

MINUTES OF THE 395th MEETING OF THE OHIO TURNPIKE COMMISSION

February 14, 1994

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:24 a.m., on February 14, 1994, 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; one member of the media, David Patch, The (Toledo) Blade; and others in attendance.

Present: Ronald V. Gerberry, M. Ben Gaeth, Jerry Wray,
Ruth Ann Leever, Edwin M. Bergsmark,
Umberto P. Fedeli

Absent: Carmen E. Parise

A motion was made by Mr. Bergsmark, seconded by Mrs. Leever, that the minutes of the meeting of January 10, 1994, 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, 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 wanted to note that Captain Hank Williams was going to retire at the end of February, so the day's Commission meeting would be the last he would be attending as Commander of District 10, Ohio State Highway Patrol. He said he wanted to wish Captain Williams very well in his retirement. He said Captain Williams had done a super job in his work on the Turnpike.

The Chairman said there were a number of guests at the meeting and he asked them to identify themselves as follows: David Patch, The (Toledo) Blade; Jim Conroy, Porter, Wright, Morris and Arthur; Ann Corrigan, Porter, Wright, Morris and Arthur; Rob Fleischman, Greiner Engineering; Frank Lamb, Huntington Trust; Joe Rice, Rice Consultants; Patrick Patton, Government Liaison Officer; Captain Hank Williams, Ohio State Highway Patrol; Ed Presley, Society National Bank; John Lee,

Kemper Securities; Jim Graff, Star Bank; Eric Carmichael, Pryor, McClendon, Counts; Jim Cooper, Donaldson, Lufkin, Jenrette; Steve Wood, Paine Webber; Mary Sullivan, Peck, Shafer and Williams; Carol Muller, Paine Webber; Craig Rudolphy, Comptroller; Michael Anderton, Staff Counsel; Sharon Isaac, Staff Counsel; Don Sharp, Director of Operations; Leah Fox, ODOT; Diane Pring, General Counsel's Secretary; Lou Disantis, Director of Administrative Services; Heidi Jedel, Department Head Secretary, Information and Research; and Dennis Wilcox, Climaco, Seminatore, Lefkowitz and Garofoli, Co., L.P.A.

The Chairman said the meeting was the 395th of the Commission and it was being held at the Commission's headquarters as provided in the bylaws. He said Carmen Parise was unable to attend the day's meeting, but the Commission did have a quorum.

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

The Chairman 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, January 10, 1994:

- (1) Weekly Traffic Statistics
- (2) Investment Transactions which occurred during January 1994
- (3) Draft of the Commission Meeting Minutes of January 10, 1994
- (4) Financial Statement for January 1994
- (5) Traffic Accident Summary Report for 1993
- (6) Budget and Expense Report - 12 Months 1993
- (7) Litigation Report - Fourth Quarter 1993
- (8) Traffic and Revenue Report - December 1993 and 12-Month Summary - January 1994
- (9) Report on Concessionaires - 1993
- (10) Auditor's Report on Service Stations
- (11) News Release #1 - SR 51 Interchange Selection

The Chairman said that 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 for the last year the committee had devoted a lot of time reviewing the Commission's investment policy, which

had been revised in early 1990, and also looking at the authorization of \$125 million in Ohio Turnpike revenue bonds.

Mr. Bergsmark said further that he would like to introduce and offer a resolution adopting the Commission's investment policy dated as of February 1994. He said he would not read the entire resolution, but would read the resolveds as follows:

"RESOLVED that the Ohio Turnpike Commission hereby adopts a revised investment policy, such policy being set forth in the document entitled, "Ohio Turnpike Commission Investment Policy" dated February 1994, and hereby authorizes and directs the executive director to take all action necessary to implement this policy; and

"FURTHER RESOLVED that the secretary-treasurer of the Commission, the assistant secretary-treasurer of the Commission and the comptroller of the Commission are each designated as "authorized parties" as such term is used in the Commission's February 1994 investment policy; and

"FURTHER RESOLVED that a copy of the February 1994 investment policy is attached to this resolution and incorporated herein by reference as if fully re-written herein."

Mr. Wray asked Mr. Bergsmark if he could provide some information on the Commission's investment policy.

Mr. Bergsmark said the Commission had several outside consultants assist it in reviewing the policy. He said an agency, such as the Commission, showed that it had good financial integrity by adopting an investment policy to govern the investment of those funds that were either pending, payment for expenses or generally came within the Commission's control.

Mr. Bergsmark said further that the Commission had adopted an investment policy that was extremely conservative and complied with all the state statutes. He said the Commission only invested in double A and triple A issues, U.S. Treasury bonds and other guaranteed or collateralized issues. He said the Commission could not, for example, invest in corporation stocks. He said Mr. Rudolphy would elaborate.

Mr. Rudolphy said the other minor change to the policy was to conform it to the Commission's pending bond issue by removing reference to the previous Trust Agreement.

Mr. Bergsmark said it was always a good idea to review the Commission's investment policy every few years. He said the Commission's investment policy had been reviewed back in 1987 and 1988 in light of the fact that several governmental agencies had been caught in some of the ESM and other repo schemes. He said

the Commission's investment policy had been strengthened almost to the point that it was probably the strongest one in the country.

Mr. Wray said it was his understanding that the Commission could not invest in anything not outlined in the investment policy.

Mr. Bergsmark said Mr. Wray was correct. He said the policy broke down the depository banking relationships and the depository act. He said it also broke down the investment policy pertaining to the four different funds -- the Revenue Fund, the Capital Improvement Fund, the Fuel Tax Fund and the Debt Service Fund.

Mr. Bergsmark said that section 3.000 of the policy listed the eligible investments for the Commission. He said those investments were basically in direct obligations of the United States government and agencies thereto, as well as bankers' acceptances. He said the Commission also had the ability to invest in the State Treasurer's Investment Pool under Ohio Revised Code Section 135.45. He said the Commission also could invest in designated depositories' overnight sweep accounts and in repurchase agreements, which were backed by treasury securities.

Mr. Bergsmark said further that one interesting feature that the Commission always had was the fact that collateral was segregated on behalf of the Turnpike at the Federal Reserve Bank. He said that it was not just by safekeeping receipt, but the actual physical securities were transferred to the Turnpike account so the Commission had the utmost in security.

The Chairman said to Mr. Wray that there were certain institutions that didn't like the idea of having to put monies aside at the Federal Reserve and, consequently, didn't even bid on the certificates of deposits.

Mr. Bergsmark said most institutions did not wish to do so. He said it was very cumbersome because bank collateral had to be segregated under the Turnpike's name. He said that, physically, it was kind of a nightmare. He said the procedure would be reviewed in the future as to whether or not it became too cumbersome. He said at that time he could not find a reason to change the procedure.

The Chairman asked Mr. Rudolphy to reiterate the major changes in the Commission's just revised investment policy versus the previous policy.

Mr. Rudolphy said that, primarily, the major changes were the removal of references to the 1984 trust agreement and adding

the ability to invest in the State Treasurer's investment pool. He said there was no substantial change in the list of investments other than the addition of the state's STAR Ohio.

Mr. Bergsmark said that many municipal and political subdivisions invested in the state's STAR Ohio.

The Chairman said it was the Commission's position to maintain an extremely conservative approach toward investments.

Mr. Gerberry asked if the Commission was required, statutorily, to have an investment policy.

General Counsel said the Commission was not required to have an investment policy, but had one as specified in the original trust agreement and, in effect, had one in the 1984 trust agreement, because the Commission was limited in its investments.

Mr. Gerberry said that he thought it was great to have such a policy, but he wondered if the Commission even, statutorily, had the authority to implement an investment policy.

General Counsel said that as a political subdivision the Commission was just mirroring the general authority of the State Treasurer.

The Chairman said there had been a lot of press lately about many communities getting involved in investments that didn't do well and they found themselves short of funds.

Mr. Gerberry said Columbiana County was an example of that situation.

The Executive Director said he thought it was safe to say that the investment record of the Commission was impeccable.

The Chairman said he didn't think the Commission had ever lost a penny in investments.

A resolution adopting the Ohio Turnpike Commission's investment policy dated February 1994 was moved for adoption by Mr. Bergsmark, seconded by Mr. Wray as follows:

RESOLUTION NO. 6-1994

"WHEREAS, on August 16, 1990, by Resolution No. 9-1990, the Commission adopted an investment policy for the Ohio Turnpike Commission;

"WHEREAS, in March 1993, Chase Edwards & Associates and Ciuni & Panichi, Inc. were awarded a contract, pursuant to a Request for Proposals, to perform a cash management study to

include therein a review of the Commission's current investment policy;

"WHEREAS, there is now before the Commission a revised investment policy which has been reviewed by the Commission's Comptroller and recommended for adoption by the Commission's Comptroller;

"WHEREAS, the Commission deems it desirable to adopt a revised investment policy;

"NOW, THEREFORE, BE IT

"RESOLVED that the Ohio Turnpike Commission hereby adopts a revised investment policy, such policy being set forth in the document entitled, 'Ohio Turnpike Commission Investment Policy' dated February 1994, and hereby authorizes and directs the executive director to take all action necessary to implement this policy; and

"FURTHER RESOLVED that the secretary-treasurer of the Commission, the assistant secretary-treasurer of the Commission and the comptroller of the Commission are each designated as 'authorized parties' as such term is used in the Commission's February 1994 investment policy; and

"FURTHER RESOLVED that a copy of the February 1994 investment policy is attached to this resolution and incorporated herein by reference as if fully re-written herein."

