

MINUTES OF THE 390th MEETING OF THE OHIO TURNPIKE COMMISSION

September 13, 1993

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:20 a.m., on September 13, 1993, with members of the staff, Allan V. Johnson, Executive Director; G. Alan Plain, Deputy Executive Director-Chief Engineer; James C. McGrath, General Counsel; Robert P. Barnett, Director of Information and Research; and James H. Brennan, Development Coordinator; a representative, W. Robson Fleischman, of the consulting engineers, Greiner Engineering, Inc. - Ohio; two members of the media, Jim Bradshaw, The (Columbus) Dispatch and Steve Fogarty, The (Elyria) Chronicle-Telegram; and others in attendance.

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

Present: Robert F. Hagan, Carmen E. Parise, Ruth Ann Leever, Edwin Bergsmark, Jerry Wray, Umberto P. Fedeli

Absent: M. Ben Gaeth

A motion was made by Mr. Bergsmark, seconded by Mr. Parise, that the minutes of the meeting of August 9, 1993, 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. Bergsmark, Mr. Parise, Mr. Wray, Mrs. Leever, Mr. Fedeli

Nays: None

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

The Chairman said there were a number of guests present at the meeting and he asked them to identify themselves as follows: Jim Conroy, Porter, Wright Morris and Arthur; Sharon Isaac, Staff Counsel; John Lavelle, Society Corporation; Ed Presley, Society Bank; Jim Graff, Star Bank; Marty Vogtsberger, The Ohio Company; Cleve Brooks, Brooks Securities; Jim Bradshaw, The (Columbus) Dispatch; Gregg Haught, Benesch, Friedlander, Coplan and Aronoff;

Michael Sawyer, J.P. Morgan; Bob Blair, ODOT; Steve Fogarty, The (Elyria) Chronicle Telegram; Patrick Patton, Government Liaison Officer; Joe Rice, Rice Consultants; Captain Hank Williams, Ohio State Highway Patrol; Heidi Jedel, Information and Research; Susannah Davis, UE; Steve Wood, Paine Webber; Charles Dibert, citizen of Elmore; Don Sorg, citizen of Elmore; Ann Trautman, citizen of Elmore; Bruce Gregory, citizen of Elmore; Jim Bowman, Huntington Capital Corp.; Eileen Glesser, citizen of Elmore; Robert Glesser, citizen of Elmore; Craig Rudolphy, Comptroller; Don Sharp, Director of Operations; Gordon Reis, Seasongood and Mayer; Barbara Lesko, the Executive Director's secretary; Leah Fox, ODOT; Diane Pring, General Counsel's secretary, and John Peca, Climaco Climaco Seminatore Lefkowitz & Garofoli Co., L.P.A..

The Chairman said the meeting was the 390th meeting 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 said further that since there were no resolutions to be acted on by the Commission, the meeting would consist primarily of committee and staff reports. He said the Members would be breaking a little later for an executive session. He said that if there were no questions, the report of the Secretary-Treasurer, Mr. Bergsmark, would be received.

Mr. Bergsmark said that the following listed items had been sent to the Members since the last regular meeting of the Commission, August 9, 1993:

- (1) Weekly Traffic Statistics
- (2) Investment Transactions which occurred during August 1993
- (3) Draft of the Commission Meeting Minutes of August 9, 1993
- (4) Financial Statement for July and August 1993
- (5) Traffic and Revenue Report for July and August 1993
- (6) General Purpose Financial Statements for the Six Months Ended June 30, 1993 and Independent Auditors' Report

Mr. Bergsmark said further that at the last Commission meeting he had been re-elected to Secretary-Treasurer of the Commission. He said he wanted to thank the Members for re-electing him to that position.

Mr. Bergsmark said further that the Executive Director, Allan V. Johnson, had been the Assistant Secretary-Treasurer of the Commission for a number of years. He said that pursuant to Article I, Section 1.00 of the Commission's bylaws, he was appointing Mr. Johnson as the Assistant Secretary-Treasurer and he asked for the assent of the other Members regarding that appointment.

A motion to assent to the appointment of the Executive Director as Assistant Secretary-Treasurer was made by Mrs. Leever and seconded by Mr. Parise.

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

Ayes: Mrs. Leever, Mr. Parise, Mr. Wray,  
Mr. Bergsmark, Mr. Fedeli

Nays: None

The Chairman declared the motion stood adopted with all Members present voting in the affirmative.

