

## MINUTES OF THE 413TH MEETING OF THE OHIO TURNPIKE COMMISSION

October 2, 1995

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:16 a.m., on October 2, 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: Richard A. Hodges, M. Ben Gaeth, Jerry Wray, Earl W. Williams, Marilyn R. Baker, Ruth Ann Leever, Umberto P. Fedeli

Absent: None

A motion was made by Mr. Williams, seconded by Mrs. Leever that the minutes of the meeting of September 11, 1995, which had been examined by the Members, be approved without reading.

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

Ayes: Mr. Williams, Mrs. Leever, Mr. Wray, Mrs. Baker, Mr. Fedeli

Nays: None

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

The Chairman said there were a number of guests at the meeting, including the Commission's special guest, Roger Snow, who would be introduced later in the meeting. He said he would ask the other guests to identify themselves as follows: Don Weilnau, Western Division Superintendent, Maintenance Department; Alice Linn, Director of Patron Services; Gary Cawley, Superintendent of Toll Collections; Pat Patton, Government Liaison Officer; John Lee, Everen Securities; Ben Ehle, Hardee's; Tim Gladieux, Advanced Restaurant Concepts, Inc.; Dean Berry, Squire, Sanders and Dempsey; Mark Tylicki, taxpayer; Steve Wood, PaineWebber; Lt. Tom Derr, Ohio State Highway Patrol; Ed Presley, Society Bank; Bill Geer, McCoy's Sales and Service; Joe Passarelli, Passarelli Bros.; Sharon Isaac, Assistant General Counsel; Leah Fox, ODOT; Diane Pring, General Counsel's Secretary; Gordon Reis, Seasongood and

Mayer; Joseph Disantis, Right of Way Coordinator; Bob Arlow, Construction Coordinator; Tony Palombo, Staff Counsel; Kerry Ferrier, Engineering Department; Rob Fleischman, Greiner Engineering; Gillett Cobb, ODCD; Dan Castrigano, Maintenance Engineer; Ken Zapinski, The (Cleveland) Plain Dealer; Joe Rice, Rice Consultants; John Mitchell, Manager, Data Processing; Frank Lamb, Huntington Trust; Gary Joseph, ODOT; Douglas Fear, Everen Securities; and Dan Rohr, BOCC.

The Chairman said the meeting was the 413th of the Ohio Turnpike Commission. He said the Commission was at its headquarters as provided for in its Code of Bylaws.

The Chairman said that, yesterday, October 1st, marked the 40th anniversary of the opening of the entire Turnpike on October 1, 1955. He said that joining the Commission today as the Commission commemorated that event was Roger Snow from the Elmore Maintenance Section. He said Mr. Snow was the only remaining full-time employee who had worked for the Commission since the Turnpike's opening. He said he congratulated and commended Mr. Snow for his dedication and longevity and he would like to present him with two mementos of the occasion.

He said he would present a certificate of recognition and a piece of marble from an original section of the remodeled administration building, with a small Commission seal embedded in it. The Chairman said that he would like to recognize the firms and companies that had served the Commission continuously throughout the forty-year period. He said they were:

Greiner Engineering, Rob Fleischman  
Squire, Sanders & Dempsey, Dean Berry  
Society Bank (Formerly AmeriTrust & Cleveland Trust), Ed Presley  
Virgil Gladieux (Various restaurant companies)  
McCoy's, William Geer, Disabled Vehicle Service  
Passarelli's, Joseph Passarelli, Disabled Vehicle Service  
Lane Emergency Medical Services, Joseph Lane, Ambulance Service

The Chairman said that once again, he extended the Commission's thanks and congratulations to those companies and individuals who had served the Commission and the patrons of the Turnpike so well.

The Chairman said that following the meeting, the Commission will have a cake cutting as part of its remembrance of the Turnpike's anniversary.

Mr. Johnson said that certificates had been prepared to present to each of the three disabled vehicle service operators that had been on the Turnpike for 40 years. He said Mrs. Linn had them and would present them to the operators.

The Chairman said the report of the Secretary-Treasurer, Mrs. Baker, would be received.

Mrs. Baker said that the following listed items had been sent to the Members since the last regularly scheduled meeting of the Commission, September 11, 1995:

1. Weekly Traffic Statistics
2. Draft of the Commission Meeting Minutes of September 11, 1995
3. Traffic Accident Summary Reports July and August 1995
4. OCDC Report October 1995

The Chairman said that Governor Voinovich had proclaimed October 1, 1995, as Ohio Turnpike Day throughout Ohio. He said he had a framed copy of that proclamation at the meeting and he would pass it around the conference table.

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

Mrs. Baker said that she had been informed that the staff was still working on the preliminary budget for 1996.

The Chairman asked if the Commission would have that budget for its November meeting.

Mr. Johnson said it would be ready for the November meeting and had to be adopted before November 15.

The Chairman said the report of the Secretary-Treasurer was accepted as offered. He said the report on Audit/Legal would be received.

Mr. Rudolphy said there were two resolutions that he would like to introduce for consideration by the Members. He said the first one was a resolution designating certain projects as "System Projects" under the Commission's trust agreement for 1994. He said the reason was that the trust agreement indicated that the Commission must designate certain projects as system projects. He said those were in addition to the concepts of the system as a whole. He said the resolution had an exhibit that showed what all the projects were and they were essentially the third-lane work. He said he recommended that the resolution be adopted.

Mr. Wray asked what was meant by systems projects?

Mr. Rudolphy said that the project would be designated a systems project and become part of the system as a whole. He said the project would be paid for from the systems project funds under the Commission.

A resolution designating certain projects as "System Projects" under the Commission's Master Trust Agreement of 1994 was moved for adoption by Mrs. Leever, seconded by Mrs. Baker as follows:

**RESOLUTION NO. 46-1995**

"WHEREAS, on February 15, 1994, the Ohio Turnpike Commission adopted the Master Trust Agreement with Huntington National Bank, as trustee, ("Trust Agreement") securing State of Ohio, Turnpike Revenue Bonds;

"WHEREAS, the Trust Agreement of 1994 established certain Projects and certain Project Funds, including System Projects and System Project Funds;

"WHEREAS, the comptroller has reviewed proposed projects and recommends that certain projects shall be paid from the System Project Fund and in order to make such payment, these projects must be officially designated by the Commission as "System Projects";

"WHEREAS, there is attached hereto "Exhibit A" which lists a number of the ongoing projects, and the Commission, pursuant to the request of its comptroller, desires to designate these projects as "System Projects";

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby designates the projects set forth in "Exhibit A" as System Projects under the terms and provisions of the Commission's Master Trust Agreement of 1994 and payable from the System Project Fund."