OHIO TURNPIKE COMMISSION
INVESTMENT POLICY
FEBRUARY, 1994

Section #

Description

1.000

INTRODUCTION

1.100 Purpose

This investment policy applies to all funds of the Ohio Turnpike Commission except funds held by a Trustee pursuant to a Master Trust Agreement (including Supplemental Trust Agreements) securing State of Ohio Turnpike Revenue Bonds. These funds are accounted for in the Commission's Comprehensive Annual Financial Report. The purpose of this document is to increase the opportunity for the prudent and systematic investment of funds of the Ohio Turnpike Commission while ensuring the safety of principal.

1.200 Investment Policy Organization

This investment policy is divided into seven sections. These are:

Section 1:	Introduction
Section 2:	Objectives
Section 3:	Eligible Investments
Section 4:	Relationship with Depository Banks and Broker Dealers
Section 5:	Safekeeping of Deposits and Custody of Securities
Section 6:	Diversification and Risk Tolerance
Section 7:	Investment Reporting - Interim and Annual

1.300 Scope

This investment policy applies to the investments made of Commission moneys in all funds, unless specifically excluded. The following funds are specifically included:

- Revenue Fund
- Capital Improvement Fund
- Fuel Tax Fund
- Debt Service Fund

1.400 Investment Authority

All investments shall be made in compliance with the applicable laws of the State of Ohio including Chapter 5537 of the Ohio Revised Code. Any conflict between this policy and the statutory laws of Ohio shall be resolved in favor of the statutory laws.

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

1.500 Prudence

The standard of prudence to be applied by the Authorized Parties shall be the "prudent person" rule and shall be applied in the context of managing the overall portfolio. All action by Authorized Parties under this policy shall be in compliance with applicable ethics and interest in contract legislation of the State of Ohio. None of the Authorized Parties nor members of the Commission acting in accordance with written procedures and exercising due diligence shall be held accountable for any loss occasioned by sales or liquidations of investments at prices lower than their costs.

1.600 Internal Controls

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

Internal accounting control procedures shall be reviewed and updated, when necessary, by the Comptroller's office, as well as the Commission's independent auditors.

OBJECTIVES

2.000

2.100 Safety

Investments shall be undertaken to ensure preservation and safety of capital in the overall portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from defaults or erosion of market value.

2.200 Liquidity

Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments. Securities shall be purchased with the expectation that the security may be held to final maturity.

2.300 Yield

The investment portfolio of the Commission shall be designed to achieve a market average rate of return throughout the budgetary and economic cycles, taking into account the Commission's risk constraints and the cash flow characteristics of the Commission. Market average rate of return is defined as the simple average of the 91 day U.S. Treasury Bill discount rates based upon the number of weekly auctions during the month. The number of auctions for any given month is determined by the settlement date.

3.000

ELIGIBLE INVESTMENTS

3.100

Assets of all funds of the Commission shall be invested in the following securities:

3.110

Direct obligations of the United States Government including such obligations as Treasury Bills, Treasury Notes, Treasury Bonds, Farmers Home Administration Insured Notes (FHA's), and securities issued by the Government National Mortgage Association (GNMA). Long term zero coupon (stripped Treasury) U.S. Government obligations are excluded from the list of eligible investments of the Commission.

3.120

Obligations of certain United States Government agencies which are not guaranteed by the full faith and credit of the United States government, but which enjoy sufficiently broad and orderly markets to ensure easy and cost effective liquidation. Such obligations include but are not limited to Federal Home Loan Bank debt (FHLB), and Federal National Mortgage Association Debt (FNMA).

3.130

Bankers acceptances and fully insured and/or fully collateralized Certificates of Deposit or time deposits issued by designated commercial banks and savings and loan associations located within the State of Ohio which are members of the FDIC and have a combined capital and surplus of at least \$50 million in dollars of the United States of America (including any investment in pools of those bankers acceptances and certificates of deposit or time deposits owned by the bank or savings and loan association).

3.140

Investments in the State treasurer's investment pool, State Treasurer's Asset Reserve (STAR), pursuant to Chapter 135.45 of the Ohio Revised Code.

3.150

Investments in a designated depository's overnight sweep account. The sweep account will provide for automatic daily transfer of available cash balances from a demand deposit account to an investment earnings vehicle. The rate bid will be based on the number of basis points below the current Federal Funds Rate.

3.155

Investment in a designated depository's government money market mutual fund which is rated in the highest rating category and registered with the SEC.

3.160

A repurchase agreement with any bank and its affiliates which is secured by purchased securities of the type specified in Section 3.110 and 3.120 above. Investments in repurchase agreements shall be made only pursuant to a properly executed master repurchase agreement in the form of the Master Repurchase Agreement prepared by the Commission. Pursuant to the master repurchase

agreement purchase securities shall 1) be in the possession of the Commission, or third party custodian pursuant to the custodian agreement between the Commission, its depository bank and the custodian; 2) not be subject to any third party claims; and 3) have a market value (determined at least once every 14 days) at least equal to the following minimum ratios of market value of purchased securities, under the terms of a specific repurchase agreement, to the principal dollar amount of such investments:

- U.S. Treasury Bills, Notes, and Bonds which mature in 1 year or less: 101%
- U.S. Treasury Notes and Bonds which mature in 1 to 10 years: 102%
- U.S. Government Agency securities which mature in 1 year or less: 102%
- U.S. Government Agency securities which mature in 1 to 10 years: 103%
- U.S. Treasury Bonds and Agency securities that mature in more than 10 years: 105% or more at the discretion of the Commission

3.170 General obligations of the State, provided that such general obligations are rated as "AA" or higher by a rating service.

3.180 Obligations of any state of the United States or any subdivision of any state which are rated "AAA" by a rating service.

3.200 All purchased securities with the exception of investments in the State Treasurers Asset Reserve Fund, a designated depository's overnight repurchase account ("sweep account"), and a designated depository's government money market mutual fund shall be held in accordance with the master custodian agreement between the Commission, the Commission's depository bank and the custodian.

4.000

RELATIONSHIP WITH DEPOSITORY BANKS AND BROKER DEALERS

4.100

Depository banks and broker dealers shall be selected through the Commission's banking services and broker dealer selection process. In the selection of banking and investment services, the credit worthiness of institutions shall be considered and the Comptroller shall conduct a review of the prospective depositories and broker dealer's financial history.

4.200

Before accepting funds or engaging in investment transactions with the Commission, an authorized officer of each depository and broker dealer shall submit an affidavit (See Exhibit A). The affidavit will certify that the officer has reviewed the investment policies and objectives and agrees to disclose potential conflicts or risks to public funds that may arise out of business transactions between the depository/broker dealer and the Commission. All depositories and broker dealers shall agree to undertake reasonable efforts to preclude imprudent transactions regarding the Commission's funds.

4.300

The supervising officer shall agree to exercise due diligence in monitoring the activities of other officers and subordinate staff members engaged in transactions with the Commission. Employees of any broker dealer offering securities or investments to the Commission shall be trained in the precautions appropriate to public sector investments and to adhere to the Commission's investment objectives, policies and constraints.

4.400

The depository bank or broker dealer shall agree to provide audited financial statements to the Commission for each fiscal year.

5.000 SAFEKEEPING OF DEPOSITS AND CUSTODY OF SECURITIES

5.100 Before the Comptroller will initially deposit or continue to maintain a deposit in a designated depository, the designated depository shall be required to pledge and deposit with the Commission, as security for the repayment of all monies so deposited, eligible securities which have an aggregate market value equal to or greater than the aggregate amount of Commission moneys which at anytime shall be so deposited. Further, the Commission may require that additional securities be deposited to provide for any depreciation which may occur in the market value of any securities so deposited.

5.200 The Federal Reserve Bank of Cleveland may act as the safekeeping agent of both the Commission and the designated depository which is pledging the collateral to secure the Commission's deposits. Upon proper transfer by the pledging bank into a "joint custody account", the Federal Reserve Bank will issue a joint custody receipt to both the pledging bank and the Commission. Thereafter, the Federal Reserve will not release the securities prior to their maturity (for purposes of reassignment or liquidation) without the express consent of both parties.

5.300 Certificates of deposit will be purchased through designated depositories that have pledged collateral to secure the certificates of deposit. When purchasing a certificate of deposit from the Commission's designated depository, the amount of collateral held in the Commission's name must secure all uninvested moneys in all the Commission's funds, in addition to all investments in certificates of deposit purchased from the designated depository.

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

5.500 The Commission has entered into a master custodian agreement with its depository bank and a third party custodian. The agreement establishes specific procedures to be followed in investment purchases and sales and established a custodian account at a third party custodian bank. When securities are purchased, they are purchased on a delivery vs. payment basis and are delivered to the third party custodian account registered in the name of the Commission as owner.

