MINUTES OF THE 422nd MEETING OF THE OHIO TURNPIKE COMMISSION

June 24, 1996

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:32 a.m. on June 24, 1996, with members of the staff: G. Alan Plain, Executive Director; Gino Zomparelli, General Counsel and Deputy Executive Director-External Services; Robert Arlow, Deputy Executive Director-Operations; Anthony A. DiPietro, Deputy Executive Director-Administration; Stephen G. Lorton, Director of Public Affairs & Marketing; Craig Rudolphy, Comptroller; David H. Ransbury, Chief Engineer; Daniel F. Castrigano, Maintenance Engineer; Sharon Isaac, Director of Toll Operations; and others in attendance.

Present: Ben Gaeth, Richard A. Hodges, Ruth Ann Leever, Marilyn R. Baker, Umberto P. Fedeli

Absent: Earl W. Williams, Jerry Wray

A motion was made by Mrs. Leever, seconded by Mrs. Baker that the minutes of the last Commission meeting of May 23,1996, which had been examined by the Members, be approved without reading.

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

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

Nays: None

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

The Chairman said the meeting was the 422nd meeting of the Commission. He said it was being held at the Commission's headquarters as provided for in the Commission's Code of Bylaws.

The Chairman said there were a number of guests at the meeting and he would ask them to identify themselves as follows: Erik Erickson, Ohio Company; Richard Stillman, Ohio Company; Steve Wood, PaineWebber; Carol Mueller, PaineWebber; Mark Tylicky, Taxpayer; Capt. Paul Ash, OSHP; Fred McFall, Host Marriott; Mike Kurey, Advance Restaurant Concepts; Eric Carmichael, Pryor, McClendon & Counts; McCullough Williams, Pryor, McClendon & Counts; Gary Joseph, ODOT; Paul Sciria, Sciria & Associates; Ken Zapinski, *The (Cleveland) Plain Dealer*; Frank Lamb, Huntington Trust; Rob Fleischman, Greiner Engineering; Bobby Everhart, URS; Sheila Sheridan, Legal Department; Anthony Palombo, Staff Counsel; Bob Barnett, Public Affairs & Marketing; Barbara Lesko, Executive Director's Secretary; Diane Pring, Legal Department; and Leah Fox, ODOT.

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

The Chairman said further that for the last couple of months the Commission had acted on a number of contracts and had met several times in certain months. He said he thought the Commission would not meet in July and then regular meetings would resume in August or even in September, depending on when the Commission needed to decide on additional contracts.

Mr. Plain said he thought there would have to be a Commission meeting in early August.

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

Mrs. Baker said the following listed items had been sent to the Members since the last regularly scheduled meeting of the Commission May 23, 1996:

1. Weekly Traffic Statistics.
2. Traffic Accident Summary for May 1996.
3. Traffic and Revenue Report for May 1996.
4. Financial Statement for May 1996.
5. Draft of Commission Meeting Minutes May 23, 1996.
6. Investment Transactions May 1996.
7. News Releases: #18 Turnpike Credit Rating Strong
   #19 OTC Approves Bond Sale
   #20 Interchange 14 to Close
   #21 Bond Sale $370 Million
   #22 Re-opening of Interchange 14

The Chairman said the report of the Secretary-Treasurer was accepted as offered. He ascertained there would be no report on Budget and Finance, Audit/Legal or Service Plazas. He said the report on Employee Relations would be received.

Mr. DiPietro said that the Employee Relations group had the opportunity to meet during the past month with representatives of the non-bargaining unit employees. He said that during the course of those discussions several suggestions and comments were made by employee representatives. He said a number of the suggestions or comments were departmental-specific and the department heads were addressing those issues.

Mr. DiPietro said the Employee Relations group would be reconvening with the employee representatives at a later date to give them specific information.

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

Mr. Plain said he wanted to introduce a Resolution Designating Certain Projects as "Systems Projects." He said he would read the RESOLVED as follows:

"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."

Mr. Plain said further that attached to the resolution was a list of System Projects to date.

A Resolution Designation Certain Projects as "System Projects" under the Commission's Master Trust Agreement for 1994 was moved for adoption by Mrs. Baker, seconded by Mrs. Leever as follows:

RESOLUTION NO. 51-1996

"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 June 24, 1996, meeting:

The projects are as follows:

71-96-04	Sandusky River Bridge
71-96-05	Kelly Road Bridge
71-96-06	Huron River Bridge
71-96-07	Vermilion River Bridge
71-96-08	Gate 7 Ramp Bridge, Milepost 118.6
71-96-09	Sprague Road Bridge
71-96-10	Abbey Road Bridge
71-96-11	Albion Road Bridge
71-96-12	West 130th Street Bridge
71-96-13	S. R. 176 Bridge
71-96-14	Edgerton Road Bridge
71-96-15	River Road Maintenance Ramps, Milepost 93.1
71-96-16	Study for Ohio/Pennsylvania Border
71-96-39	Third-Lane Project, Milepost 160-162
74-96-02	Right of Way, Toll Plaza 12

"Exhibit A"

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

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

Nays: None

The Chairman declared the resolution stood approved with all Members present voting in the affirmative. The resolution was identified as No. 51-1996.

Mr. Plain said the next resolution he had was a Resolution Approving and Adopting General 1996 Wage Increase for Certain Commission Employees. He said he would like to have Mr. DiPietro give some of the background information that was checked and he would make the recommendation to the Commission.

Mr. DiPietro said statistical research had been gathered on what was happening in the area relative to wage and salary increases. He said he checked with the Consumer Price Index which was for U.S. cities. He said it provided averages for urban area wage earners and clerical workers.

Mr. DiPietro said further the Consumer Price Index statistics from May 1995, June 1995 and July 1995 were compared to the latest CPI information that was available for the month of May 1996. He said there was an indication that there was a 2.9 percent increase from 1995 to 1996.

Mr. DiPietro said further that the Employee Resource Council also was checked. He said it was a group of 200 companies in the northeastern Ohio area. He said he sought their average, projected, budgeted increases for the calendar year 1996. He said those companies were giving average general increases in the neighborhood of 3.68 percent.

Mr. DiPietro said further that there were some companies that chose to give a lump sum increase in 1996. He said the average of those manufacturing and non-manufacturing companies was about 4.2 percent. He said that when all the Employee Resource Council companies that had given data on their general increases were considered the average was 4.03 percent.

Mr. DiPietro said further that the collective bargaining agreement with UE Local 791 called for a wage increase of four percent effective January 1996, three and one-half percent in 1997 and three percent in 1998.

Mr. DiPietro said further that State of Ohio employees would be receiving a three percent increase as of July 1996.

