

MINUTES OF THE 408th MEETING OF THE OHIO TURNPIKE COMMISSION

May 10, 1995

Pursuant to the bylaws, the Ohio Turnpike met in a special session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:18 a.m., on May 10, 1995, with Members of the staff: Allan V. Johnson, Executive Director; Gino Zomparelli, General Counsel; G. Alan Plain, Deputy Executive Director; Robert P. Barnett, Director of Information and Research; Craig Rudolphy, Comptroller; Donald M. Sharp, Director of Operations; David H. Ransbury, Chief Engineer; Alice Linn, Director of Patron Services; James H. Brennan, Development Coordinator; and others in attendance.

Present: Ron Zook, Earl W. Williams, Ruth Ann Leever, Umberto P. Fedeli

Absent: M. Ben Gaeth, Jerry Wray, Edwin M. Bergsmark

The Chairman said that it wasn't possible to circulate the minutes of the April 24th meeting of the Commission so those minutes and the minutes of the day's meeting would be considered at the next meeting which was scheduled for June 12th.

The Chairman said there were a number of guests at the meeting and he would ask them to identify themselves as follows: Lisa Gauff, WJW Television; David Patch, The (Toledo) Blade; Mark Kropko, Associated Press; Gordon Reis, Seasongood and Mayer; John Lavelle, Key Corp.; Bobby Everhart, URS Consultants; Steve Wood, Paine Webber; Kevin Niedermeir, WKSU Radio; Bob Arlow, Construction Coordinator; Ed Presley, Society Corp.; Anthony Palombo, Staff Lawyer; Gillett Cobb, OCDC; Mary Shirley, Assistant Superintendent of Toll Collections; Adam Mendoza, WMJI Radio; Pat Brogan, WWWE Radio; Keith Tuttle, Motor Carrier Service; Bill Sammon, The (Cleveland) Plain Dealer; Bill Kerola, PI&I; William Hall, Industrial Transfer; Albert O'Malley, B & T Express; Tom King, Ohio Trucking Association; Dianna Lilly, Ohio Trucking Association; Gary Carrocee, R & J Trucking; Bob McKelvey, American Automobile Manufacturers; Kristen Baird, Craine Cleveland Business; Jerry Hughes, Roadway Services; Henry Holtkamp, Quicksilver Messenger; Jim Lyons, Consolidated Freightways; Joe Hrapusa, Consolidated Freightways; John Kohlstrand, The (Elyria) Chronicle Telegram; Betty Halliburton, WUAB, WOIO Television; Alan Hirth, Climaco, Seminatore; Pat Allen, WYTV Television; Sharon Isaac, Assistant General Counsel; Eleonore Spencer, Legal Department; Laura Fitzgerald, Personnel Department; Abe Rosenberg, The (Akron) Beacon Journal; Leah Fox, ODOT; Diane Pring, Legal Department; Barbara Lesko, the Executive Director's Secretary; Cecelia Dolgan, The (Willoughby) News Herald; Keith Bill, WYTV Television; H. O'Malley, Huntington drive, Youngstown; Gary Abrahamsen, WEWS Television; Scott Wiedtz, WTVG Television; Brian Jagodzinski, WTVG Television; Jim Taylor, WTOL Television; Bill West, WJW Television.

The Chairman said the meeting was the 408th of the Commission. He said it was a special meeting he had called and it was being held at the Commission's headquarters as provided for in the Commission's code of bylaws.

The Chairman said the purpose of the meeting was to reconsider the revised toll rates adopted by the Commission at the meeting of April 24th.

The Chairman said he would start off with a couple of comments. He said a chart on display in the room showed traffic on the Turnpike when it was first opened in 1955 with 5 million vehicles using the Turnpike. He said that the chart showed traffic in 1994 as being 41 million vehicles.

The Chairman said further that for the first quarter of 1995 Turnpike traffic was up 8.4 percent over 1994. He said that based on past experience it was conceivable that Turnpike traffic could double again in the next ten years to 80 million vehicles.

