

MINUTES OF THE 392nd MEETING OF THE OHIO TURNPIKE COMMISSION

November 8, 1993

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:08 a.m., on November 8, 1993, with members of the staff, Allan V. Johnson, Executive Director, 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; one member of the media, David Patch, The (Toledo) Blade; and others in attendance.

Present: M. Ben Gaeth, Jerry Wray, Carmen E. Parise,
Ruth Ann Leever, Edwin M. Bergsmark,
Umberto P. Fedeli

Absent: Robert F. Hagan

A motion was made by Mr. Bergsmark, seconded by Mr. Parise, that the minutes of the meeting of October 18, 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, Mrs. Leever,
Mr. Wray, Mr. Fedeli

Nays: None

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

The Chairman said he would like everyone in the meeting room to introduce themselves as follows: David Patch, The (Toledo) Blade; Jim Conroy, Porter, Wright, Morris and Arthur; Lucille Sory, resident of Elmore; Diane Barron, resident of Elmore; Jim Ford, resident of Elmore; Joe Rice, Rice Consultants; Frank Lamb, Huntington Trust; Lou Disantis, Director of Administrative Services; Pat Patton, Government Liaison Officer; Hank Williams, Ohio State Highway Patrol; Rob Fleischman, Greiner Engineering, Inc.-Ohio; Dick Kane, Bricker and Eckler; Buck Niehoff, Peck, Shafer & Williams; Mary Sullivan, Peck, Shafer & Williams; Jim Graff, Star Bank; Steve Wood, Paine Webber; Carol Muller, Paine Webber; Tom Henson, Paine Webber; Gordon Reis, Seasingood and Mayer; Craig Rudolphy, Comptroller; Sharon Isaac, Staff Counsel; Don Sharp, Director of Operations; Barbara Lesko, 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.

(Rita DeFloreo, Brooks Security; Dan Rohr, Bank One Capital Corporation; and Don Henderson, Kemper Securities, signed the registration sheet, but did not identify themselves at the meeting.)

The Chairman said the meeting was the 392nd 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 the committee and staff reports would be received and the Commission would act on one resolution, a draft copy of which had been previously sent to the Members and also was in the Members' folders. He said the resolution would be explained and introduced during the appropriate staff report. He said that if there were no further 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, October 18, 1993:

- (1) Weekly Traffic Statistics
- (2) Investment Transactions which occurred during October 1993
- (3) Draft of the Commission Meeting minutes of October 18, 1993
- (4) Traffic Accident Summary Report - September 1993
- (5) Traffic and Revenue Report - October 1993
- (6) Financial Statement - October 1993
- (7) News Release: Selection of underwriters for \$125 million bond issue

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 he had a brief report. He said that the Commission's budget, to date, was \$500,000 ahead on the revenue side and \$100,000 under on the expense side, so it was a positive trend.

The Chairman said the report of the Committee on Budget and Finance was accepted as offered. He ascertained there would be no report from the Committee on Audit and Legal.

The Chairman said that before asking Senator Gaeth to give his report of the Committee on Service Plazas he wanted to congratulate him on being married for fifty years. He said he also wanted to tell Senator Gaeth that he thought he did a super job on the Commission. He said that a recent newspaper article referred to Senator Gaeth as a cheerleader for the Commission.

He said he thought that was a misnomer. He said he thought Senator Gaeth did a great job and he really appreciated the Senator's help.

Senator Gaeth said he thanked the Chairman for his comments. He said he did not have a report from the Committee on Service Plazas.

The Chairman ascertained there would be no report from the Committee on Employee Relations. He said the report of the Committee on Safety would be received.

Captain Williams said he wanted to report one instance involving Ohio State Highway Patrol troopers on November 5th. He said the troopers had made a minor, misdemeanor drug arrest on the Turnpike a week before that date. He said the troopers gained some information from the suspect and turned that information over to the drug task force in Trumbull County. He said that information resulted in the execution of a search warrant on November 5 in Trumbull County. He said 317 marijuana plants were recovered, as well as an elaborate lighting system and a special type of plumbing system.

Captain Williams said further that the information came from a trooper working the Turnpike who was invited to go along on the execution of the search warrant. He said he believed the street value of that marijuana was about \$317,000.

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

The Executive Director said that, as the Chairman knew, he was not at the last Commission meeting. He said it was the first meeting he had missed since becoming Executive Director. He said he hoped he was back to start a new string.

The Chairman said he doubted it would be 23 years in a row.

The Executive Director said he doubted that too.

The Executive Director said that on November 3rd the Legislative Turnpike Oversight Committee met in Columbus and requested that representatives of the Commission attend to discuss future construction projects and proposed bond issues. He said he attended along with Mr. Plain, Mr. Brennan and Mr. Patton.

The Executive Director said further that a copy of his introductory statement was in the Members' folders, along with a set of the materials that were given to the committee on that day. He said the meeting generated a number of questions and several newspaper stories which, he was sure, the Members had

seen. He said that if they had not read those stories, copies would be furnished after the meeting.