5.600

All securities and certificates of deposit purchased from designated depositories/broker dealers and repurchase agreements will be held so that the deposits and investment will be categorized in risk category 1 of the Governmental Accounting Standards Board (GASB) Statement No. 3 - Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements.

5.700

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

6.000

DIVERSIFICATION AND RISK TOLERANCE

6.100

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

6.200

Revenue Fund

Liquidity for the Revenue Fund shall be assured through practices ensuring that sufficient funds are available for current expenditures including payroll.

6.300

Capital Improvement Fund and Fuel Tax Fund

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

Through coordination with the Engineering Department an estimate of the date invoices will be submitted for payment shall be obtained. Historically, the largest dollar amounts needed for payment for Capital Improvement and Fuel Tax projects has been during the months of June, July, October and November. With consideration of the payment requirements, investments from the Capital Improvement Fund and the Fuel Tax Fund may be made in eligible securities with the average maturity of the portfolio not to exceed five years. The Comptroller will purchase securities which are scheduled to mature in amounts sufficient to meet historical cash disbursements for capital improvement and fuel tax projects. At least 10 percent of the funds in the Capital Improvement Fund and Fuel Tax Revenue Fund shall be invested in highly liquid securities with maturities of one year or less.

6.400

Debt Service Fund

Liquidity in the Debt Service Fund shall be assured through practices ensuring that moneys are available for the payment of debt service on the long term debt of the Commission when due. Eligible securities shall be purchased which mature on, or the business day prior to, the debt service payment dates.

7.000 INVESTMENT REPORTING - INTERIM AND ANNUAL

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

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

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

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

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

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

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

7.700 Comprehensive Annual Financial Report

With the publication of the Commission's Comprehensive Annual Financial Report, the Comptroller will present an annual report on the investment program and activity in the previous fiscal year. The annual report

shall describe the portfolio in terms of investment strategies, securities, maturities, risk characteristics, and other features.

EXHIBIT A
AFFIDAVIT

TO: THE OHIO TURNPIKE COMMISSION

FROM: _____

ADDRESS: _____

TELEPHONE: _____

FAX: _____

The undersigned bidder acknowledges having reviewed the Ohio Turnpike Commission's Investment Policy and agrees to disclose any potential conflicts or risks to public funds which may arise from securities recommended to the Commission or that may arise out of business transactions between the depository/broker dealer and the Commission.

The undersigned signatory for the depository/broker dealer represents and warrants that he has full and complete authority to submit this affidavit to the Commission and to provide the investment services enumerated in the Commission's Investment Policy.

Dated: _____, 1994

By: _____
(Signature)

(Typed Name)

(Title)

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. Wray, Mrs. Leever,
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. 6-1994.

Mr. Bergsmark said the other resolution he had to offer was entitled a resolution authorizing the issuance of an amount not to exceed \$125,000,000 of aggregate principal amount of State of Ohio Turnpike Revenue Bonds, 1994 Series A, and authorizing other actions in connection with the issuance of such bonds.

Mr. Bergsmark said further that the Members had before them a very lengthy resolution which contained all the definitions and so forth. He said that, regarding the proceeds, he thought it was important to read that, "The Commission has executed 24 Declarations of Intent for various capital projects which total \$70 million. These, the Commission will be reimbursed from the proceeds of the \$125,000,000 bond issue for that amount." He said that in "Exhibit A" the Members would find a listing of the different capital improvement projects that would be reimbursed from the bond issue itself.

Mr. McGrath said that the morning of the meeting a supplemental declaration of intent had been declared in the amount of \$800,000 relative to construction of the State Route 49 interchange. He said that the total of all the Declarations of Intent was \$71.1 million.

Mr. Wray said he had received in the mail a list of Turnpike projects totaling \$146 million. He said the revised "Exhibit A" with the resolution showed projects that totaled \$56 million.

The Chairman said the whole \$146 million was all the projects scheduled for the next two years. He said that \$71.1 million had been spent out of cash flow on the Commission's expansion program.

Mr. Bergsmark asked Mr. McGrath to give the Members a brief summary of the projects completed by the Commission within the last 18 months, whose costs totaled the \$71.1 million.

Mr. McGrath said those projects included relocating the Westgate terminal, building the Lordstown split interchange, as well as remodeling the maintenance buildings and the renovations of Turnpike bridges.

Mr. Bergsmark asked General Counsel to explain the arbitrage rules.

Mr. McGrath said that there was a requirement in the bond issue to expend certain funds within a certain period of time to avoid being penalized. He said the declarations of intention were compiled over the last eighteen months to protect the Commission from being penalized.

Mr. Bergsmark said that, in effect, the Commission could not borrow money and not spend it.

Mr. Wray said the Commission had already spent \$71.1 million and there would be \$56 million in bond proceeds for construction of new interchanges.

Mr. McGrath said the Commission's bond counsel instructed the staff the Friday before the meeting to revise "Exhibit A" to list only the new interchanges whose total cost was \$56.5 million.

Mr. Wray asked if that meant that automatic toll dispensers, changeable message signs, emergency call boxes were not going to be paid for with bond proceeds.

Mr. McGrath said there was a possibility that bond proceeds might be spent for those items.

Mr. Wray said he was opposed to using bond proceeds for the call boxes and other things that cost \$2 million and to him were basically operating money. He said he didn't know exactly how he could register his opposition.

Mr. McGrath said resolutions authorizing contracts expending funds for those items would come before the Commission for approval and at that time Mr. Wray could vote his opposition. He said the resolutions would not necessarily detail from what fund the items would be paid, but that information would be available.

The Chairman said that he thought Mr. Wray's objections should be put in the minutes of the meeting.

Mr. Wray said that the record should show he thought the list of new interchanges was what the bond proceeds should be for.

The Chairman said Mr. Wray didn't want to use any bond proceeds for things he considered to be operating expenses.

Mr. Wray said his concern was with operating and minor maintenance expenses. He said he didn't have any problems with reimbursing the \$71.1 million or spending the \$56.5 million for new interchanges.

The Chairman said that as one of the Commission's strategic partners Mr. Wray had a lot of input in the Commission's actions.

Mr. McGrath said that he wanted to mention that on page 3 of the resolution there was a section on pricing of the bonds. He said that specified in that section was a 7 percent cap on the interest rate.

Senator Gaeth asked Mr. McGrath about what had been said about the interchange at State Route 49.

Mr. McGrath said he mentioned that the cost of the interchange ran \$883,000 more than the original declaration of intent. He said that did not necessarily mean the interchange was overpriced.

Mr. Bergsmark said he wanted to add that the pricing requirement for the Commission to issue the bonds stated: "The Chairman and Secretary-Treasurer of the Commission are hereby authorized, empowered and directed to determine the dates on which the bonds shall mature and be redeemed and the rates of interest per annum which the bonds shall bear, provided that the bonds shall not mature later than February 15, 2024, and shall bear interest at a time investment cost not to exceed seven percent per annum."

Mr. Bergsmark said further that the Commission had some time to go to price the bonds based on the market position. He said the resolution did set a cap or maximum interest rate of 7 percent.

The Commission's Financial Advisor Gordon Reis said he wanted to make clear that he didn't expect the interest rates to be anything like 7 percent. He said he actually expected the rate to be in the fives.

The Executive Director said meetings were held with representatives from the three ratings services on two occasions within the two weeks prior to the Commission meeting. He said final ratings were expected on the Wednesday after the meeting.

Mr. Reis said the ratings were expected on Wednesday and some determination as to tentative pricing of the bonds would be made probably on the following Tuesday. He said the market would be looked at on Wednesday and some adjustments would be made, if necessary. He said the bonds would probably be priced and sold on Wednesday.

The Chairman asked Mr. Wray if he wanted to put his concerns about the use of bond proceeds specifically into the record. Mr. Wray said his concern was how the Commission spent the bond proceeds. He said that, for example, he thought emergency call boxes were, at best, research. He said he didn't think the Commission should be borrowing money to conduct research and he didn't think the Commission should use the Turnpike as a laboratory. He said he didn't know where the changeable message signs were going to be put. He said he didn't think the Commission

should be borrowing money to buy them. He said that was his general concern. He said he did not know how to deal with it.

Mr. Bergsmark asked Mr. McGrath if the \$71.1 million talked about at the meeting was for construction of past interchanges.

Mr. McGrath said that, essentially, that was true. He said there were some costs included in that amount for bridge renovation projects, renovations of all the maintenance buildings and for three resurfacing projects.

Mr. Bergsmark asked Mr. McGrath if he could give each Commission Member a copy of the list of those items being paid by the \$71.1 million.

Mr. McGrath said he would give the Members such a list.

The Executive Director said the Members already had been furnished with that list.

The Chairman said to Mr. Wray that he thought the Commission should stay with the principal that it was going to use long-term borrowing for long-term investments and avoid borrowing for operations.

Mr. Wray said he was comfortable with that principle.

The Chairman said he thought the Commission should use that principle at all times. He said what the Commission had done in the past was use its cash flow to build long-term investments. He said the problem with that was the possibility of cash flow difficulties, which the Commission did not have. He said that using borrowed funds to pay for those items which should be paid from the cash flow was like using your credit card to buy gifts at Christmas. He said three quarters of the country did that, but he was against it.

Mr. Wray said he just wanted to make sure that just because the Commission had borrowing power it was not Christmas.

