public interest, the best of all bids and combinations of bids received in response to the advertisement for said contracts;

"WHEREAS, the Commission has been advised by its general counsel that said bid conforms to the requirements of all applicable statutes and to the terms and conditions set forth in the legal notice and other documents applicable thereto, and that the Commission may legally accept said bid; and

"WHEREAS, the executive director and the Service Plaza Committee are satisfied with the capacity and ability of said bidder to perform its obligations pursuant to its bid;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of BP Oil Company of Cleveland, Ohio for the performance of Contract SS-9-A is, and is by the Commission determined to be, the best of all bids and combinations of bids received, in consideration of the public interest for the performance of any of the aforesaid contracts and is accepted;

"FURTHER RESOLVED that the chairman and the executive director or either of them, be, and hereby each of them is, authorized to execute a contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, and to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that the executive director is instructed to return the bid security of all other bidders as soon as said contract is executed."

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

Ayes: Mr. Fairbanks, Mr. Pinzone, Mr. Hurst,
Mr. Bergsmark

Nays: None

The Vice Chairman declared the resolutions stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 10-1990.

The Vice Chairman asked Mr. Fairbanks if he wanted to continue with the committee report regarding the restaurant concession contracts.

The Executive Director, Allan V. Johnson, said Mr. Fairbanks asked him to report on those contracts. He said the current restaurant contracts, which were awarded in 1985, carried an initial term of five years. He said those contracts ran until November 30, 1990, with options to extend for an additional five-year period. He said that the respective restaurant operators, Marriott Corporation (12 restaurants) and Hardee's Food Systems, Inc. (4 restaurants), had properly requested extensions under provisions of the contracts.

The Executive Director said further that when the contracts were awarded in 1985 the maturity date of the outstanding bonds

of the Commission was December 1, 1990. He said that, of course, the date had been extended to June 1, 1992. He said the Commission could hardly get caught in a situation where the restaurants would not be operated from December 1, 1990 through June 1, 1992. He said that the committee had reviewed the operations of the restaurants and it was prepared to recommend that the contracts be extended for the five-year term provided in the contracts, but with the caveat that in the event the June 1, 1992, bond maturity deadline should result in the cessation of the jurisdiction of the Commission and in the event that the successor agency, namely the Ohio Department of Transportation, chose not to continue that operation, that the contracts would expire.

The Executive Director said further that there were two resolutions before the Commission regarding the restaurants. He said the first was the resolution extending contracts TR-6-B, TR-6-C and TR-6-D between the Commission and the Marriott Corporation. He said he recommended the resolution be adopted.

A resolution extending contracts TR-6-B, TR-6-C and TR-6-D between the Commission and Marriott Corporation for the operation of twelve service station restaurants on the Ohio Turnpike was moved for adoption by Mr. Fairbanks, seconded by Mr. Hurst as follows:

RESOLUTION NO. 11-1990

"WHEREAS, pursuant to Resolutions 14-1985, 15-1985 and 16-1985, adopted September 5, 1985, the Commission awarded Contracts TR-6-B, TR-6-C and TR-6-D to Marriott Corporation for the operation of the restaurants located at the following service plazas:

<u>Contract</u>	<u>Service Plaza</u>	<u>County</u>
TR-6-B	(2N) Oak Openings	Lucas
	(2S) Fallen Timbers	
	(4N) Erie Islands	Sandusky
	(4S) Commodore Perry	
TR-6-C	(5N) Middle Ridge	Lorain
	(5S) Vermilion Valley	
	(7N) Portage	Portage
	(7S) Brady's Leap	
TR-6-D	(6N) Great Lakes	Mahoning
	(6S) Towpath	
	(8N) Mahoning Valley	Mahoning
	(8S) Glacier Hills	

"WHEREAS, Section 2 of the contract provides that the contract shall be in effect until December 1, 1990, and further provides that Marriott may request a five-year additional term beyond December 1, 1990, providing such request is made in writing no earlier than twelve months and no later than nine months prior to December 1, 1990;

"WHEREAS, on February 1, 1990, Marriott submitted a written request for an additional term for a five-year period through December 1, 1995;