The Executive Director said further, that the chairman of the Oversight Committee, Representative Rocco Colonna, requested that copies of the handout materials be given to every member of the Ohio General Assembly. He said that information would be ready to be forwarded later in the day.

The Executive Director said he would ask Mr. Brennan if he had anything to add and then he would ask Mr. McGrath to also comment on that meeting, although he was not there.

Mr. Brennan said he thought the Executive Director covered the meeting. He said the only thing he was going to mention was that the Commission's progress was reviewed with the committee since the last meeting, which was in August 1992. He said the Commission's plans for 1994 and 1995 were discussed. He said he thought all the questions that were asked were answered to the members satisfaction. He said he thought that the meeting turned out rather well.

Mr. McGrath said there was a question asked by Representative Diane Grendell concerning the Commission's award of bond counsel. He said that on November 5, he sent a letter to Representative Grendell giving her the whole background on each of the eleven firms that submitted proposals, how they were evaluated and the experience of each particular firm. He said he presumed that information would be satisfactory to her. He said a copy of that information was in each Members' folder.

The Chairman said he thought Representative Grendell needed to understand that by having the proper professionals and doing everything appropriate in floating \$500 million worth of bonds the Commission would be saving a lot of money. He said that, for example, if the Commission sold its bonds by one point less, that would be \$5 million a year, times 20 years, resulting in a savings of \$100 million. He said that, if the Commission spent a couple pennies more on legal work and saved \$100 million in interest, he thought that it was a wise decision. He said that he was happy with Peck, Shafer & Williams. He said they were doing a very fine job for the Commission.

The Executive Director said that the only other matter he had was to explain the one resolution that was before the Commission. He said it was a resolution entitled resolution awarding a contract for the purchase of gasoline and diesel fuel for a one-year period. He said the fuel was required by the Commission for operating all of its own vehicles, mainly the vehicles in its maintenance department fleet. He said it was expected that the contract would have value that exceeded \$500,000, so it was being brought to the Commission for award.

The Executive Director said further that the Members had in their folders a letter from General Counsel reviewing that bid. He said there might be blanks in the resolution, but the intention was to award the contract to the low bidder. He said the low bidder was M. G. Refining and Marketing Inc. of Bel Air, Maryland. He said that purchasing fuel was a little different than it used to be in that the mark up figure was applied toward the base prices which were changed weekly, based on a market survey. He said he thought the procedure was customary in the rather volatile world of changing fuel prices.

The Executive Director said further that he thought ODOT followed the same procedure, as did the State Department of Administrative Services. He said that he recommended that the resolution be adopted.

Mr. Bergsmark asked how many bidders there were for the contract and were any from Ohio.

The Executive Director said there were three bidders and one, BP Oil Company, was based in Ohio. He said the third bidder was Petroleum Traders Corporation of Fort Wayne, Indiana.

General Counsel said that the price bid by the companies was the difference between the OPIS wholesale price in Cleveland, Ohio, on every Monday and what they would charge the Commission. He said the bids covered profit, delivery costs, etc.

Mr. Bergsmark asked if M. G. Refining and Marketing Inc. of Bel Air, Maryland, was the low bidder in every category.

Mr. Plain said they were the low bidder.

The Chairman asked General Counsel if the Commission could legally give business to a firm if they were not low bidder, but if they were from Ohio. He said the Commission would like to give business to Ohio-based firms.

General Counsel said that if the Ohio-based company was not the low bidder it could not be awarded a contract.

General Counsel said further that the low bidder on that particular contract had done business with the Commission in the past. He said the Commission's method of bidding on fuel had been in effect since 1987 and it had produced lower prices.

The Executive Director said it was probably fair to say that the fuel supplies would come from refineries and from suppliers inside Ohio.

General Counsel said he was sure the fuel was probably purchased in Cleveland, Ohio.

Mr. Bergsmark asked how the bids were solicited.

General Counsel said the contract was competitively bid. He said that, per statute, advertisements were placed in the Columbus newspapers and then they were distributed to all the interested parties.

A resolution awarding a contract for the purchase of gasoline and diesel fuel for a one-year period was moved for adoption by Mrs. Leever, seconded by Mr. Parise as follows:

RESOLUTION NO. 35-1993

"WHEREAS, the Commission has advertised for bids for Invitation No. 3301 for the furnishing to the Commission of unleaded gasoline and diesel fuel for a one-year period, and three bids were received in response to that invitation and have been reviewed by the Commission's staff;

"WHEREAS, it is anticipated that the expenditures of the Commission for unleaded gasoline and diesel fuel under Invitation No. 3301 shall exceed \$500,000 and in accordance with Article V, Section 2.10 (16) of the Commission's Code of Bylaws, Commission action is necessary for the award of such contract;

"WHEREAS, three bids were received in response to the invitation and such bids were reviewed by the deputy executive director-chief engineer who has stated that the lowest responsive and responsible bid was submitted by M. G. Refining & Marketing, Inc. of Bel Air, Maryland, and that M. G. Refining & Marketing, Inc. proposes to furnish materials and services in accordance with the Commission's specifications;

"WHEREAS, the Commission's general counsel has reviewed the bids received and has advised the Commission that the procedure followed by the Commission in advertising for Invitation No. 3301 is in accordance with Section 5537.07 of the Revised Code of Ohio, and that the bid of M. G. Refining & Marketing, Inc. is the lowest responsive and responsible bid received and that the Commission may legally enter into a contract with M. G. Refining & Marketing, Inc. to furnish unleaded gasoline and diesel fuel in accordance with Invitation No. 3301;

"WHEREAS, the executive director has reviewed the bids received and has recommended to the Commission that the contract be awarded to the lowest responsive and responsible bidder, M. G. Refining & Marketing, Inc.