Mr. DiPietro said further that any general increase for non-bargaining employees would affect roughly 238 employees of which 57 percent were supervisory and 43 percent non-supervisory.

Mr. Plain said he thanked Mr. DiPietro for the information he presented. He said he had talked to the Commission Members and based on the information Mr. DiPietro had provided he would recommend the Commission adopt a Resolution Approving and Adopting a General 1996

Wage Increase for Certain Commission Employees. He said he would read the RESOLVED of the resolution as follows:

"RESOLVED that the Ohio Turnpike Commission hereby approves the recommendations of the Committee on Employee Relations, which recommendations have had prior approval of the chairperson and the executive director, and adopts such recommendations granting regular, full-time Commission employees, who are not members of a collective bargaining unit, a general wage or salary increase of 3.5% effective July 1, 1996.

The Chairman asked Mr. DiPietro if he had said that the average number for the businesses in the area was an increase of four percent.

Mr. DiPietro said there were several companies that were giving a one-time or lump sum increase. He said the average for the manufacturing and non-manufacturing companies was 4.2 percent. He said that on the manufacturing side they were giving 5.34 percent and on the non-manufacturing side it was 3.06, so the average was 4.2 percent. He said there were other companies that were giving a general across-the-board increase and that average was 3.68 percent.

The Chairman said the Commission was obviously a little bit more conservative than the average of wage increases. He said that maybe the Commission's benefits were a little better than the average, as well. He said that would be his guess.

A Resolution Approving and Adopting General 1996 Wage Increase for Certain Commission Employees was moved for adoption by Mrs. Baker, seconded by Mrs. Leever as follows:

RESOLUTION NO. 52-1996

"WHEREAS, the Commission, acting through its Committee on Employee Relations, has conducted discussions with representatives of various regular, full-time employee groups, who are not part of a collective bargaining unit, concerning wages and salaries;

"WHEREAS, the Commission's Committee on Employee Relations has made a recommendation to the executive director and the executive director in turn has made a recommendation to the chairperson concerning wage and salary adjustments for certain of its regular, full-time employees, who are not part of a collective bargaining unit, and the chairman has approved such recommendation;

"NOW, THEREFORE, BE IT

"RESOLVED that the Ohio Turnpike Commission hereby approves the recommendations of the Committee on Employee Relations, which recommendations have had prior approval of the chairperson and the executive director, and adopts such recommendations granting regular, full-time Commission employees, who are not members of a collective bargaining unit, a general wage or salary increase of **3.5**% effective July 1, 1996."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 52-1996.

Mr. Plain said also that, as the Members were aware, the staff members and other team members made a trip to New York City to sell Turnpike bonds. He said they got there on June 3 to develop their strategy and made the sale on June 4. He said he would like Albert Erickson from the Ohio Company to talk about the timing, how it was done and what the results were. He said that also to assist Mr. Erickson would be the Commission's Comptroller, Craig Rudolphy, and also Steve Wood from Paine Webber.

Mr. Erickson said that the Members were then receiving presentation books. He said that everyone associated with the bond sale was very excited with the results and everything worked out well.

Mr. Erickson said further that on page one of the book there was a table of contents. He said he was going to break-up the presentation in three ways. He said he was going to discuss what the timing rationale was and why the group chose to go when it did. He said he also would discuss the bond insurance and why the group chose to go with bond insurance. He said Mr. Wood was going to talk about the sale results and compare the sale with some other issues, as well as the market in general. He said there would then be a follow up with a discussion about what the Turnpike did with the money in terms of investments of the $370 million.

Mr. Erickson said further that he would begin by talking about bond insurance. He said that there were a couple of decision points that had to be made. He said the first decision was whether or not to use bond insurance. He said the second decision was what would be the appropriate day to issue the debt.

Mr. Erickson said further that the Ohio Turnpike was an exceptionally good credit. He said all bond insurance companies would love to have its name in their portfolio of insured transactions. He said that on page one of the presentation book there were various quotes that were received from the four major bond insurance companies. He said the basis points were 12.0, 17.4, 17.8 and 22.3. He said FSA, which was one of the smaller companies, chose to insure only up to $75 million at 12 basis points.

Mr. Erickson said further that the question was whether or not the Turnpike insured its bonds or did not. He said it was really an economic decision. He said the way the decision was made was to lay two interest rate scales side by side. He said one was based on the credit of the Turnpike and another was based on a Triple A insured rating. He said the anticipated interest cost over the life of the issue was calculated and that figure was compared against the anticipated cost of the insured scale. He said that at the bottom of page I the Members could see that if the Commission insured the issue through FSA and MBIA, the two lowest bidders, it would have a net savings of $2.2 million.

The Chairman said the Commission would actually realize a savings of $3.5 million before insurance costs.

Mr. Erickson said the Chairman was correct. He said the total debt service savings was $3.5 million and the net savings was $2.2 million after subtracting the insurance costs of $1.3 million.

Mr. Erickson said further that on a present-value basis the Commission would be saving $700,000 in today's dollars by insuring the issue at those premiums.

Mr. Erickson said further that, to offer a reference point, he was involved in a lot of general obligation issues in Ohio. He said that the lowest bid he had seen on a GO issue, which is a full faith and credit issue of the state, particularly a school district issue, was about 16 basis points. He said that 12 basis points was clearly the lowest he had ever seen. He said 17.4 was a very low bid for a revenue issue. He said the Members should keep in mind that Turnpike bonds were secured by the tolls and were not the general obligation of the state.

Mrs. Baker said that not only was the Commission saving a lot of money by insuring its bonds, but also it made the bonds more appealing to the buyer.

Mr. Erickson said that Mrs. Baker was absolutely right. He said a lot of bond buyers look to bond insurance when they purchased their bonds today. He said they didn't really have to look at the rating and didn't have to ask very many questions because it was an insured issue. He said that made the bonds particularly appealing to retail.

Mr. Erickson said further that he didn't know the exact statistic, but somewhere around 60 percent of the issues today were insured. He said it was not uncommon to insure an issue.

Mr. Erickson said further that the other decision that had to be made was what day of the week and what week to actually sell the debt. He said it was important to keep in mind that the sale was a negotiated sale. He said with that type of sale it was not determined a month ago specifically when the issue would be sold. He said the seller had the flexibility to choose to go into the market or not go into the market at a particular time.

Mr. Plain said he thought it was important that the Commission have the flexibility of a negotiated sale as opposed to the competitive sale where there was no flexibility.

