

MINUTES OF THE 393rd MEETING OF THE OHIO TURNPIKE COMMISSION

December 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 11:10 a.m., on December 13, 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; James H. Brennan, Development Coordinator; John Peca, Climaco, Climaco, Seminatore, Lefkowitz & Garofoli Co. LPA; two members of the media, David Patch, The (Toledo) Blade, and Bill Sammon, The (Cleveland) Plain Dealer; and others in attendance.

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

Absent: Edwin M. Bergsmark, Jerry Wray

A motion was made by Mr. Parise, seconded by Mrs. Leever, that the minutes of the meeting of November 8, 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. Parise, 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 at the meeting and he would ask them to identify themselves as follows: David Patch, The (Toledo) Blade; Don Sharp, Director of Operations; Sharon Isaac, Staff Counsel; Heidi Jedel, Information and Research; Carole Greeley, Toll Collector; Michelle Wintering, Toll Collector; Gary Steinbeck, AFL-CIO; Michael Anderton, Staff Counsel; Frank Lamb, Huntington Trust Company; Joe Rice, Rice Consultants; Lou Disantis, Director of Administrative Services; Pat Patton, Government Liaison Officer; Lt. Paul Ash, Ohio State Highway Patrol; Cleve Brooks, Brooks Securities; David Tissue, Kemper Securities; Don Henderson, Kemper Securities; Bill Sammon, The (Cleveland) Plain Dealer; Dick Fetzer, Society Bank; Jim Graff, Star Bank; Lucille Sorg, Elmore Citizen; Marian Dibert, Elmore Citizen; Charles Dibert, Elmore Citizen; Steve Wood, Paine Webber; Craig Rudolphy, Comptroller; Gordon Reis, Financial Advisor to the Commission, (Seasongood & Mayer); Leah Fox, ODOT; Diane Pring, General Counsel's Secretary; and David Millstone, Squire, Sanders and Dempsey.

(Dean Conley, Banc One Capital, signed the sign-in sheet, but did not introduce himself at the meeting.)

The Chairman said the meeting was the 393rd of the Ohio Turnpike Commission and it was being held at the Commission's headquarters as provided for by the Commission's Code of Bylaws. He said Mr. Bergsmark and Mr. Wray were both unable to attend the day's meeting. He said that following the meeting the annual Christmas luncheon for Commission employees and guests would be held.

The Chairman said further that he wanted to start off with a couple of comments before moving on to the various reports. He said he wanted to reflect back on 1993 at the Turnpike and look at the Commission's accomplishments and there had been quite a few. He said the Commission started off by opening up the 14A and 14B interchanges in Lordstown where the General Motors Corporation was investing \$40 million to build the J car in 1994. He said that, furthermore, the split interchange helped save General Motors almost \$500,000 in transportation and material handling costs.

The Chairman said further that the Commission also designated County Road 24 in Fulton County as a location for a new interchange. He said Sauder Woodworking Company was going to create a thousand new jobs in that area.

The Chairman said further that the interchanges at Lordstown, County Road 24 and another at Baumhart Road, which was strategically located near the Ford plant, Lorain County's largest employer, were just a few examples of how the Commission was working closely with the Department of Transportation and the Governor's office to help create jobs and keep jobs in Ohio.

The Chairman said further that, in addition, the Commission in 1993 also designated State Route 4 in Erie County, State Route 44 in Portage County, State Route 58 in Lorain County and the intersection of the Turnpike and Interstate Route 77 as sites of new interchanges. He said all the new interchanges would help businesses and increase motorists' accessibility to the Turnpike.

The Chairman said further that next fall the new interchanges at State Route 4 and 44 would open. He said State Route 4 would be a big boost to the economy of the Lake Erie Islands and the Cedar Point area. He said the State Route 44 interchange would have the same impact on Geauga and Portage Counties, Sea World and Geauga Lake and other tourist attractions. He said Sea World alone generated 3.5 million visitors a year to Ohio.

The Chairman said further that the Commission also was poised to assist ODOT in the development of the Mid-Atlantic Corridor which would provide direct superhighway access from Toledo to Portsmouth, and Portsmouth to Myrtle Beach, South

Carolina. He said six states were involved in the project. He said that, not only was the Commission involved in the operation of the Turnpike, the key link from Chicago to New York, but it also would be participating in the creation of the corridor, a north-south route. He said he was excited about the project and he thought it would help Ohio tremendously.

The Chairman said further that he wanted to thank all the Commission's employees and staff personnel. He said they had been really wonderful in taking on the new era of the Turnpike in carrying the Commission's mission to be a catalyst for economic development and accessibility. He said that for 1993 the Turnpike's revenue was up about 5 percent over 1992 and the expenditures were actually down about \$5 million. He said that business at the Turnpike was very, very good.