The following projects have been authorized and established as "System Projects" but have not been officially designated as "System Projects" prior to the Commission's October 2, 1995, meeting:

The projects are as follows:

53-95-01	Waterline/Sanitary Sewers at Oak Openings and Fallen Timbers Service Plazas
71-95-07	Service Plaza Water/Sewer Study and Design
71-95-08	Project Management Services - Third Lane
71-95-10	Third Lane Design Work, Milepost 92.40 - 96.45
71-95-11	Third Lane Design Work, Milepost 96.45 - 100.52
71-95-12	Third Lane Design Work, Milepost 100.52 - 104.94
71-95-13	Third Lane Design Work, Milepost 104.94 - 108.65
71-95-14	Third Lane Design Work, Milepost 108.65 - 111.73
71-95-15	Third Lane Design Work, Milepost 145.03 - 147.70
71-95-16	Third Lane Design Work, Milepost 147.70 - 151.80
71-95-17	Third Lane Design Work, Milepost 193.38 - 199.05
71-95-18	Third Lane Design Work, Milepost 199.05 - 205.46
71-95-19	Third Lane Design Work, Milepost 205.46 - 209.54

**"Exhibit A"**

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

Ayes: Mrs. Leever, Mrs. Baker, Mr. Wray, Mr. Williams, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 46-1995.

Mr. Rudolphy said that the next resolution was entitled resolution rejecting proposals for banking services. He said those proposals were issued by a request for proposals in December 1994. He said the proposals were received on February 14th.

Mr. Rudolphy said further that, since the proposals were originally issued back in December, certain underlining facts and assumptions had changed significantly.

Mr. Rudolphy said further that the proposals had been on the table for over six months. He said he believed that the facts and rationale that were used to draft the original RFP probably needed to be reviewed and looked at to make sure they were appropriate based on the Commission's current situation. He said he was suggesting that the resolution be adopted which would reject the proposals and cause review of the underlying assumptions and facts so that the process could begin again.

A resolution rejecting proposals for banking services was moved for adoption by Mrs. Baker, seconded by Mrs. Leever as follows:

**RESOLUTION NO. 47-1995**

"WHEREAS, on December 20, 1994, the Commission issued a Request for Proposals (RFP) for Banking Services to provide depository and banking services for the Ohio Turnpike Commission;

"WHEREAS, proposals were received on February 14, 1995, from five banks to perform this contract and such proposals were reviewed by the Commission's comptroller and other members of the Commission's staff;

"WHEREAS, under the terms and conditions of the documents for the RFP for Banking Services, the Commission has reserved the right to reject any and all proposals; and

"WHEREAS, it is the recommendation of the executive director, comptroller and general counsel that the proposals received pursuant to the RFP for Banking Services be rejected and that additional evaluations be made of this project;

"NOW, THEREFORE, BE IT

"RESOLVED that the proposals received in response to the RFP for Banking Services be and hereby are rejected, and the executive director and general counsel are authorized and directed to notify the bidders of such rejection;

"FURTHER RESOLVED that the executive director, general counsel and comptroller are directed to continue to evaluate its depository and banking service requirements and adjust the RFP where necessary, and to reissue it as soon as possible."

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

Ayes: Mrs. Baker, Mrs. Leever, Mr. Wray, Mr. Williams, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 47-1995.

The Chairman said the report on Audit/Legal was accepted as offered. He said the report on Service Plazas would be received.

Senator Gaeth said he had no report.

The Chairman asked how the Senator was feeling.

Senator Gaeth said he was real fine. He said he had surgery two weeks ago and two plates were placed in his wrist.

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

Mr. Johnson said that Mr. Disantis was not at the meeting, but he had indicated that there would be no report.

The Chairman ascertained there would be no report from the Director of Transportation. He said the report of the Executive Director would be received.

Mr. Johnson said he had one resolution to be introduced. He said it was a resolution awarding a contract for the purchase of unleaded gasoline and diesel fuel for a one-year period.

Mr. Johnson said further that it was the fuel requirement for the Commission's vehicles that were primarily out of the maintenance facilities. He said bid tabulations were in the Members' folders with the resolution. He said the low bid on the four groups had been submitted by BP Oil Company of Cleveland. He said he would read the resolved as follows:

"RESOLVED that the bid of BP Oil Company of Cleveland, Ohio for Groups I through IV of Invitation No. 3442 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted and the chairman and executive director, or either of them, is hereby authorized (1) to execute a contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid invitation; (2) to direct the return to the other bidders of their bid security at such time as BP Oil Company has entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract."

Mr. Johnson said further that the bid was fairly routine. He said the estimated cost over the year was approximately \$680,000. He said the bid was for markups over tank truck prices that were charged. He said he recommended the resolution be adopted.

Mr. Williams asked who was the current fuel supplier.

Mr. Johnson said BP Oil was the primary supplier.

The Chairman asked if the fuel was delivered to the maintenance buildings.

Mr. Johnson said it was delivered and stored in underground tanks.

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

**RESOLUTION NO. 48-1995**

"WHEREAS, the Commission has advertised for bids for Invitation No. 3442 for the furnishing to the Commission of unleaded gasoline and diesel fuel for a one-year period, and three bids were received in response to that invitation and have been reviewed by the Commission's staff;

"WHEREAS, it is anticipated that the expenditures of the Commission for unleaded gasoline and diesel fuel under Invitation No. 3442 shall exceed \$500,000 and in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such contract;



"WHEREAS, the three bids received in response to the invitation were reviewed by the chief engineer who has stated that the lowest responsive and responsible bid for Groups I through IV was submitted by BP Oil Company of Cleveland, Ohio and that BP Oil Company proposes to furnish materials and services in accordance with the Commission's specifications;

"WHEREAS, the Commission's general counsel has reviewed the bids received and has advised the Commission that the procedure followed by the Commission in advertising for Invitation No. 3442 is in accordance with Section 5537.07 of the Revised Code of Ohio, and that the bid of BP Oil Company is the lowest responsive and responsible bid received and that the Commission may legally enter into a contract with BP Oil Company to furnish unleaded gasoline and diesel fuel in accordance with Invitation No. 3442;

"WHEREAS, the executive director has reviewed the bids received and has recommended to the Commission that the contract be awarded to the lowest responsive and responsible bidder, BP Oil Company;

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of BP Oil Company of Cleveland, Ohio for Groups I through IV of Invitation No. 3442 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted and the chairman and executive director, or either of them, is hereby authorized (1) to execute a contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid invitation; (2) to direct the return to the other bidders of their bid security at such time as BP Oil Company has entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract."

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

Ayes: Mr. Williams, Mrs. Baker, Mr. Wray, Mrs. Leever, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 48-1995.

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

Mr. Brennan said the Members had a copy of his report in their folders. He said he would read through it quickly.

Mr. Brennan said further that starting at the west, as usual, the Corps of Engineers had advised the Commission that it would issue a permit in early October allowing plans to proceed for the Turnpike interchange at State Route 66 (County Road 24) in Fulton County. He said construction was expected to start next spring and the project completed in 1996. He said all the folks in Fulton County, including Maynard Sauder, were very pleased with that progress.

Mr. Brennan said further that design engineering was progressing well on the State Route 109 interchange in Fulton County. He said a contract for toll plaza design would be awarded soon. He said the Commission had enthusiastic support for the interchange.

Mr. Brennan said further that on September 15 the Ohio Historical Site Preservation Advisory Board recommended that the railroad right-of-way located where the Commission proposed building an interchange with State Route 58 in Lorain County be declared an historic line. He said the staff would meet soon with the State Historic Preservation Officer and the Corps of Engineers to determine its course of action. He said that it was hoped that the project could continue on a reasonable basis.