Mr. Erickson said that with the competitive sale the date for selling the issue was determined in advance and the sale had to be done on that day, regardless of whether it was a good day or bad. He said the competitive sale had to be done on the predetermined day whether or not the economic statistic released that day was positive or negative. He said that with a negotiated sale the seller could choose to back away or choose to go ahead, depending on what the market looked like.

Mr. Erickson said further that he wanted to then look at the market timing on page 2 of the presentation book. He said there was an economic calendar that represented the economic statistics that were released for the two-week period in which the Commission was deciding when to issue the debt. He said some of those statistics were very important for the fixed-income market. He said others were less important. He said what were incorporated were those reports deemed most important for the fixed-income markets.

Mr. Erickson said further that it was important to keep in mind that when a statistic was positive for the economy, it was often negative for the fixed-income markets. He said that was simply because a positive statistic was generally inflationary. He said that any inflationary news was a negative for the fixed-income markets, which meant interest rates would go up.

Mr. Erickson said further that on June 3 the first statistic was purchasing manager's statistics. He said the first number, 50.8, was what analysts expected. He said the second number, 49.3, was actual. He said that, generally speaking, if the number came in at what was expected, it was usually a negative for the market. He said the real indicator was on the 7th, which was the employment situation.

Mr. Erickson said further that those figures covered unemployment and changes in non-farm jobs and payroll. He said the first several days of statistics in June were already out and open and had been incorporated into the decision point. He said what had to be determined was whether to go the week of the 3rd or the week of the 10th.

Mr. Erickson said further that there were a couple of factors that played into the decision about when to go with the sale. He said that, first of all, Orange County was selling $800 million worth of debt on Thursday, June 7. He said it was recommended that the Commission not butt up against that sale. He said it was a large sale and it was going to basically have the main attention of the market that particular day.

Mr. Erickson said further that it was felt it was either going to have to be Tuesday or Wednesday. He said the 7th was the big number. He said the consultants didn't know exactly where it was going to come out.

Mr. Erickson said that given the positive tone that the market had from the release of the statistics on the 3rd and the 4th it made sense to move forward and get out in front of the number on the 7th. He said that they felt that if the number came out positive it wasn't going to improve the market for bonds that much. He said that if it came out negative it was going to dramatically affect the market, and probably be a negative for the Commission.

Mr. Erickson said further that Mr. Wood was going to give the results in a minute, but in retrospect their decision to push forward on the 4th was quite correct. He said they got in front of Orange County and the number on the 7th. He said they got in the market when it had a positive tone and it worked out very well. He said that, as a matter of fact, Orange County was moved up a day because of the positive tone and it sold on the 5th.

Mr. Erickson said further that both issues, which were the biggest issues of the week, sold on the 4th and the 5th. He said Mr. Wood was going to give the results on that.

Mr. Wood said that on page 3 of the report there was a graph showing interest rates. He said the page was titled Yield Curves. He said it showed the different interest rates for each of the installment payments in the Commission's bonds. He said that in 1997 the interest rates on the bonds was kind of a darker orange line at about 3.65. He said that in the 30th year, 2026, the highest interest rate on the bonds was about 5.97.

Mr. Wood said further that the goal a couple of weeks before the sale date was to try to beat six percent. He said they had assumed the rate might be 6.25, so they were being very conservative in their planning. He said the fact that they were able to have everything under six percent turned out to meet all the goals and was very positive.

Mr. Wood said that as a comparison on the chart was a Massachusetts GO, that also sold during the week, and was very similar to the Commission's issue. He said that also on the chart there was a blue line for Orange County Recovery Bonds, that had significantly higher interest rates than the Ohio Turnpike issue.

Mr. Wood said that the reports indicated that the market did improve the 3rd, the 4th, the 5th and the 6th and then that number came out on the 7th. He said there was a dramatic increase from that point which continued to rise over the next week period. He said if the Turnpike bonds had sold later in the week their estimate was that it would have been at about 6.15 instead of 5.97 on the long end interest rate. He said that would translate to about $13 million over the life of the bonds, present value of about $6 million.

Mr. Wood said further that on the 6th, the curve dipped down and it turned out there were probably a couple of hours on Thursday where they might have gotten their traders' estimate of about 5.95. He said they might have gotten two basis points better. He said the thing was that they never would have known that. He said they would never have scheduled that day because of Orange County.

Mr. Wood said further that, in hindsight, they could see that there might have been a few hours where they would have done better. He said that, frankly, they would never have chosen to do it that day. He said they probably picked the next best time to sell.

Mr. Wood said further that on the next page of the report were the statistical results of the sale. He said $370 million was the par amount. He said there were serial bonds through the year 2015, $162 million worth. He said there were two term bonds and the interest yields ranged from 3.65 to 5.97. He said the average over the life of the issue was 5.85, so they were 15 basis points under six percent.

Mr. Wood said further that other things they looked at were the average life of the issue. He said that even though it had a 30-year maturity, the average life of the bonds was 19 years. He said that was very conservative considering the number of projects and the average life of the projects being partially funded by the bonds.

Mr. Wood said further that the call features were very standard. He said they were 10 years at 102%. He said the bonds could be called at 101% in eleven years and 100% in twelve. He said annual debt service worked out to about $25.7 million.

Mr. Wood said further that on page 5 were the sources and they started with bond proceeds of $370 million. He said some of the bonds were sold at what was called an original issue discount. He said that was a way of making the bonds more attractive in the market. He said some of the bonds were sold at what was called an original issue premium, which meant that the bonds were sold above par. He said that was really a different way of getting interest rates into the bonds. He said that the total sources were $361 million. He said that some of the accrued interest was paid by the investors and they received it back as indicated on the bottom of the page.

Mr. Wood said further that the way the funds were going to be deployed was shown under the category of Uses. He said construction would be $329 million. He said the Reserve Fund got $25.6 million. He said cost of insurance was $332,350. He said the insurance premium, as shown earlier, was $1.2 million. He said the underwriter's discount was $2 million and, of course, accrued interest was what it was in the previous chart at $2.7 million.

Mr. Wood said further that on the next page was a broad summary of where the bonds were purchased in the market. He said one of the goals was to be sure that any retail investor in Ohio and Ohio-based institutions would have top priority. He said they would be able to get all their orders filled. He said that had been accomplished.

Mr. Wood said further that group had ended up taking $195 million or there had been orders of $195 million. He said that amounted to about 25 percent of the orders. He said all those orders were able to be filled.

Mr. Wood said further that nationwide institutions, the big institutions everyone heard about, Fidelity, Franklin Fund, Dreyfus and others, took another quarter. He said what they had listed as Brokers, which would be most of the Commission's co-manager group and the Commission's senior-manager, took about half the transaction. He said that, actually, those bonds ultimately were going to end up in the same proportions in the market. He said that they were not shown on the chart because they were filled later after the top priorities were filled.