The Chairman said the committee and staff reports would now be received. He said 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.

The Chairman said that if there were no further questions, the meeting would proceed with the report of the Assistant Secretary-Treasurer, Mr. Johnson, for Mr. Bergsmark.

Mr. Johnson said that the following listed items had been sent to the Members since the last regular meeting of the Commission, November 8, 1993:

- (1) Weekly Traffic Statistics
- (2) Investment Transactions which occurred during November 1993
- (3) Draft of the Commission Meeting Minutes of November 8, 1993
- (4) Traffic Accident Summary Report - October and November 1993
- (5) Traffic and Revenue Report - November 1993
- (6) Financial Statement - November 1993

The Chairman said the report of the Assistant Secretary-Treasurer was accepted as offered. He said the report of the Committee on Budget and Finance would be received.

Mr. Johnson said that, again, he would be acting for Mr. Bergsmark. He said the staff had prepared a proposed budget for 1994 in order for the Commission to have a basis for measuring its financial performance. He said it was not an absolute requirement at that time because of the fact that the Commission did not have a trust agreement, which ordinarily would be the document that required a budget. He said that, however, the proposed budget was a tool for the Commission to use as a guideline.

Mr. Johnson said further that, before introducing the budget resolution, he wanted to repeat that for the first eleven months of 1993 expenditures were under budget. He said that was the case even though the Commission reduced the budget from the one that was initially adopted in preliminary form. He said that also revenues for the eleven-month period were above earlier projections for the year.

Mr. Johnson said further that, as for the proposed 1994 budget, the detailed revenue and expense projections by account number had been furnished to the Members and had been summarized in a budget resolution the Members had before them. He said he would dispense with the Whereases in that resolution and read the Resolved as follows:

"Resolved that the Commission hereby adopts the following as its proposed budget for the year 1994, subject to review and report of the budget by the Committee on Budget and Finance:"

Mr. Johnson said further that the revenue projection was \$102,993,000. He said the expenditures for administration and insurance were \$19,817,645, while operations expenditures amounted to \$65,125,539. He said that by subtracting the expenditure portion from the revenues one was able to determine the estimated capital improvement fund deposit of \$37,867,461.

Mr. Johnson said further that projected revenues represented a 4.1 percent increase and expenditures increased approximately 9 percent. He said the increase in expenditures primarily reflected the increases in employee wages and salary and other expenses to accommodate the new programs which were envisioned by the Commission. He said it was probable that the Commission would want to amend the budget and various accounts after the new bonds were issued early in 1994.

Mr. Johnson said he recommended that the resolution be adopted.

The Chairman said that, as had occurred in 1993, the Commission would review with each department head their budget. He said the Commission would go through line by line items and try to eliminate anything that could be eliminated. He said that by no means was the proposed budget the final budget.

A resolution adopting the proposed budget for the year 1994 and providing for capital improvement fund deposits during said year was moved for adoption by Mrs. Leever and seconded by Mr. Parise as follows:

RESOLUTION NO. 36-1993

"WHEREAS, Section 5537.17(F), Revised Code of Ohio, provides that the Commission shall submit a copy of its

proposed annual budget to the Governor, the presiding officers of each house of the General Assembly, the Director of Budget and Management, and the Legislative Budget Office of the Legislative Service Commission no later than the first day of the calendar or fiscal year;

"WHEREAS, the Commission's executive director and comptroller have prepared the proposed budget for the year 1994 and have submitted same to the Commission for its review and consideration;

"WHEREAS, the Commission desires to comply with the provisions of Section 5537.17(F) of the Revised Code of Ohio, and also desires to have a proposed budget in place for use in preparing its regular financial statements;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby adopts the following as its proposed budget for the year 1994, subject to the review and report of this budget by its Committee on Budget and Finance:

1994

Budget of Revenues, Expenditures
and Capital Improvement Fund Deposits

Revenues		\$102,993,000
Expenditures		
Administration & Insurance	19,817,645	
Operations	<u>45,307,894</u>	
Total Expenditures		65,125,539
Estimated Capital Improvement Fund Deposits		\$ 37,867,461"

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. Fedeli

Nays: None

The Chairman declared the resolution adopted with all Members present voting in the affirmative. The resolution was identified as No. 36-1993.

Mr. Johnson said he had one other item under Budget and Finance and that was the status of the new bond issue that was being worked on by the staff. He said there had been a number of working sessions among the Commission's Financial Advisor; Paine Webber, its lead investment banking firm; bond counsel;

underwriters' counsel; and staff members to develop the form of a new trust agreement. He said the agreement was coming along on schedule. He said a schedule of the process was in the Members' folders. He said the bond issue was headed toward closing by March 1994. He said there would be a detailed outline of the draft trust agreement in process available to the Members sometime later in the week of the Commission meeting.

