

**MINUTES OF THE 437th MEETING OF
THE OHIO TURNPIKE COMMISSION**

March 9, 1998

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:07 a.m. on March 9, 1998, 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; David Wright, CFO/ Comptroller, David H. Ransbury, Chief Engineer; Daniel F. Castrigano, Maintenance Engineer; Pat Patton and others in attendance.

Present: Ruth Ann Leever, Marilyn R. Baker,
Earl W. Williams, Senator M. Ben Gaeth,
Rep. Sally Perz (arrived at 10:15 a.m.)

Absent: Jerry Wray

The Chairman said that the minutes of the last Commission meeting of February 9, 1998, had been distributed to the Members for their comments, and she would accept a motion to adopt them without reading.

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

Ayes: Mr. Williams; Mrs. Baker and Mrs. Leever

Nays: None

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

The Chairperson said the meeting was the 437th meeting of the Commission. She said it was being held at the Commission's headquarters as provided for in the Commission's Code of Bylaws. She said Jerry Wray and Gary Joseph were unable to attend the today's meeting, however, Erin Rainey from ODOT was in attendance. She said that, also, Representative Perz could not attend the meeting.

The Chairperson said 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. She said the resolutions would be explained during the appropriate reports.

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

Mrs. Baker said that the following listed items had been sent to the Members since the last regularly scheduled meeting of the Commission on February 9, 1998:

1. Weekly Traffic Statistics
2. Traffic Accident Summary for January 1998
3. Traffic and Revenue Report for January 1998
4. Financial Statement for January 1998
5. Draft of Commission Meeting Minutes of February 9, 1998
6. Investment Transactions for January 1998
7. Litigation Report for Period ending December 31, 1997
8. Various News Releases

Leever: Report on Budget on Finance?

Baker: I have none at this time.

The Chairman said there were a number of guests at the meeting, and she would ask them to identify themselves as follows: She also said she would like to start with the ladies in the back at the table. We always take them for granted, and we could not run this meeting without them, believe me. So we'll start with Barbara,

Barbara Lesko, Ohio Turnpike Commission, Diane Pring, Ohio Turnpike Commission; Tom Chapman and Paul Russo, Everen Securities; Fred McFall, Tom Travis, Host Marriott; Pat Riley and Mary Sullivan, Peck, Shaffer & Williams; Ken Becker, Salomon Smith Barney; Alan Bauccho, A. G. Edwards; Steve Mendoza, Ohio Rehab Services Commission; Fred Richardson, URS Greiner; David Goodman, Dean Berry, Squire, Sanders & Dempsey; John Conner, Huntington Capital; Frank Lamb, Huntington Bank; Cleve Brooks, SBK Brooks Investments; Kimberly Diehl, Key Capital Markets; Susan Harper and Carol Gibson Cuyahoga County League of Women Voters; Alan Achkar (The Cleveland Plain Dealer); Ken Marley, Hardee's Food Systems; Gary Fishburn, Alpha Omega Environmental; Erin Rainey, ODOT; Howard O'Malley, B & T Express; Mike Kurey, ARCI; Ryan Connors, Connors & Co.; Eric Carmichael, Pryor, McClendon Counts; Mike Schipper, HNTB; Paul Scuria, Scuria & Assoc., Debra Janik, Key Bank; John Petty, Nat City Investments; Kym Arnone, Bear Stearns; Paul Stubbins, Seasongood & Mayer; Joe Bevacch, Merrill Lynch; Tom King, Ohio Trucking

Association; Steve Wood, PaineWebber; Roslyn Talerio, League of Women Voters; Paul Ash, OSHP; Artis Gillam, Sr. A. Gillam & Assoc.; Bob Brown and Matt Bornstein, Key Capital Markets; David Patch (The Toledo Blade); Paul Russo, Everen Securities; Alan Lininger, Sunoco Mid-America; _____ (Chronicle Telegram); and Bob Barnett, Ohio Turnpike.

Leever: OK, thank you very much and we welcome you all today. By the way, we will be starting our meetings at 10:00 a.m. sharp from now on -- I promise. The report on Audit & Legal, Mr. Wright?

Wright: I have just one thing to report - that Coopers & Lybrand have finished up the audit for December 31, 1997, as in the past everything went very smoothly. We will be received an unqualified audit and the annual report will be issued sometime later this month. (April 1 per Bob Barnett).

Leever: Thank you. Oh yes, our favorite topic, back to Senator Gaeth with the service plazas. Any report, Senator?