Mr. Wood said they did achieve the goal of Ohio participation and the demand was very strong.

Mr. Plain said that one of the directions that the Commission gave the financial group was minority participation and they did accomplish that direction.

Mr. Wood said that the minority co-manager firms actually did quite well and supported the transaction. He said the Ohio firms also did well. He said Mr. Rudolphy would talk about the investment of the proceeds.

Mr. Rudolphy said he didn't have time to put something in the presentation report so he would tell the Members the results.

Mr. Rudolphy said further the money was received on Thursday, June 20th. He said it was invested for settlement on that date. He said the breakdown was $25,692,000 went to Debt Service Reserve Fund. He said $64,336,000 went to the Commission's existing System Projects Fund to be used or considered as part of reimbursements under tax law for Declarations of Intent.

Mr. Rudolphy said further that the guidance used for investing those funds was twofold. He said the first was the Commission's Master Trust Agreement, which provided a list of permitted investments.

Mr. Rudolphy said further that there also was the Commission's Investment Policy, which was adopted by the Commission in March of 1994. He said the basis for investing under the Investment Policy in order of priority was safety first. He said liquidity was second and yield was third. He said the policy required three competitive offerings for each transaction and they needed a signed affidavit from every broker/dealer regarding their understanding of the Commission's Investment Policy.

Mr. Rudolphy said further, no mortgage-backed securities were purchased nor any derivatives products. He said they dealt with 15 different brokerage dealers, concentrated in Ohio and New York and they had on file with the Commission a signed affidavit regarding its Investment Policy.

Mr. Rudolphy said that further the first fund invested in was a Debt Service Reserve Fund. He said it was a long-term fund. He said that unless the issue was refunded or called it would be in existence for 30 years. He said three investments were purchased and they were United States Treasury Notes. He said they were held by the Trustee and they were purchased in a laddered portfolio, which meant one was picked in a relatively short time frame, one in a medium time frame and one a little bit longer. He said the average weighted yield was 6.669 percent. He said that could be compared to the Commission's arbitrage yield, which was kind of the magic number. He said everybody tried to reach their arbitrage yield. He said the Commission's arbitrage yield was 5.85 percent, so they did a little better, but then the Commission was investing for a much longer time period.

Mr. Rudolphy said further the next fund was the Commission's Construction Fund. He said it definitely was a short-term fund. He said it was a liquidating portfolio. He said that as the Commission built the projects, it would spend the money. He said it was based on the Commission's construction draw schedule, which was the five-year, Capital-Improvement program. He said the schedule was prepared by URS Consultants and the period that was invested in was from July of 1996 through July of 1997.

Mr. Rudolphy said further a mix of investments had been purchased for the construction fund. He said 41.5 percent of the investments were in U.S. Treasury Bills and Notes, 30.2 percent in Agencies and Instrumentality's, 15 percent in Bank Certificates of Deposit and Bankers' Acceptances and 13 percent in STAR Ohio, which was the State Treasurer's Investment Pool. He said the weighted maturity of the fund was .5 years or 17 days. He said that was because of its liquidating nature. He said the weighted yield was 5.637, less than the arbitrage yield. He said that was because of the much shorter time period involved.

Mr. Rudolphy said further that the last fund was the System Projects Fund. He said the money was reimbursements from prior Declarations of Intent. He said that money would be spent after all remaining new money had been spent. He said the period that was invested started after the construction fund money was spent, August through October 1997. He said 62.5 percent of the investments were in U.S. Treasuries, 29.7 percent in Agencies and Instrumentality's and 7.8 percent in STAR Ohio. He said that fund's weighted maturity was 1.3 years and its weighted yield was 6.058 percent.

Mr. Rudolphy said further that all the funds were invested on the closing date which was June 20th. He said there were no funds that sat idle, uninvested for any time period. He said the investments conformed to the Master Trust Agreement and the Commission's Investment Policy. He said the maturities and the mix of investments provided flexibility for changes in the draw schedule, either speeding it up or slowing it down. He said that if the interest rate went up or down the Commission would have money to move over and continue investing. He said the Commission had the liquidity provided in STAR Ohio.

Mr. Rudolphy said further that as the Commission went further it was its intention to contact a multitude of local banks as an outreach to the local communities. He said it would solicit offers based on the banks' asset size to invest in certificates of deposit. He said they would have relatively short-term maturities. He said the banks would be told that the conditions for the investments must be that they will provide collateral for the Commission at Federal Reserve Banks, and they must match a Treasury Bill rate. He said he thought that would provide some flexibility and also provide liquidity and involve the local communities in seeing the money invested.

Mrs. Baker asked what the interest rate was offered by STAR Ohio.

Mr. Rudolphy said that he believed it was 5.20 percent, but perhaps Mr. Stillman had a better number.

Mr. Stillman said it was approximately 5.22 percent. He said it had the advantage that money could be withdrawn any business day of the week to meet expenditures for the construction schedule. He said that, meanwhile, the Commission earned a very good rate of interest and had very good flexibility.

Senator Gaeth asked if the average citizen, like him, had the capability of buying those bonds.

Mr. Rudolphy said they were $5,000 minimum bonds and could be purchased in that amount.

Senator Gaeth asked what was the interest rate.

Mr. Wood said the interest rate was six percent if a thirty-year bond was purchased. He said if the Senator wanted a bond that was more like ten years or closer the interest rate would be closer to five percent.

Representative Hodges asked for clarification of Declarations of Intent mentioned in relation to the System Projects Fund.

Mr. Rudolphy said Declarations of Intent were documents created under the Treasury laws that provided for further issuance of bonds for projects that were designated to be financed with bond proceeds. He said the Commission accumulated the dollars that were spent on those projects and that amount came to a little over $64 million.

Representative Hodges asked why the Commission would spend new money first.

Mr. Rudolphy said the reimbursement money, under tax law, was not subjected to arbitrage or rebate. He said it would make sense to spend the money that was subject to rebate first and when that money was gone, to then dip into remaining funds for payments.

Mr. Plain said he wanted again to thank the whole team and all the participants for a very, very good job. He said that, as was indicated before, they would let the results speak for themselves. He said he thought they spoke well of the Commission. He said they spoke well of the Controlling Board for permitting the Commission to go with a negotiated sale. He said the wisdom of that decision was reflected in the good results achieved by the Commission. He said he thought the Commission Members could all pat themselves on the back for a job well done.

The Chairman said the Commission really had to give credit to the team because they were the professionals.