Mr. Brennan said further that the access justification study process through ODOT was continuing on the interchange with Interstate Route 77 in Cuyahoga and Summit Counties. He said ODOT's central office was expected to get back to ODOT District 12 with a completed review within a short time.

Mr. Brennan said further that the access point study continued for the interchange at State Route 11 in Mahoning County. He said part of the process included a public hearing which would probably be held in the winter. He said the Commission's decision regarding the viability of the project should be delayed until the study had been completed.

Mr. Brennan said further that, as previously reported, Tasks 1, 2, 3, 4, 6, 7 and 8 for the Great Lakes/Mid-Atlantic Corridor (I-73/I-74) had been completed. He said the status of the remaining tasks assigned to OCDC were as follows:

- Task 5 - Communication Plan Assistance - Expanded, 50 percent complete.
- Task 9 - Defining and Adherence to Federal and State Environmental Processing Requirements - 50 percent complete.
- Task 11 - Major Investment Study - Delaware Bypass - 40 percent complete.

Mr. Brennan said further that the Commission's financial commitment as of September 30 remained at approximately \$5,300,000.

Mr. Johnson said he realized Mr. Brennan had not reported on County Road 18 in Mahoning County. He said he wanted to say that plans for that interchange continued.

Mr. Brennan said he thought Mr. Arlow would be reporting on that interchange.

Mr. Johnson said Mr. Arlow would not report because the project was not under construction.

Mr. Johnson said the design work would be completed in the next few months and construction would begin next spring.

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

Mr. Arlow said there was presently five projects under way. He said two new interchanges were under construction. He said the Baumhart Road interchange would be completed on December 1st. He said construction of the Elmore interchange, 5A, began that morning and it will be opened next year.

Mr. Arlow said further that the resurfacing project near the Sandusky-Norwalk (No. 7) Interchange was progressing and should be completed within the next two weeks.

Mr. Arlow said further that rehabilitation work on the Warren (No. 14) and the Youngstown (No. 15) Interchange continued.

The Chairman asked what was the timetable for the I-77 interchange?

Mr. Ransbury said that he just heard that the access justification study had been approved by ODOT's central office and it would be sent to FHWA within the next several days. He said he expected a 30-day review from FHWA.

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

Mr. Zomparelli said he had two items to mention. He said the first dealt with a case in the Court of Appeals. He said the decision of the lower court was upheld in the case of Wyse vs. Ohio Turnpike Commission. He said the case concerned the open meetings law. He said that, therefore, the Commission's plans to build an interchange with County Road 24 in Archbold was unaffected.

Mr. Zomparelli said also that the second item was a resolution that was brought up at the last Commission meeting. He said the resolution was entitled resolution approving second supplemental Trust Agreement to the Master Trust Agreement dated February 15, 1994.

The Chairman said that at the last meeting he felt that the Members didn't have enough time to read through the resolution, which was quite lengthy. He said that was

why he had action on it postponed at that time. He said he found nothing wrong with the resolution.

Senator Gaeth asked how the pending Senate legislation that would revise the increases in tolls would affect the selling of new bonds?

The Chairman said he had a meeting scheduled with Senator Oelslager later in the week. He said he hoped to resolve the entire issue because it could have a tremendous adverse affect on bond sales.

The Chairman said further that the Commission received amongst the highest ratings in the United States from Standard and Poor's, Moody's, and Fitch. He said he respected all three Wall Street bond rating organizations. He said the matter of the toll increases had to be resolved because it was a serious matter.

The Chairman said further that Mr. Reis would be making a presentation for the Members that day. He said he had asked Mr. Reis to prepare a complete financial analysis of where the Commission was at that time and to look over what was planned for the next five or ten years.

The Chairman said further that any delays in the toll increases could seriously affect the Commission's bond rating and the cost of its bonds. He said he thought it would be unfortunate to pay more for bonds or have the bond ratings downgraded because of some problem. He said he was trying to be reasonable and just trying to make sure the other parties were.

A resolution approving second supplemental Trust Agreement to the Master Trust Agreement dated February 15, 1994 was moved for adoption by Mrs. Leever, seconded by Mr. Williams as follows:

**RESOLUTION NO. 49-1995**

"WHEREAS, the Commission has previously issued \$125,000,000 Turnpike Refunding Revenue Bonds, 1994 Series A (the "Bonds") and has entered into a Master Trust Agreement dated February 15, 1994, with The Huntington National Bank, Cleveland, Ohio (the "Trustee"), as Trustee, securing those Bonds (the Master Trust Agreement); and

"WHEREAS, pursuant to Resolution No. 7-1994, the Commission authorized the execution of the Master Trust Agreement, First Supplemental Trust Agreement dated February 15, 1994, and other actions in connection with the issuance of such Bonds;

"WHEREAS, based on discussions with the Commission's certified public accountants, its financial advisor, comptroller, general counsel and bond counsel,

the Commission desires and has determined to amend certain provisions of the Master Trust Agreement relating to audits and permitted investments; and

"WHEREAS, the Trustee has approved the proposed amendments, and Huntington National Bank, the Original Purchaser and as the current holder of all the outstanding Bonds, has consented to the proposed amendments; and

"WHEREAS, by the Second Supplemental Trust Agreement authorized by this Resolution, those amendments will be made to the Master Trust Agreement;

"NOW, THEREFORE, BE IT RESOLVED BY THE OHIO TURNPIKE COMMISSION, as follows:

"Section 1. The Commission, by the Chairman, shall execute, acknowledge and attest, and deliver to the Trustee, in the name and on behalf of the Commission, a Second Supplemental Trust Agreement to be dated as of September 1, 1995, in substantially the form attached to this resolution, with any changes therein not substantially adverse to the Commission as may be permitted by Chapter 5537 ("the Act") and the Master Trust Agreement and approved by said officer. The approval of those changes, and that they are not substantially adverse to the Commission, shall be conclusively evidenced by the execution and delivery of the Second Supplemental Trust Agreement by said officer on behalf of the Commission.

"Section 2. It is found and determined that all formal actions of this Commission concerning and relating to the adoption of this Resolution were taken and adopted in an open meeting of this Commission, and that all deliberations of this Commission that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Revised Code."

SECOND SUPPLEMENTAL TRUST AGREEMENT

Between the

OHIO TURNPIKE COMMISSION

and

THE HUNTINGTON NATIONAL BANK

Trustee

Dated as of

September 1, 1995

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Securing

\$125,000,000  
STATE OF OHIO  
TURNPIKE REVENUE BONDS,  
1994 SERIES A

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SECOND SUPPLEMENTAL TRUST AGREEMENT

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## SECOND SUPPLEMENTAL TRUST AGREEMENT

This Second Supplemental Trust Agreement, dated as of September 1, 1995 (the "Second Supplemental Trust Agreement"), by and between the OHIO TURNPIKE COMMISSION (the "Commission"), a body both corporate and politic of the State of Ohio (the "State") performing essential governmental functions of the State, duly created and existing under and by virtue of the laws of the State, and The Huntington National Bank, a national banking association organized and existing under and by virtue of the laws of the United States of America and authorized to exercise corporate trust powers in the State, with a place of business in Cleveland, Ohio (the "Trustee"), as Trustee under the Master Trust Agreement, hereinafter mentioned.