Gaeth: No report, Madame Chairman.

Leever: Is that good or bad?

Gaeth: Well I think it's good. I can make a comment that they do need renovation so I hope the contracts on ongoing.

Leever: They are in the works. all right, a report from our Executive Director. Oh, Employee Relations first - OK. Mr. DiPietro?

DiPietro: Madame Chairman, we have no report at this time. We've had no further communication with the Union relative to the part-time contract. As per usual, we stand ready to meet with them at any time, but we have not heard from them.

Leever: This is where we were last month, is it not?

DiPietro: Correct.

Williams: How long has that been pending?

DiPietro: Well the contract expired in June 1997 and we have been in negotiations with them prior to that time. I think our last conversation with them was in January 1998. We have had nothing further from them since.

Zomparelli: Madame Chairman, Mr. Williams, we've had a number of discussions with the Union and have had a mediator from SERB here and also down in Columbus. We have not been able to reach an agreement. This is just as it relates to the part-time toll collectors contract.

Leever: Thank you Mr. DiPietro. Mr. Plain.

Plain: Madame Chairman, We have a number of resolutions today I would like to propose. The first one is a resolution pertaining to bridge contracts, a contract for the reconstruction of the Oregon Road Bridge over the Ohio Turnpike, Milepost 67.2; Luckey Road Bridge over the Ohio Turnpike at Milepost 69.7 in Wood County, Camper Road Bridge at Milepost 75.6 in Sandusky County and SR 105 Bridge at Milepost 79.5 in Ottawa County. In part of the packet, you'll see that we opened bids on the project on February 19, 1998, and we had six bidders that submitted bids in response to this contract. In reviewing the bids and talking with Engineering, I'm going to make a recommendation that it is in the best interests of the Commission to reject the bids at this time and that we want to direct the engineering department to restructure this particular contract so that we can do this again in the fall to do construction and finish it up in the spring of 1999 thereby not having it during the summer period. (Sally Perz arrived at approximately 10:15 a.m.)

Let me read the Resolved:

“RESOLVED that the above-mentioned bids hereto received pursuant to the advertisement for bids upon Contract No. 43-97-16 for the reconstruction of the Oregon Road Bridge over the Ohio Turnpike at

Milepost 67.2; Luckey Road Bridge over the Ohio Turnpike at Milepost 69.7, located in Wood County, Ohio; Camper Road Bridge over the Ohio Turnpike at Milepost 75.6 located in Sandusky County; and State Route (S.R.) 105 Bridge over the Ohio Turnpike at Milepost 79.5, located in Ottawa County, Ohio, be and the same hereby are rejected, and the executive director is authorized to notify the bidders in writing of said action, and to return to the bidders the bid security furnished by it; and

FURTHER RESOLVED that the executive director and general counsel hereby are authorized and directed to take any and all action necessary to re-advertise for bids for contracts for the bridge reconstruction at the above-mentioned locations forthwith.”

If there are no questions, I would ask that we make a motion to adopt this resolution and we'll need a second.

Baker: So you just decided after the bids went out that you would rather do it at a later period of the year?

Plain: That's correct. I think it would be more sensitive to the traffic that we have during the summer. We've had some problems during the summer because of the high traffic volumes and with all of the construction we have going on, I think it would more appropriate to do it during the fall when traffic goes down and finish it up in the spring before traffic builds again until the summer. So I think we can accommodate that better.

Baker: I'll make a motion that we approve your recommendation.

Williams: I'll second that.

Roll: Mrs. Baker-yes; Mr. Williams-yes; Mrs. Leever-yes.

Leever: We'd like to welcome you, Representative Perz, to our meeting.

Plain: The next resolution, Contract 43-97-18, is for the contract for the reconstruction of the Abbey Road Bridge over the Ohio Turnpike at Milepost 164.4 and the Edgerton Road Bridge over the Ohio Turnpike at Milepost 169.6 in Cuyahoga County. On this project we had nine bidders

that submitted a bid in response to the advertisement for this contract. The bids range from a high of \$3,417,997.76 to a low of \$2,264,879.55. The low bid was submitted by the A. P. O'Horo Company and their bid was below the engineer's estimate to do the work on this project. I will read the Resolved:

“RESOLVED that the bid of the **A. P. O'Horo Company** of Youngstown, Ohio in the amount of \$2,264,879.55 for the performance of Contract No. 43-97-18, 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 chairperson 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. 43-97-18 is designated a System Project under the Commission's 1994 Master Trust Agreement.”