The Chairman said he thought the Commission should use its credit very prudently.

A resolution authorizing the issuance of an amount not to exceed \$125,000,000 aggregate principal amount of State of Ohio Turnpike revenue bonds, 1994 Series A, and authorizing other actions in connection with the issuance of such bonds was moved for adoption by Mr. Bergsmark, seconded by Mrs. Leever as follows:

RESOLUTION NO. 7-1994

"WHEREAS, the Ohio Turnpike Commission (the 'Commission') is, by virtue of Chapter 5537 (the 'Act'), authorized and

empowered, among other things, (a) to issue revenue bonds of the State of Ohio (the 'State') for the purpose of paying the cost of constructing any one or more turnpike projects, and (b) to enact this Resolution and execute and deliver the documents hereinafter identified; and

"WHEREAS, the Commission has heretofore determined and hereby confirms that it was and is necessary to make certain capital improvements to the System (as hereinafter defined) and to pay certain costs associated with the System, all as set forth on Exhibit A attached hereto (the 'Projects'); and

"WHEREAS, the Commission has determined that it is necessary to issue an amount not to exceed \$125,000,000 of State of Ohio Turnpike Revenue Bonds, 1994 Series A (the 'Bonds') in order to help finance the Projects;

"NOW, THEREFORE, BE IT

"RESOLVED by the members of the Ohio Turnpike Commission:

"Section 1. Definitions. In addition to the words and terms defined in the recitals and elsewhere in this Resolution, those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization shall have the meanings assigned to them in the Master Trust Agreement, dated as of February 15, 1994 (the 'Master Trust Agreement'), and the First Supplemental Trust Agreement, dated as of February 15, 1994, (the 'Supplemental Trust Agreement'), each between the Commission and The Huntington National Bank, (the 'Trustee'). (The Master Trust Agreement and the Supplemental Trust Agreement are collectively referred to herein as the 'Trust Agreement.')

"Section 2. Recitals, Titles and Headings. The terms and phrases used in the recitals of this Resolution have been included for convenience of reference only, and the meaning, construction and interpretation of such words and phrases for purposes of this Resolution shall be determined solely by reference to Article I of the Master Trust Agreement. The titles and headings of the articles and sections of this Resolution and the Trust Agreement have been inserted for convenience of reference only and are not to be construed as a part hereof or thereof, shall not in any way modify or restrict any of the terms or provisions hereof or thereof, and shall never be considered or given any effect in construing this Resolution or the Trust Agreement or any revisions hereof or in ascertaining intent, if any question of intent should arise.

"Section 3. Interpretation. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and

neuter genders and vice versa, and words of the single number shall be construed to include correlative words of the plural number and vice versa. This Resolution, the Trust Agreement and the terms and provisions hereof and thereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of the Trust Agreement.

"Section 4. Determinations of Commission. The Commission hereby finds and determines that the Bonds will be and are being issued in full compliance with the provisions of the Act and in a manner consistent with the purposes thereof. The Commission hereby declares its intention to comply fully with the requirements of the Internal Revenue Code of 1986, as amended, and the regulations applicable thereto (the 'Code') in issuing the Bonds. The Commission further declares that the Projects shall constitute System Projects, in accordance with the provisions of the Trust Agreement.

"Section 5. Authorization of Bonds. It is hereby determined to be necessary to, and the Commission shall, issue, sell and deliver an aggregate principal amount not to exceed \$125,000,000 of State of Ohio Turnpike Revenue Bonds, 1994 Series A, for the purpose of financing the Projects, including costs incidental thereto and of the financing thereof, all in accordance with the provisions of the Trust Agreement and the Bond Purchase Agreement (the 'Bond Purchase Agreement') between the Commission and Paine Webber Incorporated, as representative of the Underwriters named in the Bond Purchase Agreement (collectively, the 'Underwriters').

"Section 6. Terms of the Bonds.

"(a) Authorization and Authorized Amount of Bonds. The Bonds shall be issued in the aggregate principal amount not to exceed \$125,000,000. No additional Bonds may be issued under the provisions of this Resolution or the Trust Agreement on a parity with the Bonds, except in accordance with the Trust Agreement.

"(b) Form, Date, Number and Denominations of the Bonds. Each Bond shall be issued in the form of global book entry bonds and shall be dated February 15, 1994. The Bonds shall be in the denominations of \$5,000 each and integral multiples thereof and shall be initially numbered, and shall be in substantially the form set forth in the Supplemental Trust Agreement.

"(c) Interest Payment Dates. The Bonds shall bear interest from their date, payable semiannually on February 15 and August 15 of each year, commencing August 15, 1994, as provided in the Trust Agreement.

"(d) Pricing. The Chairman and the Secretary-Treasurer of the Commission are hereby authorized, empowered and

directed to determine the dates on which the Bonds shall mature and be redeemed and the rates of interest per annum which the Bonds shall bear, provided that the Bonds shall not mature later than February 15, 2024 and shall bear interest at a true interest cost not to exceed 7.00% per annum.

"(e) Redemption of Bonds Prior to Maturity. The Bonds shall be subject to redemption prior to maturity as set forth in the Trust Agreement.

"(f) Execution of Bonds. The Bonds shall be executed by the manual or facsimile signatures of the Chairman, or the Vice-Chairman of the Commission and shall be attested by the manual or facsimile signature of the Secretary-Treasurer or Assistant Secretary-Treasurer of the Commission, and the seal of the Commission shall be impressed thereon or a facsimile of such seal placed thereon. No Bond shall be valid for any purpose unless and until a certificate thereon shall have been duly executed by the Trustee.

"Section 7. Security for the Bonds. The Bonds shall be payable solely from the System Pledged Revenues and shall be secured by a pledge of and lien on the System Pledged Revenues, all as set forth in the Trust Agreement. Anything in this Resolution, the Trust Agreement, the Bonds or any other agreement or instrument to the contrary notwithstanding, the Bonds shall not constitute a debt or pledge of the faith and credit or the taxing power of the State, or of any political subdivision of the State, and each Bond shall contain on the face thereof a statement to that effect.

"Section 8. Master Trust Agreement, Supplemental Trust Agreement, Bond Purchase Agreement, Letter of Representations and Official Statement. The Chairman, Vice-Chairman, Secretary-Treasurer and Executive Director are each alone hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Commission the Master Trust Agreement, the Supplemental Trust Agreement, the Bond Purchase Agreement, the Letter of Representations and the Official Statement of the Commission regarding the Bonds (the 'Official Statement'), the forms of which have been presented at this meeting, which forms are hereby approved with such changes or revisions therein not inconsistent with the Act and not substantially adverse to the Commission as may be permitted by the Act and approved, upon advice of counsel to the Commission and Bond Counsel, by the Executive Director and the officers executing the same. The approval of such changes and insertions by such officers, and that such changes are not substantially adverse to the Commission, shall be conclusively evidenced by the execution of the Master Trust Agreement, Supplemental Trust Agreement, Bond Purchase Agreement, Letter of Representations, and Official Statement. The use and distribution of the Preliminary Official Statement, dated February 15, 1994, by the Underwriters, the form of which has

been presented to this meeting, is hereby authorized and approved. The Commission hereby deems the Preliminary Official Statement to be final in accordance with Rule 15c 2-12(b)(1) of the Securities and Exchange Commission, except for certain information which has been omitted in accordance with such Rule and which will be provided in the final Official Statement.

"Section 9. Authorization of Other Documents. The Chairman, Vice-Chairman, Secretary-Treasurer and Executive Director are each alone hereby authorized to take any and all actions and to execute such financing statements, certificates and other instruments or documents that may be necessary or appropriate in the opinion of Bond Counsel, in order to effect the issuance of the Bonds and the intent of this Resolution. The Secretary-Treasurer, Assistant Secretary-Treasurer or other appropriate officer of the Commission, shall certify a true transcript of all proceedings had with respect to the issuance of the Bonds, along with such information from the records of the Commission as is necessary to determine the regularity and validity of the issuance of the Bonds.

"Section 10. Sale of the Bonds. The Bonds are hereby awarded to the Underwriters, in accordance with the terms of the Bond Purchase Agreement. The Chairman, Vice-Chairman, Secretary-Treasurer and Executive Director are each alone hereby authorized and directed to make on behalf of the Commission the necessary arrangements with the Underwriters to establish the date, location, procedure and conditions for the delivery of the Bonds, and to take all steps necessary to effect the due execution and delivery of the Bonds to the Underwriters under the terms of this Resolution, the Bond Purchase Agreement and the Trust Agreement.

"Section 11. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Resolution, or in the Bonds, or in the Trust Agreement or the Bond Purchase Agreement, or under any judgment obtained against the Commission or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any member or officer or attorney, as such, past, present, or future, of the Commission, either directly or through the Commission, or otherwise, for the payment for or to the Commission or any receiver thereof, or for or to any Holder of the Bonds secured thereby, or otherwise, of any sum that may be due and unpaid by the Commission upon any of such Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member or officer or attorney, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Commission or any receiver thereof, or of any sum that may

remain due and unpaid upon the Bonds hereby secured or any of them, shall be expressly waived and released as a condition of and consideration for the execution and delivery of the Trust Agreement, and acceptance of the Bond Purchase Agreement and the issuance of the Bonds.