### W I T N E S S E T H :

WHEREAS, the Commission, has entered into a Master Trust Agreement dated as of February 15, 1994 (the "Master Trust Agreement"), with the Trustee providing for the issuance from time to time of Turnpike Revenue Bonds (the "Bonds"), with each issue of Bonds to be authorized by a supplemental trust agreement, supplementing the Master Trust Agreement, pertaining to that issue of Bonds; and

WHEREAS, the Commission has issued its Turnpike Revenue Bonds, 1994 Series A (the "1994 Series A Bonds") pursuant to the First Supplemental Trust Agreement to secure the 1994 Series A Bonds; and

WHEREAS, pursuant to Section 8.01(l) of the Master Trust Agreement, Supplemental Trust Agreements may be entered into by the Commission and the Trustee without the consent of or notice to the Holders of the Bonds to permit an amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders of the Bonds; and

WHEREAS, the Commission desires to enter into this Second Supplemental Trust Agreement in order to authorize certain amendments to the Master Trust Agreement; and

WHEREAS, the Master Trust Agreement, together with the First Supplemental Trust Agreement, shall be referred to as the "Trust Agreement;" and

WHEREAS, the terms used herein shall have the meanings assigned under the Master Trust Agreement and the First Supplemental Trust Agreement unless otherwise provided herein; and

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Commission and the Trustee do hereby confirm the conveyances heretofore granted by the Trust Agreement and do further covenant and agree as follows:



## ARTICLE I

### AMENDMENTS TO TRUST AGREEMENT

#### Section 1.01. Amendment to Section 5.15.

SECTION 5.15 OF THE TRUST AGREEMENT PROVIDES AS FOLLOWS:

Section 5.15. Audits. The Commission will cause an audit of financial statements as of June 30 and December 31 of each year, prepared in accordance with GAAP, to be made of its books and accounts relating to the System and the Debt Service Fund by an independent certified public accountant of nationally recognized standing. Reports of each such audit promptly shall be filed with the Commission and the Trustee, and copies shall be mailed by the Commission to the Consulting Engineers. Each audit report shall set forth such matters as are required by GAAP and also the findings of the certified public accountants whether the moneys received by the Commission under the provisions of the Trust Agreement have been applied in accordance with the provisions of the Trust Agreement.

SECTION 5.15 OF THE TRUST AGREEMENT IS HEREBY AMENDED TO PROVIDE AS FOLLOWS:

Section 5.15. Audits. The Commission will cause an audit of financial statements as of June 30 and December 31 of each year, prepared in accordance with GAAP, to be made of its books and accounts relating to the System and the Debt Service Fund by an independent certified public accountant of nationally recognized standing. Reports of each such audit promptly shall be filed with the Commission and the Trustee, and copies shall be mailed by the Commission to the Consulting Engineers. Each audit report shall set forth such matters as are required by GAAP.

#### Section 1.02. Amendment to Section 1.01.

SECTION 1.01 "PERMITTED INVESTMENTS" OF THE TRUST AGREEMENT PROVIDES AS FOLLOWS:

Section 1.01 "Permitted Investments". Unless varied by the terms of a Supplemental Trust Agreement as to a particular Series of Bonds, (i) shall mean any investments in which the Commission is authorized to invest pursuant to the laws of the State, and (ii) with respect to moneys held by the Trustee, shall mean any of the following securities:

(1) Defeasance Obligations;

(2) obligations issued by any agency of the United States of America, including, without limitation, the Government National Mortgage Association, or by any instrumentality of the United States of America, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

(3) general obligations of any state of the United States of America, including the State, or any political subdivision of a state; provided that such general obligations carry one of the two highest ratings of one of the Rating Agencies;

(4) certificates of deposit or bankers acceptances, whether negotiable or nonnegotiable, issued by a bank, trust company or savings association organized under the laws of any state of the United States of America or any national banking association (including the Trustee), which institution has a combined capital and surplus of at least \$100,000,000 in dollars of the United States of America, provided, that such certificates of deposit or bankers acceptances do not exceed in the aggregate ten percent (10%) of the combined capital, surplus and undivided profits of the institution issuing the same and provided further that such certificates of deposit or bankers acceptances shall be in the possession of the Trustee or its agents and shall be either (A) continuously and fully insured by the Federal Deposit Insurance Corporation, or (B) continuously and fully secured by such securities as are described in clauses (1) through (3) inclusive, above ("Pledged Securities") which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit or bankers acceptances, and that the institution issuing each such certificate of deposit or bankers acceptance required to be so secured shall furnish the Trustee with a covenant satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit or bankers acceptance will at all times be an amount at least equal to the principal amount of each such certificate of deposit or bankers acceptance and that the Trustee shall be entitled to rely on each such covenant;

(5) any repurchase agreement with an institution described in clause (4) above, which repurchase agreement is fully collateralized at all times by Pledged Securities based upon the market value of such obligations;

(6) any money market fund invested solely in obligations described in clauses (1), (2) or (3) above;

(7) the investment pool created and administered by the Treasurer of the State of Ohio under Section 135.45 of the Ohio Revised Code; and

(8) investment agreements with institutions whose long-term unsecured debt is rated in one of the two highest rating categories of one of the Rating Agencies;

provided that for the purposes of clauses (4) and (5) above the respective Pledged Securities shall be in the possession of the Trustee or its agent and shall be free and clear of all liens or

rights of any third party, and in which obligations the Trustee shall have a first perfected security interest.

SECTION 1.01 "PERMITTED INVESTMENTS" OF THE TRUST AGREEMENT IS HEREBY AMENDED TO PROVIDE AS FOLLOWS:

Section 1.01 "Permitted Investments". Unless varied by the terms of a Supplemental Trust Agreement as to a particular Series of Bonds, (i) shall mean any investments in which the Commission is authorized to invest pursuant to the laws of the State, and (ii) with respect to moneys held by the Trustee, shall mean any of the following securities:

- (1) Defeasance Obligations;
- (2) obligations issued by any agency of the United States of America, including, without limitation, the Government National Mortgage Association, or by any instrumentality of the United States of America, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;
- (3) general obligations of any state of the United States of America, including the State, or any political subdivision of a state; provided that such general obligations carry one of the two highest ratings of one of the Rating Agencies;
- (4) certificates of deposit or bankers acceptances, whether negotiable or nonnegotiable, issued by a bank, trust company or savings association organized under the laws of any state of the United States of America or any national banking association (including the Trustee), which institution has a combined capital and surplus of at least \$100,000,000 in dollars of the United States of America, provided, that such certificates of deposit or bankers acceptances do not exceed in the aggregate ten percent (10%) of the combined capital, surplus and undivided profits of the institution issuing the same and provided further that such certificates of deposit or bankers acceptances shall be in the possession of the Trustee or its agents and shall be either (A) continuously and fully insured by the Federal Deposit Insurance Corporation, or (B) continuously and fully secured by such securities as are described in clauses (1) through (3) inclusive, above ("Pledged Securities") which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit or bankers acceptances, and that the institution issuing each such certificate of deposit or bankers acceptance required to be so secured shall furnish the Trustee with a covenant satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit or bankers acceptance will at all times be an amount at least equal to the principal amount of each such certificate of deposit or bankers acceptance and that the Trustee shall be entitled to rely on each such covenant;
- (5) any repurchase agreement with an institution described in clause (4) above, which repurchase agreement is fully collateralized at all times by Pledged Securities based upon the market value of such obligations;