"WHEREAS, the executive director and the Commission's Committee on Service Plazas have advised the Commission that Marriott has adequately complied with the terms and provisions of Contracts TR-6-B, TR-6-C and TR-6-D and the executive director and the Committee on Service Plazas have recommended to the Commission that it extend the contract between the Commission and Marriott from December 2, 1990, through December 1, 1995; provided, however, that the contract shall terminate prior to December 1, 1995, if the Commission no longer has jurisdiction over the Ohio Turnpike and its successor shall fail to enter into an assignment of the contract and provided further that if the contract shall terminate prior to December 1, 1995, that the determination of the unamortized portion of the Operator's construction costs, as such term is used in the contract, shall be based on the actual period of time that the contract was in existence;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby extends Contracts TR-6-B, TR-6-C and TR-6-D between the Commission and Marriott Corporation for the operation of the restaurants located at the above-mentioned service plazas from December 2, 1990, through December 1, 1995, provided, however, that the contract shall terminate prior to December 1, 1995, if the Commission no longer has jurisdiction over the Ohio Turnpike and its successor shall fail to enter into an assignment of the contract and provided further that if the contract shall terminate prior to December 1, 1995, that the determination of the unamortized portion of the Operator's construction costs, as such term is used in the contract, shall be based on the actual period of time that the contract was in existence;

"FURTHER RESOLVED that the executive director and general counsel are hereby authorized and directed to take any and all action necessary to implement and carry out the extension of Contracts TR-6-B, TR-6-C and TR-6-D."

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

Ayes: Mr. Fairbanks, Mr. Hurst, Mr. Pinzone,
Mr. Bergsmark

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 11-1990.

A resolution extending contract TR-6-A between the Commission and Hardee's Food Systems, Inc. for the operation of four service station restaurants on the Ohio Turnpike was moved for adoption by Mr. Fairbanks, seconded by Mr. Hurst as follows:

RESOLUTION NO. 12-1990

"WHEREAS, pursuant to Resolution 13-1985, adopted September 5, 1985, the Commission awarded Contract TR-6-A to Hardee's Food Systems, Inc., Specialty Food Service Division, for the operation of the restaurants located at the following service plazas:

	<u>Service Plaza</u>	<u>County</u>
(1N)	Indian Meadow	
(1S)	Tiffin River	Williams
(3N)	Blue Heron	
(3S)	Wyandot	Sandusky

"WHEREAS, Section 2 of the contract provides that the contract shall be in effect until December 1, 1990, and further provides that Hardee's may request a five-year additional term beyond December 1, 1990, providing such request is made in writing no earlier than twelve months and no later than nine months prior to December 1, 1990;

"WHEREAS, on January 2, 1990, Hardee's submitted a written request for an additional term for a five-year period through December 1, 1995;

"WHEREAS, the executive director and the Commission's Committee on Service Plazas have advised the Commission that Hardee's has basically complied with the terms and provisions of Contract TR-6-A and the executive director and the Committee on Service Plazas have recommended to the Commission that it extend the contract between the Commission and Hardee's from December 2, 1990, through December 1, 1995; provided, however, that the contract shall terminate prior to December 1, 1995, if the Commission no longer has jurisdiction over the Ohio Turnpike and its successor shall fail to enter into an assignment of the contract and provided further that if the contract shall

terminate prior to December 1, 1995, that the determination of the unamortized portion of the Operator's construction costs, as such term is used in the contract, shall be based on the actual period of time that the contract was in existence;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby extends Contract TR-6-A between the Commission and Hardee's Food Systems, Inc. for the operation of the restaurants located at the above-mentioned service plazas from December 2, 1990, through December 1, 1995, provided, however, that the contract shall terminate prior to December 1, 1995, if the Commission no longer has jurisdiction over the Ohio Turnpike and its successor shall fail to enter into an assignment of the contract and provided further that if the contract shall terminate prior to December 1, 1995, that the determination of the unamortized portion of the Operator's construction costs, as such term is used in the contract, shall be based on the actual period of time that the contract was in existence;

"FURTHER RESOLVED that the executive director and general counsel are hereby authorized and directed to take any and all action necessary to implement and carry out the extension of Contract TR-6-A."

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

Ayes: Mr. Fairbanks, Mr. Hurst, Mr. Pinzone,
Mr. Bergsmark

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 12-1990.