The Chairman said further that the Commission had a study done by URS Consultants, Inc. that called for the addition of a third lane in each direction from Toledo to Youngstown to accommodate increased traffic. He said the Commission definitely needed a major toll increase to help fund the construction of the third lane. He said a third lane would cost a half a billion dollars. He said that, if the Commission didn't make that tough decision to increase tolls at that time, there would be a problem with the safety, accessibility and the future progress of the Turnpike.

The Chairman said further that the exact reason that people use the Turnpike, safety and accessibility, will be the exact reason they won't use it in ten years if a third lane is not built. He said it was difficult to make tough decisions. He said the Commission had been accused of not being sensitive or being too sensitive or being too caring or not caring enough. He said the Commission needed to do what was right.

The Chairman said further that he had a recent meeting in his office with representatives from the trucking industry, some of whom were at the Commission meeting, to hear their concerns first hand. He said they were very nice, very pleasant and he thought it was an outstanding meeting.

The Chairman said he would then open up the meeting to the other Commission Members to discuss the toll increase. He said he also would call on Gordon Reis, the Commission's financial consultant with Seasongood and Mayer, to go over some ideas regarding the toll increase.

The Chairman said he thought the Executive Director should take three or four minutes to discuss the engineering aspects of the third lane addition.

Mr. Johnson said the chart on display in the room was an enlargement of one which appeared in the URS study. He said it depicted graphically the Turnpike from the Indiana line to the Pennsylvania line. He said it showed what is classified as levels of service. He said it was a capacity term of how the traffic on the Turnpike functioned during 1994.

Mr. Johnson said further it started on the green line and showed a level of service of C. He said the blue line was level of service D. He said the purple line was level of service E. He said the brown line was level of service F. He said the chart showed that in 1994 the level of service on the Turnpike between Exit 4 near Toledo and Exit 15 near Youngstown was essentially E or, in fact, F.

Mr. Johnson said further that level of service E was described in the technical manuals as "an operating situation which is volatile and unstable to traffic because there are virtually no usable gaps in the traffic stream." He said level of service F, which much of the Turnpike was operating in for significant periods of time, was described as "a breakdown condition" in the traffic flow.

Mr. Johnson said further that the Commissioner's engineers, he being one, had concluded that the current level of service was unacceptable for a facility such as the Turnpike. He said it created situations which are threats to the operation. He said the solution was to add a third lane in each direction for the 160 mile stretch between Exit 4 and Exit 15. He said that was why he presented the URS study at the last Commission meeting and recommended that the Commission launch an immediate project to construct the third lane and that it be done in no less a period of time than five years.

Mr. Johnson said further that the study had a diagram showing the cost of the project based on three different levels of increases in traffic. He said the diagram showed the third lane was needed in each direction for all but a stretch between Exits 12 and 13, beginning in 1995. He said that was the case even if there were only moderate levels of traffic increases of about one and a half percent over the next few years.

Mr. Johnson said further that, as the Chairman mentioned, traffic was up eight percent for the first four months of 1995 over 1994. He said that, although the Commission was talking about a four to five year project, the third lane was actually needed now.

Mr. Johnson said further that the cost estimate for constructing the third lane, based on 1995 figures, was \$460 million. He said that if the twin spans over the Cuyahoga River had to be replaced there would be an additional cost of \$60 million. He said the total cost would then be \$520 million. He said a separate study was being done at that time on the Cuyahoga River bridges. He said it was very likely that those bridges would have to be replaced entirely in order to accommodate three-lane operation in each direction.

Mr. Johnson said further that there were other needs on the Turnpike. He said they had been talked about by the Commission for a long time. He said there were eight new interchanges that were planned at an estimated cost of \$91 million.

The Chairman said seven new interchanges were already built.

Mr. Johnson said the eight were in addition to the seven the Chairman had mentioned.

Mr. Johnson said further that the staff was working on expanding and renovating 24 of the existing interchanges, many of which have been in operation for forty years. He said they had the same configurations and the same number of lanes since they were originally opened. He said those interchanges had to be expanded to accommodate the additional traffic.

Mr. Johnson said further that the Commission was in the process of rebidding the contracts for operation of the sixteen service plaza restaurants. He said the Commission expected the successful bidders would finance and absorb the costs of renovating or totally replacing the restaurants buildings. He said it was estimated the Commission would have as much as an additional \$60 million in expenses for expansion of parking areas and for site work that had to be done in the plazas.