I'll need a motion and also a second.

Williams: I'll move for adoption.

Baker: I'll second.

Leever: Any questions?

Roll: Mr. Williams-yes; Mrs. Baker-yes; Mrs. Leever-yes.

Plain: The next resolution is awarding contract No. 58-98-01 for bids for the toll plaza construction at Interchange 2A on the Ohio Turnpike at C. R. 24 (future S.R. 66) located at Milepost 25.5 in Fulton County.

We had the contract awarded for the interchange and this is just for the toll plaza portion of it so we can get this thing built and open it in November. There were two bidders that submitted a bid in response to this particular contract. The bids were close. The high bid was \$1,914,011 and the low

bid which was submitted by the Mosser Const. Co. was \$1,741,800.00 is below the engineer's estimate of cost to do the work on this project. I will read the Resolved:

“RESOLVED that the bid of **Mosser Construction, Inc.** of Fremont, Ohio, in the amount of \$1,741,800.00 for the performance of Contract No. 58-98-01 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 chairperson 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. 58-98-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.”

Again, I will need a motion and a second.

Baker: I'll move for approval.

Williams: Second.

Leever: Any questions?

Gaeth: Madame Chairman, would this be the first modern plaza on the Turnpike then?

Plain: No, we've got a lot of modern ones. Senator, this is a toll plaza.

Gaeth: Oh, this isn't the service plaza?

Plain: We've got about 13 more modern toll plazas and the rest are in the process of being renovated.

Gaeth: OK, I had a misconception.

Plain: We are going to speak to that other part later, though, during the meeting.

Roll: Mrs. Baker-yes, Mr. Williams-yes; Mrs. Leever-yes.

Plain: The next resolution I have is a resolution awarding Contract 59-98-02. This for the mainline repairs and resurfacing between Milepost 48.64 and 55.46 including guardrail improvements located in Lucas County. We had two bids in response to the invitation. The bids range from a low bid of Gerken Paving of Napoleon, Ohio in the amount of \$4,734,065.70 to a high by the S E. Johnson Cos. of \$5,154,667.43. I will read the Resolved.

“RESOLVED that the bid of **Gerken Paving Company** of Napoleon, Ohio, in the amount of \$4,734,065.70, using crushed, air-cooled blast furnace slag in the surface course, for the performance of Contract No. 59-98-02, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson 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. 59-98-02 is designated a System Project under the Commission’s 1994 Master Trust Agreement.”

Again, I will need a motion and a second.

Williams: I have a question, is the low bid below the estimate?

Plain: Yes, it is. In fact, the other bidder was slightly above and this was below the engineer’s estimate.

Williams: I move this adoption.

Baker: Second.

Roll: Mr. Williams-yes; Mrs. Baker-yes; Mrs. Leever-yes.

Plain: OK, the next resolution pertains to the award of contract under Invitation No. 3605-C. That was the bid invitation for furnishing (13) current-model truck cab and chassis, 37,000 GVWR and furnishing and installing each (13) combination dump/spreader body, central hydraulic system and lighting system and furnishing and installing (13) each reversible snow

plow with quick hitch. We had that broken down into the various three groups: Group I consisted of (13) model truck cab and chassis and accepting in trade (13) used trucks; Group II: furnishing and installing the combination dump/spreader body and central hydraulic system and lighting system and Group III for furnishing and installing the reversible front snow plows with quick hitch. You will look through the bid tab, you'll see we had a number of bidders for each particular one. On Group I, we had five bidders, under Grp II we had three bids and for Grp. III we also had three bids. These are needed for snow and ice control. Basically we are replacing part of our fleet. I'll read the Resolved:

“RESOLVED that the bid of **Wise International Trucks of Ohio** of Cleveland, Ohio for Group I of Invitation No. 3605-C in the amount of \$499,921.00 and the bids of **Concord Road Equipment Mfg., Inc.** of Painesville, Ohio for Groups II and III of Invitation No. 3605-C in the total amount of \$537,900.87 is, and is by the Commission deemed to be the lowest responsive and responsible bids received and are accepted and the chairperson and executive director, or either of them, is hereby authorized (1) to execute a contract with the successful bidders in the form heretofore prescribed by the Commission pursuant to the aforesaid invitation; (2) to direct the return to the other bidders of their bid security at such time as Wise International Trucks of Ohio and Concord Road Equipment Mfg., Inc. have entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract.”