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

The Executive Director said he would begin with a status report on the Joint Select Committee studying the Ohio Turnpike. He said the committee consisted of five Senators and five Representatives of the Ohio General Assembly. He said the committee had conducted four public hearings. He said the overwhelming majority of the persons testifying had supported keeping tolls and the Ohio Turnpike Commission. He said one area he especially wanted to point out was the submission of the survey results from the Ohio Motorists Association, which had membership

of 575,000. He said the survey had been conducted prior the hearing held at the Commission's administration building on May 31, and the initial survey results were reported at the hearing.

The Executive Director said further that as of May 31 there had been over 2,000 responses to the survey. He said that since that time more than 3,000 responses had been received and approximately 90 percent favored keeping tolls and the Commission. He said that, even though there were 575,000 association members, receiving 3000-plus responses to the survey was considered quite significant. He said there also had been a number of newspaper editorials in support of the Commission.

The Executive Director said further that the committee and the Legislative Service Commission, on behalf of the committee, had solicited and received proposals from independent consultants to update studies that were done in 1980 for ODOT and the Ohio General Assembly, and updated in 1983 by the Ohio Turnpike Commission for use by the General Assembly on the fiscal impact to ODOT of operating and maintaining the Turnpike as a toll-free facility.

The Executive Director said further that the Legislative Service Commission and the committee had received three proposals, and should they award a contract, the study should be completed November 1. He said that in the meantime the Ohio Turnpike Commission's staff had been working with staff members of the Legislative Service Commission, and the Legislative Budget Office to furnish a great deal of information requested about the Turnpike's operations. He said the staff continued to cooperate fully with those requests.

The Executive Director said also that all the Turnpike's major construction projects for 1990 had either been completed or suspended by the end of June. He said those still active would resume after Labor Day. He said all the travel lanes of the Turnpike were available throughout the heavy summer traffic season. He said the only major contract that had worked through the summer was the new Turnpike interchange with Interstate Route 75. He said he stopped at the site prior to the day's meeting and work appeared to be on schedule. He said the interchange was set for completion and opening by the Fall of 1991.

The Executive Director said further that the staff was still trying to resolve the situation of wetlands which had stopped proceeding with work on a portion of the new Turnpike interchange with State Route 2. He said the toll plaza section of the interchange was under construction, while the plans were completed for the interchange ramps and the State Route 2 widening. He said he had the title sheet for the S.R. 2 widening at the meeting for Mr. Hurst, as ODOT Director, to sign. He said he could assure Mr. Hurst that the plans for the S.R. 2 widening has been reviewed and approved by his staff. He said the Commission would

soon advertise for bids on the contract. He said he thought the widening might be completed in 1990.

The Executive Director said further the Commission's staff would soon present to the Army Corps of Engineers updated reports showing an area south of the Turnpike in the immediate vicinity of where the S.R. 2 interchange was incorrectly classified as wetlands. He said the wetlands had been artificially created by the pumping of water from a nearby gravel pit. He said the Commission had cleared out a clogged drainage ditch and he showed photographs, taken in completely dry weather, showing the pumped water running down the ditch. He said the supposed wetlands next to the ditch had dried up. He said a much smaller wetland on the north side of the Turnpike could be reconstructed on adjacent property.

The Vice Chairman asked if the Turnpike/State Route 2 interchange would be open at the same time Burlington Air Express' new hub at Toledo Express Airport would be ready to start operations.

The Executive Director said the new interchange should be opened in October of 1991, while the new Turnpike/Interstate Route 75 interchange would become operational a month or so later, but they might be opened at the same time.

The Vice Chairman asked whether plans were continuing on the I-75/State Route 795 interchange.

The Executive Director said S.R. 795 was south of the Turnpike. He said he had been at a coordinating meeting the morning of the Commission meeting in Perrysburg to discuss the project, which was being done by ODOT. He said the indication was that ODOT's plans for the interchange would be finished toward the end of 1990 and they would let a construction contract in the Spring of 1991. He said he was told it would be a one-year construction project and he thought it could be done because there was only one bridge involved in it.

Mr. Hurst said the consultant had indicated that the plans would be ready sometime around the end of 1990. He said the consultant had been giving ODOT the right-of-way plans so that appraisals could start and right-of-way acquired. He said the construction contract would be let in the spring of 1991.

The Vice Chairman asked Mr. Hurst if he agreed with the assessment of the Executive Director on the S.R. 2 interchange project.

Mr. Hurst said he hadn't seen the plans and he assumed they had been run through ODOT's district staff in that area.