Mr. Johnson said further that resurfacing projects, which averaged 25 to 30 miles each year, would cost an estimated \$70 million in the next five years.

Mr. Johnson said further that the Commission had to continue a major project of removing the lead and repainting all the Turnpike's bridge structures. He said lead was one of the ingredients in paint that was used when the Turnpike was built and for many years afterwards. He said that paint had to be removed and contained. He said it was a very expensive process. He said that it was a capital item that would be done once and that would be the end of it. He said the cost of that work was expected to cost up to \$60 million over the next five years. He said the total project would take more than five years so the cost would increase.

Mr. Johnson said further that the items he had mentioned represented a capital need of \$857 million in the next five years. He said that the figure did not include the cost of many other, smaller capital expenditures, such as equipment replacement.

Mr. Johnson said further that he had outlined the major capital expenditures for the Turnpike and arrangements had to be made to secure the revenues to finance those projects.

Mr. Williams asked how the present and projected increases in tolls on the Ohio Turnpike compared to those charged on the Indiana Toll Road and the Pennsylvania Turnpike.

The Chairman said he had an article written by a reporter for the Sandusky Register that showed a comparison of toll rates with some other toll facilities. He said the most expensive was the 7.7 mile Chicago Skyway which carried I-90 near Gary, Indiana. He said their rate was 25 cents a mile. He said the Ohio Turnpike was currently 2 cents per mile. He said the Delaware Turnpike was 11 cents a mile. He said the Florida Turnpike was 5.4 cents per mile.

The Chairman said further that the Massachusetts Turnpike toll rate was 3.6 cents per mile. He said New Jersey was 3.3 cents per mile. He said the New York State Thruway was 3.2 cents. He said the Pennsylvania Turnpike was 4.1 cents. He said West Virginia was 4 cents.

The Chairman said further that if the Commission had only proposed a 50 percent increase, which would not provide the necessary funding for the needed projects, the Ohio Turnpike would still have the lowest toll rates in the country.

Mr. Johnson said the Ohio Turnpike's existing toll rates were the lowest in the country. He said the rates had been raised only once in forty years, that being 13 years ago. He said that, even with the 80 percent increase adopted by the Commission a little more than two weeks ago, the Ohio Turnpike's rates were still lower than many other toll facilities, such as the Pennsylvania Turnpike. He said the Ohio Turnpike's new rates would be slightly higher than the Indiana Toll Road.

The Chairman said the bottom line of the whole situation was that the Commission could not have cheap tolls and still have a third lane on the Turnpike to provide additional safety to patrons and continue being a leader in economic development. He said the Commission needed to increase tolls in order to promote economic development by building additional interchanges to attract or keep manufacturing plants. He said the Commission saved 8,000 jobs at the General Motors assembly plant in Lordstown by building two interchanges there.

The Chairman said that out west the Commission helped attract a new half a billion dollar investment in the State of Ohio. He said a steel manufacturing company had agreed to locate a plant in Delta after the Commission promised to build a new interchange at State Route 109. He said Ohio was one of ten states that had competed for the steel mill. He said that, as he mentioned at the past two meetings, Ohio had led the entire country two years in a row for the most plant expansions. He said that information had been in Site Selection magazine.

The Chairman said further that 2,000 jobs were retained at the Sauder Woodworking Company in Archbold and almost 2,000 new jobs would become

available because the Commission was building an interchange at County Road 24 (new State Route 66). He said the Commission was a leader in economic development by making sure the Turnpike was accessible. He said its next concern was the continued safety of Turnpike patrons.

The Chairman said further that the Commission had to have the vision to look into the future to see what was needed. He said there was no question that the Turnpike needed a third lane. He asked Mrs. Leever and Mr. Williams if they had anything to add.

Mrs. Leever said she wanted to publicly thank Mr. Johnson for his unswerving and never-ending loyalty to the Commission. She said he had spent quite a week in Columbus with the Ohio Legislature and the media. She said somebody had to stand up and say exactly what was going on, despite rumors that the Commission had so much authority that it just didn't care to discuss anything with anyone else.

