

MINUTES OF THE 425TH MEETING OF THE OHIO TURNPIKE COMMISSION

November 12, 1996

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio, at 10:18 a.m. on November 12, 1996, with members of the staff: 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; John Mitchell, Director of Management Information Systems; and others in attendance.

Present: Gary Joseph, Marilyn R. Baker, Ruth Ann Leever,
Umberto P. Fedeli

Absent: Jerry Wray, Senator M. Ben Gaeth, Representative Richard
Hodges, Earl W. Williams

The Chairman said the minutes of the last Commission meeting of September 30, 1996, had been distributed to the Members for their comments and he would accept a motion to adopt them without reading.

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. Joseph, 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 425th 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. He said Senator Gaeth, Representative Hodges, Earl Williams and Jerry Wray were unable to attend the day's meeting. He said Gary Joseph, Deputy Executive Director of Economic Development for ODOT, was authorized to represent and vote for Mr. Wray.

The Chairman said there were a number of guests at the meeting and he would ask them to identify themselves as follows: Eric Erickson, Ohio Company; David Patch, *The (Toledo) Blade*; Ed Presley, Key Bank; Cleve Brooks, SBK Brooks; Frank Lamb, Huntington Trust; Lieutenant Tom Derr, Ohio State Highway Patrol; Mark Gillispie, *The (Cleveland) Plain Dealer*; Fred McFall, Host Marriott; Mike Koury, Advanced Restaurant Concepts; Thomas Tarrantino, Climaco law firm; Jennifer Garver, McDonald & Company; Rob Fleischman, URS Greiner, Inc.

The Chairman said that various reports would then 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 were also in the Members' folders. He said the resolutions would be explained during the appropriate reports.

The Chairman said that if there were no further questions, the report of the Secretary-Treasurer, Mrs. Baker, would be received.

Mrs. Baker said the following items had been sent to the Members since the regular scheduled meeting which was held on September 30, 1996:

1. Weekly Traffic Statistics
2. Traffic Accident Summary for September and October 1996
3. Traffic and Revenue Report for September and October 1996
4. Financial Statement for September and October 1996
5. Draft of Commission Meeting Minutes 30, 1996
6. Investment Transactions September and October 1996
7. Litigation Report for the Third Quarter of 1996
8. Budget and Expense Report First Nine Months 1996
9. Consulting Engineer's Forty-first Annual Report
10. News releases: #34 OTC Approves Fleet Fuel Purchase
#35 OTC Schedules Public Meetings

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 the staff had prepared the 1997 preliminary budget of revenues, expenditures and deposits for projects. She said that before presenting the 1997 budget, she wanted to review the Commission's progress so far in 1996. She said that the General Fund operating revenues reached \$95,507,000 and was \$876,090, or .8% over the estimate. Meanwhile, total operating expenditures were \$54,592,000 which was \$693,000, or 1.2% under the estimate. She said the staff appears to be estimating quite well.

Mrs. Baker said further that, based on the staff's recommendations, she was presenting the 1997 budget with total revenues (both pledged and non-pledged) of \$167,018,402. She said it represented an increase of 17.3% from 1996. She said the proposed Operations, Maintenance and Administration (OM&A) expenditures were \$53,785,353, which was only an increase of \$1,109,588 or 1.5% over 1996. She said bond interest and principal was proposed at \$34,332,313, the renewal and replacement requirement was \$12,000,000, leaving \$36,136,199 for deposit to the Systems Projects Fund. She said that before making a recommendation, Craig Rudolphy was at the meeting and she wondered if he might have something to add to the report.

The Chairman said he wanted a moment to mention that every year for the last five years he got together with staff members to spend considerable time going over the budget. He said he was pretty happy that the increase over last year was a little bit over 1% and that's inclusive of salary increases.

Mr. Rudolphy said the Chairman was correct. He said it was inclusive of salary increases.

The Chairman said that with payroll there was only a 1-1/2% increase, so the Commission was holding down its costs as much as possible. He said a lot of things the

Commission had done were actually coming into play. He said payroll had been cut by about \$2.7 million.

The Chairman said further that savings from the early retirement program would really start to show up in 1997. He said the Commission now had fewer employees than before even with 7 or 8 new interchanges open and several other interchanges under construction. He said that, by the time the third lane project was completed and all the additional interchanges opened, the Commission's labor force would not increase significantly. He said the Commission was trying to do more with less and work harder and smarter and take as many business principles as possible and apply them to the agency.

The Chairman said that he was pretty happy with that situation and pretty proud of the staff. He said the Commission was trying to watch its costs and even had some other ideas that came up to further reduce costs.

Mrs. Baker said she also was pleased that the cost estimates were so close.

Mr. Rudolph said that it was partly luck because of the weather and it was starting to catch up now.

The Chairman said that when projecting how much salt would be needed for snow and ice control it was an educated guess. He said the process of planning was sometimes more important than the actual plan was because there was no way for the staff to know how much salt would be needed. He said that was an area of the budget where cost overruns would be no problem.

The Chairman said further that some savings had come with a \$2.7 to \$2.8 million reduction in payroll and cuts in insurance costs a couple years ago of over \$2.2 million, which today meant a cost decrease of almost \$3 million a year. He said there also were additional profits of several million dollars from the Commission's contract with Sunoco to operate the service stations on the Turnpike.