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. Bergsmark, said he would defer to Mr. Reis, the Commission's Financial Advisor, to report to the Commission on behalf of the Committee.

Mr. Reis said we were continuing to evaluate the composition of the management group and he anticipated a decision would be made soon on the selection of investment bankers for the Commission's bond financing. He said it had been determined that the firm selected as the senior book running manager would receive a fee amounting to 30 percent of the net spread, which was \$5.00 per thousand, with the estimated gross spread of approximately \$5.60 per thousand. He said that \$5.60 per thousand would include expenses such as underwriters, printing, underwriters' counsel, etc. He said he also recognized that the fee structure was below the current average for such transactions. He said he wanted to let all the applicants know about the low fee structure, which might be a factor in their decision to accept the senior manager position. He said that, if any of the applicants did not wish to participate on that basis, he asked that they inform General Counsel in writing as soon as possible.

Mr. Wray asked Mr. Reis if he was evaluating the proposals in order to make a recommendation to the Commission.

Mr. Reis said he was evaluating the proposals and a recommendation would be presented to the Commission Members in advance of a future meeting.

The Chairman said the Commission's game plan was to get the best team with the most experience at the least cost. He said the fee rate mentioned by Mr. Reis was probably among the lowest

of any deal that had been made in the United States in recent times and he considered it to be very, very competitive. He said he was very pleased with the rate although the bankers might not be.

Mr. Wray asked if the established fee could result in some firms not wanting to do business with the Commission.

Mr. Reis said seven firms had been interviewed for the senior book running manager position. He said they had proposed an array of fees. He said that, assuming the bond issue would be for \$100 million, and based on 30 percent for the lead banker, its net fee would be \$150,000, which was lower than proposed by any of those seven applicants.

Mr. Reis said further that the Commission could end up having all seven applicants say they didn't want the position. He said that if that happened the Commission would have to re-evaluate its position.

Mr. Reis said further that there were various indices put out by the Bond Buyer quarterly. He said one was called the Transportation Index and the Transportation Index was currently \$8.15, compared to the \$5.60 fee. He said \$8.15 was the average of all transportation deals in the United States including airports, highway revenue bonds and bridge revenue bonds. He said the \$5.60 fee stood out as very aggressive among the other proposed fees and we wanted to give the firms a chance to reconsider whether they want the position at that fee.

The Chairman said the report from the Committee on Budget and Finance was accepted as offered. He said the report of the Committee on Audit and Legal would be received.

Mr. Rudolph said the Commission's outside accountants, Deloitte and Touche, had completed their June 30th audit and the report had been distributed, as Mr. Bergsmark had indicated.

The Chairman said the Turnpike's traffic was up between four and five percent, so business was very, very fine.

The Chairman said the report of the Committee on Audit and Legal was accepted as offered. He ascertained there would be no report from the Committee on Service Plazas. He said the report of the Committee on Employee Relations, normally presented by Lou Disantis, would be given by Mr. Alan Plain because Mr. Disantis was not at the meeting. Mr. Plain said the Committee on Employee Relations had a few matters pending concerning part-time toll collectors and the radio room employees. He said he had no further report at that time. He said, however, that the Members would be advised on any new developments as they occurred.

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

The Chairman said that before that report was given he wanted to re-emphasize for the people who had not been at a Commission meeting before the Commission's strategic plan. He said the Commission was going to use the Turnpike's resources as a conduit for economic development and accessibility. He said the Commission had formed a joint venture with the Ohio Department of Transportation and the Governor's office to help in transportation.

The Chairman said further that the Commission's first game plan was to build strategic interchanges that helped with accessibility. He said that at that point plans were being made to build four or five new interchanges by the end of 1994. He said there also were proposals to construct three or four other interchanges in the near future. He said a lot of the new interchanges were very strategic, like the one opened several months ago at Lordstown. He said that interchange helped General Motors, who would spend \$40 million at its Lordstown assembly plant to retool for their J-car in 1994.

The Chairman said further that, in addition to the new interchanges, the Commission also was working on the Great Lakes/Mid-Atlantic Corridor. He said the Commission also was currently working with ODOT on an RFP to outsource some of the work on that project. He said the RFP would probably be ready within the next 30 days. He said the route would run from Toledo to Columbus and down to Portsmouth.

The Chairman said the third plan was to work on the Maumee River crossing. He said the Development Coordinator, Jim Brennan, would give the Commission a detailed report on all new developments and then the Executive Director would have some comments on the projects.