Mrs. Leever said further that the Turnpike was a multi-million dollar facility and the Members and staff knew that it was operated in a proper business manner.

Mrs. Leever said further that she travelled about 50,000 miles a year and she wanted to be safe in driving on any highway, particularly the Ohio Turnpike.

Mrs. Leever said further that the third lane was a safety measure and not a luxury. She said the service plaza restaurants had to be renovated or remodeled because they were 40 years old. She said she didn't know of any other business that had increased its prices for either services or products only once in 40 years.

Mr. Williams said he wanted to add that he certainly thought the Commission had to operate with a vision and a great deal of imagination. He said the Commission had to do what was necessary to make the Turnpike one of the premier toll roads in the country. He said he thought the Commission was moving in the right direction in terms of preparing Ohio for the future in terms of travel and transportation.

The Chairman said Ron Zook was probably the most experienced engineer with the Ohio Department of Transportation. He said Mr. Zook had been with ODOT since Frank Lausche was Governor. He asked Mr. Zook to give the Commission his opinions on the plans for the Turnpike's future.

Mr. Zook said he certainly supported what Mrs. Leever said about Mr. Johnson's unwavering efforts to see the toll increase through. He said the need was certainly there.

Mr. Zook said further that one of his concerns was the future safety of the road and what happened when the level of service deteriorated in terms of accident rates. He asked if there was any accident data that might be shared on the subject.

Mr. Johnson said that, obviously, the staff had comprehensive data on the traffic and safety record on the Turnpike. He said the Turnpike's safety record had been excellent up to that time.

Mr. Johnson said further that he, too, was concerned about how the Turnpike was taken care of in the future. He said that there were three mainline resurfacing projects going on at that time, which was something that was done every year. He said the resurfacing was necessary to keep the road a first-class facility.

Mr. Johnson said further that when those projects were set up on the Turnpike one side of the road, or two lanes, was shut down and traffic was funneled over to the other side with traffic flowing one lane in each direction. He said the projects would be completed or suspended at the end of June. He said the projects were done very quickly, but he had found that more and more during the current construction season there had been long backups through those zones. He said it had gotten to the point where Turnpike traffic had been taken off the road and diverted onto secondary roadways.

Mr. Johnson said further that there had been some concern expressed that the higher tolls would cause some Turnpike patrons, particularly commercial vehicle operators, to use parallel routes because the rates were considered too expensive.

Mr. Johnson said further that the current high volume of traffic already was forcing Turnpike patrons off the road. He said that, if capacity was not added, people would have no choice but to use parallel routes. He said there wouldn't be enough room on the Turnpike and other travel routes would have to be sought. He said that a third lane was an absolute necessity for safety and capacity reasons.

Mr. Johnson said further that without a third lane the level of service will continue to decline. He said an unsafe condition will prevail on the Turnpike and travellers would be required to find other routes which are not the same caliber and level of the Turnpike.

Mr. Zook said Mr. Johnson had hit an important point. He said that traffic diverted from the Turnpike had an impact on the communities it went through. He said that many times that was perceived as a negative by those communities. He said that, clearly, the third lane would be beneficial in the future, particularly in the areas where mainline resurfacing was taking place.

Mr. Johnson said the third lane gave the staff considerable flexibility for doing those mainline repair activities in the future. He said that having that third lane was going to make a vast difference on how that work was done. He said it would have a positive impact on the Turnpike.

The Chairman said he would ask Mr. Everhart from URS Consultants, which did the traffic capacity study, to comment.

Mr. Everhart said that what would be built was an effective fourth lane. He said the inside shoulder would be 14-1/2 feet wide and it will be built with mainline pavement. He said that two lanes of the mainline could be closed down for repair while four other lanes, two in each direction, were open for traffic flow. He said the added lanes would greatly enhance the maintenance operations.

Mr. Everhart said that what the study looked at was actual operation of the Turnpike particularly during the summer months. He said that, for instance, in July the automobile traffic was 300 percent of what it was in January. He said that looking at the traffic flow in May was vastly different than the concentration which occurred during the three summer months. He said the truck traffic was 40 percent higher in the summer than it was in January.