The Chairman said further that Mr. Castrigano had come up with some ideas about purchasing bigger snow plow trucks to clear the added third lane without having to significantly increase the labor force. He said Mr. Castrigano was thinking ahead 5-7 years with regard to doing a better job in his department.

The Chairman said further that the staff had hosted a meeting for the International Bridge, Tunnel & Turnpike Association's Maintenance Committee and they were kind enough to invite him and he gave a little talk. He said the IBTTA was an international organization that he supported the staff attending because there were toll roads all over the country and world. He said it was good to share information on not only maintenance, but also high tech developments in toll collection.

The Chairman said further that the Ohio Turnpike was highly regarded by the IBTTA as one of the leaders. He said that Mr. Plain, Mr. Arlow, Mr. Zomparelli and Mr. Castrigano were all active in the organization. He said he thought Allan Johnson, the Commission's retired Executive Director, was a past president of that organization. He said it was good to share information and see how other people were doing things.

Mrs. Leever said another way the Commission was saving money came through automation and that was being done without laying people off.

The Chairman said that was a good point. He said that with the automated entry lanes fewer employees were needed, but nobody was laid off because they were just shifted around to new interchanges where their services were required. He said it was a very sensitive way to make sure that our employees were not being hurt and, at the same time, dollars were being saved.

The Chairman said that Mr. Lorton was doing a good job with the Commission's newsletter and the Commission's employees were much more attuned to what was going on.

The Chairman said that he had mentioned to Mr. DiPietro that a couple of years ago he had invited all employees to meet with him to share the Commission's vision of what it planned to do and its future goals. He said that he usually spoke for about ten minutes and the next two hours were taken up with an exchange of ideas. He said he had mentioned to Mr. DiPietro that week that he wanted to continue to have the Turnpike management go to the field and visit maintenance people and toll collectors to get their input on what they were hearing from our customers.

Mrs. Leever said that you'd be surprised what you could learn from our employees. She said it would be a very good exchange.

The Chairman said a lot of ideas regarding the third lane came from Commission employees and a lot of other ideas that were implemented came from them.

A Resolution Adopting Preliminary Budget for the Year 1997 and Providing for Deposits Required Under the 1994 Trust Agreement During said Year was moved for adoption by Mrs. Baker, seconded by Mrs. Leever as follows:

RESOLUTION NO. 65-1996

"WHEREAS, Section 5.01, Article V of the Commission's 1994 Master Trust Agreement dated February 15, 1994, provides for the preparation of a preliminary budget for the ensuing fiscal year on or before November 15 in each year; and

"WHEREAS, the Commission's executive director and comptroller have prepared the preliminary budget for the year 1997 and have submitted same to the Commission for its review and consideration and have recommended the adoption thereof;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby adopts the following as its preliminary budget for the year 1997:

1997
Preliminary Budget of Revenues, Expenditures
and Deposits for Projects

	<u>Pledged</u>	<u>Non- Pledged</u>	<u>Total</u>
REVENUES	\$155,317,865	\$11,700,537	\$167,018,402
EXPENDITURES			
Administration & Insurance	\$ 19,064,000		
Total Administration & Insurance	\$ 19,064,000		
Maintenance of Roadway & Structures	\$ 20,784,906		
Services & Toll Operations	\$ 23,376,453		
Traffic Control, Safety & Patrol	<u>\$ 9,623,994</u>		
TOTAL OPERATIONS	\$ 53,785,353		
TOTAL OPERATIONS, MAIN- TENANCE & ADMINISTRATION (OM&A)	\$ 72,849,353		
BOND INTEREST FUNDING	\$ 26,650,229		
BOND PRINCIPAL FUNDING	\$ 7,682,084		
RENEWAL & REPLACEMENT FUND REQUIREMENT	\$ 12,000,000		
TRANSFER TO SYSTEM PROJECTS FUND	\$ 36,136,199"		

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. Joseph, 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. 65-1996.

The Chairman said the report on Budget and Finance was accepted as offered.

The Chairman said also that Sharon Isaac was responsible for about 600 Toll Collectors. He said she had been working to implement the Commission's vision of taking the Toll Collectors and converting them to customer service people so that they were doing more

than just collecting tolls. He said they would be giving directions and have other responsibilities.

The Chairman said further that he had mentioned before how Disney trained the employees at Jacobs Field. He said they were very nice and you couldn't walk twenty steps without someone offering to help or direct you. He said that at Disney World in Orlando you didn't see any pieces of paper around and if you happened to drop one there was always someone there to pick it up real quick.

The Chairman said that Mr. Plain would give the report on Service Plazas in the absence of Senator Gaeth.

Mr. Plain said that a group of the staff and the Vice Chairman, Mrs. Leever, had participated last week in the review of the three architectural firms that were selected for presentations on the designs of the new service plazas and some very interesting concepts were offered. He said the staff still had a large amount of work to do and they hoped to make an in-depth report and a recommendation to proceed with the design of the service plaza facilities at the next Commission meeting.

The Chairman said he predicted that, once the new service plazas were completed with fresh alternatives and ideas, the Commission's profits generated from the food concessions would increase within three years by a minimum of 50%. He said that was a projection that he would make and three years from now the Commission would go back and look at the records. He said that when you had good retailing concepts people would stop and dine on the Turnpike.