Mr. Brennan said that in addition to the Lordstown interchange, which was opened in July, the Commission opened the State Route 2 interchange at the Toledo Express Airport on November 19, 1991, and the one tying Interstate Route 75 with the Turnpike in December of 1992. He said the non-toll interchange with State Route 49 was opened in December 1991, which resulted in moving the old Westgate terminal some three miles to the east.

Mr. Brennan said further that proposals for engineering services were received on August 6 for the new interchange with County Road 24 (State Route 66) in Fulton County. He said those proposals were being evaluated and a selection probably would be made the week of the Commission meeting.

Mr. Brennan said further that there were no new developments on the construction of an interchange in Ottawa/Sandusky counties.

Mr. Brennan said further that the plans for an interchange with State Route 4 in Erie County were moving on schedule. He said the engineering should be done by the end of 1993 and a construction contract should be awarded early in 1994. He said he thought the interchange would open in the fall of 1994.

Mr. Brennan said further that proposals for engineering design services had been mailed to four firms on August 26 for the interchange with Baumhart Road in Lorain County. He said the proposals were to be returned by September 17. He said they would be evaluated and a selection would be made promptly.

Mr. Brennan said further that an RFP for engineering for the toll plaza at the State Route 58 interchange in Lorain County was mailed on August 26. He said those proposals also were due back by September 17.

Mr. Brennan said further that the new interchanges with State Route 44 in Portage County was moving on schedule. He said engineering should be completed by the end of 1993. He said a construction contract should be awarded in 1994 and the interchanges should be completed by the fall of 1994.

Mr. Brennan said further that the Commission was working with ODOT to come up with an RFP for the access point study required by the Federal Highway Administration for a proposed Turnpike interchange with Interstate Route 77 in Cuyahoga and Summit counties. He said he hoped our engineering firm would be working on that study by the end of 1993.

Mr. Brennan said further that State Route 11 and County Road 18 in Mahoning County were still being reviewed as potential interchange sites. He said he anticipated having a decision on those sites within the next month or two.

Mr. Brennan said further that the environmental impact study for the Maumee River crossing in Toledo was coming along well. He said a fly-in for all interested parties had been scheduled for September 22nd. He said the purpose of the fly-in was to bring representatives from ODOT and FHWA, as well as those directly involved in the various aspects of the environmental impact statement, together and inform them of the progress being made. He said the Maumee River crossing task force met on September 2 and decided to abandon their request to expand the geographical limits of the environmental impact study. He said it was a decision which would allow the project to move along without delay.

Mr. Brennan said further that the Executive Director, Deputy Executive Director/Chief Engineer and he had met with officials of ODOT on September 7 to review the Great Lakes/Mid-Atlantic Corridor/I-73/I-74 project. He said ODOT was going to draft an RFP for a program manager, which would be forwarded to the Commission. He said he hoped the RFP could be put out for bid before the end of September and be awarded sometime in October.

Mr. Brennan said further that, as far as the Ohio I-73/I-74 group was concerned, he had attended their regular meetings on August 11 and September 8. He said the umbrella group, located in Bluefield, West Virginia, was now staffed and moving along. He said he gave the Ohio group an overview of the Commission's activities with ODOT and they were very pleased, but were anxious. He said they would like to drive on the new interstate sometime next year. He said, obviously, that would not happen. He said the Ohio group's immediate concern was to come up with funding to keep their organization afloat. He said they were working with the Ohio Department of Development to attempt to solve that problem.

The Chairman asked Mr. Brennan if he would elaborate on the proposed interchanges at State Route 11 and County Road 18 in Mahoning County.

Mr. Brennan said he would prefer not to discuss those sites at that particular point in time. He said Mr. Johnson, Mr. Plain and he would be meeting later that day to further discuss those sites.

The Chairman asked if those two sites were the ones being looked at as potential interchanges.

Mr. Brennan said they were the two that had been talked about. He said the staff wanted to meet with the local political leadership like Mr. Hagan, Senator Joseph Vukovich and others to determine if those are the best sites. He said he would rather not get into the matter at that time.

The Chairman said he understood Mr. Brennan's position on the matter. He said the report of the Development Coordinator was accepted as offered. He said the report of the Executive Director would be received.

