

MINUTES OF THE 391st MEETING OF THE OHIO TURNPIKE COMMISSION

October 18, 1993

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:10 a.m., on October 18, 1993, with members of the staff, 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; John Peca, Climaco, Climaco, Seminatore, Lefkowitz and Garofoli, Co., L.P.A.; W. Robson Fleischman, Greiner Engineering, Inc. - Ohio; two members of the media, Bill Sammon, The (Cleveland) Plain Dealer and Tom Peric, The (Lorain) Morning Journal; 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, M. Ben Gaeth, Jerry Wray,
Carmen E. Parise, Edwin M. Bergsmark,
Ruth Ann Leever, Umberto P. Fedeli

Absent: None

A motion was made by Mr. Parise, seconded by Mr. Bergsmark, that the minutes of the meeting of September 13, 1993, which had been examined by the Members, be approved without reading.

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

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

Nays: None

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

The Chairman said the Executive Director, Allan Johnson, was on vacation and, therefore, was not at the meeting. He said it was the first meeting Mr. Johnson had missed in his 23 years as Executive Director. He said General Counsel, Jim McGrath, was substituting for Mr. Johnson as Assistant Secretary-Treasurer and Alan Plain, Deputy Executive Director-Chief Engineer, would give the Executive Director's report.

The Chairman said that at that time he wanted to express, on behalf of the other Commission Members and the staff, sincere condolences to Mr. Bergsmark, whose father recently passed away.

The Chairman said there were a number of guests at the meeting and he would ask them to identify themselves as follows: Craig Rudolphy, Comptroller; Jim Conroy, Porter, Wright, Morris and Arthur; Heidi Jedel, Information and Research; James Longenecker, Citizen of Elmore; Diane Barron, Citizen of Elmore; Charles Dibert, Citizen of Elmore; Joe Rice, Rice Consultants; Rita DeFloreo, Brooks Securities; Jim Cooper, Donaldson, Lufkin and Jenrette; Patrick Patton, Government Liaison Officer; Hank Williams, Ohio State Highway Patrol; Tom Peric, The (Lorain) Morning Journal; John Lee, Kemper Securities; Dennis Golem, McDonald and Company; Jim Keene, Dean Witter; Bill Sammon, The (Cleveland) Plain Dealer; Bob Blair, ODOT; Jim Graff, Star Bank; Ed Presley, Society National Bank; Steve Wood, Paine Webber; Dan Enovitch, Huntington Bank; Eric Carmichael, Pryor, McClendon, Counts; John Small, Luther, Smith and Small; Don Sharp, Director of Operations; Gordon Reis, Financial Advisor; Barbara Lesko, Executive Director's Secretary; Leah Fox, ODOT; Diane Pring, General Counsel's Secretary; David Millstone, Squire, Sanders and Dempsey; and Eric Ericson, The Ohio Company.

(Daniel O'Laughlin, Squire, Sanders and Dempsey, and Dean Cammel, Bank One Capital Corporation, were present but did not introduce themselves.)

The Chairman said the meeting was the 391st of the Commission and it was being held at the Commission's headquarters as provided for in the Commission's Code of Bylaws.

The Chairman said the committee and staff reports would then be received and the Commission would act on several resolutions, draft copies of which had been previously sent to the Members and they also were in the Members' folders. He said the resolutions would be explained and introduced during the appropriate staff reports.

The Chairman 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, September 13, 1993:

- (1) Weekly Traffic Statistics
- (2) Investment Transactions which occurred during September 1993
- (3) Draft of the Commission Meeting minutes of September 13, 1993
- (4) Financial Statement for September 1993
- (5) Traffic and Revenue Report for September 1993
- (6) Traffic Accident Summary Report - August 1993
- (7) Budget and Expense Report - Nine Months 1993
- (8) Litigation Report - Third Quarter 1993
- (9) 1993 Annual Report - Greiner Engineering, Inc. - Ohio, Consulting Engineers

- (10) Copy of the Collective Bargaining Agreement between Ohio Turnpike Commission and the full-time Radio Room Employees

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 that the paramount subject of the Committee on Budget and Finance for the last seven to eight months had been the selection of the investment manager for the Commission's upcoming issuance of bonds.

Mr. Bergsmark said further that there had been numerous interviews and proposals for the investment banking services. He said the Commission had hired Gordon Reis as its financial advisor to advise the Committee on Budget and Finance and the Commission. He said he wanted to give a big thank you to Mrs. Leever, who participated in the different interviews on behalf of the Commission, even though she was not a member of the Budget and Finance Committee.

Mr. Bergsmark said he would like to call on Mr. Reis to explain and to give the recommendations that have been adopted by the Budget and Finance Committee.

Mr. Reis said the selection procedure had been a long and thorough process. He said he would especially like to thank the Commission for their participation and the investment banking community for their patience.