(6) any money market fund invested solely in obligations described in clauses (1), (2) or (3) above or invested in repurchase agreements fully collateralized by obligations described in clauses (1) or (2) above;

(7) the investment pool created and administered by the Treasurer of the State of Ohio under Section 135.45 of the Ohio Revised Code; and

(8) investment agreements with institutions whose long-term unsecured debt is rated in one of the two highest rating categories of one of the Rating Agencies;

provided that for the purposes of clauses (4) and (5) above the respective Pledged Securities shall be in the possession of the Trustee or its agent and shall be free and clear of all liens or rights of any third party, and in which obligations the Trustee shall have a first perfected security interest.

## ARTICLE II

### EFFECT OF SUPPLEMENTAL TRUST AGREEMENT

Section 2.01 Effect of Supplemental Trust Agreement. The provisions of this Supplemental Trust Agreement shall become effective immediately upon the execution and delivery hereof and this Supplemental Trust Agreement shall form a part of the Trust Agreement and all the terms and conditions hereof shall be deemed to be part of the terms of the Trust Agreement, as fully and with the same effect as if they had been set forth in the Trust Agreement as originally executed. Except as modified or amended by this Supplemental Trust Agreement, the Trust Agreement as amended shall remain and continue in full force and effect in accordance with the terms and provisions thereof, and all covenants, conditions, terms and provisions of the Trust Agreement as amended with respect to the Trustee and the Commission shall remain in full force and effect and be applicable to the Trustee and the Commission in the same manner as though set out herein at length.

\*END OF ARTICLE II\*

### ARTICLE III

#### MISCELLANEOUS PROVISIONS

Section 3.01 Separability. In case any one or more of the provisions contained in this Supplemental Trust Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Supplemental Trust Agreement, but this Supplemental Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

Section 3.02 Counterparts. This Supplemental Trust Agreement may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original; and such counterparts, or as many of them as the Commission and the Trustee shall preserve undestroyed, shall, together constitute but one and the same instrument.

Section 3.03 Governing Law. This Supplemental Trust Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State.

\*END OF ARTICLE III\*

IN WITNESS WHEREOF, the Commission has caused this Second Supplemental Trust Agreement to be executed in its name and on its behalf by its duly authorized Chairman, and the Trustee in token of its acceptance of the trusts created hereunder, has caused this Second Supplemental Trust Agreement to be executed in its corporate name by its authorized officer, all as of September 1, 1995.

OHIO TURNPIKE COMMISSION

By: \_\_\_\_\_  
Umberto P. Fedeli  
Chairman

(COMMISSION SEAL)

THE HUNTINGTON NATIONAL BANK,  
Trustee

By: \_\_\_\_\_  
Frank Lamb  
Trust Officer

STATE OF OHIO                    )  
                                      ) §§:  
COUNTY OF CUYAHOGA        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of  
September, 1995, by Umberto P. Fedeli, Chairman of the Ohio Turnpike Commission, on  
behalf of that Commission.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_  
(SEAL)



STATE OF OHIO                    )  
                                      ) §§:  
COUNTY OF CUYAHOGA        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of  
September, 1995, by Frank Lamb, Trust Officer of The Huntington National Bank, Cleveland,  
Ohio, a national banking association organized and existing under and by virtue of the laws of  
the United States of America, on behalf of that bank.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

(SEAL)

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

Ayes: Mrs. Leever, Mr. Williams, Mr. Wray, Mrs. Baker, Mr. Fedeli

Nays: None

The Chairman declared the resolution stood adopted with all Members voting in the affirmative. The resolution was identified as No. 49-1995.

The Chairman ascertained there would be no report from the trustee. He said the report from Lieutenant Derr would be received.

Lieutenant Derr said that Ted Hart, a local television news reporter, had been to the administration building to discuss the primary causes of fatalities on the Turnpike. He said the fatigued or sleepy driver was one of the biggest problems on the Turnpike. He said Mr. Johnson had talked to him about the snap alert patterns that would be included in some of the construction on the Turnpike. He said the interview was going to be very positive for the Turnpike. He said it probably would be aired a couple of days before Thanksgiving.

Mr. Johnson said the snap alert patterns were grooves which were sawed into the inside and outside shoulders of the Turnpike mainline. He said that if motorists strayed off the mainline lanes they would be alerted to the situation when riding over the jarring grooves. He said the staff intended to install those grooves along about 60 miles of mainline before the end of the year. He said that eventually those grooves will be installed along the entire Turnpike.

The Chairman asked how long it would take to install the grooves along the entire Turnpike.

Mr. Johnson said some sections would have to wait because portions of the third lane project would be constructed through those areas. He said they would have to be installed on a continuing basis. He said he would hope to have most sections done by the end of next year.

The Chairman asked Lieutenant Derr if the Turnpike was among the safest roads in the country.

Lieutenant Derr said the Turnpike was one of the safest roads in the United States. He said the fatality rate was 0.5 per one hundred million miles traveled. He said the Turnpike had an excellent safety record. He said the Patrol continued to work to further reduce the fatality rate.

The Chairman said that the Commission continued to focus on safety, accessibility and economic development. He said he would challenge any legislator who would say safety was not a prime reason for installing a third lane on the Turnpike.

Mr. Wray asked if a contract would let to saw the grooves along the Turnpike?

Mr. Johnson said that a contract would be let to cut the grooves which were 16 inches long and spaced a foot apart.

Mr. Johnson said the grooves were utilized in Kentucky, Pennsylvania, West Virginia, Illinois and Indiana.

Lieutenant Derr said other states had a reduction in fatality rates by using the snap alert patterns. He said he thanked the Commission for supporting this program on the Turnpike.

The Chairman said that Mr. Reis had prepared a written report and copies were placed in the Members' folders. He said the Members could review the report and ask questions at the next Commission meeting. He said he would ask Mr. Reis to give a short, oral report on the Commission's capital expenditure program up until the year 2002.

Mrs. Baker asked if the Chairman didn't want any questions from the Members at that time.

The Chairman said the Members could ask questions at that day's meeting. He said he just wanted to make sure the Members had time to read the written report.

Mr. Reis said that two weeks ago Mr. Johnson gave him a list of the capital expenditures he anticipated the Turnpike would need from the year 1996 through the year 2000. He said he reviewed them and there wasn't any fluff. He said they were all legitimate Turnpike projects.

Mr. Reis said further that the number was \$934 million for the five-year period. He said that inflated to slightly over a billion dollars in capital expenditures required in the five-year period.