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 when the Commission Members and certain staff members had gone to New York City to meet with the bond rating services, Standard & Poor's, Moody's and Fitch, they were complimented on how well the financials were compiled and how easy they were to read and there was more information there than was requested. He said Mr. Rudolphy's department did a great job in compiling information.

Mr. Rudolphy thanked the Chairman for his comments.

The Chairman said the report of the Committee on Service Plazas would be received.

The chairman of the Committee on Service Plazas, Senator Gaeth, said he wanted to comment that the coffee was good at the service plazas. He said he did observe that the 99.9 cent per gallon price for unleaded gasoline at the service plazas was very competitive. He said that, in fact, it was the cheapest price he had seen in his whole senate district. He said the price was very competitive and there existed a situation where the service station operator could gouge the public on price. He said it was obvious that it was not done and they were good people.

The Chairman said the report of the Committee on Service Plazas was accepted as offered. He ascertained there would be no report from the Committee on Employee Relations.

The Chairman said Captain Hank Williams was not at the meeting to give the report of the Committee on Safety. He said that, however, Lieutenant Paul Ash, Captain Williams' representative, had a few comments on the Turnpike's safety record. He said that, by the way, he congratulated the Ohio State Highway Patrol's District 10 on the recent success of Ork, the drug-sniffing dog, for the discovery of another large drug shipment on the Turnpike.

Lieutenant Ash said that, for 1993 to date, the Turnpike continued to be the safest it had been in many, many years as far as traffic and safety. He said he hoped to finish out the year in that way.

The Chairman said the report of the Committee on Safety was accepted as offered. He said he wanted to say that the Commission had been very happy with its financial advisor, Gordon Reis. He said Mr. Reis had done an excellent job. He said the Commission also was pleased with the work of Paine Webber and Peck, Shafer and Williams in helping the Commission prepare the new trust agreement and bond offering.

The Chairman said the report of the Executive Director would be received.

The Executive Director said that he wanted to report on the status of the I-73/I-74 or the Great Lakes Mid-Atlantic Corridor project. He said the Members had in their folder a letter addressed to the Chairman from Governor Voinovich. He said he believed it was dated November 12. He said that in the letter the Governor approved the corridor project and endorsed the Commission's efforts to study and examine the feasibility of its creation.

The Executive Director said further that he wanted to note that the week before the Commission meeting the staff released a request for proposals to provide project management consultant services for the corridor. He said a copy of that document in the green cover was in the Members' folders. He said a number of requests for that document by consulting firms had been received and he expected others.

The Executive Director said further that a pre-proposal conference had been scheduled on January 7, 1994, and the actual submission of the proposals was due on January 28, 1994. He said that the staff was moving ahead rapidly on that particular project.

The Executive Director said also that, as the result of some discussions at the Commission meetings and some of the recent events, he was proposing that the Commission institute a slightly different procedure for notice of the Commission meetings in the future.

The Executive Director said further that he proposed sending out the meeting agenda and any draft resolutions to be considered to the news media no later than 48 hours before any given meeting day. He said that material also would be furnished to all the individuals appearing on the meeting notice list. He said any changes in the agenda or resolutions also would be conveyed, if possible, to those individuals. He said he expected to institute that procedure beginning with the meeting in January.

The Chairman said the report of the Executive Director was accepted as offered. He said the report of the Development Coordinator would be received. He said he was very proud of Mr. Brennan for becoming Development Coordinator in 1993. He said Mr. Brennan had been a big help in attending all the required meetings and keeping things going.

Mr. Brennan said he had a map on hand showing the existing Turnpike interchanges in white, the new interchanges that had been opened since January 14, 1991, in red, new interchanges which have been authorized in orange and possible, future interchanges in blue. He said the map showed the interchanges, assuming they all would be built, totaling 32, whereas the original Turnpike only had 15, plus the two at either end.

Mr. Brennan said further that the other map he had was of the I-73/I-74 corridor. He said the map was of the entire state with the corridor running from Toledo down to the Portsmouth area and then on into West Virginia. He said the reason for the various colors was because of the four different construction phases of the project. He said the first phase was from Toledo to the Columbus area utilizing existing Interstate Route 75, existing State Route 15 and into U.S. Route 23. He said the route then tied in at some point north of the city of Delaware, northern Delaware County, into Interstate Route 71 and then, of course, the ring around Columbus.

Mr. Brennan said further that the second phase would be from Columbus down to the Portsmouth area and then head east. He said the third phase would be Interstate Route 74 from Cincinnati and going east to join I-73. He said the fourth phase would be the route going from Carey, which was where U.S. 23 currently turned north, and going up by Fostoria to join with the Turnpike in the Toledo area.

Mr. Brennan said further that a consulting engineering contract would probably be let early this spring by ODOT for studying a bypass around Fostoria, which eventually would be included in the corridor plan.