"Section 12. Repeal of Conflicting Resolutions. All resolutions, ordinances and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

"Section 13. Compliance with Sunshine Law. It is hereby determined that all formal actions of the Commission relating to the adoption of this Resolution were taken in an open meeting, and that all deliberations of the Commission and of its committees, if any, which resulted in formal action were in meetings open to the public, in full compliance with Section 121.22 of the Ohio Revised Code."

OHIO TURNPIKE COMMISSION

The Commission has executed twenty-five (25) Declarations of Intent for various capital projects which total \$71,183,000.00. The Commission will be reimbursed from the proceeds of the \$125,000,000 bond issue for these projects and shall pay additional costs of these projects from bond proceeds.

In addition, the proceeds from the bond issue will be used to fund the following capital improvement projects:

	(\$Millions)
(1) STATE ROUTE 4 (New Interchange) Erie County	7.5
(2) STATE ROUTE 44 (New Interchange) Portage County	10.0
(3) BAUMHART ROAD (New Interchange) Lorain County	8.0
(4) COUNTY ROAD 24 (SR 66) (New Interchange) Fulton County	8.5
(5) STATE ROUTE 58 (New Interchange) Lorain County	11.0
(6) COUNTY ROAD 18 (New Interchange) Mahoning County	5.0
(7) STATE ROUTE 51 (New Interchange) Ottawa and Sandusky Counties	6.5
TOTAL	56.5

EXHIBIT "A"

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 7-1994.

The Chairman said to Mr. Wray that every year when the annual budget was prepared he sat down with the Executive Director and all the Department heads. He said he went through, line by line, every dollar being spent. He said all the questions Mr. Wray was asking got asked at that time. He said he went through every line item on the budget to determine why the Commission was spending dollars and if they were needed. He said the Commission and staff tried to be as prudent as possible.

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 Service Plazas.

The Chairman said he thought that within the near future the service plazas ought to be looked at for possible remodeling. He said he thought some of them needed to be updated.

Senator Gaeth said he thought that was already being done.

The Executive Director said he didn't have the plans finished. He said the concession contracts for the operation of the restaurants were going to be rebid in 1995, when the current contracts expired. He said the contract for operation of the service stations expired in 1994. He said he was sure that in both contracts there would be requirements for substantial remodeling.

The Executive Director said further that the Commission was responsible for the pavement and the parking areas at the plazas. He said plans were being wrapped up for redoing the parking areas and expanding them at four of the plazas in 1994 and 1995. He said that by 1995 the plazas were going to be entirely different.

The Chairman said to Senator Gaeth that the Commission was going to look at all its options. He said they would look at what was available and if what needed to be available conformed with the way the buildings were configured. He said the service plazas generated between \$5 and \$6 million a year in profits, which were net profits for the Commission. He said those figures could be improved, as well.

Mr. McGrath said the first draft of the service station contracts had been sent out and he would appreciate comments on them as soon as possible.

Mr. Bergsmark said the service plazas had been in existence for 38 years and he thought the Commission should take a look at the demographics. He said the Turnpike was a major traffic generator. He said the areas around the Turnpike interchanges were major centers. He said the Commission had the capability to be able to use its land. He said maybe there was some advantages that might enhance the revenue of the Turnpike by having some good concessions at even the interchanges.

The Chairman said he made the Executive Director nervous when he told him that the Commission was going to make the Turnpike a destination.

Mr. Bergsmark said that businesses were located where the major traffic was and where traffic was generated. He said he was asking if someone should be hired to assist the staff in taking a look at destinations on the Turnpike in order to maximize the assets that were available.

The Chairman said a good example was what had been done at the Pittsburgh Airport with regard to retailing. He said it was state-of-the-art.

Mr. Bergsmark said the airport had captured traffic.

The Chairman said there was no question that was the case. He said the current restaurant contract had been awarded in 1985 and, prior to that, Howard Johnson operated the restaurants. He said the restaurants needed updating. He said the Commission wanted to give quality and variety at the service plazas.

The Chairman said the report of the Committee on Employee Relations would be received.

Mr. Disantis said SERB had designated March 1 and 2 for the part-time employees in Toll Collections to vote for union representation. He said he would have a report on that election at the next Commission meeting.

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 there was a significant improvement in the traffic safety record on the Turnpike in 1993. He said that ten years ago there were 96 crashes per 100 million miles of travel on the Turnpike. He said there were 63 crashes per 100 million miles in 1993. He said the Turnpike's fatal crash rate was 0.5 per 100 million miles for 1993 and he thought it was an excellent rate.

Captain Williams said further that the traffic volume on the Turnpike had increased significantly in the last ten years. He said that in 1984 there were 1.6 billion miles traveled, while the figure for 1993 was 2.3 billion miles.

Captain Williams said further that District 10 of the Ohio State Highway Patrol had over 65,000 traffic arrests in 1993. He said 37,000 warnings were issued and 53,000 motorists were assisted on the Turnpike.

Captain Williams said further that the district was able to get a grant for 500 hours from the federal government to combat the sleepy driver problem on the Turnpike. He said that in 1993 eight out of the eleven traffic fatalities on the Turnpike involved sleepy drivers. He said two of the fatalities involved DUI's, so ten out of the eleven involved the impaired driver. He said the Patrol was targeting that problem in its enforcement efforts. He said there were over 2,100 traffic arrests on the Turnpike involving the impaired driver in 1993.

Captain Williams said further that commercial vehicle traffic on the Turnpike had increased in the last ten years. He said there were 604 million miles of commercial traffic in 1984 and 704 million miles in 1993. He said there had been an increase of 100 million miles in the last ten years. He said the rate continued to grow and the district had four officers that had been certified in the inspection of commercial motor vehicles. He said they were able to enforce the federal traffic safety regulations and also PUCO regulations. He said the last three of those officers were trained in October and, so far, 218 trucks had been put out of service.

Captain Williams said further that the ban on radar detectors in commercial vehicles went into effect in Ohio in January. He said the four officers had the authority and certification to take enforcement action on those vehicles.

Captain Williams said further that the district's drug interdiction program had recorded an increased number of arrests every year since its inception about five years ago. He said that in 1993 there had been 260 drug interdictions resulting in 422 arrests. He said the street value of the drugs that were interdicted on the Turnpike amounted to \$1.2 million. He said \$105,000 in cash also had been recovered.

Captain Williams said further that the district also benefited from its drug interdiction program by having other teams that worked drug interdiction come onto the Turnpike. He said that in the last quarter of 1993 there were over 1200 hours spent on traffic enforcement by those other teams at no additional cost to the Commission.

Captain Williams said further that there were a couple of significant seizures in February. He said that on February 9 the District 1 team stopped a motor home in the area of the Stony Ridge-Toledo (No. 5) Interchange and recovered 600 pounds of marijuana. He said the Patrol contacted DEA, followed up on a controlled delivery and made additional arrests in Allentown, Pennsylvania.

Captain Williams said further that on February 10 the District 1 team was working around milepost 68 in the Toledo area when they stopped a vehicle from the west coast. He said there were three occupants in the vehicle and some marijuana. He said the officers made a probable cause search of the vehicle and recovered \$143,000 in a suitcase in the trunk. He said it was believed the money was involved in drug trafficking.

Captain Williams said further that on January 31 one of the toll collectors at the Stony Ridge-Toledo (No. 5) Interchange was instrumental in the apprehension of two escaped convicts from the federal prison in Milan, Michigan.

Captain Williams said further that the Patrol's communications center had received a dispatch to have the toll collectors watch for a vehicle that was involved in the escape. He said that, five hours after that notification, toll collector Dale Bush noticed the vehicle involved getting on the Turnpike, notified the Patrol and the two escapees and three accomplices were taken into custody without incident.

Captain Williams said further that it was interesting to note that the same vehicle with the accomplices was stopped by the Patrol doing 90 miles per hour in a 65 zone on the Turnpike early that morning. He said they apparently were on their way to the prison when they were stopped for speeding.

Captain Williams said also that he had been assigned to the Turnpike district for the last nine years. He said he was first a Staff Lieutenant and the last six and a half years as district Commander. He said he would like to thank the Commission, particularly Mr. Johnson, Mr. Plain and Mr. McGrath for their cooperation and assistance during that time. He said that, after thirty-two and a half years of service with the Patrol, he would retire on his 55th birthday, which would be on February 28. He said the Commission meeting was his last meeting as Commander of District 10. He said he had enjoyed his association with the Commission. He said he wished the Commission well in their future endeavors and he wanted to thank them very much.

Mr. Bergsmark said he would like to propose a resolution from the Commission to Captain Williams for his leadership, dedication and service to the Turnpike.

The Chairman said that was a good idea and Captain Williams could be invited back at a future meeting to be presented with the resolution.

Senator Gaeth said he was interested in whose responsibility it was to name a replacement for Captain Williams. He asked if it was the Commission's responsibility or the Patrol.

The Chairman said he believed it was the Patrol's responsibility.