Mr. Reis said further that on April 22, the Ohio Turnpike Commission forwarded the most comprehensive Request for Proposal that had taken place in the years he had been in the business. He said it had been forwarded to all the major national firms and most regional firms.

Mr. Reis said further that the RFP was to be returned no later than May 22. He said that date had been extended to June 7 to permit all applicants to give the Commission their most thorough and comprehensive response. He said information was requested on 23 different categories ranging from the qualifications of the staff, the capital of the various firms involved, as well as specific questions relating to the Federal Intermodal Surface Transportation Efficiency Act of 1991 and its impact on toll road financing.

Mr. Reis said further that the Commission received a return of 40 proposals. He said there were 13 for senior manager and 27 for co-senior or for co-manager. He said all senior manager applicants were automatically considered for co-manager or

co-senior manager. He said the staff, the Commission and the financial advisor all received copies of the RFP's, which they independently reviewed.

Mr. Reis said further that of the 13 firms requesting senior manager status, the following were interviewed: Bear Stearns; First Boston Corporation; Donaldson, Lufkin and Jenrette; Kidder Peabody; Lehman Brothers; Paine Webber and Prudential Securities. He said the Commission Members, the senior staff and he had interviewed the seven firms on July 6. He said he forwarded his recommendations to the Committee on Budget and Finance.

Mr. Reis said further that over the last three months there had been a continuing review and evaluation of not only the three firms that were felt to be qualified to be the Senior Books Running Manager, but, as a matter of fact, the entire composition had only been finalized the Friday before the meeting.

Mr. Reis said he was pleased to announce the recommendation of the Committee on Budget and Finance for Senior Manager, Co-Senior Manager and Co-Manager, which included a total of 21 firms. He said they were national, regional, Ohio-based and minority firms. He said the Committee and he recommended that the Senior Books Running Manager be Paine Webber.

Mr. Reis said further that he would like to give some insight into the selection process without naming the other two firms that were deemed most qualified. He said they all had one thing in common and that was their transportation investment bankers all had prior government experience. He said that of those three firms he personally felt the team of Steve Wood at Paine Webber, who served for six years as Chief Budget and Financial Manager for the Illinois Department of Transportation, along with Tom Henson and Carol Mueller offered the Commission the best team. He said Tom was a CPA and Carol was a transportation specialist and a former Fulbright scholar. He said the Commission was looking for creative new approaches to toll road financing and Paine Webber clearly demonstrated their abilities in that area.

Mr. Reis said further that since he had begun working for the Commission no firm had been more attentive to the needs, not only of him, but the Commission Members when information was required than Paine Webber. He said they wanted the business and made an excellent oral presentation. He said they provided the Commission with a bright, knowledgeable and enthusiastic team of investment bankers.

Mr. Reis said further that he would like to go on to the Commission's designees for Co-Senior Manager. He said the first was Bear Stearns and Company, which had an extraordinarily well-written proposal. He said Tom Broast was an excellent

transportation banker. He said that next was Donaldson, Lufkin and Jenrette. He said he thought Jim Cooper had been at every one of the Commission meetings since 1991. He said Lois Scott, who served as the investment banker for the Illinois Toll Road was formidable and an excellent investment banker, as was Mr. Cooper.

Mr. Reis said further that the next firm selected as Co-Senior Manager was First Boston. He said they had Tom Bradshaw with them, who was the former Secretary of Transportation of North Carolina. He said Tom's credentials were impressive and extraordinary.

Mr. Reis said further that also named Co-Senior Manager was Lehman Brothers. He said Bob Brown did a wonderful job in the oral presentation. He said he was a fine transportation banker and was a former Deputy Director of the Ohio Department of Transportation. He said he was eminently qualified.

Mr. Reis said further that the last two firms selected were both from Ohio. He said they were McDonald and Company and The Ohio Company. He said they gave the Commission the Ohio presence it wanted from the investment banking team.

Mr. Reis said further that rounding out the team of Co-Managers, whose evaluation was made on their written proposals, were the following: Artemis Capital Corporation; Bank One Capital; M. R. Beal; J. C. Bradford; Brooks Securities; Chase Global Securities; A. G. Edwards; Goldman Sachs; Huntington Bank Corporation; Kidder Peabody; J. P. Morgan Securities; Prudential Securities, and Pryor, McClendon and Counts.

Mr. Reis said further that he would like to discuss the fee issues that he knew had been of continuing interest. (An easel with two charts had been placed at the end of the conference room prior to the meeting.) He said that his first chart showed information taken from the publication The Bond Buyer. He said figures on the chart were the gross spreads or underwriting profits that had been available in municipal bonds on average annually from 1984 to 1993. He said 1993 was up to July 26, so the figures were basically for the first six months of the year.

Mr. Reis said further that the profit margin on municipal bonds had gone from an average of \$18 to almost \$19 in 1984 down to almost \$8.50 at present. He said that the fees for negotiated bonds were quite high in the '80s. He said that, for example, in 1984 the fee for negotiated bonds was \$20.78 versus a competitive bond fee of only \$13.15.