The Chairman said further that looking at the interest rate chart on page 3 of the presentation report one could see that on what day of the month the best rate occurred and on which day the lowest rate was recorded. He said the difference meant of savings of $13 million or more.

Mr. Wood said the difference in basis points was from 20 to 25.

The Chairman said that the timing of the bond sale meant a savings of $13 million, which was a lot of money. He said the savings could allow the Commission to maybe build two new interchanges and maybe another 5,000 jobs could be created. He said he thought that was commendable and he really appreciated it.

Mr. Plain said that he and Mr. Zomparelli had probably made the biggest monetary decision of their lives.

The Chairman said that the Commission was very proud of the staff and the results accomplished by the whole financial group.

The Chairman said also that he thought at a future meeting there would be a report on the employee buyout. He said there had been approximately a hundred employees who took advantage of the buyout and only about 20 to 30 percent had been replaced. He said the Commission had been working hard on getting its payroll down without going out and hurting people by eliminating jobs overnight. He said there should be some substantial savings.

Mr. Plain said there would be a report prepared for the next Commission meeting. He said there was still some time left in June for people to opt to take the buyout. He said that, therefore, a report could not be prepared until the next Commission meeting.

The Chairman said that when adding up savings of a million here and there and making millions more on the Commission's gas contract, it was a lot of money.

Mr. Zomparelli said that the employee buyout plan terminated in April this year, but the employees could still go beyond the April period by ninety days.

The Chairman said that he would ask Mr. Wood to summarize the savings achieved with the bond sale in a report that might be given to legislators and let them know that the Commission was trying to save dollars. He said that then they would see how the Commission was spending those savings as investments in new projects.

The Chairman said the report of the Executive Director was accepted as offered. He said the report of Mr. Arlow would be accepted.

Mr. Arlow said that he was happy to say that the three resurfacing projects would be completed by Friday of that week. He said there would be no bi-directional traffic and the entire length of the Turnpike would be open to two lanes in each direction. He said it would remain that way for the peak travel months of July and August, so there would not be any inconveniences for Turnpike travelers.

The Chairman asked when construction on the mainline would start up again.

Mr. Arlow said that it would be after Labor Day.

The Chairman said that he would ask Mr. Lorton to get the word out that there would be no delays on the Turnpike due to construction in July and August. He said that with the amount of construction that had been on the Turnpike during the last several months many people would plan to avoid it because of traffic delays.

The Chairman said further that, ironically, there had been a greater loss of passenger car traffic over the past months than trucks. He said that many people were concerned about construction.

The Chairman said further that, even though a slight decline was anticipated because of toll increases, the majority of the drop in Turnpike traffic was due to road construction. He said he called Bob Arlow at his home one day for his opinion because a couple of people had asked him if they should take the Turnpike going to Michigan or avoid it.

The Chairman said further that, obviously, it was his feeling they should always take it. He said that the reason people used the Turnpike was to have a fast, easy way to get someplace.

The Chairman said further that it proved again that the Commission made the right decision in going ahead with the third lane project. He said that in ten, fifteen or twenty years delays similar to those caused by the present construction would be happening more often and the third lane will alleviate that congestion. He said that when three lanes were open both ways the Turnpike's growth in traffic volume would continue to happen.

Mr. Plain said all the news media had been putting the word out about the delays so people were selecting alternate routes.

The Chairman said that he was going to ask Mr. Lorton to let everyone know that there would be two lanes open on the Turnpike during July and August.

Representative Hodges said he drove from almost the Indiana line that morning and left just a bit early because he thought it was going to be a mess on the Turnpike. He said there were a lot of cranes and a lot of trucks and cars on the road, but he never slowed down. He said that was even the case in the Cedar Point area.

The Chairman said that he had received a call from a contractor, who didn't even do work on the Turnpike, with a suggestion regarding traffic control. He said the caller said traffic should begin merging into one lane well in advance of a construction zone and not start a short distance before the project. He said he had mentioned that suggestion to Mr. Arlow and it had been implemented.

Mr. Plain said that when traffic began to build up before a construction zone the merge point was moved back farther to provide a smooth flow of vehicles through the single lanes.

The Chairman said a tremendous number of phone calls were received at the administration building and the majority of the complaints had nothing to do with the toll increase, but were about traffic delays due to construction. He said cost became secondary when time was involved. He said it was good that there would be two lanes of traffic open for July and August. He said there would be major construction on the Turnpike for the next six or seven years, so the traffic situation would have to be dealt with as best as could be done.

Mr. Arlow said he wanted to add that the resurfacing work at the Warren (No. 14) Interchange had been completed and it was now reopened. He said the renovation and expansion work at the interchange was 95 percent complete. He said the interchange had a new utility building and new toll booths with automatic ticket dispensers at entry for cars and trucks.

Mr. Arlow said further that the renovation of the Niles-Youngstown (No. 15) Interchange was continuing. He said construction of the new 5A and 3B interchanges was progressing. He said that, unfortunately, this had been the worst spring, weather wise, for construction. He said that the contractors were really doing an admirable job at trying to complete all the projects on schedule.

The Chairman said that the weather was going to devastate a lot of businesses. He said that applied to farmers and a lot of contractors. He said that nothing could be done about the weather. He said everyone did the best they could with it.

The Chairman said further that some people say we should never shut down a lane to repave, but he was not sure how a lane was paved without shutting it down. He said he would like someone to explain that to him.

The Chairman ascertained there would be no reports from the Trustee, Captain Ash and the consulting engineers. He said the report of the General Counsel would be received.

Mr. Zomparelli said he had two resolutions to introduce which amended previous resolutions. He said the first was a Resolution Amending Resolution No. 45-1996. He said the resolution allowed for a temporary construction easement to locate a temporary drive and a septic tank. He said owners of that property were listed as Patrick R. Kennedy and Tammy L. Kennedy. He said he would read the RESOLVED as follows:

"RESOLVED that the Commission has negotiated for a reasonable time for the purchase of the real estate described herein with the owner, but has been unable to enter into an agreement and laws complied with the provisions of sections 163.04 and 929.05 of the Revised Code; and said property is necessary for the construction of an interchange with State Route 109 and the Ohio Turnpike in the vicinity of Milepost 40.3 in Fulton County, Ohio;

"RESOLVED that proceedings be begun and prosecuted to effect the appropriation of the fee title and necessary temporary construction easement on Parcel No. 3B-6T from the owner and persons having an interest therein, to-wit:"

General Counsel said the owners were Patrick R. Kennedy and Tammy L. Kennedy. He said the legal description was attached. He said the RESOLVED read further as follows:

"RESOLVED that the General Counsel be, and he hereby is, instructed to do or cause to be done all things that may be necessary in the premises in order that the proceedings already commenced in the Common Pleas Court of Fulton County in connection with Parcel No. 3B-6WD, as described in Resolution No. 45-1996 (adopted May 23, 1995), and Parcel No. 3B-6T, to provide for the appropriation of those parcels."