I will need a motion to adopt and a second.

Baker: I'll move for approval.

Williams: Second.

Roll: Mrs. Baker-yes, Mr. Williams-yes; Mrs. Leever-yes.

Plain: OK, I have one other resolution to propose and then I want to go to one other part of my report and the other two resolutions will be handled by Mr. Zomparelli.

The next resolution is for awarding a contract for construction management services for the service plaza reconstruction. We had put

out on our web site and also on the Dodge Reports that we were interested in a construction manager to handle the construction management for the construction of the new travel centers (or the service plazas as they used to be called) and we sent an RFP out on December 15, 1997. We had seven responses that came in by the return date of January 6, 1998. Of those seven we selected four of those to be interviewed by a group appointed by the staff that have been involved in this process for the new construction. It was done on January 29, 1998, and out of those four we selected two other firms for a second interview which we held on February 4. The result out of the two interviews we selected one firm which we wish to propose for the Commission today and I'll read the Resolved:

“RESOLVED that the Commission hereby selects **R. P. Carbone Construction Company**, which company has demonstrated its ability to provide construction management services to the Commission during the above-mentioned trial period, and authorizes and directs the executive director and general counsel to enter into negotiations with R. P. Carbone Construction Company to formalize a contract to furnish construction management services to the Commission.”

I would ask for a motion and a second for this particular resolution unless there are any questions.

Williams: I have a question - what were the superior features in the selection of Carbone?

Plain: The group - we really had a tough time - we had some good people there but we felt that they demonstrated several projects that have comparable things similar to what we are going to be building at the Turnpike. In particular working with domes - some of the previous experience they had were with domes - they have been on large, government-type buildings and public buildings with large parking facilities. We felt they had the expertise and we felt the attitude that they brought in as compared to some of the other companies -- everyone indicated that they wished to manage it. They came in and saying and demonstrating to the satisfaction of the staff that not only did they want to manage it, but they felt that they

by going through that they could actually save probably the cost of what we are going to be spending for them -- in setting the bids up, in repackaging them. I think they were very good in showing how they could save and how we should proceed with it to get the best bang for our buck. We were very impressed with their attitude. We didn't see the same quality exhibited by the others.

Leever: I would like to add, Mr. Williams, that I was privileged to be in on the last two interviews. I was certainly impressed with them because they had done this type of thing, and we had a sense that they knew what they were doing and didn't have to learn along the way and I think this is of vital importance to us at this point.

Zomparelli: Madame Chairman, Mr. Williams - they also had a little bit more unique experience that they not only were a construction manager but they have also been a general contractor so they actually do work. We thought that their experience - and in some cases it is not merited and giving that there are so many attributes of the service plazas - fueling, buildings, parking, that having experience as actually doing work as a contractor was very beneficial to the Turnpike since this is the first time that we are going to be working on it. And the volume of projects that they worked on was in excess of \$400 million so they rated high in construction management just as much as the other firms did.

Perz: Just a question - this resolution authorizes you to enter into negotiations or and not into a contract -- how does this work?

Plain: And to formalize a contract. Yes. We need the approval to enter into the contract and we will negotiate the fees and things with them.

Perz: Are you looking into a percentage of or a flat fee or

Plain: We are looking at perhaps a combination of things and we haven't determined that, but there is a number of different types of contracts you can enter into a cost plus, fixed fee and things like that. We are going to try to establish what the costs will be up front and with an upset max so they can't go above that.

Zomparelli: Madame Chair, Rep. Perz - that was an element in the RFP that each construction manager was to respond to was what were their suggestions for compensation program. Everyone, without exception, said there's versatility on how to approach the project and we thought we wanted to make a decision not based on money so much as technical ability and that way once we and the Commission were satisfied with the selection of the firm, we'd then enter into negotiations and always being very sensitive to cost. I think that's what the Executive Director is talking about -- not to exceed an amount we know what the worse case scenario is, but if we are not able to negotiate what we think is a favorable rate, then we'll be back here at the Commission to make a suggestion for another firm. This is just permission for us to go forward and negotiate with them.

Plain: If there are no other questions, I would ask for a motion to adopt and a second.

Williams: I move the adoption of the resolution.

Baker: Second.

Roll: Mr. Williams-yes, Mrs. Baker-yes; Mrs. Leever-yes.