The Chairman said further that there was a big book of interviews with customers about what types of meals they wanted and also the importance of rest rooms. He said there were a lot of good ideas that came out of those interviews.

The Chairman said the report on Service Plazas was accepted as offered. He said the report on Employee Relations would be received.

Mr. DiPietro said that in October there had been a labor/management meeting with members of the bargaining unit. He said they had a number of issues which they wanted to discuss and there were some items management had to discuss. He said a number of items were resolved, while a couple of others remained to be finalized. He said there would probably be another meeting before the end of the year at which time there would be additional discussion. He said that all in all everything went pretty well.

The Chairman said he had a nice meeting after the last Commission meeting with some employees who had written him about getting together for a conversation.

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 had several resolutions that he wanted to present. He said the first one was a resolution awarding Contract 43-96-01. He said the contract was for strengthening three mainline bridges located at Milepost 61.5 in Lucas County and Mileposts 63.5 and 64.5 in Wood County. He said the bridges were being strengthened to handle the Michigan loads that were approved by resolution at the last Commission meeting. He said those loads would travel

between Interchanges 3B and 4A to accommodate shipments from the steel companies off 3B. He said the Commission had been asked by the Ohio Department of Transportation to authorize the heavier truck weights on the Turnpike.

Mr. Plain said he would read the RESOLVED as follows:

"RESOLVED that the bid of the Mosser Construction Company of Cleveland, Ohio, in the amount of \$709,727.00, for the performance of Contract No. 43-96-01, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairman and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that Project No. 43-96-01 is designated a System Project under the Commission's 1994 Master Trust Agreement."

Mr. Plain said further that there were three bids on that particular contract and the low bid of which he read was \$709,727.00, the second low bid was from the S. E. Johnson Companies, and the third or high bid of \$888,187.40 was submitted by Harper Supply, Inc.

Mrs. Leever asked Mr. Plain if he could give a little more information on why the bridges needed to be strengthened.

Mr. Plain said the Commission's general consultant, URS Greiner, ran a computer check on all the bridges that would be carrying the Michigan loads and in certain areas it was found that there were some deficiencies. He said those areas needed to be strengthened so there would not be a problem.

Mr. Plain said further that an engineering analysis and a loading analysis were run by Greiner. He said Mr. Fleischman was at the meeting and he would have him explain what was done.

Mr. Fleischman said the three bridges were overstressed based on 154,000 pound loads. He said Greiner didn't feel that it was wise to permit those loads without strengthening the structures and the recommendations were made to do just that. He said there would be no overstress once that work was done.

The Chairman asked Mr. Fleischman if they had checked all the Turnpike bridges to make sure they were in good shape.

Mr. Fleischman said Greiner had completed their annual inspection probably three months ago.

The Chairman said he wanted to reiterate that the Commission's number one goal was safety, number two accessibility and number three economic development. He said safety was the number one and most important goal.

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

A Resolution Awarding Contract No. 43-96-01 was moved for adoption by Mr. Joseph, seconded by Mrs. Leever as follows:

RESOLUTION NO. 66-1996

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for the strengthening of three mainline bridges located at Milepost 61.5 in Lucas County and Milepost 63.5 and 64.5 in Wood County, Ohio;

"WHEREAS, the Commission has received bids from three bidders for the performance of said contract;

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

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

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of Mosser Construction Company of Fremont, Ohio in the amount of \$709,727.00, for the performance of Contract No. 43-96-01 has been determined by the Commission to be the lowest responsive and responsible bid received;

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

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of the Mosser Construction Company of Cleveland, Ohio, in the amount of \$709,727.00, for the performance of Contract No. 43-96-01, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairman and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that Project No. 43-96-01 is designated a System Project under the Commission's 1994 Master Trust Agreement."

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

Ayes: Mr. Joseph, 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. 66-1996.

Mr. Plain said the next resolution amends Resolution No. 59-1996 regarding new toll class weight limitations. He said the earlier resolution had been set up based on requirements and requests from the trucking companies hauling the North Star and Worthington Steel loads. He said that, in error, they put down 150,000 pounds. He said that in subsequent conversations it was determined that they really meant 154,000 pounds and that was the weight tested on the bridges. He said he would like to see the new resolution passed to have the maximum weight extended from 150,000 to 154,000 pounds.

Mr. Plain said he would read the RESOLVED as follows:

"RESOLVED that the Commission hereby amends Resolution No. 59-1996 which adopted the toll rates for new Interchanges 3B and 4A, and established a new **toll class 12**, between Exits 3B to 4A, and effective November 12, 1996, will apply to long double-combination vehicles (LCVs) weighing between 127,400 and **154,000** pounds, under special provision and permit requirements as are established by the Commission, from time to time, and adopts the toll rates identified in Resolution No. 59-1996 for such classes, and directs that a certified copy of this resolution be filed with the trustee pursuant to Section 4.04 (f) of the Commission's Master Trust Agreement dated February 15, 1994."