Mr. Reis said further those were big dollars and they stretched the Commission's resources. He said that borrowing funds to finance the capital improvements over the next twenty or twenty-five years would be an additional cost of \$83.5 million.

Mr. Reis said that, referring to his chart, the blue column was the Commission's toll revenues and the lighter blue column was the other revenues. He said the green column was the operating expenses and the yellow column was major repair. He said

the orange column was debt service, which begins as a small fraction of the total expenses. He said that grew up to the year 2000.

Mr. Reis said that the dark blue represented bond proceeds. He said it represented the borrowing and in the next three years that would amount to about a quarter billion dollars.

Mr. Reis said that the columns for the Commission's borrowing and capital expenditures were the same size. He said the borrowing for all capital expenditures were from 1996 through 2000.

Mr. Reis said further that, as he had mentioned a while ago, the Commission had consistently spent more money than was taken in.

The Chairman asked Mr. Reis if he meant that the Commission was spending more money than was taken in for capital improvements.

Mr. Reis said the Chairman was right. He said that in the past there was a sufficient amount of money set aside to be able to do that. He said that changed in 1994 when money had to be borrowed to replenish the funds advanced for capital improvements.

Mr. Reis said further that the chart showed how the billion dollars in expenditures affected the Commission in the long run.

Mr. Reis said further that debt service went from eight percent in 1995 up to 47 percent of the Commission's total budget in the year 2000. He said that in 2001, once again, the Commission's expenditures will be greater than income, as projected. He said the expenditures included major repairs and the ongoing capital expenditures.

Mr. Reis said further that the written report the Members had lists in exhibit "C" all the projects that Mr. Johnson had brought to their attention.

The Chairman asked Mr. Reis if he was using a four percent or six percent inflation rate.

Mr. Reis said he was using a four percent inflation rate.

The Chairman said that, obviously, if there was a drastic change in the economy, where inflation would drastically go up, the numbers would change.

Mr. Reis said the Chairman was correct. He said he had used a six percent inflation rate in the past, but he had switched to the four percent used by PaineWebber in some of their projections. He said he also used PaineWebber's annual traffic increases. He said that if inflation went up those numbers would change.

Mrs. Baker said that the report showed that the Commission's current revenue stream cannot be compromised. She said it also showed that the Commission had been spending more than it was taking in.

Mrs. Baker said further that the added expenditures were for building new interchanges. She said the carryover in the last four or five years had been utilized for those interchanges and now the reserves were only there because the Commission borrowed money in 1994.

The Chairman said he wanted to point out that the Commission was currently earning about \$1.6 million more per year on its contract with Sunoco, operator of the Turnpike service stations, as compared with the last contract. He said certain administrative expenses had been reduced. He said there was a retirement buyout program for employees which was expected to save a couple of million dollars per year after it was fully implemented. He said the savings would be in not replacing employees that retired.

The Chairman said further that there had been some automation in toll collecting and the Commission was going to continue to make improvements where things could be done more efficiently and more cost effective. He said that while the Commission was spending more dollars for capital improvements and making investments in the Turnpike, it also was simultaneously trying to save money in its operating budget.

The Chairman said also that he spent an average of two days per year going through the Commission's budget. He said every dollar spent was questioned. He said decisions were made to get another year or two out of some trucks and not buy new ones.

The Chairman said the staff was trying to do more with less. He said the Governor's slogan was to work harder and smarter. He said that would continue to be done.

Mrs. Baker said that she thought it was important to continue to do that. She said that as Members of the Commission, they saw debt service going from eight percent in 1995 to 47 percent to finance the third lane, build new interchanges and renovate old ones. She said she was very concerned. She said she thought the Commission needed to take its time to really think everything through. She said that maybe the Commission couldn't have everything it wanted right now.

The Chairman said that if toll rate increases were spread out over a longer period of time, projects would be delayed indefinitely or built at a later date.

The Chairman said further that he was going to sit down with Senator Oelslager that week and present the projects that needed to be done. He said he would seek the

Senator's opinion on what projects should be done and those he recommended the Commission not do. He said that, quite frankly, he thought the Commission had already made a major compromise on the toll increases by spreading them out over a period of time - - ten percent, fifteen percent, twenty percent and twenty percent, rather than at one time. He said that, on the other hand, Senator Oelslager was in a powerful position and the Commission had to respect that.

Mrs. Baker said that even if Senator Oelslager lets the toll increases continue as planned the Commission was still looking at a huge borrowing and debt service.

The Chairman said that Mr. Wray and his department had a whole series of projects on the drawing board and they had to be prioritized. He said it was a problem with infrastructure in the entire country. He said it was not a problem unique to Ohio. He said the Commission was trying to make investments in the Turnpike's future by building fifteen new interchanges since 1990.

The Chairman said further that the new interchanges had protected tens of thousands of jobs. He said that when the Governor's Chief of Staff was at a Commission meeting several months ago he showed where the economic growth had been in the entire state. He said a lot of that growth had been around the Turnpike. He said that there was no question that transportation was vital to economic growth.

The Chairman said further that the letter General Motors sent to the Commission after the two new interchanges were built at Lordstown mentioned that it was a perfect example of how government and business could work together. He said the interchanges allowed GM to compete with just-in-time manufacturing. He said that the Turnpike was the key corridor between New York and Chicago. He said it was important to make an investment in the Turnpike because it helped the state's economy.

The Chairman said further that the economy in Ohio was amongst the best in the country. He said he was talking with a friend of his last week. He said the friend owned a service station and was having problems hiring employees because a Wendy's restaurant next door offered a \$100 sign-up bonus for new employees. He said also the starting wage the restaurant was paying was significantly more than the minimum wage.

Mrs. Baker said she thought the Commission had done well as far as adding the interchanges. She said one had been built in Wood County and residents felt blessed that it happened.

Mrs. Baker said further that she also thought the Turnpike needed a third lane. She said safety was paramount. She said she just questioned whether the Commission could afford the third lane according to Mr. Reis's chart. She said she thought the Commission needed to look at it carefully and take its time.

Mr. Reis said his conclusion was that the Commission could afford the third lane. He said that for the purposes of debt issuance no consideration was given for major or capital improvements repairs because they don't have to be made. He said that for budgetary purposes the Commission could forego them. He said they were not counted as an expense for the ability to issue additional bonds.

Mr. Reis said further that the Commission spent \$121 million in 1994 and took in \$112 million. He said that if \$50 to \$60 million got out of the expense column it looked good for bond rating purposes.

The Chairman said that when some of the Commission Members and key staff were up on Wall Street making their presentation one of the rating agencies complimented them in their efforts to complete a major bridge renovation program over the last ten or fifteen years. He said there were over 500 mainline bridges and renovation work cost about a million dollars bridge.

The Chairman said further that the Commission was not just borrowing money to do maintenance work, but borrowing money to do new projects. He said that was very uncommon for most Turnpike systems. He said the other systems were usually borrowing money just to do scheduled maintenance and improvements. He said the Ohio Turnpike was in good shape.