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of M. G. Refining & Marketing, Inc. of Bel Air, Maryland, for Invitation No. 3301 is, and is by the

Commission deemed to be the lowest responsive and responsible bid received and is accepted and the chairman and executive director, or either of them, is hereby authorized (1) to execute a contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid invitation; (2) to direct the return to the other bidders of their bid security at such time as M. G. Refining & Marketing, Inc. has entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 35-1993.

The Chairman said the report of the Executive Director was accepted as offered.

The Chairman said that before Mr. Brennan gave his report he wanted to comment that scaled-down maps were available showing all the existing interchanges, new interchanges that have been opened, new interchanges that were authorized and possible future interchanges. He said 12 to 13 new or possible future interchanges were shown on the map and the Turnpike could end up having somewhere around 26 or 27 new interchanges.

The Chairman said further that, in reading the newspapers, the positive effect that the Turnpike had on Ohio's economy had been forgotten many times. He said that when the Commission built the two new interchanges at Lordstown they helped keep 800 jobs there at the General Motors assembly plant. He said the interchanges came about due to meetings between Governor Voinovich and the former chairman of General Motors. He said the importance of the interchanges was relayed in a meeting he and Mr. Brennan had with the Governor a year before they were built.

The Chairman said further that General Motors also was spending \$40 million at the Lordstown plant to build the new J-car. He said that up in Archbold, Ohio, there was a manufacturer who was going to add a thousand jobs and stay in Ohio. He said that the bottom line, whether Republican or Democrat, was that the Commission was helping to keep jobs in Ohio and helping to create new jobs. He said the multiplier

effect of what the Commission was doing on the Turnpike was very, very substantial. He said the Commission's staff should be commended for taking on the new role of being a catalyst for economic development and accessibility. He said he thought that information failed to get mentioned in the newspaper stories.

The Chairman said the report of the Development Coordinator, Mr. Brennan, would be received.

Mr. Brennan said that on October 27 there had been a meeting at the ODOT District 12 headquarters in Cleveland regarding the proposed Interstate Route 77 interchange in Summit and Cuyahoga Counties. He said that attending the meeting were representatives of ODOT from District 12, from District 4 in Ravenna, from Columbus, and also from the Federal Highway Administration. He said he, Mr. Plain and two engineers from the Commission's staff also were in attendance.

Mr. Brennan said further that it was a good meeting in that positions were clarified. He said it had been pretty much spelled out as to what would be necessary to be done to make that interchange a reality. He said that there was a considerable amount of work needed to get the interchange built and it would require quite a bit of time.

Mr. Brennan said further that he had a meeting regarding the Great Lakes/Mid-Atlantic Corridor in Cincinnati on November 4th. He said he met with Hamilton County Commissioners and also officials from Clermont County. He said they met to discuss how I-73/I-74 might affect the Greater Cincinnati area.

Mr. Brennan said further that it was interesting to note that any time an organization heard that the Commission was involved in a project it was supposed that it would be done within several months instead of several years. He said it was believed the Commission could short circuit all the federal and state regulations. He said he pointed out to those at the meeting in Cincinnati that that was not the case, but it was an interesting meeting.

Mr. Brennan said further that there had not been any material changes on the new interchanges since the last Commission meeting on October 18, so there was no point in reviewing them.

The Chairman said the report of the Development Coordinator was accepted as offered. He ascertained there would be no report from General Counsel.

The Chairman said the next Commission meeting would be on December 13.

The Executive Director said that since the Christmas luncheon would be held at noon on the day of the Commission

meeting, he thought it appropriate to move the starting time of the meeting from 10:00 a.m. to 11:00 a.m., so that the Members would not be waiting for a period of time before the luncheon began.

There being no further business to come before the Commission, a motion was made by Mr. Parise, seconded by Mr. Bergsmark that the meeting adjourn until the next meeting on December 13.

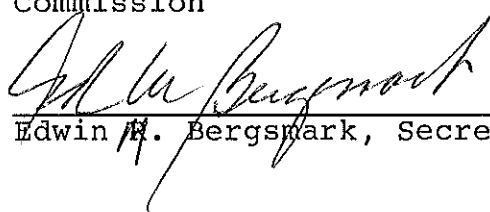
A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

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

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 10:29 a.m.

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



Edwin M. Bergsmark, Secretary-Treasurer