Captain Williams said the Patrol's Superintendent, Colonel Warren H. Davies, was going to be at the administration building later in the day. He said the Colonel was going to be meeting with Mr. Johnson and probably would be discussing the promotion. He said his replacement would come through the Patrol's promotional system. He said he had an officer that had been working with him for the last three years that he would recommend for the job. He said he didn't know how much push he had but he hoped that could take place.

Captain Williams said further that the Colonel would be at the administration building from 2:00 to 4:00 p.m. He said he invited the Members to meet the Colonel, if they so desired.

Senator Gaeth said he had spoken to Representative Gerberry and he thought it would be appropriate to have a resolution from the House and Senate for Captain Williams.

The Chairman said such a resolution would be very nice and well deserved.

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 his report would basically consist of explaining and offering or recommending the resolutions that remained before the Commission. He said they were resolutions to act on contracts that had been bid since the last Commission meeting. He said three of them were contracts for resurfacing. He said the first one was a resolution awarding contract CIP 59-94-01 to resurface mainline lanes of the Turnpike between milepost 5.7 to milepost 14.8 in Williams County. He said the contract and bids had been reviewed by the Commission's staff and the award to the low bidder was recommended. He said that bidder was the Miller Brothers Construction Company of Archbold in the amount of \$4,073,121.29. He said he would not read the resolution, but he recommended the resolution be adopted.

The Chairman said there were two bidders on the contract and asked if that was unusual.

The Executive Director said it was not unusual to have two and sometimes only one. He said that many times there had been only one bidder on contracts for resurfacing on the extreme western and eastern ends of the Turnpike. He said the Commission usually got more bidders in the middle section of the Turnpike where more contractors were located.

Mr. Plain said that in some instances contractors might already have major projects with the state or county and were unable to bid on Turnpike contracts.

The Chairman asked if the bid was competitive.

Mr. Plain said it was competitive.

A resolution awarding contract CIP 59-94-01 was moved for adoption by Mr. Bergsmark, seconded by Mrs. Leever as follows:

RESOLUTION NO. 8-1994

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for mainline repairs and re-surfacing of original construction sections C-59, C-60 and C-61 between Milepost 5.7 to Milepost 14.8 in Williams County, Ohio;

"WHEREAS, the Commission received bids from two bidders and each bidder submitted alternate bids for the performance of said contract and one bidder also included a second alternate bid utilizing temporary access;

"WHEREAS, said bids have been reviewed and analyzed by the Commission's deputy executive director-chief engineer and he has submitted a report concerning such analysis and his report is before the Commission and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis;

"WHEREAS, the Commission's minority business enterprise coordinator has reviewed the documents submitted by the bidders and has determined that there is satisfactory evidence of compliance with the Commission's Minority Business Enterprise Program;

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of Miller Brothers Construction, Inc. of Archbold, Ohio, in the amount of \$4,073,121.39, using crushed slag, for the performance of Contract CIP 59-94-01 has been determined by the Commission to be the lowest responsive and responsible bid received;

"WHEREAS, the Commission has been advised by its general counsel that said bid conforms to the requirements of Section

5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by Miller Brothers Construction, Inc.;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of Miller Brothers Construction, Inc. of Archbold, Ohio, in the amount of \$4,073,121.39, using crushed slag, for the performance of Contract CIP 59-94-01, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairman and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract."

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

Ayes: Mr. Bergsmark, Mrs. Leever, Mr. Wray,
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. 8-1994.

The Executive Director said the next resolution was a contract for mainline resurfacing between mileposts 80.8 and 91.2 in Sandusky County. He said there were three bidders and the low bid was that of Gerken Paving Company, Inc. of Napoleon in the amount of \$4,302,160.32. He said he recommended the resolution be adopted.

A resolution awarding contract CIP 59-94-02 was moved for adoption by Mrs. Leever, seconded by Mr. Bergsmark as follows:

RESOLUTION NO. 9-1994

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for mainline repairs and resurfacing of original construction sections C-39, C-40 and C-41 between Milepost 80.8 to Milepost 91.2 in Sandusky County, Ohio;

"WHEREAS, the Commission received bids from three bidders and each bidder submitted alternate bids for the performance of said contract;

"WHEREAS, said bids have been reviewed and analyzed by the Commission's deputy executive director-chief engineer and he has submitted a report concerning such analysis and his report is before the Commission and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis;

"WHEREAS, the Commission's minority business enterprise coordinator has reviewed the documents submitted by the bidders and has determined that there is satisfactory evidence of compliance with the Commission's Minority Business Enterprise Program;

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of Gerken Paving, Inc. of Napoleon, Ohio, in the amount of \$4,302,160.62, using crushed slag, for the performance of Contract CIP 59-94-02 has been determined by the Commission to be the lowest responsive and responsible bid received;

"WHEREAS, the Commission has been advised by its general counsel that said bid conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by Gerken Paving, Inc.;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of Gerken Paving, Inc. of Napoleon, Ohio, in the amount of \$4,302,160.62, using crushed slag, for the performance of Contract CIP 59-94-02, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairman and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract."

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. Bergsmark, Mr. Wray,
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. 9-1994.

The Executive Director said the next resolution was a mainline resurfacing project between milepost 214.2 and milepost 223.3 in Trumbull and Mahoning Counties. He said he might mention that the contract also included the resurfacing of the interchange at Gate 15. He said the first contract awarded also included resurfacing of the Bryan-Montpelier (No. 2) Interchange in Williams County.

The Executive Director said only one bid on the contract, which was not unusual in that area. He said the bid of \$4,759,349.06 was made by the Northern Ohio Paving Company of Twinsburg. He said the bid had been reviewed by the staff and the contractor was well known to the Commission. He said the contractor had done more of the resurfacing projects on the Turnpike than any other contractor. He said he recommended the resolution be adopted.

A resolution awarding contract CIP 59-94-03 was moved for adoption by Mrs. Leever, seconded by Mr. Bergsmark as follows:

RESOLUTION NO. 10-1994

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for mainline repairs and resurfacing of original construction sections C-4, C-5 and C-6 between Milepost 214.2 to Milepost 223.3 in Trumbull and Mahoning Counties, Ohio;

"WHEREAS, the Commission received one primary bid and an alternate bid from one bidder for the performance of said contract;

"WHEREAS, said bid has been reviewed and analyzed by the Commission's deputy executive director-chief engineer and he has submitted a report concerning such analysis and his report is before the Commission and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis;

"WHEREAS, the Commission's minority business enterprise coordinator has reviewed the documents submitted by the bidder and has determined that there is satisfactory evidence of compliance with the Commission's Minority Business Enterprise Program;

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of The Northern Ohio Paving Company of Twinsburg, Ohio, in the amount of \$4,759,349.06, using crushed slag, for the performance of Contract CIP 59-94-03 has been determined by the Commission to be the lowest responsive and responsible bid received;

"WHEREAS, the Commission has been advised by its general counsel that said bid conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by The Northern Ohio Paving Company;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of The Northern Ohio Paving Company of Twinsburg, Ohio, in the amount of \$4,759,349.06, using crushed slag, for the performance of Contract CIP 59-94-03, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairman and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; and (2) to take any and all action necessary or proper to carry out the terms of said bid and of said contract."

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. Bergsmark, Mr. Wray,
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. 10-1994.

The Executive Director said the next resolution was the award of contract CIP 55-94-02 to build the new interchange between the Turnpike and State Route 44 in Portage County. He said he was pleased to say that the Commission did receive plenty of bids. He said there were 11 bidders on the project. He said the low bidder was the Great Lakes Construction Company of Cleveland in the amount of \$6,980,296.86. He said the contractor was well known to the staff and it had done a lot of projects on the Turnpike. He said they did excellent work. He said he recommended that the resolution be adopted and the contract be awarded.

A resolution awarding contract CIP 55-94-02 was moved for adoption by Mr. Bergsmark, seconded by Mrs. Leever as follows:

RESOLUTION NO. 11-1994

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for construction of Interchange

13A ramps between the Ohio Turnpike and State Route 44, located in Portage County, and the rehabilitation and widening of the State Route 44 bridge over the Ohio Turnpike, which contract has been designated CIP 55-94-02, and is commonly referred to as the S.R. 44 interchange;

"WHEREAS, eleven bids for the performance of said contract were received;

"WHEREAS, said bids have been reviewed and analyzed by the Commission's deputy executive director-chief engineer and he has submitted a report concerning such analysis and his report is before the Commission and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis;

"WHEREAS, the Commission's minority business enterprise coordinator has reviewed the documents submitted by the bidders and has determined that there is satisfactory evidence of compliance with the Commission's Minority Business Enterprise Program;

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of The Great Lakes Construction Company of Cleveland, Ohio, in the amount of \$6,980,296.86, for the performance of Contract CIP 55-94-02 has been determined by the Commission to be the lowest responsive and responsible bid received;

"WHEREAS, the Commission has been advised by its general counsel that said bid conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by The Great Lakes Construction Company of Cleveland, Ohio;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of The Great Lakes Construction Company of Cleveland, Ohio in the amount of \$6,980,296.86, for the performance of Contract CIP 55-94-02, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairman and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract."

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

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

Nays: None

The Chairman declared the resolution stood adopted and all Members present voted in the affirmative. The resolution was identified as No. 11-1994.

Mr. Wray asked if the resurfacing cost was about \$500,000 per mile.