The Chairman said further that, on the other hand, when talking to people from out-of-state, they laughed at all the controversy. He said they said the Ohio Turnpike charged two cents a mile in tolls and the rate was going to 3.4 cents a mile, while they paid much more. He said it was 13 cents per mile in Delaware and 25 cents per mile in Florida. He said those from out-of-state said that the people of Ohio were way behind the times.

Mr. Williams said that brought him to the point that he thought the Commission was not doing the kind of selling job that needed to be done downstate. He said the Commission needed to let the Ohio General Assembly know of the Commission's future plans. He said there needed to be a sit-down session with the leadership of the House and Senate to ask their input and ideas on Turnpike projects.

The Chairman said that the Governor was up to his office a few weeks ago. He said Mr. Wray also was there. He said the Governor knew what the Commission was doing and he was behind them 100 percent.

The Chairman said further that the Governor had the experience of dealing with Mr. Wray and ODOT. He said ODOT was much larger than the Commission. He said ODOT had 7,000 or 8,000 employees and a billion five hundred million dollar budget.

The Chairman said he would hate to have Mr. Wray's job because ODOT was always short of funds to invest back in Ohio. He said everybody wanted their project done first. He said there were not enough funds to do it all.

The Chairman said further that the Commission was fortunate to have tolls for maintenance and improvements. He said the Ohio Turnpike had the lowest tolls in the United States. He said that if the Commission only increased tolls fifty percent they would still be the lowest tolls in the United States. He said that the eighty percent increase meant that the Ohio Turnpike was still amongst the middle to lower in rates.

The Chairman said further that people had to understand that tolls were not taxes. He said a toll was paid only when the individual used the Turnpike. He said that, as Mrs. Leever said on television last week, there's no such thing as a free road. He said that anybody who said the Turnpike should be a free road didn't know what they were talking about.

The Chairman said that he would meet with Senator Oelslager to explain the plans of the Commission. He said that it seemed that some time no matter how much he explained people had their own ideas and he couldn't change their minds anyway. He said he thought the Commission always had to make sure that it did what was right.

Mr. Wray asked Mr. Reis if funds beyond those allotted for the five-year program would be available to pay for some additional project perceived as an economic development initiative.

Mr. Reis said that he fully expected the Pennsylvania Turnpike and Indiana Toll Road to be faced with the same issues confronting the Ohio Turnpike. He said he didn't expect their toll rates to remain the same. He said the Ohio Turnpike rate structure was low and there was a lot of room in there to meet additional needs.

Mr. Wray asked Mr. Reis if he was suggesting that there should be another toll increase.

Mr. Reis said that he was suggesting that there was the flexibility in the Commission's current rate structure to permit a review of Turnpike tolls.

The Chairman said the Commission was looking at a seven-year projection. He said the Commission also was assuming in that projection that there was no additional increases for the next seven years. He said that, as he said at past meetings, having one toll increase in forty years was a mistake. He said the Commission should have small, incremental increases so that future Commission Members didn't face the situation that the current group of Commission Members faced with regard to being criticized for doing something. He said previous Commission Members also should have implemented the small increases in the past. He said the toll increases should



have been for one or two percent per year for the last forty years. He said no business could operate on the same dollars.

Mr. Wray said that he understood what the Chairman had said. He said he agreed that there was the likelihood that the Commission would have to deal with another toll increase. He was just asking if the Commission was setting itself up for no choice but to have another toll increase.

Mr. Reis said that the only way that could be reversed was to reduce the scope of the Commission's projects. He said a ten percent reduction in projects came to about an eight percent reduction in debt service.

The Chairman said that once the Commission went into debt it would take 25 years to repay that debt. He said, therefore, that was not something the Commission would be taking lightly. He said that if he had his druthers he'd get rid of debt. He said he didn't like it. He said he liked paying cash. He said the Commission couldn't do that in order to do what needed to be done.

The Chairman said further that the Commission couldn't have cars smashing into each other and people getting killed before deciding to build a third lane. He said it took time to plan for it and build it. He said it would take five or maybe six years to build the third lane.

The Chairman said further that he recommended the Members read Mr. Reis's report. He said the Members should ask questions if they had any. He said that, at some point, the Commission might say it had to prioritize its projects. He said the Commission had X number of projects. He said the Commission might decide which projects they thought had to be done right away and which ones could be postponed.

The Chairman said further that at some point, twenty years down the road, the Turnpike bridges would need major repairs. He said that in today's dollars that was another billion dollars that was going to be needed.

The Chairman said further that he had recommended to Mr. Rudolphy and Mr. Reis that the Commission start funding future projects today with some type of allocation.

The Chairman said further that it was like building a house and saying that the roof was good for twenty years. He said that it was better to set aside the dollars necessary to repair the roof now instead of waiting until it had to be repaired in twenty years. He said it was inevitable that things wear out if they're used.

The Chairman asked Representative Hodges if he had a question.

Representative Hodges said he wanted to return to the Chairman's comment about the fact that a toll was not a tax and the fact that those projects were necessary and justified.

Representative Hodges said that in the three months he had been on the Commission he had learned a lot about it and he had read a lot. He said he was very impressed with the operation that was run there. He said he thought, however, the Commission would make a big mistake if it made two assumptions. He said that one was that a toll was not a tax. He said he understood the difference in definition, but wherever the coercive power of the state was used for the public good then that was a tax.

The Chairman said he called it a user fee, but that was semantics.

Representative Hodges said it was still a tax. He said that, at least, that was the way it was perceived. He said he thought that to perceive it any way differently would be a big mistake.

Representative Hodges said further that, second, he thought it would be a big mistake to believe that the Commission was an island and not part of the whole. He said the Commission was perceived as part of the function of state government, regardless of the terms of the charter. He said the Commission was one set of priorities among many priorities and, to the general public, they all had their own priorities. He said they had their own individual priorities.

Representative Hodges said further that every time the Legislature went through the budget it found out how many people wanted money. He said he thought it was necessary to justify those priorities and the tax increase to the public and the Legislature. He said he would be happy to do that for the Commission. He said that right now the priorities of the Commission were no more important to outside the meeting room than the priorities of health and human services.

The Chairman said that he was only the Chairman of the Commission and so his job was to make sure that the priorities of that organization were moved ahead.

Representative Hodges said he would be happy to help the Commission in its efforts.

The Chairman said he would appreciate Representative Hodges help. He said the majority of the Commission's revenue came from Turnpike tolls. He said he would make a prediction that the Commission would significantly increase its restaurant profits, as it had significantly increased gas profits and significantly decreased operating costs.

The Chairman said further that those things could be done, but the bottom line was that a five percent per year rate of growth in Turnpike traffic meant that the total volume in fifteen years would be 80 million vehicles.

The Chairman said the Commission had to do long-term planning. He said the Commission was not an island, but on the other hand, he couldn't be worried about all the other things in the state because that wasn't his job. He said his job was overseeing the operation of the Turnpike and seeing that its integrity, safety and accessibility were maintained as a catalyst for economic development.

The Chairman said further that when Senator Gaeth first brought to his attention that North Star Steel could build a plant on State Route 109 if a Turnpike interchange was built there he said potential traffic volume did not justify building it. He said that, however, when he talked to Jakeway's department he found that the state was going to get a half a billion dollars invested in it. He said the plant would then create \$20 million in revenues to the state. He said Commission decided to build the interchange to help the state. He said the interchange didn't help the Commission.