Mr. Johnson said that State Route 11 and County Road 18 had been under consideration for years. He said they had been identified in the Commission's environmental and engineering studies that were done between 1979 and 1984. He said an updated environmental assessment had just been completed for both of those sites. He said the environmental assessment was a re-examination of the wetlands, hazardous waste and archaeological features at those sites. He said the configurations for

toll-type interchanges were different than the configurations for non-toll interchanges specified in the previous studies.

Mr. Johnson said further that updated environmental assessments also had been done for Interstate Route 77 and County Road 24/State Route 66. He said that, as Mr. Brennan had mentioned, the staff was on the verge of making the consultant selection for the construction plan design for County Road 24/State Route 66 and should be able to do that within the next few days.

Mr. Johnson said the only other thing he would report was that after the Labor Day holiday construction resumed on the one remaining resurfacing project that had not been completed by the end of June. He said that project was between the Strongsville-Cleveland (No. 10) and the Cleveland (No. 11) Interchanges. He said a bi-directional, two-way traffic zone was being used there and the project would be completed before the end of November.

The 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 received.

Mr. Fleischman said the consulting engineers annual report was being worked on and it would be done by the end of September. The Chairman said the report of the consulting engineers was accepted as offered.

He said the report of the Committee on Safety would be received.

Captain Williams said traffic volumes were up and some traffic records were set during the summer months. He said there had been seven traffic fatalities thus far in 1993 and that indicated a rate of 0.4 traffic fatalities per 100 million miles, which was an outstanding record for the Turnpike.

Captain Williams said further that most of the traffic fatalities, about five of the seven, involved a sleepy driver and the Patrol had been increasing its enforcement in that area. He said there had been a 19 percent increase in enforcement in that area. He said the Patrol recently did a survey of safety belt use across the Turnpike and found that 83 percent of the people were in compliance with the seat belt law.

Captain Williams said also that District 10 on the Turnpike presently had 91 officers on duty, which was a full compliment of officers.



Mr. Brennan asked Captain Williams what was the average percentage in the state for seat belt compliance.

Captain Williams said the statewide average was about 52 percent.

The Chairman said the report of the Committee on Safety was accepted as offered.

The Chairman said the regular business of the meeting was concluded. He said the Executive Director and General Counsel had requested that the Commission meet in executive session so that the Members could discuss a legal matter that had arisen and required Commission response.

The Chairman said further that in order to hold such an executive session in compliance with Section 121.22 of the Revised Code, subsection (G)(4), he was requesting a motion and a vote by the Members to hold the executive session.

A motion to hold an executive session was moved for adoption by Mr. Parise, seconded by Mrs. Leever.

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

Ayes: Mr. Parise, Mrs. Leever, Mr. Wray,  
Mr. Bergsmark, Mr. Fedeli

Nays: None

The Chairman declared the motion stood adopted with all Members present voting in the affirmative.

General Counsel said he wished to amend Mr. Parise's motion to specifically state that the reason for the executive session would be to confer with counsel concerning court action.

The Chairman said the Members would meet in the executive session and would return later to adjourn the regular meeting.

The Executive Director said that before going into executive session he thought the Members might want to discuss the proposed date for the next Commission meeting. He said that, ordinarily, the Commission would meet on the second Monday of the month, which would be October 11th. He said, however, October 11 was a holiday, Columbus Day. He said another date would have to be selected in order to hold the meeting.

(After much discussion, Monday, October 18, was selected as the next Commission meeting date.)

The Chairman said the next Commission meeting would be on Monday, October 18, even though the Executive Director and some other staff members would be out of town. He said an agenda would be set ahead of time. He said the Commission had tried to conduct meetings every month. He said he thought in the last 2 1/2 years there had been only one or so months where a meeting had not been held. He said that even though there did not seem to have a lot of things to do at some meetings the Commission wanted to move a lot of projects forward.

The Chairman said that before going into executive session he wanted to thank everyone for coming to the meeting, especially the people from Elmore, who drove about 2 1/2 hours to reach the meeting site.

(The executive session began at 10:45 a.m. and ended at 11:24 a.m.)

The Chairman said the executive session had been concluded and would be noted in the minutes of the meeting.

There being no further business to come before the Commission, a motion was made by Mr. Bergsmark, seconded by Mrs. Leever that the meeting adjourn until the next meeting on October 18.

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

Ayes: Mr. Bergsmark, Mrs. Leever, Mr. Wray,  
Mr. Parise, Mr. Fedeli

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:25 a.m.

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



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Allan V. Johnson  
Assistant Secretary-Treasurer