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

A Resolution Amending Resolution No. 59-1996 Regarding New Toll Class 12 Weight Limitations was moved for adoption by Mrs. Baker, seconded by Mr. Joseph as follows:

RESOLUTION NO. 67-1996

"WHEREAS, pursuant to Resolution No. 59-1996, the Commission established toll rates for Interchanges 3B and 5A and established a new toll class 12;

"WHEREAS, toll class 12 applies to long double-combination vehicles (LCVs) weighing between 127,400 and 150,000 pounds and operating between Exits 3B to 4A under special provisions and permit requirements established by the Commission. The toll rate for class 12 is the sum of that charged for a class 7 vehicle and a class 9 vehicle;

"WHEREAS, representatives from North Star Steel and Worthington Steel recently requested that the Commission consider increasing the total gross weight of the LCVs from 150,000 to 154,000 pounds;

"WHEREAS, the Commission has considered this request and has been advised that ODOT has already granted a similar request for LCVs traveling on state routes; and the

Commission's consulting engineer has completed its report and made recommendations that three pairs of bridges between State Route 109 and Interstate 75 should be strengthened to accommodate the additional weightload;

"WHEREAS, the Commission has advertised for bids to strengthen the three affected bridges, received three bids on October 31, and Contract No. 43-96-01 was awarded on November 12, 1996, to Mosser Construction Company of Fremont, Ohio;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby amends Resolution No. 59-1996 which adopted the toll rates for new Interchanges 3B and 5A, and established a new **toll class 12**, between Exits 3B to 4A, and effective November 12, 1996, will apply to long double-combination vehicles (LCVs) weighing between 127,400 and **154,000** pounds, under special provisions and permit requirements as are established by the Commission, from time to time, and adopts the toll rates identified in Resolution No. 59-1996 for such classes, and directs that a certified copy of this resolution be filed with the trustee pursuant to Section 4.04(f) of the Commission's Master Trust Agreement dated February 15, 1994."

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

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

Nays: None

The Chairman said the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 67-1996.

Mr. Plain said the next resolution he wanted to offer was a resolution awarding the contract for a business applications system. He said that before he read the RESOLVED he would like to have John Mitchell give a report on what the analysis of the bids revealed.

Mr. Mitchell said he was responsible for the MIS Department which provided program services to the staff, as well as providing support for PCs in the administration building, the toll plazas and the maintenance buildings. He said that over the last several months the Commission's core business applications including financial reporting, payroll, human resources, inventory, equipment maintenance and purchasing had been reviewed.

Mr. Mitchell said further that during that process an RFP was produced and an evaluation checklist also was developed. He said the checklist included over 2,000 items that were desired. He said two proposals were received for the RFP. He said one was from BIT, a consulting firm, and they were pairing up with People Soft, a provider of software. He said the second proposal was from Ross Systems, Inc. He said Ross would not only provide the integration and consulting services, but also the software.

Mr. Mitchell said the project team consisted of staff people across the organization including Purchasing, Maintenance, Toll Operations, MIS Department, Accounting, Payroll and Human Resources. He said they reviewed the written proposals, evaluated those proposals

and determined that in one case the company was providing 89% of what we were looking for and in the other case, 98%. He said the latter also was essentially an off-the-shelf solution and not expensive custom software.

Mr. Mitchell said the project team was then able to see them run some demonstrations for the products and ask questions from their representatives. He said the team recommended Ross Systems, Inc. He said he concurred with that recommendation. He said the proposal from Ross was for \$525,300.00, while the bid from BIT/People Soft amounted to \$725,600. He said the Ross solution provided 98% of what was sought by the staff.

The Chairman asked what the other system provided.

Mr. Mitchell said it provided 89% of what was preferred.

Mrs. Leever asked where Ross Systems was based.

Mr. Mitchell said it was actually a corporation in California. He said the regional office was in Teaneck, New Jersey. He said he believed People Soft was headquartered in Chicago.

Mr. Plain asked how many requests for proposals were sent out.

Mr. Mitchell said 18 were sent out. He said that many companies expressed an interest in doing business with the Commission, but decided they could not handle an integrated solution. He said many had the accounting or payroll portion of it, but not the whole package. He said one of the distinctions between the two solutions was that Ross Systems was willing to give us the Source Code for their solutions. He said that meant that if they should go out of business the staff could take over and maintain the system.

Mrs. Baker asked how long Ross had been in business.

Mr. Mitchell said they had been in business for 25 years.

Mr. Plain said he thought the staff was very comfortable with Ross. He said they addressed more concerns than the other firm, were less expensive, and had been in business a long period of time.

The Chairman said he appreciated the job Mr. Mitchell had been doing in going through all the business practices department by department, area by area, and using outside help, when needed, to try to improve every aspect of the Commission's operations.

Mr. Plain said he would read the RESOLVED of the resolution as follows:

"RESOLVED that the Commission hereby selects **Ross Systems, Inc.**, a California corporation, to furnish and install software for an Integrated Business Application System, and authorizes and directs the executive director and general counsel to enter into negotiation with **Ross Systems, Inc.** to formalize a contract to furnish and install software for an Integrated Business Application System; all in accordance with the terms and conditions of the Commission's Request for Proposal and **Ross Systems, Inc.'s** proposal."