Mr. Reis said further that since that time things had changed dramatically. He said that as of July 26, 1993, less money was received in fees for negotiating bonds than when they

were bid competitively, according to current statistics. He said the financial incentive had been lost during the last three years. He said there continued to be a variation backwards, up and down, in that area.

Mr. Reis said further that one of the things he looked at when considering if a spread was appropriate for any bond issue was the negotiated average, the competitive average and the industry average. He said the industry average was broken down into all kinds of industries. He said that in that particular case, when looking at the Commission's financing, he would be looking at transportation. He said the gross spread for transportation was \$8.72 in 1992 and \$8.17 in 1993. He said the negotiated average in the industry in 1993 was \$8.62 and \$8.65 was the competitive price for the industry.

Mr. Reis said further that on the Commission's RFP a couple of questions were asked of candidates. He said one question was how much would the firms charge per thousand dollar bond if the bonds were A-rated and how much would they charge if they were insured. He said the seven firms provided an array of fees in that area. He said he expected a fee of \$7.00. He said the firms were asked that, given a net spread of \$6.50 per thousand on a \$100 million bond issue, what did the Senior Investment Banker want to receive. He said the number of \$5.59 for the Turnpike bonds included 59 cents of expenses. He said that if about 50 cents was taken off the \$7.00 fee he anticipated, the resulting figure was the \$6.50 net spread he had anticipated.

Mr. Reis said further that the low price per bond of the Turnpike issue of \$5.59 was extraordinarily low. He said that, as the Members remembered, the competitive average was \$8.65, the negotiated average was \$8.62 and the transportation average was \$8.17.

Mr. Reis said further that the next question asked of the candidate firms was how much of the pie did they want. He said the range of fees from the firms was basically a total of \$650,000 in total fees, ranging from \$350,000 to \$265,000.

Mr. Reis said further that after the fee structure came in it didn't leave a lot of money. He said the Commission had negotiated the fee structure on the financing about a month ago. He said that two weeks before the meeting he spoke with Paine Webber and indicated to them that the Commission could not meet their price parameters. He said he told them that the Commission could offer them a spread of \$5.595 for 30 percent of the deal. He said that, again, after the 59 cents for expense was taken from the \$5.59 spread the resulting fee was \$5.00. He said the Commission had a \$100 million potential financing and the profit would be \$500,000. He said he told Paine Webber that the Commission could only offer them 30 percent of the net profit.

He said Paine Webber agreed to the proposal. He said that it would be 30 percent of \$500,000, assuming the Commission issued \$100 million in bonds, which would be \$150,000 at the lowest spread proposed to the Commission.

Mr. Reis asked if there were any questions.

The Chairman asked Mr. Reis how the Commission was able to get such a low rate of \$5.00 compared to \$18.00 ten years ago and even to the current spreads of \$8.00 or \$8.50.

Mr. Reis said that first of all the Commission hadn't been in the bond issuing business for some forty years. He said that to have Paine Webber to be able to represent that they were the investment banker for the Commission for the first time in forty years really helped them competitively as it helped any firm who was able to secure a new client. He said the fact that the Commission hadn't been in the bond market for forty years and the State of Ohio was a large state and the Turnpike was part of a major toll transportation system certainly influenced their desire to do business. He said the low fee certainly was not the idea of Paine Webber, but rather the Commission.

Mr. Bergsmark said he wanted to add that the Commission was in a very strong financial position. He said that, consequently, coming into the bond market for the first time in forty years with the cash reserves it had, the earning power it had, the past history it had, plus its future strategy should make the sale of the bonds very attractive to the investment public.

The Chairman asked Mr. Reis what in his opinion was the single most important criteria for recommending the key position to Paine Webber.

Mr. Reis said he really felt Mr. Wood and his team would give the Commission the time and attention needed for the bond issue. He said he felt they had the qualifications and background to do that job. He said some of the other firms had some bigger names, but he personally didn't feel that the Commission would get the proper attention on the issue. He said that Paine Webber wanted the job all along and he figured they would continue with their enthusiasm for the work to be done. He said he thought the Commission made an excellent choice.

The Chairman said he thanked Mr. Reis for a job well done. He said the Commission would not have been able to do all the necessary work without a financial advisor.