Mr. Everhart said that during the summer months traffic traveled in platoons. He said it was bunched up behind slow-moving vehicles, particularly trucks occupying both lanes. He said queues developed in the left lane causing drivers to come up the right lane to cut into small spaces between vehicles in the left lane. He said the result was a shock wave back through traffic. He said that when there was an accident, it was a multi-car accident.

Mr. Everhart said that, even if there was not an accident, the strain on drivers in such a traffic situation was intense. He said drivers become tired and there was the potential for very serious accidents to occur.

Mr. Everhart said further that the third lane would ensure that traffic moving across northern Ohio used the Turnpike and not less safe local roads. He said traffic congestion on the Turnpike between Gate 4 in Toledo and Gate 15 in the Youngstown area reduced its use for people in Ohio.

The Chairman said the only thing the Commission ever said was that it had any flexibility with was how the third lane was funded. He said he thought all the Members agreed that the third lane was needed and the amount of dollars that had to be raised also was needed. He said he called on the Commission's financial advisor, Mr. Reis, to work up some ideas for financing the third lane.

Mr. Reis said that he first wanted to say that those in the finance business knew that the Ohio Turnpike was the bargain of major toll roads in the United States. He said that, at the moment, the Ohio Turnpike was doing business at approximately half price in comparison with other such facilities.

Mr. Reis said the project was required and not optional. He said he had a chart which showed that a ten percent increase in toll rates from July 1 through December 31, 1995, would provide \$9 million in excess revenues a year. He said the goal was to get up to \$77 and 1/2 million, which was a rate increase of 80 percent.

Mr. Reis said that phasing in the general rate increase over approximately a two and a half period instead of an immediate 80 percent increase would cost the Commission \$110 million in lost revenues. He said that meant the Commission was going to have to borrow that money and more.

Mr. Reis said further that he took a look at funding \$575 million in new debt for the Commission. He said that to do that required approximately \$45 million in new revenues. He said the Commission was a revenue bond issuer and, as such, it needed a cushion to satisfy its rating services in case there was a downturn in the economy. He said the goal was 1.5 times the Commission's needed revenue just to pay its debt.

Mr. Reis said further that to reach the goal of 1.5 times needed revenue required approximately \$68 million in revenue. He said the Commission was trying to reach a \$77 million goal. He said the difference could be accounted for in a couple of ways. He said that one was assuming a six percent interest rate on the borrowed funds. He said that every half percent increase in interest meant an additional cost to the Commission of \$3 million. He said that, if the Commission got a seven and one-half percent cost of money, that would consume the entirety of \$77 million, a cushion had been provided.

Mr. Reis said further that, in addition, expenses at the Turnpike had been escalating at between three and five percent a year. He said that over the time of the rate increase there would be almost \$7 million in additional costs. He said those costs would reduce the \$77 million of profitability.

Mr. Reis said further that there also were discussions of providing commuter discounts and, probably, there would be a temporary reduction in the use of the Turnpike because of the rate increase. He said those two occurrences would reduce revenues.

The Chairman said that in the last ten or fifteen years the decks of all the mainline bridges had been replaced and widened, while similar work was being done to the bridges over the Turnpike. He said he was concerned that the Commission had not taken into consideration starting a capital improvement fund now to provide the \$300 to \$500 million needed fifteen to twenty years in the future when similar bridge work was required. He said that planning for the future with such a fund meant that the road would be well maintained. He said the Commission was very proud that the Ohio Turnpike was the finest road in the United States and wanted it maintained properly in the future.

The Chairman said further that the Commission had a product to deliver. He said the Commission charged for that product and, because it was charged for, it had to be a better product. He said he was going to ask the Comptroller, Mr. Rudolphy, to set up such a fund. He said Mr. Reis might help with the financial analysis of putting away dollars today versus not needing them for ten years. He said he thought the Commission needed to be prudent to protect the integrity of the road in the future.

Mr. Williams asked the Chairman if he was saying to set up a fund in terms of reserves.

The Chairman said he was talking of such a fund, but he didn't know how it could legally be set up. He said he was just concerned that the Commission didn't spend all its money on adding the third lane and other projects and run out of dollars in the future to make sure the Turnpike was maintained.