The Chairman said further that he and Gary Joseph were working on another project at that time. He said it was a project that would be done jointly among the Commission, industry and ODOT. He said that the Commission was not an island. He said the Commission was trying to help, but it did take dollars. He said if the Legislature stopped the Commission from doing the right thing he would have to ask questions.

Representative Hodges said that he appreciated the Chairman's comments. He said the underlying question was why there was so much criticism and why was the Commission facing so many obstacles.

The Chairman said there were a lot of hidden agendas out there.

Representative Hodges said there also was a public perception that needed to be taken into consideration.

The Chairman said the Commission had gotten attacked more from the Legislature than the public. He said he talked to the public every day.

The Chairman said further that he thought there was a reason way back that they appointed Members of the Commission and not have them be elected offices. He said he was not running for office so he could do what was right and not worry about getting re-elected to office. He said it was not popular to do an 80 percent toll increase.

Senator Gaeth said he wanted to emphasize Mr. William's comments. He said the Commission over the past forty years was now being realized as exactly what it was

intended to be. He said the Commission has not really told the public about the beautiful road and its reputation.

Senator Gaeth said further that it was not any more wrong for the Commission to blow its own horn that it was for a candidate to go out and say he introduced this bill, I did that, and so on and so forth. He said he thought it was going to make a tremendous difference in the attitude of the general public if they learned the facts. He said the public should not be confronted with negative comments from a newspaper columnist who didn't know anything about the operation of the Turnpike.

Senator Gaeth said he supported Mr. William's suggestion of more positive public relations.

The Chairman said that the Members had talked about that as one of the things that needed to be improved on and he agreed with the Senator 100 percent. He said that, on the other hand, the Commission was trying to be sensitive to public opinion because public relations efforts do cost dollars. He said the Commission didn't want to be criticized for using Turnpike funds to promote itself. He said the Commission couldn't win.

The Chairman said further that if the Commission didn't promote itself it got criticized. He said that if the Commission promoted itself it would be criticized for spending Turnpike funds to promote itself.

The Chairman also said further that a newspaper columnist said that he was paid more than the Governor.

The Chairman said further that his yearly salary, as well as that of the other Members, was \$5,000. He said it was the same salary paid to Commission Members in 1949. He said he averaged 25 to 30 hours a week on Commission business.

The Chairman said further that the column also referred to his chauffeured limousine, which he didn't have. He said the column further mentioned posh offices, which didn't exist, and expense accounts, that he didn't turn in. He said there were newspaper columnists who were writing things that he didn't know what they were writing about. He said a lot of the legislators that had attacked the Commission didn't know what they were talking about. He said it was very frustrating.

Mr. Williams said that was his point. He said the Commission couldn't counteract when legislators said negative things about it. He said that the Commission should start on the positive end to explain its positions and intentions to the legislators making the negative statements. He said the Commission also should be asked to give their input into the Commission's plans.

The Chairman said he agreed with Mr. William's comments.

Mr. Johnson said he wanted to point out that the staff was preparing a public relations program somewhat modeled after one that ODOT did in the Akron area when they did a major renovation of Interstate Route 76. He said the Turnpike program was for the construction of the third lane. He said it would be unfolding within the next several months.

Mr. Johnson said further that it was crucial that the third lane project get under way next year. He said it was also important to get the story out and that financing be in place to start the project.

Mr. Johnson said it would take about \$130 million to get the project under way in 1996. He said he wanted to point out that the staff was going to put the public relations program together and hopefully that would answer a number of questions that were being talked about at that day's meeting.

The Chairman said that the other thing he would recommend was that maybe the Members could schedule some visits to Columbus and tell the Commission's story to some of the legislators. He said that he had tried from time to time to invite some of the legislators up to his office for lunch and to do as much as he could. He said he thought the Commission could do a better job of promoting itself.

The Chairman said the other problem that was unique to the Commission was that the Turnpike went through 70 or 80 communities and there were a number of legislators' districts the road went through. He said it was interesting that Representative Hodges had commented about having been impressed over the last three months with the operation of the Turnpike. He said that two representatives who had recently held his position had also commented verbally or in a letter that they were totally surprised about how well the Turnpike was really run as a public agency.

The Chairman said further that those representatives thought they would come in and find all kind of crazy things. He said that instead they were shocked about how well things were run. He said he appreciated representative Hodges comments even though they still disagreed about tolls and tax increases. He said it was just semantics.

Mr. Wray said that there was concern over the 47 percent debt and what the Commission was doing itself in terms of locking in its future. He said the Chairman was right and he supported what the Chairman said about thinking things through.

The Chairman said he would ask Mr. Johnson and Mr. Plain, by the next Commission meeting, to look over all of the proposed projects and to rank them in order of priority in their opinion. He said he would ask Mr. Wray, as a Commission Member, to review the ranking of proposed projects and see what he thought of it.

Mr. Wray said that, to put things in perspective, not only would the Turnpike bridges be in need of repair in twenty years, but virtually all of the bridges on the

Interstate System in Ohio would be past their design lives at that time. He said it will take billions of dollars to repair those bridges.

Mr. Reis said that, with regard to concern about the debt number, it might be a good idea to look at experiences of other toll roads in the United States. He said he would ask Mr. Wood to comment.

Mr. Wood said that when looking at other toll roads one saw a mix of profiles. He said that there were toll roads that had not had a big capital program that were just like the Ohio Turnpike. He said there were others like the New Jersey Turnpike, Garden State Parkway and the New York Thruway which were involved in major capital improvement programs and had debt numbers similar to those projected for the Ohio Turnpike in the future.

Mr. Wood said further that Illinois was about to embark on a program very similar to the Ohio Turnpike. He said they were about where the 1997 line was on Mr. Reis' chart. He said they were not quite up to that expanded level, but they soon would be there.

Mr. Wray said each of those toll authorities was different in their structure. He said that some shared in the gas tax, the license fees or sales tax. He said every situation was different.

Mr. Wood said that the toll authorities he had mentioned did not receive the tax funds Mr. Wray stated. He said they were similar in structure to the Ohio Turnpike.

The Chairman said Mr. Wood was fiscal officer for the Illinois Department of Transportation before becoming an investment banker. He said he was familiar with the road business.

The Chairman said the report of the consulting engineers would be received.

Mr. Fleischman said he wanted to report that the consulting engineers had prepared and submitted to the Commission their 40th annual report on the operations of the Turnpike. He said a copy was in each Member's folder.

The Chairman said the report of the consulting engineers was accepted as offered.

There being no further business to come before the Commission, a motion was made by Mrs. Baker, seconded by Mr. Williams that the meeting adjourn until the next meeting on Wednesday, November 1.

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

Ayes: Mrs. Baker, Mr. Williams, Mr. Wray, Mrs. Leever, Mr. Fedeli

Nays: None

The Chairman declared the meeting adjourned. Time of adjournment was 11:23 a.m.

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

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Marilyn R. Baker, Secretary-Treasurer