Mr. Bergsmark said that based on those recommendations he would like to move the following resolution and would read it:

"WHEREAS, on April 22, 1993, the Commission issued a Request for Proposals (RFP) soliciting proposals from those interested in furnishing investment banking services to the Commission;

"WHEREAS, responses were received on June 7, 1993, from a total of forty investment banking firms; thirteen firms desiring to serve as senior manager underwriter and the remaining firms desiring to serve as co-senior manager or co-manager, such responses have been reviewed and studied by the Commission's financial advisor, the Commission's Committee on Budget and Finance, and members of the Commission's staff;

"WHEREAS, the Commission's financial advisor has made his recommendation concerning the appointment of the senior manager, a number of co-senior managers, and a number of co-managers to the Commission's Budget and Finance Committee and such committee has reviewed and examined such recommendation and also made a recommendation to the Commission concerning the appointment of the senior manager, co-senior managers and co-managers;

"WHEREAS, the investment bankers have been advised that the compensation paid by the Commission for their services would be based on a net spread of no more than \$5.00 per thousand dollars of bonds issued and that the investment bankers seeking the senior management position have been advised that their compensation would be no more than 30% of the net spread plus reasonable out-of-pocket expenses;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby selects Paine Webber Inc. to be the Commission's senior manager, and Bear Stearns; Kemper Securities; Donaldson, Lufkin and Jenrette; First Boston Corporation; Lehman Brothers; McDonald & Company; and the Ohio Company to act as co-senior managers, and Artemus Capital; Banc One Capital; M. R. Beal; J. C. Bradford and Company; Brooks Securities; Chase Global Securities; A. G. Edwards; Goldman Sachs; Huntington Corporation; Kidder Peabody; J. P. Morgan Securities; Prudential Securities; and Pryor, McClendon and Counts to serve as co-managers;

"FURTHER RESOLVED that the executive director is hereby authorized and directed to notify the aforesaid investment banking firms of the appointments aforesaid and to enter into contracts with such firms in accordance with the Commission's Request for Proposals and the responses thereto at a fee in accordance with the provisions of this resolution and to take any and all further action necessary to complete the selection of the Commission's investment banking firms."

A resolution awarding a contract to furnish investment banking services was moved for adoption by Mr. Bergsmark, seconded by Mr. Parise as follows:

RESOLUTION NO. 32-1993

"WHEREAS, on April 22, 1993, the Commission issued a Request for Proposals (RFP) soliciting proposals from those interested in furnishing investment banking services to the Commission;

"WHEREAS, responses were received on June 7, 1993, from a total of forty investment banking firms; thirteen firms desiring to serve as senior manager underwriter and the remaining firms desiring to serve as co-senior manager or co-manager, such responses have been reviewed and studied by the Commission's financial advisor, the Commission's Committee on Budget and Finance, and members of the Commission's staff;

"WHEREAS, the Commission's financial advisor has made his recommendation concerning the appointment of the senior manager, a number of co-senior managers, and a number of co-managers to the Commission's Budget and Finance Committee and such committee has reviewed and examined such recommendation and also made a recommendation to the Commission concerning the appointment of the senior manager, co-senior managers and co-managers;

"WHEREAS, the investment bankers have been advised that the compensation paid by the Commission for their services would be based on a net spread of no more than \$5.00 per thousand dollars of bonds issued and that the investment bankers seeking the senior management position have been advised that their compensation would be no more than 30% of the net spread plus reasonable out-of-pocket expenses;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby selects Paine Webber, Inc. to be the Commission's senior manager, and Bear Stearns & Co.; Donaldson Lufkin & Jenrette; First Boston Corporation; Kemper Securities, Inc.; Lehman Brothers; McDonald & Company Securities, Inc.; and The Ohio Company to act as co-senior managers, and Artemis Capital Group; Banc One Capital Corp.; M. R. Beal & Company; J. C. Bradford & Co.; Brooks Securities, Inc.; Chase Global Securities, Inc.; A. G. Edwards & Sons, Inc.; Goldman Sachs & Co.; Huntington Corporation; Kidder Peabody & Co., Inc.; J. P. Morgan Securities, Inc.; Prudential Securities, Inc.; Pryor, McClendon, Counts & Co. to serve as co-managers;

"FURTHER RESOLVED that the executive director is hereby authorized and directed to notify the aforesaid investment banking firms of the appointments aforesaid and to enter into contracts with such firms in accordance with the Commission's Request for Proposals and the responses thereto at a fee in

accordance with the provisions of this resolution and to take any and all further action necessary to complete the selection of the Commission's investment banking firms."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 32-1993.

The Chairman ascertained there would be no report from the Committee on Audit and Legal. He said the report of the Committee on Service Plazas would be received.

The Chairman of the Committee on Service Plazas, Senator Gaeth, said he had stopped at one of the service plazas shortly after the Labor Day holiday period and found one bathroom stall out of order and one faucet leaking. He said that considering the fact that his stop had been made over a weekend he thought the plaza was in good condition. He said he had no further report.

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. He said Mr. Millstone from Squire, Sanders and Dempsey would give that report.

Mr. Millstone said the Members had in their folders summary sheets of unfair labor practice charges. He said he wanted to bring to the Members attention that since the last Commission meeting there had been several charges resolved. He said that one charge by a former part-time toll collector regarding an unfair dismissal had been dismissed by SERB with a finding of no probable cause by the Commission.