Mr. Reis said the Commission had spent between \$38 and \$52 million a year for improvements to the Turnpike in the form of capital. He said that looking at that on a current expenditure basis shows that in three out of the last five years the Commission committed more funds than it took in. He said there were some reserve funds available and they were utilized. He said he thought that would be an ongoing process.

Mr. Reis said further that the Commission didn't have a reserve except that limited amount of money that had been preserved, but that money had been cut into and he anticipated that the Commission's future needs were going to be greater.

The Chairman said that ten and fifteen years ago the Commission was not adding 15 new interchanges and it was not talking about a third lane. He said that today the Commission was adding 15 new interchanges, a third lane, as well as proposing major renovations. He said it was prudent and wise to set aside a fund and he hoped to open that up for comment and discussion. He said he didn't know the right amounts that needed to be set aside, but at least he thought the Commission needed to address that. He said he would ask Mr. Zook to comment.

Mr. Zook said that if the Commission did not rehabilitate on a reasonable schedule rehab costs increased and service levels declined. He said he thought it was very prudent to establish such a fund.

The Chairman said he would ask Mr. Rudolphy to work with Mr. Reis to set up a fund. He said they, in turn, needed to work with the Commission's Engineering Department because Mr. Ransbury and Mr. Plain knew what had been done in the past and they could estimate what would be needed to be done in the future.

Mr. Reis said the gradual increase in tolls over the next 2 and 1/2 years instead of an 80% increase all at once would cost the Commission \$110 million.

The Chairman said the Commission was obviously trying to balance what it needed to do, but also being sensitive and flexible. He said the Commission heard from its friends in the trucking industry. He said their biggest concern was that the one-time 80 percent increase in tolls didn't allow them time to pass on the increased costs to their customers because they were tied into long-term contracts. He said he understood their concern.

The Chairman said the Commission's intent was not to help other industries and promote economic development and in the same token hurt current industries.

Mr. Brennan said that there was an announcement made that day in Toledo that Worthington Street had decided to build a new \$100 million plant next to the North Star Steel plant at State Route 109 where the Commission was building a new Turnpike interchange. He said the plant would bring 150 new jobs to the area.

The Chairman said that, at a previous meeting, he had read a letter from Governor Voinovich who reiterated the written comments from Don Jakeway, head of economic development in Ohio, regarding business activity around the Turnpike interchanges at Lordstown. He said there were all kinds of new businesses sprouting up all around the Lordstown GM plant because of the interchanges. He said the Commission has been a catalyst for economic development in the area.

The Chairman said further that he had a copy of letter sent to the (Cleveland) Plain Dealer from David Finley, Managing Director of the Ohio Construction Information Association. He said he would read it as follows:

"The 23,930 Ohioans who will be employed as a direct result of the recent action of the Ohio Turnpike Commission and, in fact all Ohioans, owe the commission a debt of gratitude for helping save our economy for decades to come.

"The Turnpike Commission knows that for Ohio to be competitive, we must act now to alleviate the highway congestion that is already sending jobs to other states.

"Studies OCIA has made using independent research organizations and observations of Ohio's history of building highways prove that highway construction creates jobs, reduces highway deaths and contributes to a larger tax base to help pay for schools, combat crime and generally enhance our quality of life.

"Our most recent research shows that for each \$100 million in highway spending, 2,393 jobs are created and maintained. And most of these jobs (56.2 percent) are not in the construction industry but rather in the distribution, retail and service sectors of the economy.

"The \$1 billion the turnpike will spend will also generate almost a billion dollars in after-tax wages, state taxes, local taxes, federal taxes and other benefits. The

investment also means \$1.64 billion in the total value of goods and services produced in Ohio.

"The need is real.

"From 1980 to the present, vehicle miles traveled in Ohio, including the turnpike, exploded from 72 billion miles a year to 96.7 billion. Studies predict an increase to 110 billion by the year 2000.

"To date, Ohio has done very little to accommodate the increase - an increase that, by the way, also accelerates deterioration of existing pavements and bridges.

"Highway spending in Ohio dropped from \$17.70 per 1,000 vehicle miles traveled in 1993 to \$7.20 today.

"We should only hope that the General Assembly would at least address the urgent need for funds to save Ohio's highways from the gridlock they, too, are experiencing.