The Executive Director said the S.R. 2 plans had been reviewed and approved by the district and also ODOT's central

office in Columbus all along because the Commission was really doing the work for ODOT. He said the Commission was working on I-75, an interstate route under the jurisdiction of ODOT. He said it was the first time in his memory that the Commission had let a contract for work on a portion of one of the other interstate routes.

The Executive Director said also that there were two other resolutions to be acted upon at the meeting. He said the first was a resolution authorizing the Executive Director to take immediate action on the award of a contract to paint the Cuyahoga River bridges. He said it was a contract that the staff had expected to cost more than \$250,000, which was the normal limit of authorization to proceed on a construction contract without action by the Commission.

The Executive Director said he wanted to point out that it was a major project. He said bids on the project were taken in May and a bid tabulation sheet was in the Members' folders. He said that at that time four bids had been received and they ranged from \$5 million to \$11.3 million. He said a contract had not been awarded because there were serious problems with the low bidder and because the magnitude of the project would have stretched the Commission's finances at that time. He said all the bids were rejected.

The Executive Director said further that he did want to have the authorization to do the work at the appropriate time. He said it appeared that the paint work would cost more than the amount spent to build the bridges some 35 years ago. He said the main reason for the huge cost was the requirement to remove the existing paint which had lead in it. He said the lead base paint had to be blasted off, completely recovered and disposed of in a proper manner.

Mr. Pinzone said that when the estimated cost of the project was for over \$8 million and the lowest bid came in at \$5 million, there had to be something wrong. He said he hoped the staff would examine the next set of bids and make the award to the lowest and most qualified bidder.

The Executive Director said that one serious problem with the previous low bidder dealt with recovery and disposal of the lead-based paint removed from the bridge.

Mr. Bergsmark asked that if the previous estimate was \$8 million what would be the new price.

The Executive Director said the previous estimate had been \$8 million and he had expected to be able to have a Commission meeting to make that award. He said that, however, the problems with the bids and funding difficulties precluded the award. He said he was asking authority to award a contract in the event the

Commission could not become actively involved at a future meeting. He said the estimated cost would be reviewed prior to rebidding.

The Executive Director said further that referring back to the May bids the second bid was \$6.4 million, which also was significantly below the staff's estimate.

The Executive Director/Chief Engineer, G. Alan Plain, said the low bidder bid \$1,000 to dispose of the tons and tons of paint scraps and the staff knew there was no way that could be done.

The Executive Director said the second bidder bid \$880,000 for the paint disposal, so it made everyone involved begin to wonder about the bids.

A resolution authorizing the Executive Director to take immediate action concerning award of contract CIP 40-91-02 was moved for adoption by Mr. Fairbanks, seconded by Mr. Pinzone as follows:

RESOLUTION NO. 13-1990

"WHEREAS, the Commission will advertise for bids for the painting of the Cuyahoga River Bridges, Milepost 176.9, located in Summit County, Ohio, such contract being designated as CIP 40-91-02;

"WHEREAS, it is estimated that the cost of the contract 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 the contract pursuant to CIP 40-91-02 so that such award may be made immediately as soon as appropriate;

"NOW, THEREFORE, BE IT

"RESOLVED that with respect to the award of the Contract CIP 40-91-02, 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. Fairbanks, Mr. Pinzone, Mr. Hurst,
Mr. Bergsmark

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 13-1990.

The Executive Director said also that the final resolution was to recognize and congratulate the Pennsylvania Turnpike Commission on the upcoming 50th anniversary of its original sections opening on October 1, 1940. He said he thought it appropriate that the Commission recognized that anniversary. He said he thought it was fair to say that the Pennsylvania Turnpike was the grandfather of the modern toll roads, not only in the United States but in the world. He said he thought the Ohio Turnpike and the Ohio Turnpike Commission were modeled after the Pennsylvania Turnpike and its Commission.

The Executive Director said the Pennsylvania Turnpike Commission would be celebrating the anniversary in October and he would like to have the resolution to be able to present it to them at the annual meeting of the International Bridge, Tunnel and Turnpike Association, which was being held in Pittsburgh in October to honor them. He said he recommended that the resolution be adopted.