Mr. Plain said the cost was about \$425,000 per mile which included grinding, and repairing the concrete base underneath.

Mr. Wray asked what was the thickness of the asphalt.

Mr. Plain said it would be two and one-half to three inches.

Mr. Wray asked if the Commission used ODOT resurfacing specifications.

Mr. Johnson said that, for the most part, that was the case, but a modification was made. He said that modification had to do with the asphalt density and maybe some different rolling requirements. He said the Commission usually specified granulated slag in the surface course for superior skid resistance. He said the contracts awarded at the meeting called for the use of granulated slag and alternate bids were taken. He said the granulated slag did cost a little more.

Mr. Wray asked if the Executive Director had results that showed the granulated slag improved skid resistance.

The Executive Director said he did. He said skid resistance tests were taken on a regular basis. He said it was a safety feature.

The Executive Director said the last resolution was a resolution authorizing the Chairman or Executive Director to take immediate action concerning award of Contract Invitation No. 3308-C, for dual height automatic ticket issuing machines. He said there were six bids received on February 1. He said that project was complicated and highly technical. He said all the existing entry lane equipment at all the existing toll plazas was going to be replaced with automated entry equipment. He said the automated entry equipment also would be installed at all the new interchanges. He said that, currently, automatic toll dispensers for only passenger cars were installed at certain toll plazas. He said the new equipment at all the entry lanes would eliminate

the need for toll collectors in those lanes. He said the bids were highly technical and the staff had not completed its review.

The Chairman asked the Executive Director if he had the names of the bidding companies.

The Executive Director said he did not have a list at the meeting, but all the bidders were from foreign companies. He said four were from France, one from Italy and one from Japan, which made it a little more difficult to complete the review.

The Executive Director said further that it was crucial to make the award before the next meeting of the Commission in order for the timing to fit into the schedule for the new interchanges that would be opening. He said the new interchange with State Route 44 was scheduled to open in November 1994. He said bids would be taken on the new interchange with State Route 4 later in February for expectation of award at the March Commission meeting. He said that interchange also was scheduled to be completed in 1994. He said it was crucial the equipment be available for the new interchanges.

Mr. Bergsmark asked if there were any U.S. companies that could produce the equipment.

The Executive Director said he did not know of any. He said the bids were made by the American subsidiaries of those companies or by independent American brokers.

Mr. Plain said Trindel, the low bidder, supplied all the ticket issuing equipment for the parking lots at the three airports operated by the Port Authority of New York and New Jersey. He said they set up 200 of those machines at the parking lots. He said the company supplied similar machines at the Dallas-Fort Worth and Denver airports.

Mr. Wray asked if the resolution would allow the Executive Director to award a contract.

The Executive Director said it would be the Chairman or he who could make the award.

Mr. Plain said that all the recent severe weather that had occurred in New York and the east coast was one of the reasons why the staff wasn't able to complete all of the review processes. He was certain meetings were canceled because the airports were closed and the people could not get to the administration building to make their demonstrations. He said he anticipated that those meetings and demonstrations would be conducted the week of the Commission meeting. He said he thought a decision could be made shortly after those meetings.

Mr. Wray said that it was his impression that the staff would conduct interviews, have demonstrations and just say which one looked the best.

The Executive Director said the staff hoped the low bidder had the best equipment.

Mr. Plain said that because of the price difference the staff wanted to take a close look at the equipment. He said that everything so far had looked good.

Mr. Wray said that if the equipment worked and appeared to meet the Turnpike's needs, then a contract would, no doubt, be awarded.

The Executive Director said Mr. Wray was correct.

Mr. Plain said Trindel had similar systems in Turkey and had just been awarded a major contract in France. He said representatives from Trindel would be at the administration building to demonstrate their equipment. He said the staff had presented many questions to the company and had received very good responses.

Mr. Bergsmark asked if there would be a problem in the event the low bidder was not selected and the Executive Director had to make a recommendation at the next Commission meeting.

The Executive Director said that would be the big problem because it would mean lost time.

Mr. Plain said the staff was running out of computer terminals for the exit lanes at the toll plazas. He said that, when the new entry equipment was installed, the terminals would be moved to the exit lanes at the existing interchanges and also at the new interchanges. He said the timing was critical.

Mr. Bergsmark asked if the new automatic ticket dispensers would all be installed at the same time.

Mr. Plain said that delivery would not be instantaneous. He said the first delivery would be ten machines and thereafter the remaining deliveries would be received and exchanges made on a monthly basis.

Mr. Wray asked how many machines were covered in the bid price.

The Executive Director said the bid price of \$1.8 million was for 100 of the units. He said the staff was looking at options to have spares.

The Executive Director said all the existing entry and exit lanes had identical equipment in them. He said the equipment was made by Toshiba, a Japanese firm, under a contract awarded by the Commission probably five years ago. He said Cubic, the company which bid the highest amount for the new equipment, installed the old terminals. He said that, interestingly, Cubic was now bidding French equipment instead of Japanese. He said it was unfortunate that bids were not received from American companies.

Mr. Bergsmark said he thought the new automated dispensers were needed for the interchanges, but, actually, they would be arriving ahead of time.

The Executive Director said the units would not be arriving all at once.

Mr. Plain said the first delivery would be in September.

Mr. Bergsmark said that the pressure was not in getting the equipment for the interchanges, but rather to maintain the price on the bulk sale.

The Executive Director said the Commission was buying the equipment under one contract. He said the units could not be produced and delivered all at once. He said that it would take six to eight months before delivery of the first units.

Mr. Plain said the delivery of the first units would be the end of September.

Mr. Bergsmark asked when the order had to be placed.

Mr. Plain said it had to be made within a couple of weeks.

Mr. Wray said his concern was with the fact that the Members had not been allowed to become involved.

The Chairman said the prices for the equipment ranged from \$1.8 million up to \$7.9 million. He said he assumed it was different equipment that did some of the same things with some different features. He said he didn't know how the staff compared different things.

Mr. Plain said the equipment was not like going to a parking lot and getting a ticket as you drove over a contact. He said the Turnpike's classification system based on weighing the vehicle had to be integrated into it. He said the vehicle classification had to be encoded and printed on a toll ticket so it was a little more complicated than just a ticket spitter.

Mr. Wray asked if all trucks were weighed.

Mr. Plain said yes.

Mr. Bergsmark asked Mr. McGrath if the Members could approve awarding a contract for the equipment by written consent.

Mr. McGrath said he knew of no authority to do that and there was specific authority prohibiting telecommunication. He said an alternate to approving the award at the Commission meeting, as the resolution so stated, would be to have a special meeting. He said he had been involved with Mr. Plain on the project since Christmas and the staff needed the Commission to act on the resolution at that day's meeting. He said there was a little concern because the low bid was so low and, therefore, it, along with the second lowest bid, would be examined to make sure specifications were met. He said it was not an RFP situation. He said there obviously was a lot of varied competition.

Mr. Bergsmark asked who was the second lowest bidder.

Mr. Plain said it was CGA Technology.

Mr. Bergsmark asked who was Technotel.

Mr. Johnson said the firm, which was from Italy, didn't have a bid guarantee.

Mr. McGrath said that three Commission Members would have to be available in order to hold a special meeting.

The Chairman said that, if the other Members wanted a special meeting to act on the award and three Members were available, it would be alright with him. He said he could or could not attend the meeting, but he was not familiar with the equipment in question.

Mr. McGrath said he didn't think the Commission could wait until the March meeting to make an award on the contract because of the time schedule.

Mr. Wray asked how were the specifications written.

Mr. McGrath said they were written with a lot of work and a great deal of difficulty.

Mr. Plain said the equipment was unique. He said it was dual and had redundancy in it with two ticket ports up top for trucks and two down below for automobiles. He said that if one unit went down the equipment automatically switched over to the other so that a lane was not shut down. He said that for maintenance purposes tickets could be replaced on one roll while the lane remained open.

Mr. Wray asked if the specifications and requirements were completely unique to the Ohio Turnpike.

Mr. Johnson said the system was unique to the Ohio Turnpike. He said there was a lot of software involved to make it fit the Turnpike's classification.

Mr. Wray asked if the specifications were written in-house.

Mr. Johnson said not totally.

Mr. Plain said Syntonic Technology helped develop the technical specifications for the system. He said Mayfield Engineering produced the software.

Mr. Wray asked if the resolution was asking to give authority to go ahead and award.

Mr. Johnson said the resolution authorized the Chairman and Executive Director, or either of them, to execute a contract or take other actions.

Mr. Wray said he didn't have any problems with the award as long as it went to the low bidder.

Mr. Bergsmark said that if the low bidder was not successful then the next lowest bid should be reviewed by the Chairman and perhaps another Commission Member.

Mr. Wray said he assumed the staff was going to operate the system and, therefore, would not pick something that was not going to cause a lot of problems.

Mr. Johnson said the staff would be delighted to take the low bid and they were hoping that would be the case.

Mr. Bergsmark said he just wanted to make sure that the firm selected was able to perform the contract.

Mr. Plain said the bidders had performance bonds to assure they could fulfill the contract.

Mr. Wray said that if the successful bidder met all the specifications the Commission could hardly not award them the contract.