Plain: OK - one other thing that I wanted to. I've got a resolution for system design project, 71-97-15, for third-lane construction from Milepost 59.06 to 64.13 in Lucas and Wood Counties. I'll read the Resolved:

“RESOLVED that the Commission hereby selects **Dansard-Grohnke-Long, Limited** as most qualified to perform the services required under a portion of the above-mentioned RFP and authorizes and directs the executive director and the general counsel to execute the Engineering Services Agreement, a copy of which is before the Commission, with

Dansard-Grohnke-Long, Limited, all in accordance with the terms and conditions of the Commission's Request for Proposals and its responses thereto."

Baker: I have a question - this is Wood and Lucas County -- third lane, but we have already OK'd maintenance this summer, I think in the same area.

Plain: This is for a design contract. This will come later on. We have to do the bridges first before we can let the third-lane construction contracts so this is to get that set so that will be going the following year.

Baker: Oh, design, OK. I just didn't want it all torn up at the same time. OK, I'll move approval.

Williams: Second.

Roll: Mrs. Baker-yes, Mr. Williams-yes; Mrs. Leever-yes.

Plain: OK, one last one for me - Resolution awarding a contract for design and construction services for third-lane construction for System Design Project 71-97-16. That one is for Milepost 64.13 to 71.05 in Wood County. I'll read the Resolved:

"RESOLVED that the Commission hereby selects **Finkbeiner, Pettis & Strout, Inc.** as most qualified to perform the services required under a portion of the above-mentioned RFP and authorizes and directs the executive director and the general counsel to execute the Engineering Services Agreement, a copy of which is before the Commission, with **Finkbeiner, Pettis & Strout, Inc.** all in accordance with the terms and conditions of the Commission's Request for Proposals and its responses thereto."

Again, I would ask that you make a motion to adopt this resolution and I'll need a second.

Williams: I'll move for adoption.

Baker: Second.

Roll: Mr. Williams-yes; Mrs. Baker-yes; Mrs. Leever-yes.

Plain: OK, I have one other item, Madame Chairman. It is a status on S. R. 58 interchange. I have received a fax and also a letter came in today from the Ohio Rail Development. I'll read the contents of the letter dated March 5, 1998:

Dear Alan,

This letter is to provide you an update on the status of the loan the Ohio Rail Development Commission (ORDC) is providing to the Lakeshore Railway Association. (Lakeshore.)

Based upon the appraisal of the Lakeshore property, there is sufficient value in the assets to provide collateral for the ORDC loan to the Lakeshore. ORDC will share first position with Key Bank on the mortgage the Lakeshore will have. Therefore, ORDC is not going to seek a guarantee from the Lorain County Commissioners.

I understand that your Commission Meeting on March 9 has a full schedule and will not address the Lakeshore issue. However, if necessary, I would be willing to attend your next Commission Meeting to answer any questions your Board may have.

In the meantime, if you have any questions, please don't hesitate to call me at their number."

This means that the Lorain County Commission will not have to underwrite this particular project. They feel they have sufficient loan guarantees to make this happen. We still want to contact Lakeshore Railway Association for anything that these particular loans may not cover on what we have expended. We have asked right along that we be "made whole" for the process and that once we had those guarantees by the Ohio Rail Development Commission and Lakeshore Railroad that we would ask the Commission to go ahead and complete the rest of the design on that project. We had that suspended and to move forward as quickly as

possible. I'll have more information probably available for you by the next meeting and we should be able to make decision at that time to really go forward on that project which is much needed in Lorain County.

Leever: I will look forward to that.

Plain: It's been a long time. We are getting there.

Leever: We're closing in, right?

Plain: We have been working for a number of years on this particular project and we'll all be happy to see if come to fruition.

Madame Chairman, that concludes my remarks, and I 'd like to turn this over to, I think as long as we are in between resolutions, that we change the order and our General Counsel who will cover the important resolutions.

Zomparelli: Madame Chair, thank you, Mr. Executive Director. You're probably tired of reading all those Resolveds. I have two draft resolutions before the Commission for consideration. As background information to both these resolutions, they pertain to an RFP issued by the Commission on February 10, 1998. That RFP solicited response proposals from investment banking firms interesting in furnishing underwriting services to the Commission as either senior or co -managing underwriters for potentially one to three transactions. One transaction for new money - a bond issue for new money to continue the capital improvement projects taking place on the Turnpike and to take place in the future and possibly two other transactions that would involve the refunding of the 1994 revenue bond issue and the 1996 revenue bond issue. The Commission did mail out the RFP on February 10, 1998 and we received 26 responses on February 27, 1998. As you can tell that's not that much time to today's Commission Meeting. The staff has been very busy and so has Eric Erickson of The Ohio Company reading all the proposals that we received and it was exciting reading. There is a lot of potential that can happen