A Resolution Awarding Contract for Business Applications System was moved for adoption by Mrs. Leever, seconded by Mrs. Baker as follows:

RESOLUTION NO. 68-1997

"WHEREAS, on September 17, 1996, the Commission issued a Request for Proposals (RFP) to furnish software for an Integrated Business Application System;

"WHEREAS, responses were received on October 11, 1996, from two firms expressing an interest in furnishing and installing software for a state-of-the-art integrated business application system; and such responses were studied by the Commission's staff and the Commission's project team;

"WHEREAS, the project team and representatives from the Commission's staff attended product demonstrations on November 4, 7 and 8, 1996, to observe how the respective systems function and to ask questions relating the Commission's six different modules, i.e., Equipment Maintenance, Financial Reporting, Human Resources, Inventory, Purchasing and Payroll;

"WHEREAS, the project team, after analyzing the proposals received and completing the evaluations aforesaid, made recommendations to the Commission, and the Commission has duly considered such recommendations;

"NOW, THEREFORE, BE IT

"RESOLVED that the Commission hereby selects **Ross Systems, Inc.**, a California corporation, to furnish and install software for an Integrated Business Application System, and authorizes and directs the executive director and general counsel to enter into negotiations with **Ross Systems, Inc.** to formalize a contract to furnish and install software for an Integrated Business Application System; all in accordance with the terms and conditions of the Commission's Request for Proposals and Ross Systems, Inc.'s proposal."

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. Joseph, 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. 68-1996.

Mr. Plain said he had one other resolution designating certain projects as systems projects under the Commission's Master Trust Agreement of 1994. He said he would not go through all the various projects as there were two sheets marked Exhibit "A" on the back of the resolution and he would read the RESOLVED as follows:

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

The Chairman asked Mr. Plain what was meant by Systems Projects.

Mr. Plain said those projects were paid from the System Project Fund. He said it was a method of bookkeeping and Mr. Rudolphy could give a rundown on why it was set up that way.

Mr. Rudolphy said the Trust Agreement required that the Commission, by formal action, designate any additions to the Project, which was essentially the Turnpike itself. He said those items that had been undertaken by the staff typically fell under the \$500,000 authorization limit established by the bylaws for formal Commission approval. He said that as those projects accumulated they would be presented to the Commission for formal designation as additions to the Turnpike itself. He said they would thus comply with the Trust Agreement and become fully part of the system.

Mr. Zomparelli said their costs also would be paid from the System Project Fund.

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

RESOLUTION NO. 69-1996

"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 November 12, 1996, meeting:

The projects are as follows:

- 26-96-01 Upgrade Lighting at TP-14
- 37-96-01 Trailer Lot Base 13-A
- 38-96-02 Radio/Toll Equipment, TP-12
- 38-96-04 Antenna, TP-2, 12, 16, MB-1, 6 and 8
- 38-96-05 Digital Equipment - Swanton
- 43-96-01 Bridges, Mileposts: 61.5, 64.3 and 63.5
- 54-96-02 Water Service: Mahoning Valley and Glacier Hills Service Plazas
- 55-95-04 New Interchange, S.R. 58, Lorain County
- 58-96-05 Renovation, TP-6
- 58-96-06 Install Equipment, Lane 6, TP-1
- 67-96-03 Treasury Management Software
- 71-96-17 Crystal Road Bridge, Milepost 62.0
- 71-96-18 Detroit Road Bridge
- 71-96-19 S.R. 75 L&R Bridge, Milepost 65.10
- 71-96-20 Oregon Road and Lime City Road Bridges
- 71-96-21 Tracy Road & Luckey Road Bridges
- 71-96-22 Lemoyne & Billman Road Bridges
- 71-96-23 Camper & Dutch Road Bridges
- 71-96-24 Martin-Williston Road Bridge
- 71-96-25 S.R. 105 Bridge, Milepost 79.50
- 71-96-26 Swartzman Road Bridge. Milepost 82.20
- 71-96-27 Patten Tract Road Bridge, Milepost 112.50

71-96-28 Thomas Road Bridge, Milepost 115.10
71-96-29 Angling Road Bridge, Milepost 129.0
71-96-30 S. R. 60 Bridge, Milepost 131.60
71-96-31 Vermilion Road Bridge, Milepost 135.00
71-96-32 Berea-Bagley Road Bridge, Milepost 152.90
71-96-33 Conrail Bridges, Milepost 157.20 and 182.00
71-96-34 Black Road Bridge, Milepost 174.10
71-96-35 Metroparks Bikeway Bridge, Milepost 179.20
71-96-36 Horn Road Bridge, Milepost 204.70
71-96-37 Selkirk-Bush Road Bridge
71-96-38 L&R and Silica Quarry Road Bridge
71-96-40 Water System - Portage and Brady's Leap Service Plazas
71-96-41 Ramp Lighting at Interchange 14
71-96-43 Third-Lane Project, Milepost 81.34 - 86.16
71-96-44 Third-Lane Project, Milepost 86.16 - 91.20
71-96-45 Third-Lane Project, Milepost 136.72 - 141.15
71-96-46 Third-Lane Project, Milepost 141.15 - 145.54
71-96-47 Resurfacing, Milepost 144.0 -153.5, TP-8 and 9
71-96-48 Cuyahoga River Bridge
71-96-49 Reconfiguration of TP-5
74-96-03 Right of Way, Third-Lane Project
76-96-01 SONIC NAP Alert Pattern

"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, Mr. Joseph, Mrs. Leever, Mr. Fedeli
Nays: None

The Chairman said the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 69-1996.