Mr. Zomparelli said further that he recommended that the resolution be adopted.

A Resolution Amending Resolution No. 45-1996 Regarding the Description of Property to be Appropriated was moved for adoption by Mrs. Baker, seconded by Mrs. Leever as follows:

RESOLUTION NO. 53-1996

"WHEREAS, it has come to the attention of the Commission that under the detailed construction/engineering plans for the construction of an interchange with State Route 109 and the Ohio Turnpike, it is necessary to provide for a temporary construction easement for a temporary drive and to relocate the septic system on the land owned by Patrick R. Kennedy and Tammy L. Kennedy, his wife, as was described in Resolution No. 45-1996; and

"WHEREAS, the Commission has been unable to agree with the owners of said property as to the compensation to be paid for said property, either as described in Resolution No. 45-1995, or as hereinafter described and amended;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission has negotiated for a reasonable time for the purchase of the real estate described herein with the owner, but has been unable to enter into an agreement and has complied with the provisions of sections 163.04 and 929.05 of the Revised Code; and said property is necessary for the construction of an interchange with State Route 109 and the Ohio Turnpike in the vicinity of Milepost 40.3 in Fulton County, Ohio;

"RESOLVED that proceedings be begun and prosecuted to effect the appropriation of the fee title and necessary temporary construction easement on Parcel No. 3B-6T from the owner and persons having an interest therein, to-wit:

Owners	Place of Residence
Patrick R. Kennedy	9130 Township Road HJ Delta, OH 43515
Tammy L. Kennedy	9130 Township Road HJ Delta, OH 43515
John Trudel Auditor, Fulton County	210 S. Fulton Street Wauseon, OH 43567

Dennis Hales
Treasurer, Fulton County

210 S. Fulton Street
Wauseon, OH 43567

"The additional aforementioned property to be appropriated is described as follows:

Parcel No. 3B-6T - Temporary Construction Easement

A legal description is attached as Exhibit "A";

"RESOLVED that the General Counsel be, and he hereby is, instructed to do or cause to be done all things that may be necessary in the premises in order that the proceedings already commenced in the Common Pleas Court of Fulton County in connection with Parcel No. 3B-6WD, as described in Resolution No. 45-1996 (adopted May 23, 1995), and Parcel No. 3B-6T, to provide for the appropriation of those parcels;

"FURTHER RESOLVED that the general counsel be, and he hereby is instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above as Parcel No. 3B-6T may be commenced."

Parcel No. 3B-6T

Being a parcel of land situated in Fulton County, Ohio, Pike Township, Section 3, Town 7N, Range 7E, and lying on the left side of the centerline of a survey, made by the Ohio Turnpike Commission and recorded in Book _____, Page _____, of the records of Fulton County and being located within the following described points in the boundary thereof:

Commencing at a P.K. nail found at the southeast corner of Section 3;

Thence North 01 Degrees 03 Minutes 09 Seconds East a distance of 1393.09 feet along the centerline of State Route 109 to the intersection of the centerline of State Route 109 and the centerline of the Ohio Turnpike, designated as Station 66+82.80 on the centerline of State Route 109;

Thence North 01 Degrees 03 Minutes 09 Seconds East a distance of 1245.86 feet continuing along said centerline to a point at the intersection of Township Road HJ, designated as Station 52+65.47 on the centerline of Township Road HJ;

Thence North 89 Degrees 50 Minutes 44 Seconds West a distance of 830.50 feet along the centerline of Township Road HJ to a point on the Grantor's westerly property line, 0.57 feet right of Station 44+34.96 on the centerline of Relocated Township Road HJ;

Thence North 01 Degrees 02 Minutes 09 Seconds East a distance of 45.63 feet along said property line to a point on a curve on the proposed northerly right-of-way line of Relocated Township Road HJ, 45.00 feet left of Station 44+37.34; also being the true point of beginning;

Thence North 01 Degrees 02 Minutes 09 Seconds East a distance of 77.22 feet along said property line, 122.11 feet left of Station 42+41.96;

Thence South 89 Degrees 50 Minutes 44 Seconds East a distance of 220.02 feet to a point on the Grantor's easterly property line, 85.00 feet left of Station 46+85.93;

Thence South 01 Degrees 02 Minutes 09 Seconds West along said property line a distance of 41.62 feet, 45.00 feet left of Station 46+72.39;

Thence along said right-of-way line and a curve to the right with a delta of 14 Degrees 06 Minutes 10 Seconds, a radius of 909.93 feet and a length of 223.97 feet to a point on the Grantor's westerly property line, 45.00 feet left of Station 44+37.34, place of beginning and containing 0.324 acres of land, more or less, as determined by Finkbeiner, Pettis and Strout, Inc. under the direction of James M. Loch, P. S. No. 6468 in 1995.

The basis of bearing for this description is based on the centerline of the Ohio Turnpike being North 89 Degrees 34 Minutes 16 Seconds East from Station 884+47.00 to Station 966+98.37.

Exhibit "A"

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 53-1996.

Mr. Zomparelli said the other resolution amended a resolution relating to the appointment of the Commission/s Trustee, Huntington National Bank. He said it was entitled Resolution Amending Resolution No. 38-1996 Appointing Trustee.

Mr. Zomparelli said the resolution was a correction of the Trustee's fee. He said the fee passed in the last resolution was stated as $5,500 per year. He said that was really a fee for only the 1996 bond issue. He said he had met with Frank Lamb of Huntington National Bank and reviewed the situation with the Executive Director and with the consultants, The Ohio Company, and they arrived at a combined single fee of $6,290.26 for both the 1994 Series A and 1996 Series A Bond Issue Trustee's Fee. He said he would read the RESOLVED as follows:

"RESOLVED that the Commission hereby accepts the letter dated June 17, 1996, which provides for the revised single, constant annual fee of $6,290.26 to serve as trustee, both for the proposed 1996 offering and for the 1994 Series A, Ohio Turnpike Revenue Bonds;

"RESOLVED that the Commission hereby amends Resolution No. 38-1996 to increase the single, constant annual fee to $6,290.26 as compensation to the Trustee for both the proposed 1996 offering and for the remaining 1994 Series A, Ohio Turnpike Revenue Bonds; and

"FURTHER RESOLVED that the Executive Director be and he hereby is authorized to expend the funds noted above and that all other provisions of the agreement authorized by Resolution No. 38-1996 adopted May 23, 1996, shall remain in full force and effect."