"Very truly yours, David Finley, Managing Director."

The Chairman said further that he had never met David Finley. He said he was confident that the Plain Dealer would eventually print it in their Letters to the Editor section.

Mr. Williams asked if the Commission had any other choices it might discuss regarding the scheduled toll increases presented by Mr. Reis.

Mr. Reis said that he looked at the most flexible approaches to increasing tolls from the standpoint of realizing the goal of the 1.5 coverage ratio. He said other combinations, such as 20,20,25, would only be better for the Commission's cash needs.

Mr. Williams asked Mr. Reis to elaborate on the projected loss of \$110 million due to the phase-in of the toll rate increases.

Mr. Reis said that the 10% toll increase, which became effective July 1st, would bring in an additional \$9 million for the remaining month of 1995. He said that if the 80% increase began June 1st, which had earlier been proposed by the Commission, the amount would have been \$77 million. He said the difference in funds not received by the Commission was \$68 million. He said the phasing in of the general toll increase meant that the Commission would have to borrow money needed to build the third lane and other projects. He said the gradual toll increase was an accommodation.

The Chairman said it was a major accommodation in that the Commission would have to borrow \$110 million.

Mr. Williams said he thought it was a great consideration that the Commission increased the tolls gradually to accommodate the trucking industry.

The Chairman said the Commission was able to balance its sensitivity and flexibility to work with the people that they lived with while doing what needed to be done. He said the Commission's main concern was to maintain the safety and integrity of the Turnpike, while increasing accessibility to promote economic growth.

The Chairman said further that none of the current Members was with the Commission back in 1955 when the entire Turnpike was open. He said that there had been only two toll rate increases since that time and perhaps there should have been some smaller or incremental increases over those years to avoid the current drastic increase. He said that if there had been a one or two percent increase per year then there would not have been a public outcry. He said the Commission could then have been able to raise the dollar amounts that were needed. He said he thought that, looking into the future, the Commission should try to avoid having a drastic increase again.

The Chairman said further that the easiest thing for the Commission to do was nothing. He said it would be the most popular thing to do. He said that by the time the traffic congestion became severe and lives were lost in accidents on the Turnpike the present Members would be off the Commission. He said that would be the easy thing to do.

The Chairman said further that he was not interested in doing what was easy, but he was interested in doing what was right. He said the Commission had a vote last month, which was unanimous for the toll rate hike. He said the Turnpike was not a one-man operation. He said the other Members were very smart and quite active in the business of the Commission. He said he thought the modified toll rate plan was the best the Commission could do. He said it would cost the Commission \$110 million in lost revenues. He said he would ask the other Members for their comments.

Mr. Williams said he thought it would be prudent for the Commission to use the plan based on Mr. Reis's projections. He said it seemed the most rational approach that needed to be taken.

Mr. Zook said that the Commission had to deal with the improvement program needs and balance that with sensitivity to the users, their concerns and their operating constraints. He said that if the plan could be considered an equitable balance, then it might be an appropriate consideration.

The Chairman said the plan was a major compromise and it was forcing the Commission to go out to borrow more and pay less cash. He said the bottom line was more debt and less cash because there was no other way to do it.

Mrs. Leever said she thought it needed to be done. She said there was no question about that. She said it was just how the Commission decided to go about doing it. She said it was of vital importance to the State of Ohio.

Mrs. Leever said further that, if increasing tolls made the Commission Members the bad guys, she was certainly willing to take her position as a bad guy because she thought the improvements were necessary.

Mr. Johnson said he had been Executive Director of the Commission for 25 years, so he had gone through all of the other things that had happened. He said he truly believed that the third lane was necessary to keep the Turnpike a first-class operation. He said that he got phone calls at night when something went wrong on the Turnpike or at any other time when he was not in the office. He said the accident frequency had been increasing. He said the third lane was going to keep the road safe and a first-class facility.

The Chairman asked if the Members wanted to act on a resolution to approve the proposed toll increase plan or would anyone else like to entertain any other plan?

Mr. Johnson said that in anticipation of taking some action at the meeting a draft resolution had been prepared with blanks in it.

The Chairman said that he wanted to stress that the draft resolution was prepared with blanks.