Mr. Millstone said further that there were three charges that were pending from the union and two that were pending from the Commission involving the radio room. He said those charges were all settled.

Mr. Millstone said further that the Members had received a copy of the collective bargaining agreement for those employees. He said that, as the Members were aware, the Commission had filed a charge against the union for their refusal to sign that

agreement. He said that as part of the settlement in that case the union had agreed to sign it. He said that the Commission agreed to retain seven employees in that bargaining unit rather than eight, which was one of the union's charges that were pending. He said that, in exchange for that, the Commission did agree to fix the work schedule so that 50 per cent of the work force in the radio room would have fixed schedules in the future. He said he believed the fixed schedules and the bargaining unit were manageable and workable within the process. He said the agreement was completed on terms satisfactory to all parties and consistent with what the Commission had previously approved after the fact-finder issued his recommendations.

Mr. Millstone said further that there had been a resolution of claims by some of the employees against the union concerning their fair share fee payment. He said the Commission had asked the union for a summary of the procedure it used to collect those fees since it was the Commission's responsibility to inform its employees of that procedure. He said the union did not have a procedure, but since had adopted one. He said that the union was refunding the entire amount of the fair share for 1992 to the employees. He said the new procedure would be implemented for the future.

Mr. Millstone said further that, with respect to the elections for union representation by part-time toll collection employees, the matter was still pending before SERB. He said the Commission had not yet received a decision from SERB.

Mr. Bergsmark said he wanted to take a moment to thank Mr. Reis for his service, which was very professional. He said he had been involved in a lot of bond transactions in his career and Mr. Reis had done an outstanding job for the Commission. He said that, on behalf of the Committee, he thanked Mr. Reis.

Mr. Reis said he appreciated Mr. Bergsmark's remarks.

Mr. Hagan asked Mr. Millstone when the appeal had been filed for the part-time election.

Mr. Millstone said it had been filed in May. He said there had been an oral argument in front of SERB approximately a month and a half ago. He said the Commission was awaiting the decision from that oral agreement. He said the appeal had originally been filed in May. He said the union requested an extension for time to respond until the end of June. He said it had been six weeks since the oral argument without a response from SERB.

Mr. Hagan asked if SERB typically took so long before rendering a decision.

Mr. Millstone said he believed SERB was considering changing the standards they applied for the definition of seasonal and casual employees. He said the Commission had requested that SERB change those standards. He said he thought SERB was taking a little more time to examine those standards, but that he was just speculating.

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

Captain Williams said that he had a report on a couple of incidents which occurred on the Turnpike. He said that on September 28, which was a Tuesday evening, there had been a slowdown by a number of commercial vehicles causing some traffic back-ups in the area of the Streetsboro (No. 13) Interchange. He said that resulted in about 50 traffic arrests by troopers for impeding and blocking traffic.

Captain Williams said further that the most serious offense involved one driver who tried to run down a trooper. He said that driver ended up in jail with a \$100 fine for impeding traffic, a \$200 fine for failure to respond to a trooper and a 30-day jail sentence. He said the driver also had a \$10,000 bond for felonious assault on the trooper.

Captain Williams said further that the slowdown was a protest of the gas tax increase, the 55 mile-per-hour speed limit and strict traffic law enforcement by the Patrol. He said there was a call by the truckers for a slowdown on October 1st, which did not materialize. He said that during those periods from September 28 to October 1st there were several truck caravans which slowed down traffic on the Turnpike. He said the Patrol ended up with 75 traffic arrests for impeding traffic. He said there were some rumors that the protest might continue, but that did not take place. He said the Patrol had tried to keep track of the situation and maintain some intelligence on it.

Captain Williams said also that a drug interdiction team working at the Fallen Timbers Service Plaza on October 11 recovered 330 pounds of marijuana with a street value of around \$550,000. He said a drug-sniffing canine had detected the odor of the marijuana stashed in a U-Haul from New Mexico.

Captain Williams said also that the Turnpike's traffic fatalities stood at eight. He said he believed that was a record low for a year.

Captain Williams said also that on the day of the meeting the Patrol's drug interdiction team was working near the Niles-Youngstown (No. 15) Interchange.

Mr. Bergsmark said he wanted to commend Captain Williams and the Patrol for their actions regarding the truck protests. He said the Patrol ought to do whatever was necessary to stop the protests so that the Turnpike was not known as "protest alley." He said he would endorse the Commission giving Captain Williams full support to crack down and arrest all the protesters, if that had to be done.

Captain Williams said that in addition to enforcement taken against the drivers the Patrol had sent letters to 75 different companies informing them of the actions of the drivers. He said the letters asked the companies to administer disciplinary actions against those drivers guilty of disruptive measures on the Turnpike.

Mr. Bergsmark said he had some comments from people who used the Turnpike to go to the Cleveland Clinic and other medical facilities in the Cleveland area regarding the traffic slowdowns. He said the worst thing that could happen to someone using the Turnpike to get to medical treatment would be encountering a traffic blockade for an extended period of time.