The Chairman said that if the award went to the low bidder that was fine. He said that if that was not the case then there would have to be consultation with the Members.

Mr. McGrath said that if the award did not go to the low bidder then there could be a special meeting.

Mr. Plain said that at that point it appeared the low bidder would get the contract.

Mr. Wray said it was probably a matter of seeing a demonstration that showed they met the specifications.

Mr. Plain said he had seen the equipment of the low bidder on videotape. He said they had sent the videotape to him the Saturday before the meeting. He said the equipment was in use at the Dallas-Fort Worth Airport.

Mr. Plain said the staff wanted to have the company come to the administration building to demonstrate the equipment at an earlier date, but travel arrangements could not be made because of the bad weather. He said that since the demonstration hadn't been made the staff could not make a recommendation.

The Chairman asked if the equipment bid at \$7.9 million did something different than the equipment bid at \$1.8 million.

Mr. Plain said he didn't think so. He said sometimes the companies thought they had a lock on the market and they could charge anything they wanted. He said he thought the bids on the Turnpike's contract were competitive and it was good for the whole industry.

The Chairman said that, assuming the award went to the low bidder, it would be alright with the Commission but, if not to the low bidder, there should be further consultation and consensus with the Members.

A resolution authorizing award of a contract under invitation No. 3308-C was moved for adoption by Mr. Wray, seconded by Mrs. Leever as follows:

RESOLUTION NO. 12-1994

"WHEREAS, the Commission has advertised for bids for Invitation No. 3308-C for the furnishing of dual height automatic ticket issuing machines, and six bids were received in response to that invitation;

"WHEREAS, since the opening of this invitation on February 1, 1994, the bids have been under study and review by the Commission's staff, as well as the Commission's consultants, Syntonic Technology, Inc. and Mayfield Engineering, Inc.;

"WHEREAS, the equipment, which is the subject of this invitation, is highly technical and the review and analyses of the equipment proposed by the bidders has not been completed as of February 14, 1994;

"WHEREAS, it is imperative that action be taken on Invitation No. 3308-C as soon as possible and before the March 14, 1994, Commission Meeting;

"WHEREAS, the Commission desires to delegate to the chairman or executive director authority to take action on behalf of the Commission concerning the award of contract pursuant to Invitation 3308-C, if such action is deemed necessary prior to the next Commission meeting;

"NOW, THEREFORE BE IT

"RESOLVED that the chairman or executive director of the Ohio Turnpike Commission is hereby authorized to take any action necessary concerning Invitation No. 3308-C prior to the next meeting of the Commission including the award of contract for such invitation or the rejection of all bids received in response to such invitation provided, however, that if the award of contract is made other than to the low bidder for Invitation No. 3308-C, no award will be made without consultation with members of the Commission."

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

Ayes: Mr. Wray, Mrs. Leever, 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. 12-1994.

The Chairman said the report of the Executive Director was accepted as offered. He said Mr. Johnson would give the report of the Development Coordinator since Jim Brennan was not at the meeting.

Mr. Johnson said that through the arrangements of Representative Gerberry, several members of the staff met with some local officials of Mahoning County to discuss the proposed interchange site at County Road 18. He said that as a result of that meeting March 7 was selected as the date for a public meeting on the proposed interchange at the Jackson High School in North Jackson. He said the meeting would be the next step as the Commission moved ahead on that particular project. He said the Commission, of course, awarded the contract at that day's meeting for the new interchange with State Route 44.

The Executive Director said further that bids for construction of a new interchange with State Route 4 were being advertised. He said that contract would be before the Commission at the meeting in March.

The Executive Director said further that the staff had been working on plans for a Turnpike interchange at State Route 58.

He said there was a snag in that project in that a proposed railroad had come back into the picture and the staff had to find out whether the railroad was going to be accommodated or not.

The Executive Director said further that plans were being developed for a Turnpike interchange with County Road 24 (State Route 66) in Fulton County. He said the Commission authorized an interchange with State Route 51 at the last meeting. He said engineering proposals had been received for the Baumhart Road interchange. He said an RFP was being worked on for the State Route 51 interchange and also RFP's for the toll plaza portions for all the interchanges under design.

The Executive Director said further that the staff had been working with ODOT on an interchange with Interstate Route 77. He said a federal access study had to be done, which took some time.

Mr. Plain said a draft RFP for I-77 was being sent to the ODOT districts to review and offer their comments. He said the RFP tied in with the justification study District 12 and District 4 were doing to add additional lanes from Pleasant Valley Road down into Akron on I-77.

The Executive Director said further that the other major item was that the staff had received proposals for project management consultant services on the Great Lakes/Mid-Atlantic Corridor. He said four proposals had been received. He said each one of them was made up of many teams. He said it had been decided that a group consisting of Director Wray, Representative Gerberry, Alan Plain, Jim McGrath, Jim Brennan and him would review those proposals, which was being done. He said he would meet with the group after the Commission meeting to determine when they could get together. He said he expected a quick decision on which firms were in the running and then interview them. He said he hoped a recommendation to the Commission could be made at the next meeting on March 14, which was exactly 28 days from the current meeting date.

The Executive Director said further that the four proposals were complicated in that there were as many as six firms in each one of them. He said he must say that there were major, major companies which had responded. He said that over 80 people attended the Commission's pre-proposal meeting. He said that getting four proposals might sound like it wasn't many, but the project was a big assignment. He said he was impressed with the companies that had submitted proposals and he was confident that a selection could be made from among the four.

Mr. Wray said he was confident also, but not confident that the selection group would be ready to make a recommendation for the March meeting. He said the group could end up interviewing all four firms.

Mr. Johnson said it would probably be wise to interview all four. He said he thought it would be worth the group's time to do so.

Mr. Wray said the group would probably be ready for the April Commission meeting.

The Chairman said Mr. Johnson's report for the Development Coordinator was accepted as offered. He said the report of General Counsel would be received.

Mr. McGrath said that, returning to the draft of the service station contract, he would appreciate feedback as soon as possible because he would like to get out a bid advertisement as soon as possible.

The Chairman said the report of General Counsel was accepted as offered.

Mr. Johnson said he had one other item. He said the bond rating agencies, which would be rating the Commission's new revenue bonds, had suggested the Commission adopt a policy concerning how it managed its financing in the years ahead. He said such a policy would enhance the Commission's bond rating so that it could get the very highest rating possible.

The Chairman asked the Commission's Financial Advisor, Gordon Reis, to comment on that issue.

Mr. Reis said that to issue additional bonds on the same lien with the Commission's soon to be issued bonds the Commission needed to have 20 percent more debt service. He said that was needed in order to issue bonds payable from the same source of revenue and from additional revenues that might be earned from the facility.

Mr. Reis said further that, after discussion, Commission Members thought it would be better to maintain a higher level of earnings. He said the resolution Mr. Johnson had before him was simply a resolution of intent to use its best efforts to maintain the level of earnings at 1.5 times debt service.

Mr. Reis said further that with the \$125 million bond issue the Commission would cover debt service around three times. He said that meant the Commission could issue, without any additional revenues, an additional \$125 million and still meet the particular policy the Commission wished to meet. He said he thought one Member said they wanted to be associated with a conservative debt issuance as a policy of the Commission.

Mr. Reis said further that the policy did not inhibit the Commission from issuing debt. He said it just determined how the Commission issued debt. He said that if the Commission wanted to

issue debt that would have created that 1.20 versus the 1.50, the Commission would just issue subordinate debt.

Mr. Bergsmark said he would read the Resolved of the resolution as follows:

"It is declared to be the policy of the Ohio Turnpike Commission that it will use its best efforts to maintain a ratio of system pledge revenue to annual debt service requirement of 150 percent and in the event that such ratio has not been maintained, or it would appear that the Commission may not be able to maintain such ratio, it will take action which it deems necessary to re-establish such ratio, including but not limited to review of revenues and reduction of expenses-expenditures."

A resolution establishing Ohio Turnpike's policy concerning debt service was moved for adoption by Mr. Bergsmark, seconded by Mr. Wray as follows:

RESOLUTION NO. 13-1994

"WHEREAS, the Ohio Turnpike Commission has adopted a resolution authorizing the issuance of Ohio Turnpike Revenue Bonds in an amount not to exceed \$125,000,000 and has adopted a Master Trust Agreement and the Supplemental Trust Agreement;

"WHEREAS, it is desire of the Commission to adopt a policy concerning debt service requirements over and above the requirements set forth in the Master Trust Agreement;

"NOW, THEREFORE BE IT

"RESOLVED that it is declared to be the policy of the Ohio Turnpike Commission that it will use its best efforts to maintain a ratio of System Pledged Revenue to Annual Debt Service Requirements of 150%, and in the event that such ratio has not been maintained or it would appear that the Commission may not be able to maintain such ratio it will take action which it deems necessary to re-establish such ratio including, but not limited to, review of revenues and reduction of expenditures."

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

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

Nays: None

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

The resolution was identified as No. 13-1994.

There being no further business to come before the Commission, a motion was made by Mr. Bergsmark, seconded by Mrs. Leever that the meeting adjourn until the next meeting on March 14.

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

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



Allan V. Johnson
Assistant Secretary-Treasurer