Mr. Johnson said the resolution was entitled a "Resolution Rescinding Previously Adopted Schedule of Tolls and Providing for Revised Schedules of Tolls." he said he would read the beginning of the resolution as follows:

"WHEREAS, by Resolution No. 16-1995, adopted April 24, 1995, the Commission adopted a revised schedule of tolls which was to become effective June 1, 1995;

"WHEREAS, the Commission desires to implement revised schedules of tolls in phases over a period of time, rather than to implement revised tolls at a single time;

"NOW, THEREFORE, BE IT

"RESOLVED that the Schedule of Tolls adopted by Resolution No. 16-1995, hereby is rescinded;

"FURTHER RESOLVED that the Commission does hereby adopt a revised schedule of tolls as set forth and attached hereto as Exhibit "A", to be made effective as of 12:01 a.m. _____."

Mr. Johnson said that if Members were inclined to go along with the schedule of toll schedule exhibit "A" would be a ten percent increase effective July 1.

Mr. Johnson said further that, "FURTHER RESOLVED that the Commission does hereby adopted a revised schedule of tolls as set forth and attached hereto as Exhibit "B", to be made effective as of 12:01 .m., January 1, 1996, of 15 percent;

"FURTHER RESOLVED that the Commission does hereby adopt a revised schedule of tolls as set forth and attached hereto as Exhibit "C", to be made effective as of 12:01 a.m., January 1, 1997, of 20 percent;

"FURTHER RESOLVED that the Commission does hereby adopt a revised schedule of tolls as set forth and attached hereto as Exhibit "D", to be made effective as of 12:01 a.m., January 1, 1998, of 20 percent;

"FURTHER RESOLVED that all other provisions of Resolution No. 16-1995 shall remain effective."

Mr. Johnson said the resolution accomplished what was presented on Mr. Reis's chart.

The Chairman said the modified toll schedule got the Commission to the same point that a one-time increase of 80 percent would have gotten it, but it just took a longer period of time.

A resolution rescinding previously adopted schedule of tolls and providing for revised schedules of tolls was moved for adoption by Mrs. Leever, seconded by Mr. Williams as follows:

RESOLUTION NO. 18-1995

"WHEREAS, by Resolution No. 16-1995, adopted April 24, 1995, the Commission adopted a revised schedule of tolls which was to become effective June 1, 1995;

"WHEREAS, the Commission desires to implement revised schedules of tolls in phases over a period of time, rather than to implement revised tolls at a single time;

"NOW, THEREFORE, BE IT

"RESOLVED that the Schedule of Tolls adopted by Resolution No. 16-1995, hereby is rescinded;

"FURTHER RESOLVED that the Commission does hereby adopt a revised schedule of tolls as set forth and attached hereto as Exhibit "A", to be made effective as of 12:01 a.m., July 1, 1995;

"FURTHER RESOLVED that the Commission does hereby adopt a revised schedule of tolls as set forth and attached hereto as Exhibit "B", to be made effective as of 12:01 a.m., January 1, 1996;

"FURTHER RESOLVED that the Commission does hereby adopt a revised schedule of tolls as set forth and attached hereto as Exhibit "C", to be made effective as of 12:01 a.m., January 1, 1997;

"FURTHER RESOLVED that the Commission does hereby adopt a revised schedule of tolls as set forth and attached hereto as Exhibit "D", to be made effective as of 12:01 a.m., January 1, 1998;

"FURTHER RESOLVED that all other provisions of Resolution No. 16-1995 shall remain effective."

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. Williams, Mr. Zook, 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. 18-1995.

There being no further business to come before the Commission, a motion was made by Mrs. Leever, seconded by Mr. Williams that the meeting adjourn, until the next meeting on June 12.

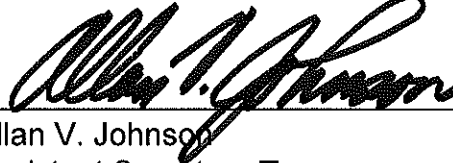
A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mrs. Leever, Mr. Williams, Mr. Zook, Mr. Fedeli

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:13 a.m.

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



Allan V. Johnson
Assistant Secretary-Treasurer