Mrs. Baker said that on the second page of the resolution where it said Tracy Road and Luckay Road bridges, Luckay should read "Luckey. "

Mr. Plain said one other thing he wanted to mention was that the Commission had scheduled a public meeting for the following evening to receive public comments on the toll rate increase that would take effect on January 1, 1997. He said the meeting was scheduled in accordance with the provisions of House Bill 335 which was approved by the General Assembly this past summer. He said the public meeting would take place tomorrow, November 13, beginning at 6:00 p.m. at Owens Community College, 30335 Oregon Road in Perrysburg. He said anybody wishing to attend that meeting was welcome.

Mr. Plain said also that the Commission had spoken about getting in touch with our customers and trying to do this on a regular basis. He said he proposed a customer advisory group that would be made up of various factors of the Commission's customer base -- truckers, commuters, business people, people from some of the attractions (Sea World and Cedar Point), large, medium, and small trucking outfits, some of the bus systems and business community. He said they would start meeting initially after the first of the year on probably a quarterly basis and then maybe they would meet every six months. He said he had a commitment from 10 people so far and he would have a full report by the next Commission meeting. He said he would provide the Members a list of those people who would be part of the group at that time.

The Chairman said that, as he had mentioned before, he thought formation of the group was an excellent idea. He said it basically was an informal advisory group consisting of a cross section of the Commission's customer base, which would include the motorist, trucking companies, attractions, etc. He said it gave the Commission the opportunity to talk to these 10 to 12 people and get an understanding about their feelings concerning the Turnpike. He said those people were knowledgeable about the Turnpike because they were big users or their customers were big users.

Mr. Plain said AAA from Columbus would have a representative on the group and someone from the Governor's office would be a member. He said there would be a chair person to run the meetings independently from the Commission. He said the staff would be in attendance. He said they would be there only to listen and not to participate, unless it was to ask or answer questions. He said some good people were lined up and he thought the Members would be pleased to see who was participating in the group.

The Chairman said that if the Members had any ideas on the type of person or specific areas that should be represented on the panel they should let Mr. Plain know so that they might be considered in the cross-section of customers.

The Chairman said the report of the Executive Director was accepted as offered. He ascertained there would be no reports from the Trustee, Ohio State Highway Patrol, consulting engineers or ODOT. He said the report of the General Counsel would be received.

Mr. Zomparelli said that he had a resolution to introduce entitled, Resolution Authorizing the Executive Director to Negotiate and Contract with Personal Communication Services Licensees Concerning Relocation of the Commission's Microwave Facilities and Systems. He said the Commission operated its microwave communications facilities and microwave system on a 2 GHz band and recently the Federal Communications Commission had auctioned or allocated the licenses for that 2 GHz band.

Mr. Zomparelli said further that there were several blocks starting from A to F. He said the Executive Director and he had already entered into negotiations to sell one of the paths of the Commission's microwave system in the A block. He said the Commission's microwave system was made up of various paths and a successful bidder for the A block would cause interference to the Commission's paths in that block.

Mr. Zomparelli said further that two companies, Ameritech and AT&T, were the successful bidders for the A and B blocks on the 2 GHz band. He said the Commission is negotiating with those two companies regarding a non-interference agreement so that operations of the license they purchased and paid over \$80,000,000 together to operate wouldn't interfere with our microwave operations.

Mr. Zomparelli said further that the Commission will be forced to relocate its microwave operations from 2 GHz to 6 GHz.

Mrs. Baker asked why the Commission has to go up to 6 from 2.

Mr. Zomparelli said the FCC was reallocating those 2 GHz band licenses.

Mr. Plain said the FCC found out that there were billions of dollars to be made by selling those licenses. He said that was done despite protests by the Commission and a number of public safety individuals who had operated for years on their 2 GHz system.

Mr. Plain said further that the Commission had a three-year period to vacate the band. He said the Commission could negotiate at the current time and perhaps get more money from Ameritech and AT&T.

Mr. Zomparelli said that there was a voluntary negotiation period and an involuntary negotiation period. He said the Commission is presently in the voluntary negotiation period. He said the Commission is referred to as the "incumbent" because of its previous license arrangement. He said the Commission was operating on the 2 GHz band and therefore it was the incumbent.

Mr. Zomparelli said further that the Personal Communications Service Licensees; Ameritech and AT&T, could not interfere with the Commission's microwave system when they started operating. He said that since the Commission was already using the 2 GHz band there was going to be interference. He said the Personal Communications Service Licensees were required to pay for the Commission's relocation and provide it with comparable facilities.

Mr. Plain said the staff was attempting to negotiate contracts and receive money to purchase and install new microwave equipment.

Mr. Zomparelli said the advantage of negotiating during the voluntary negotiation period was that the Personal Communications Service Licensees were anxious to get started and they might be willing to pay some additional consideration to enter the system a lot quicker.

Mr. Zomparelli said further that there also was an issue of whether the Commission was considered a public entity or a non-public entity. He said there was a longer voluntary period of negotiations if an agency was a public entity. He said the staff took the position that the Commission was a public entity because our microwave system was operating primarily for public safety issues. He said that, therefore, the Commission shouldn't be forced to relocate for another two years because almost one and a half years had gone by during that voluntary period.

Mr. Zomparelli said further that Ameritech and AT&T had contacted the Commission and asked to negotiate during this period so that they might get started faster. He said he did not want to get into more detail and possibly jeopardize the Commission's negotiation position.