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

Mr. Brennan said he would first report on the Maumee River crossing. He said that on September 22 the Ohio Department of Transportation, in conjunction with the consulting engineers on the project, had a "fly-in" where they invited people from various interested groups to come to one meeting and hear assorted reports. He said it was his understanding that it was the first time such a "fly-in" had ever been tried and out of the 35 people invited, 34 attended the meeting. He said they heard reports from the Ohio Historical Society, as well as from the archaeological, architectural and hazardous material groups. He said everybody sat at the meeting for a period of four hours listening to those reports.

Mr. Brennan said further that the result was that it certainly seemed as though there was a great interest in cooperating on the project. He said the consulting engineer felt that the pre-construction time frame for the project would be reduced from six years to three years by following that procedure. He said the ODOT representatives who organized the "fly-in", obviously under the direction of Mr. Wray, ought to be commended. He said he thought the procedure was an excellent format to adopt and follow for all the Commission's projects, or certainly most of them.

Mr. Brennan said also that with regard to the new Turnpike interchanges he would begin with the State Route 66 project in

Fulton County. He said that on October 4, the first meeting was held with the consulting engineers and representatives of the Commission and District 2 of ODOT. He said the project was reviewed and the timeline of May 1994 was established for completion of the engineering segment. He said that all interested parties agreed to the schedule.

Mr. Brennan said further that the State Route 4 interchange in Erie County continued to move on schedule toward a fall 1994 opening.

Mr. Brennan said further that proposals for engineering design services were being solicited for the Baumhart Road interchange in Lorain County. He said a selection would be made soon.

Mr. Brennan said further that the engineering design for the State Route 58 interchange in Lorain County was moving along. He said an award had been made for the toll plaza.

Mr. Brennan said further that the State Route 44 interchange in Portage County continued to move on schedule toward a fall 1994 opening.

Mr. Brennan said further that Commission representatives had a meeting scheduled with ODOT representatives from Columbus on October 27 to discuss the proposed Interstate Route 77 interchange in Summit and Cuyahoga Counties. He said the meeting would be held at ODOT's District 12 headquarters in Garfield Heights and its purpose was to develop an RFP for the access point study required by the Federal Highway Administration. He said that, once again, it was a good example of ODOT working with the Commission to get the projects moving.

Mr. Brennan said further that there were no new developments on the interchange in Ottawa or Sandusky Counties.

Mr. Brennan said further that there had been some unanticipated delays regarding the Commission's plans in Mahoning County, but he thought everything was back on track.

Mr. Brennan said further that the last project he would report on was the Great Lakes/Mid-Atlantic Corridor on which there was a resolution prepared for the day's meeting. He said that if the resolution were adopted an RFP for project management services could perhaps be released by the middle of November to solicit responses sometime in December.

The Chairman said the report of the Development Coordinator was accepted as offered. He said the report of the Executive Director, presented by Mr. Plain, would be received.

Mr. Plain said that, as Mr. Brennan had mentioned, there was in the Members' folders a resolution authorizing the release of requests for proposals for project management services in relation to the I-73/I-74, which was the Great Lakes/Mid-Atlantic Corridor project.

Mr. Plain said he would like to read the resolution as follows:

"WHEREAS, on August 9, 1993, the Commission adopted Resolution No. 30-1993 which recognized the need to study the I-73/I-74 project and the feasibility thereof under Chapter 5537 of the Revised Code and the federal Intermodal Surface Transportation Efficiency Act of 1991;

"WHEREAS, a Request for Proposals for project management services for the I-73/I-74 project has been drafted and is before the Commission;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby authorizes and directs the executive director to issue the Request for Proposals for said project in essentially the same form and content as that which is before the Commission, and he is directed to take any and all further action necessary to go forward with the study of the I-73/I-74 Corridor."

The Chairman asked Mr. Plain if the resolution just allowed the Commission to go out for an RFP at a future date.

Mr. Plain said the Chairman was correct. He said the staff was still awaiting comments on the draft RFP from the various agencies, including ODOT, who had received copies.

Mr. Brennan said that the day's resolution was an update of the resolution that was passed August 19.

Senator Gaeth asked the Chairman if the exact route of the I-73/I-74 Corridor had been determined.

Mr. Brennan said the exact route had not been determined.

The Chairman asked Mr. Brennan to give the Members a list of the states that were involved in the corridor and how Ohio was kind of a key player in the project.

Mr. Brennan said the corridor would run roughly from the Detroit, Michigan area to Myrtle Beach, South Carolina. He said that meant it involved the states of Michigan, Ohio, West Virginia, North Carolina and South Carolina. He said the I-73/I-74 Corridor Committee was an umbrella organization that

had been organized in Bluefield, West Virginia and was staffed and operating.