Mr. Brennan said also that it might not be too bad an idea to mention the fact that in the last eighteen months the Commission had spent or was committed to spend some \$70 million on capital projects. He said that, in addition, the Commission had identified another approximately \$150 million in capital improvement projects for 1994 and 1995. He said those funds would be used for new interchanges, refurbishing of some toll plaza buildings, etc. He said the improvements would keep the Turnpike one of the best if not the best roads in the United States and perhaps in the entire world.

Mr. Brennan said also that the association which had been meeting regularly on the I-73/I-74 Corridor was delighted when they learned that the request for proposals for project manager of the project had been prepared and circulated. He said the group had been meeting for about three years and they had been somewhat impatient in waiting for all the agencies involved to begin working together and they were absolutely delighted that action had occurred. He said that, of course, they thought the corridor could be built next year and, of course, that would not be the case.

Mr. Brennan said further that there was a scheduled meeting for that six-state organization in Myrtle Beach, South Carolina, on January 4 and 5 to keep the group up to date on what was happening.

Mr. Brennan said also that, as the Chairman mentioned, the Commission's interchange program continued. He said the State Route 4 interchange was set to open in the fall of 1994. He said the State Route 66 project was progressing. He said the Baumhart Road interchange had a little delay, but it was anticipated it would be back on track soon. He said the State Route 58 interchange was set for a 1995 opening. He said that the Commission had to work with the Federal Highway Administration for the access point study for a proposed interchange with Interstate Route 77. He said the State Route 44 interchange was moving along well for a fall 1994 opening.

The Chairman said Mr. Parise and Mrs. Leever were great additions to the Commission.

Mr. Brennan asked the Chairman if anybody had mentioned that 1993 could well be a record year for traffic and revenues for the Turnpike.

The Executive Director said he thought it might already be a record year even though it was only December 13.

The Chairman said 1994 also would be a record year.

Mr. Brennan said he thought that would be great, but for sure 1993 would be. He said he thought that it was worth mentioning and everybody involved had certainly participated in that activity.

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

General Counsel said that the Legislative Oversight Committee had met on December 8 in Columbus. He said he attended with Mr. Johnson, Mr. Brennan, Mr. Patton, Mr. Rice and Daniel O'Laughlin of Squire, Sanders and Dempsey. He said he thought he would bring the Commission up to date on what happened. He said there had been a great deal in the newspapers and regardless of what was said in the newspapers, in his opinion, the meeting went quite well. He said the chairman of that committee, Representative Rocco Colonna, operated in a very fair and even-handed manner. He said he thought there was some progress.

General Counsel said further that the Commission's representatives discussed the Commission's retention and awarding of the contract for bond counsel and he was advised by the members of the Oversight Committee that they approved of the method the Commission used and they were very satisfied.

General Counsel said further that there were some open questions including those regarding the Blue Cross contract with the Commission. He said some additional information was needed and he was in the process of gathering that information to place in the hands of the committee.

General Counsel said also that one thing he wanted to mention had to do with the resignation of Representative Robert Hagan from the Commission on November 29. He said there was a great discussion in the newspapers concerning Mr. Hagan being taken off the Oversight Committee. He said he wanted to point out that as a result of the Turnpike Act, Section 24 of Chapter 5537, Mr. Hagan could only serve on that particular committee as long as he was a Member of the Turnpike Commission. He said that, by resigning from the Commission, Mr. Hagan took himself off the committee. He said the Commission obviously didn't do it, nor did the Governor, nor did Ohio House Speaker Vern Riffe.

The Chairman said one last thanks went to the 1100 employees of the Commission. He said that no matter where he went he got complimented about the great job that the toll collectors and maintenance people did on the Turnpike. He said when he was being interviewed by Virgil Dominic on Cleveland's WJW-TV, Mr. Dominic constantly complimented the friendly and helpful Turnpike employees. He said the comment was always made that no matter how bad the weather the Turnpike was always open and had always been able to be used. He said to the Executive Director that the Turnpike employees did a super job.

The Executive Director thanked the Chairman for his comments.

The Chairman said he wished everyone a very happy holiday season.

There being no further business to come before the Commission, a motion was made by Mr. Parise, seconded by Mrs. Leever that the meeting adjourn until the next meeting on January 10, 1994, at 10:00 a.m.

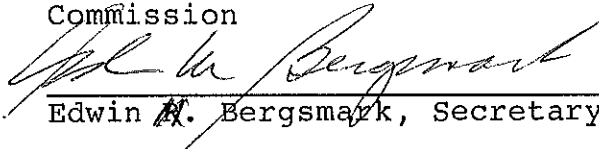
A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

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

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:38 a.m.

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


Edwin A. Bergsmark, Secretary-Treasurer