Mr. Zomparelli said further that he drafted a resolution giving the Executive Director authority to enter into negotiations because it would exceed \$500,000. He said some may not, but some would for sure.

Mr. Zomparelli said he would read the RESOLVED as follows:

"RESOLVED that because the FCC has reallocated the 2 GHz band and thereby causing the Commission to relocate its microwave facilities and communication systems, the Commission authorizes and directs the executive director to take any necessary action to negotiate and enter into agreement(s) with any one or more PCS provider/licensees, or their agents, and the agreement(s) may provide for non-interference, relocation, comparable facilities and/or a cash settlement; the general purpose of any agreement shall be the relocation or vacation of one or more paths on the Commission's microwave system(s) from the 2 GHz band in any PCS block, major trading area(s) or frequency block allocation."

Mr. Zomparelli said further that the reason he included the cash settlement in the RESOLVED was because the Commission didn't have to accept comparable facilities or replacement of its facilities. He said that, instead, the Commission could accept cash and put in a system that the Commission deemed was in its own best interests.

A Resolution Authorizing the Executive Director to Negotiate and Contract with Personal Communications Services Licensees Concerning Relocation of the Commission's Microwave Facilities and Systems was moved for adoption by Mrs. Leever, seconded by Mr. Joseph as follows:

RESOLUTION NO. 70-1996

"WHEREAS, the Commission currently operates a microwave communications system on various microwave bands and microwave paths;

"WHEREAS, the Commission holds licenses or other operating authorizations issued by the Federal Communications Commission ("FCC"), in whole or in part, to operate its microwave facilities in the 2 GHz band; and-

"WHEREAS, the Commission operates one or more radio systems along various microwave paths for the purpose of transmitting or receiving, in whole or in part, on frequencies in the 2 GHz band; and

"WHEREAS, the FCC has reallocated the 2 GHz band and has auctioned Personal Communication Services ("PCS") licenses; and

"WHEREAS, the Commission shall be required to clear and relocate from the 2 GHz band as a result of the FCC's auction of PCS licenses to PCS providers;

"WHEREAS, new PCS providers/licensees are required to relocate or to pay for the clearing of incumbent or previous license holders, such as the Ohio Turnpike Commission, from newly assigned bands because FCC rules state that the new PCS provider/licensee must not interfere with the old or the incumbent microwave users;

"WHEREAS, the new PCS provider in the 2 GHz band must either protect the incumbents, such as the Commission, against interferences or negotiate an agreement which may provide for a cash settlement and/or relocation of incumbent to alternative frequencies;

"WHEREAS, FCC rules provide for separate, voluntary and involuntary time schedules for "public safety" and "non-public safety" entities within which to negotiate a non-interference agreement; and

"WHEREAS, it is in the best interests of the Commission to commence negotiations for an agreement or agreements with any PCS licensee provider and/or its agents during the voluntary negotiation period;

"NOW, THEREFORE, BE IT

"RESOLVED that because the FCC has reallocated the 2 GHz band and thereby causing the Commission to relocate its microwave facilities and communication systems, the Commission authorizes and directs the executive director to take any necessary action to negotiate and enter into agreement(s) with any one or more PCS provider/licensees, or their agents, and the agreement(s) may provide for non-interference, relocation, comparable facilities and/or a cash settlement; the general purpose of any agreement shall be the relocation or vacation of one or more paths on the Commission's microwave system(s) from the 2 GHz band in any PCS block, major trading area(s) or frequency block allocation."

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

Ayes:	Mrs. Leever, Mr. Joseph, 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. 70-1996.

Mr. Zomparelli said he wanted to report on two other things. He said one of the items in the litigation report was the case entitled *R. J. Wildner Company vs. Ohio Turnpike Commission*. He said that trial would be starting that day. He said the second thing was Eric Erickson from the Ohio Company was at the meeting and he just wanted to speak briefly to the Commission.

Mr. Erickson said that recently the Ohio Senate adopted SB-81 which dealt with eligible investments for operating funds in various political subdivisions. He said he just wanted the Commission to know that the Ohio Company reviewed that and the Commission was in compliance at that time. He said they also were taking a second look at the investment policy of the Commission. He said that as it stood now he thought the Commission was in pretty good shape. He said he wanted to review the Commission's investment policy on an annual basis and make sure the Commission was complying with any changes in legislation.

Mr. Zomparelli said he had asked Mr. Erickson to take a look at the investment policy and maybe if there was anything else that the Commission should be doing in light of any legislative changes.

The Chairman said that for the last five years he had said that if he couldn't explain it to his 11-year-old son in one or two sentences he didn't want to do it. He said that when you started getting into derivatives and all that other crazy stuff that didn't make any sense the Commission wasn't interested. He said the Commission hadn't lost a penny of its money. He said it was to the staff's credit that the Commission made money in good times and in bad times. He said it was public money so the Commission had been prudent with it.

The Chairman said further the Commission didn't do risky investments. He said it didn't leverage its money. He said that, on the other hand, the Commission wanted to maximize its investment returns because there was a big difference. He said the Commission could earn \$20 to \$25 million in interest income as it was spending dollars. He said the difference in one point on a yield would earn the Commission millions of extra dollars, while still minimizing the risks and exposures. He said he thought the best thing to do was to make the most prudent investments that could be made.

The Chairman said the report of the Financial Advisor was accepted as offered.