Mr. Brennan said further that the first meeting of the group dedicated to that proposition was in July 1924. He said that, therefore, the progress had not been remarkable. He said that the good news was that no one who was at that July 1924 meeting was still attending meetings, although there were some that he thought could almost be old enough.

Mr. Brennan said further that the corridor had been identified in the ISTEA Act of 1991 as being of national importance. He said he hoped that action would move the project along. He said that as he mentioned earlier, the State of West Virginia, through the good offices of Senator Robert C. Byrd and Congressman Nick Rahall, whose districts included Bluefield, West Virginia, had done a wonderful job of getting West Virginia's money from the federal government. He said Ohio's congressional delegation hadn't done quite as good a job for the state, but he was hopeful that that would occur.

Mr. Brennan said further that Michigan at that point in time did not seem to be particularly interested in it. He said he would imagine the reason for that was because they already had Interstate Route 75. He said they probably couldn't picture how a road running parallel to I-75 would be beneficial to them and he thought it was reasonable to voice that opinion. He said that, although, he had talked to some of the people at the Michigan Department of Transportation and they stated that they had not said they're not interested. He said they told him that they were just not as interested as were the people in Ohio.

Mr. Brennan said the impetus for the project was the Governor's interest in having an improvement in access from the Toledo area to the Columbus area. He said that was something the residents of northwest Ohio certainly supported.

(At this point there were quite a number of questions and responses regarding the resolution. Mr. Plain's responses are condensed below.)

Mr. Plain said the RFP had yet to be finalized, pending comments from the various agencies required to review a draft copy. He said the project management team would work directly for and be paid by the Commission. He said the team also would coordinate with all the other agencies involved in the project, including the FWHA, ODOT, the Governor's office, the EPA and others. He said there would be several firms working on the project to cover all the disciplines necessary for something of that magnitude.

Mr. Brennan said the thought was that the RFP would be ready to go prior to the next Commission meeting and, therefore, it would be advisable to pass the resolution at today's meeting. He said that when the various participating agencies had signed off on the proposal the Executive Director could put it out.

The Chairman said that there were about six engineers on the Commission's staff so it had to seek outside assistance from the private sector to work on a project of that magnitude.

Mr. Brennan said that it was safe to say that if either the Commission or ODOT had the staff to do the job the RFP would not be needed. He said that, by the same token, if they had the staff there would be a whole lot of people who weren't doing anything.

The Chairman said the Commission would not be doing anything on that joint venture until it got the input from the federal government, ODOT and the Governor's office. He said the Commission was the catalyst for getting the project done and also somewhat of a bank to do it.

A resolution authorizing the release of requests for proposals (RFP's) for project management services in relation to the I-73/I-74 (Great Lakes/Mid-Atlantic Corridor) project was moved for adoption by Mrs. Leever, seconded by Mr. Wray as follows:

RESOLUTION NO. 33-1993

"WHEREAS, on August 9, 1993, the Commission adopted Resolution No. 30-1993 which recognized the need to study the I-73/I-74 project and the feasibility thereof under Chapter 5537 of the Revised Code and the federal Intermodal Surface Transportation Efficiency Act of 1991;

"WHEREAS, a Request for Proposals for project management services for the I-73/I-74 project has been drafted and is before the Commission;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby authorizes and directs the executive director to issue the Request for Proposals for said project in essentially the same form and content as that which is before the Commission, and he is directed to take any and all further action necessary to go forward with the study of the I-73/I-74 Corridor."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 33-1993.

Mr. Plain said that, as the Chairman mentioned earlier, a resolution had been prepared expressing the Commission's sorrow and extending sympathy to the widow and children on the death of Leslie O. Gaines, who was the Commission's Minority Business Enterprise Coordinator. He said he would read the resolution as follows:

"WHEREAS, the sudden death of Leslie O. Gaines has shocked and saddened his many friends, co-workers and business associates;

"WHEREAS, Mr. Gaines was appointed by the Commission's Executive Director as the Assistant Minority Business Enterprise Coordinator on July 7, 1989, and became the Commission's Minority Business Enterprise Coordinator on October 14, 1990, in which position he served until his death on September 22, 1993;

"WHEREAS, during his tenure with the Commission, the Commission's Minority Business Enterprise Program consistently grew and expanded as a result of Mr. Gaines' dedication to and implementation of the program;

"WHEREAS, Mr. Gaines was not only a valued employee of the Commission but an asset to the state and the community devoting much of his time to civic endeavors including the Minority Business Enterprise Procurement Roundtable, Cleveland Regional Minority Purchasing Council, Cleveland Growth Association, and he also served as Treasurer of the Kent State University Black Alumni Association;

"WHEREAS, Mr. Gaines was respected by his fellow employees and those who knew him in his many other activities for his dedication to his responsibilities to his family, his employer and the community;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission, by the adoption of this resolution, extends its sympathy to Mr. Gaines' wife, Patricia, and his daughters, Leslie Ann, Laura and Lynne; and

"FURTHER RESOLVED that the secretary-treasurer be, and he hereby is, instructed to transmit a certified copy of this resolution to Mrs. Gaines."