A resolution congratulating the Pennsylvania Turnpike on its 50th anniversary was moved for adoption by Mr. Fairbanks, seconded by Mr. Pinzone as follows:

RESOLUTION NO. 14-1990

"WHEREAS, in 1937 the Commonwealth of Pennsylvania enacted legislation creating the Pennsylvania Turnpike Commission authorizing such commission to construct a modern toll highway across the Commonwealth;

"WHEREAS, on October 1, 1940, the Pennsylvania Turnpike was opened to the public;

The representative of the consulting engineers, Rob Fleischman, said the consulting engineers' annual inspection of the Turnpike's bridges, roadway and buildings had been completed. He said he had furnished the Chief Engineer's office with the detailed inspection notes on the bridge inspections for his early use in maintenance and also in determining next year's bridge program. He said he would be furnishing the remainder of the inspection report to the Chief Engineer before the end of August.

The Vice Chairman ascertained there would be no report from the Director of Information and Research. He asked Mr. Hurst if he had a report.

Mr. Hurst said he shared the Commission's concerns about the problem of bridge painting. He said the whole business had gotten out of hand in the last couple of years because of new Environmental Protection Agency requirements for containment of anything that might pollute a river. He said the Cuyahoga River would be watched much closer than if it were a bridge out in the open somewhere because it flowed through a National Park. He said ODOT had just about shut down its bridge painting program because the bids came in so much higher than the estimates.

Mr. Hurst said further that ODOT was getting together a report on the costs of those new EPA regulations and meetings were to be set up with the Ohio EPA and the Federal EPA to try to establish a reasonable program for containment of the sand-blasted, lead-based paint. He said the biggest cost was the containment, where they had to box in an entire area while sand-blasting to catch all the particles of paint. Mr. Hurst said further that ODOT had been removing lead paint from bridges for 5 or 6 years without incident. He said, however, that the rules had changed and a recent incident took place in the Toledo area when a contractor was removing lead paint from the Craig Memorial bridge and letting the paint scraps fall into the Maumee River. He said the contractor was cited for that action.

The Executive Director said the work on the Cuyahoga River bridges would necessitate sandblasting it down to bare metal. He said the bridge was a substantial truss structure and it had been painted three or four times with lead-based paint.

The Vice Chairman said the report of the Director of Transportation was accepted as offered. He said the next Commission meeting would be held at a time and date to be determined after consultation with the Members.

There being no further business before the Commission, a motion was made by Mr. Hurst, seconded by Mr. Fairbanks 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:

"WHEREAS, the Pennsylvania Turnpike Commission and the Pennsylvania Turnpike each have served as a model for Ohio and others of the United States and internationally in the efficient construction, maintenance and operation of a modern, long distance, limited access express toll highway;

"WHEREAS, the initial section of the Pennsylvania Turnpike consisted of 160 miles and has grown over the last fifty years to a 470-mile-highway system connecting with the Ohio Turnpike at its border with the State of Ohio and extending to the Commonwealth's border with the State of New Jersey and has been expanded northeasterly from Norristown, Pennsylvania to Scranton, Pennsylvania;

"WHEREAS, the Pennsylvania Turnpike has significantly contributed to the economic development and growth of the Commonwealth and of the nation and serves as a integral part of the toll road system which spans the Midwest and eastern portions of this nation;

"WHEREAS, the Pennsylvania Turnpike Commission has continued to be a leader in the transportation industry by initiating numerous expansion projects which have contributed significantly and will contribute significantly in the future to the economic development and growth of the Commonwealth and the nation;

"WHEREAS, on October 1, 1990, the Pennsylvania Turnpike will commemorate fifty years of service to the motoring public;

"NOW, THEREFORE, BE IT

"RESOLVED that the Ohio Turnpike Commission hereby salutes the Pennsylvania Turnpike on its golden anniversary and hereby extends its congratulations and best wishes to the Pennsylvania Turnpike Commission and its staff on the occasion of its 50th anniversary."

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

Ayes: Mr. Fairbanks, Mr. Pinzone, Mr. Hurst,
Mr. Bergsmark

Nays: None

The Vice Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 14-1990.

The Vice Chairman said the report of the Executive Director was accepted as offered. He ascertained there would be no report from General Counsel. He said the report of the consulting engineers would be accepted.

Ayes: Mr. Hurst, Mr. Fairbanks, Mr. Pinzone,
Mr. Bergsmark

Nays: None

The Vice Chairman declared the meeting adjourned. The time of adjournment was at 12:45 p.m.

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



Charles R. Pinzone, Secretary-Treasurer