Mr. Zomparelli said he had one last thing and it related to the goal of becoming more customer oriented. He said Mr. Plain and he contacted the American Trucking Association and invited them to come and speak with the staff sometime ago and they came last week. He said they had a very good discussion.

The Chairman asked if that organization was based in Washington, D.C.

Mr. Zomparelli said they were out of Washington D.C. He said John Collins from the American Trucking Association was present and the staff wanted to encourage dialogue between the Commission and the trucking associations. He said Tom King from the Ohio Trucking Association came to the meeting, along with a couple of representatives. He said they

expressed to the staff their strong concern about the rising fuel costs and asked that the Commission take a look at the tolls to see if there was anything that could or could not be done.

Mr. Zomparelli said further that nothing was recommended in that meeting, but they were going to take a look at establishing some good working arrangements in the future. He said they were going to get creative and look at some things that could benefit their trucking association recognizing that they are our customers and we need to keep them on the road.

Mr. Zomparelli said further that they are worried that the toll increase effective in January 1997, coupled with the fuel increases, would make it hard for them to meet the needs of their customers. He said the staff would be taking a closer look beginning January 1 at what impact the new toll increase and rising fuel costs might have on truck traffic. He said that perhaps the volume discount program might be expanded to include smaller trucking firms with fewer miles traveled on the Turnpike.

Mr. Zomparelli said further that nothing was resolved, but it was encouraging because they were going to take another look at what may or may not be done. He said that if it was not a discount they may have some other options or alternatives they might want the Commission to consider. He said the doors were wide open.

Mrs. Baker said she was confident that it was made clear that the revenue from the toll increases was already pledged for security so there was no possibility of a change there.

Mr. Zomparelli said it was made clear that the toll increases were in effect and they had been pledged as security. He said it was important to make sure that we had that revenue flow continuing and the tolls were the primary source of those funds. He said there was a way that maybe the Commission could increase revenues by taking a look at volume and weight limits.

Mr. Plain said that it was important to continue the dialogue with them. He said Dale Craig, President of the Ohio Trucking Association, was at the meeting. He said there was some good discussions.

Mr. Zomparelli said that the staff made it clear that the toll revenue was pledged and the toll rates were as set forth. He said he even gave John Collins a copy of the Official Statement from the last bond issue which stated all the toll rate increases and the traffic information. He said they were aware of the toll rate increases and Mr. Collins wasn't really advocating that the Commission change them. He said Mr. Collins was trying to look for a win-win solution.

Mr. Plain said the staff would continue the dialogue and look at what the trucking associations might present for possible implementation.

The Chairman said the report of the General Counsel was accepted as offered. He said the report of the Deputy Executive Director-Operations would be received.

The Chairman said that first he wanted to mention again that Site Selection Magazine had picked Ohio as number one of all states three years in a row for job creation and plant expansions and a significant amount of that has been around the Turnpike. He said that northwestern Ohio right now was one of the fastest growing parts of northern Ohio and even the northeastern part of the state was growing very rapidly.

The Chairman said further that the Commission worked very hard with the Ohio Department of Transportation, the Governor's office and the Ohio Department of Development to encourage business development. He said the Department of Development was very pro-business because pro-business meant good jobs for people. He said that the economy in Ohio was among the best in the country. He said North Star Steel was moving ahead and he had just seen a news release stating that there are more plants opening up around Turnpike interchanges. He said the Commission's plan of taking its resources and using them as a tool of economic development has been very, very effective and he was glad Mr. Arlow would be giving the Commission an update on the status of those projects.

Mr. Arlow said there presently were nine construction projects underway. He said they were six third-lane projects, two new interchanges and one toll plaza renovation. He said the weather had not been cooperating the last four days, but the third-lane projects, encompassing close to 40 miles, would be open before Thanksgiving. He said the two interchanges, one for North Star Steel (3B) and one in the Elmore area (5A), would open in December. He said some dates for the openings would soon be picked.

Mr. Arlow said that North Star's major manufacturing starting date had been pushed back to January 1st and the interchange with State Route 109 would open in December, so it would more or less coincide with their initial production.

The Chairman said that North Star was owned by Cargill. He said that Ohio competed with dozens of other states for the location of the steel plant in Delta. He said the company is investing \$500 million in Ohio. He said that \$500 million investment probably meant billions of dollars in other investments in Ohio because of the ripple effect where related companies would be drawn to locate nearby.

Mr. Arlow said that he wanted to mention that the toll plaza renovation at Exit 15 was 90% completed. He said it was scheduled to open totally on December 31.

The Chairman asked how many new interchanges, including Exit 3B, will have opened since 1990.

Mr. Arlow said Exit 3B would be the Turnpike's 29th interchange and the tenth since 1990.

The Chairman said that at the next meeting on December 16 he would sum up the Commission's accomplishments in the past year. He said that a lot had been accomplished and he would discuss that and also talk about what was planned for 1997.

There being no further business before the Commission a motion was made by Mrs. Baker, seconded by Mr. Joseph that the meeting adjourn until the next meeting on December 16.

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

Ayes:	Mrs. Baker, Mr. Joseph, Mrs. Leever, Mr. Fedeli
Nays:	None

The Chairman declared the meeting adjourned. The time of adjournment was 11:40 a.m.

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



Marilyn R. Baker, Secretary-Treasurer