Mr. Plain said Mr. Gaines was a true friend to everybody who worked at the administration building, a dedicated employee and he recommended that the resolution be adopted.

A resolution expressing the Commission's sorrow and extending sympathy to the widow and the children on the death of Leslie O. Gaines was moved for adoption by Mr. Parise, seconded by Mr. Bergsmark as follows:

RESOLUTION NO. 34-1993

"WHEREAS, the sudden death of Leslie O. Gaines has shocked and saddened his many friends, co-workers and business associates;

"WHEREAS, Mr. Gaines was appointed by the Commission's Executive Director as the Assistant Minority Business Enterprise Coordinator on July 7, 1989, and became the Commission's Minority Business Enterprise Coordinator on October 14, 1990, in which position he served until his death on September 22, 1993;

"WHEREAS, during his tenure with the Commission, the Commission's Minority Business Enterprise Program consistently grew and expanded as a result of Mr. Gaines' dedication to and implementation of the program;

"WHEREAS, Mr. Gaines was not only a valued employee of the Commission but an asset to the state and the community devoting much of his time to civic endeavors including the Minority Business Enterprise Procurement Roundtable, Cleveland Regional Minority Purchasing Council, Cleveland Growth Association, and he also served as Treasurer of the Kent State University Black Alumni Association;

"WHEREAS, Mr. Gaines was respected by his fellow employees and those who knew him in his many other activities for his dedication to his responsibilities to his family, his employer and the community;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission expresses its sorrow on the passing of one who contributed much to his family, his employer and the community; and

"RESOLVED that the Commission, by the adoption of this resolution, extends its sympathy to Mr. Gaines' wife, Patricia, and his daughters, Leslie Ann, Laura and Lynne; and

"FURTHER RESOLVED that the secretary-treasurer be, and he hereby is, instructed to transmit a certified copy of this resolution to Mrs. Gaines."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 34-1993.

Mr. Plain said he had one other thing to report. He said the Executive Director had asked him to read a statement in his absence. He said the Executive Director wanted to report on a special matter so it would appear in the record of the Commission. He said he would read the statement as follows:

"On September 30, the Commission's agreement for general consulting engineering services with Greiner Engineering, Inc.-Ohio, expired thereby ending more than forty-one years of affiliation with Greiner in that capacity. The relationship has been extraordinary, both for its duration and for its character of mutual professional excellence and respect.

"This agreement and many of its specific services and provisions were covenants contained in the Commission's Trust Agreement with bondholders which, of course, terminated when the last bonds were retired in June 1992. It was extended until this year so necessary engineering inspections, reviews and reports would continue to be performed, but now that the Commission is facing a new era and an expanded mission with new bonds and a new trust agreement containing yet-to-be determined covenants, it is entirely appropriate for this general consulting agreement to end.

"As it does, we commend and salute Greiner for its long and competent service to this Commission and other agencies and clients throughout the world. With its extensive background and record of professional service, Greiner certainly is positioned to play a role in our future as well."

The Chairman said the Commission would ask Mr. Fleischman to provide it with a proposal once it was known what would be required under the new guidelines.

Mr. Fleischman thanked the Chairman and Mr. Plain.

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

General Counsel, Mr. McGrath, said the third quarter litigation report was in the Members' folders. He said he wanted to point out with the development of the engineering studies the Legal Department was able to make progress in the right-of-way acquisition for the new Turnpike interchanges with State Route 4, State Route 44 and State Route 58.

Mr. McGrath said also that at the conference table there were new copies of the Turnpike Act with the new legislation adopted in 1993.

Mr. Parise said he moved that the Commission adjourn this regular meeting and re-convene in executive session to confer with its attorney concerning pending or imminent court action.

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 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 voting in the affirmative.

The Chairman said that after the executive session the Members would return to adjourn the regular meeting.

(The executive session began at 11:03 a.m. and ended at 11:34 a.m.)

The Chairman said the Members had completed the executive session and they could now end the meeting.

Senator Gaeth asked on what date the next meeting would be held in November.

The Chairman said the November meeting would be held on the 8th.

There being no further business to come before the Commission, a motion was made by Mr. Bergsmark, seconded by Mr. Parise that the meeting adjourn until the next meeting on November 8.

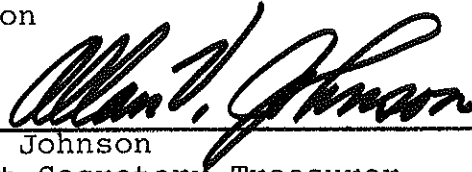
A vote by ayes and nays was taken and all Members responded to roll call. The vote was as follows:

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

Nays: None

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

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



Allan V. Johnson
Assistant Secretary-Treasurer