Mr. Zomparelli said he recommended the resolution be adopted.

A Resolution Amending Resolution No. 38-1996 Appointing Trustee was moved for adoption by Mrs. Leever, seconded by Mrs. Baker as follows:

RESOLUTION NO. 54-1996

"WHEREAS, on May 23, 1996, the Commission adopted Resolution No. 38-1996, by which The Huntington National Bank was retained by the Commission to provide trustee services to the Commission for the proposed offering of State of Ohio, Turnpike Revenue Bonds, 1996 Series A; and

"WHEREAS, the resolution stated that The Huntington National Bank agreed to a single, constant annual fee of $5,500.00 to serve as trustee, both for the proposed 1996 offering and for the 1994 Series A, Ohio Turnpike Revenue Bonds; and

"WHEREAS, on January 10, 1994, the Commission adopted Resolution No. 4-1994, which authorized the Executive Director and General Counsel to enter into a contract with Huntington National Bank pursuant to the terms and conditions of the Commission's Request for Proposals, which contract provided for the payment of an annual fee at the rate of $37.00 per million dollars; and

"WHEREAS, pursuant to contract negotiations with The Huntington National Bank, it has been brought to the Commission's attention that the agreed upon annual rate for contemplated services for the proposed 1996 offering and the remaining 1994 Series A issue is $6,290.26, and not $5,500.00 per year as listed in Resolution No. 38-1996; and

"WHEREAS, the terms of Huntington National Bank's contemplated services are reflected in the letter dated June 17, 1996, to Gino Zomparelli, General Counsel, which is attached hereto and designated Exhibit "1";

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby accepts the letter dated June 17. 1996, which provides for the revised single, constant annual fee of **$6,290.26** to serve as trustee, both for the proposed 1996 offering and for the 1994 Series A, Ohio Turnpike Revenue Bonds;

"RESOLVED that the Commission hereby amends Resolution No. 38-1996 to increase the single, constant annual fee to **$6,290.26** as compensation to the Trustee for both the proposed 1996 offering and for the remaining 1994 Series A, Ohio Turnpike Revenue Bonds; and

"FURTHER RESOLVED that the Executive Director be and he hereby is authorized to expend the funds noted above and that all other provisions of the agreement authorized by Resolution No. 38-1996 adopted May 23, 1996, shall remain in full force and effect."

The Huntington National Bank
PO Box 5065
Cleveland Ohio 44101

Direct Telephone Number
(216) 515-6662

Huntington
Banks

June 17, 1996

Gino Zomparelli, Esq.
General Counsel
The Ohio Turnpike Commission
682 Prospect Street
Berea, OH 44017

Re: Turnpike Revenue Bonds,
1994 Series A and 1996 Series A

Dear Mr. Zomparelli:

This letter is to address and clarify the matter of Trustee's compensation as it pertains to the above-referenced bond issues.

The Ohio Turnpike Commission (the "Commission"), at its May 23, 1996 meeting, passed a resolution appointing The Huntington National Bank as Trustee (the "Trustee") for its 1996 Series A Turnpike Revenue Bonds. This resolution referenced a fee for Trustee services of $5,500 per year, which was to include both the 1996 Series A bonds as well as the 1994 Series A bonds. After the meeting, I met with you to indicate that the fee of $5,500 per year which appeared in our fee proposal worksheets was intended to apply only to the 1996 Series A Bonds. At that point, you indicated that a $5,500 annual fee for the 1996 Series A bonds alone would not be acceptable, and we agreed to continue to negotiate a combined Trustee's fee for both bond issues.

In accordance with our subsequent conversation regarding this matter, we propose a combined annual administrative fee in the amount of $6,290.26 to cover both the 1996 Series A and 1994 Series A bond issues. The components of this fee are as follows:

$3,500.00	Annual fee for 1996 Series A
2,790.26	Annual fee for 1994 Series A
$6,290.26	Total

RECEIVED
JUN 19 1996
LEGAL DEPARTMENT

The Personal Bankers

EXHIBIT 1

The above components were derived from the 1994 Series A bond issue which was competitively bid and awarded at a rate of $17.00 per million on the outstanding principal balance. In moving away from a fee based on outstanding principal to a flat fee per annum, we calculated the average annual fee over the 30 year life of the 1994 issue, which was $2,966.80 and is displayed in Exhibit A. The $3,500 annual fee for the 1996 bonds reflects a modest increase in compensation from the average fee of the 1994 issue to provide some recognition for the additional risk and responsibility to act as Trustee on this issue, which is nearly three times the size of the 1994 issue. The $2,790.26 annual fee for the 1994 bonds reflects the average annual fee for the remaining 27 years of this issue (commencing 2/15/97), the calculation for which is displayed in Exhibit A.

In addition to the above fees, the Trustee shall continue to be entitled to receive reimbursement for all reasonable out-of-pocket expenses as outlined in paragraph 7 of the original Agreement dated March 9, 1994 between the Commission and The Huntington, a copy of which has been attached as Exhibit B.

I apologize for the confusion and inconvenience caused by our original fee proposal, and sincerely appreciate your willingness and cooperation in working with us on this matter.

If you have any questions or comments, please feel free to contact me.

Very truly yours,

Frank Lamb

Francis G. Lamb
Trust Officer

FGL/nms

EXHIBIT A

OHIO TURNPIKE COMMISSION
FEE SUMMARY FOR THE
1994 SERIES A BONDS

FEE DATE	BEGINNING PRINCIPAL	PRINCIPAL PAYMENT	NET PRINC FOR BILLING	FEE AT $37/$1MM
02/15/94	125,000,000	0	125,000,000	4,625.00
02/15/95	125,000,000	1,810,000	123,190,000	4,558.03
02/15/96	123,190,000	2,000,000	121,190,000	4,484.03
02/15/97	121,190,000	2,075,000	119,115,000	4,407.26
02/15/98	119,115,000	2,155,000	116,960,000	4,327.52
02/15/99	116,960,000	2,240,000	114,720,000	4,244.64
02/15/00	114,720,000	2,340,000	112,380,000	4,158.06
02/15/01	112,380,000	2,445,000	109,935,000	4,067.60
02/15/02	109,935,000	2,555,000	107,380,000	3,973.06
02/15/03	107,380,000	2,675,000	104,705,000	3,874.09
02/15/04	104,705,000	2,805,000	101,900,000	3,770.30
02/15/05	101,900,000	2,940,000	98,960,000	3,661.52
02/15/06	98,960,000	3,090,000	95,870,000	3,547.19
02/15/07	95,870,000	3,245,000	92,625,000	3,427.13
02/15/08	92,625,000	3,415,000	89,210,000	3,300.77
02/15/09	89,210,000	3,595,000	85,615,000	3,167.76
02/15/10	85,615,000	3,790,000	81,825,000	3,027.53
02/15/11	81,825,000	3,995,000	77,830,000	2,879.71
02/15/12	77,830,000	4,210,000	73,620,000	2,723.94
02/15/13	73,620,000	4,440,000	69,180,000	2,559.66
02/15/14	69,180,000	4,690,000	64,490,000	2,386.13
02/15/15	64,490,000	4,950,000	59,540,000	2,202.98
02/15/16	59,540,000	5,235,000	54,305,000	2,009.29
02/15/17	54,305,000	5,535,000	48,770,000	1,804.49
02/15/18	48,770,000	5,855,000	42,915,000	1,587.86
02/15/19	42,915,000	6,190,000	36,725,000	1,358.83
02/15/20	36,725,000	6,545,000	30,180,000	1,116.66
02/15/21	30,180,000	6,925,000	23,255,000	860.44
02/15/22	23,255,000	7,320,000	15,935,000	589.60
02/15/23	15,935,000	7,745,000	8,190,000	303.03
02/15/24	8,190,000	8,190,000	0	0.00

TOTALS	125,000,000	89,004.06
BEGINNING AVG FEE: 1994 THRU 2023 (30 YRS)		2,966.80
REMAINING AVG FEE: 1997 THRU 2023 (27 YRS)		2,790.26

EXHIBIT B

AGREEMENT

This Agreement is entered into this 9 day of March, 1994, by and between the OHIO TURNPIKE COMMISSION ("Commission",) 682 Prospect Street, Berea, Ohio 44017 and THE HUNTINGTON NATIONAL BANK ("Huntington") 917 Euclid Avenue, P. O. Box 5065, Cleveland, Ohio 44101;

WHEREAS, Huntington has submitted a response to the Commission's Request for Proposals (RFP) for Trustee Services, such response being dated December 29, 1993, a copy of said response is attached hereto as Exhibit "A";

WHEREAS, the Commission, at its meeting of January 10, 1994, adopted Resolution No. 4-1994 selecting Huntington as the Commission's trustee for its contemplated bond issue and a copy of said resolution is attached as Exhibit "B";

NOW, THEREFORE, the parties agree as follows:

(1) Huntington shall serve as Trustee for the Commission's bondholders of the Commission's contemplated $125,000,000 bond issue, subject to the terms and provisions of the Master Trust Agreement dated February 15, 1994, and all supplements thereto. The services shall be in accordance with the Commission's RFP for Trustee Services issued December 20, 1993, and Huntington's

response thereto dated December 29, 1993, except as modified herein.

(2) The annual administrative fee shall be on the basis of $37.00 per million dollars on the outstanding balance of such bond issue.

(3) This fee shall be fixed for a six-year (6) period and subject to increases thereafter at a rate not to exceed 15%, however, it is understood that the normal fee increases usually occur at approximately six-year intervals.

(4) There shall be no acceptance fee on the initial bond issue or on any subsequent bond issue.

(5) If the Commission requests that Huntington make use of their Automated Cash Management Account, the charge therefore shall be 42 basis points on the average daily balance of the cash that is held in the sweep account.

(6) It is understood that review of basic trustee and transaction documents shall be performed by attorneys on the staff of Huntington or other attorneys at Trustee's expense, and there will be no separate charge therefor.

(7) The Commission shall reimburse Huntington for all reasonable out-of-pocket expenses, including but not limited to, overnight courier service, postage, publication expenses and litigation expenses including attorneys fees.

IN WITNESS WHEREOF, the parties have hereto set their respective hands on the day and year first above written and have executed the foregoing Agreement.

Signed and acknowledged in the presence of:	OHIO TURNPIKE COMMISSION
______________________	By: Allan V. Johnson Allan V. Johnson Executive Director
______________________	By: James C. McGrath James C. McGrath General Counsel
	THE HUNTINGTON NATIONAL BANK
______________________	By: Francis G. Lamb Francis G. Lamb Trust Officer

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

Ayes: Mrs. Leever, Mrs. Baker, 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. 54-1996.

Mr. Zomparelli said also that he had one final item and that related to the Commission's current group health insurance coverage. He said the current coverage was scheduled to expire on July 31, 1996. He said he expected to receive a report from Blue Cross and Blue Shield containing the experience, data and information relating to an extension for the policy year beginning August 1, 1996, and he expected to receive that in today's or tomorrow's mail.

Mr. Zomparelli said further that once the report was received it would be reviewed by the Commission's consultant, which was KPMG-Peat, Marwick, Mitchell. He said their representative was Steve Likovich. He said he had met with Mr. Likovich last week. He said the consultant would prepare a report providing for an analysis and recommendation. He said once that report was finished it would be forwarded to all the Commission Members.

The Chairman said the report of General Counsel was accepted as offered. He asked Mr. Carmichael if he had a comment.

Mr. Carmichael said he wanted to say his company appreciated having a chance to work on the bond issue, particularly with PaineWebber and the Ohio Company. He said they did well and appreciated the support.

The Chairman said there was a scheduled meeting sometime in August.

Mr. Arlow said the regularly scheduled meeting date would be August 12th, the second Monday of August.

Mrs. Baker said she and Mrs. Leever both had other commitments that week.

The Chairman said the date would have to be moved. He asked if there were any major contracts coming up.

Mr. Ransbury said there was a third lane project and three other major project openings. He said bids on the third lane project would be coming in on August 6th.

The Chairman said the Members would have to coordinate their schedules and determine when the next meeting would be held. He said they would try to arrange a date when all the Members could attend. He said that if that was not possible then they would make sure a quorum was present.

The Chairman said further that as long as there were contracts to award there had to be meetings so the projects would not be slowed down. He said that, on the other hand, if there were months when a number of projects would not be coming up for approval then maybe they would skip a monthly meeting here and there. He said that would make up for some of the two meetings in a month that had occurred. He said he didn't want to be overworking some of the Commission Members.

The Chairman said further he wanted to point out that the Members were paid $5,000 a year back in 1949, and they were paid the same amount in 1996.

Mr. Plain said the staff appreciated the direct involvement by the Commission Members in helping them move forward.

There being no further business before the Commission a motion was made by Mrs. Leever, seconded by Mrs. Baker, that the meeting adjourn until the next meeting of the Commission in August.

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

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

Nays: None

The Chairman declared the meeting adjourned. The time of adjournment was 11:26 a.m.

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

____

Marilyn R. Baker, Secretary-Treasurer