given today's market conditions. However, before we went out and actually interviewed any of the firms solicited to provide underwriting services on March 2, 1998, we met with the State Controlling Board. Under Section 5537.08, Ohio Revised Code, the Commission's determination as to the manner of sale whether by competitive bid or by private sale, must receive prior approval from the State Controlling Board, and on March 2, 1998, the Executive Director, CFO David Wright, the Commission's government liaison officer, Pat Patton, myself and Eric Erickson went before the State Controlling Board. On March 2, they did vote and give us approval on the manner of sale which the staff is recommending a private sale versus a competitive sale. After we received the approval on Monday, March 2, the staff started working on Tuesday and Wednesday to review the proposals and get ready for interviews that were conducted here at the Commission's offices on March 3 and 4 (Wednesday and Thursday). The Budget & Finance Committee Group was formed by the Executive Director and the Budget & Finance Group was composed of the Executive Director, Mr. Plain, myself, John Peca (Special Counsel), Eric Erickson, the Commission's financial advisor and David Wright, the Commission's CFO. It was a long week - it was tough, we interviewed eight firms in two days and came up with a recommendation for selection. I'll read the Resolved of the two resolutions and that will outline the Budget & Finance Group's recommendation:

The first draft resolution is titled, "Resolution Awarding Contracts to Furnish Senior Managing or Co-Managing Underwriting Services for the Commission's 1998 Revenue Bond Offering for New Money/Funds" I'll read the Resolved:

“RESOLVED that the Commission hereby selects the following firms to furnish underwriting services to the Commission for its proposed *new money* issue for the 1998 Revenue Bonds offering:

The Budget & Finance Group essentially selected a three tier structure - the same as we did in 1994 and 1996. Their recommendation for senior Manager is Merrill Lynch, their recommendation for the second level, co-senior managers, are: Bear Stearns Co., Inc. and McDonald & Company and their recommendation for co-managers (third-level) are:

**Salomon Smith Barney
SBK Brooks Investment Corp.
Goldman Sachs & Co.
Lehman Brothers
A. G. Edwards & Sons, Inc.**

The resolution further reads:

“FURTHER RESOLVED that the Commission’s executive director and general counsel are authorized and directed to notify the aforesaid investment banking firms of the appointments aforesaid and to negotiate a fee and enter into contracts with such firms in accordance with the Commission’s Request for Proposals and the responses thereto and to take any and all further action necessary to complete the retention of the Commission’s investment banking firms.”

I recommend that the Commission take action on this matter and move for its adoption.

Baker: This has all moved very quickly.

Zomparelli: That’s correct.

Baker: Is that because we are in a race against interest rates going higher?

Zomparelli: Eric Erickson of the Ohio Company can speak better to that than I can. Go ahead, Eric.

Erickson: Thank you. Madame Chairman, Mrs. Baker - to some extent we missed part of the market with an advance refunding and it was deemed appropriate to prepare an issue. Right now today it probably would not make economic sense to do very much of the 1994 or the 1996 issue, however, I think it would make sense for the Commission to get prepared and get ready to move quickly with an advance refunding because markets typically do move very quickly. As to the new money, it made sense if you are going through the process of choosing a team for an advance refunding, it would make sense to go ahead as well for the new money. The new money may not necessarily be borrowed until late spring or early summer. So if you are going through the process, you go through it both. To answer your question, yes, it does make sense to move quickly to choose a team for at least the advance refunding.

Baker: If the market cooperates and the interest rates go down - we're ready.

Erickson: And they should - in April May they should come back down a bit. There's been a flood of advance refundings which has driven the market up a bit. I think the economics will work to your favor in the next 60 days.

Zomparelli: Madame Chair, Mrs. Baker, we don't need the money right now - the new money, but we do anticipate going into the market at the latest late summer, but if the conditions are so that the rates show that there are some savings, we want to be in a position to get in as early as possible and give ourselves some leeway; time goes by quickly.

Plain: Is there a motion to adopt?

Williams: I move the adoption.

Baker: I'll second.

Roll: Mr. Williams-yes, Mrs. Baker-yes; Mrs. Leever-yes.

Zomparelli: Madame Chair, Commission members, the second part of our finance program is the second draft resolution you'll find in your packets titled,

“Resolution Awarding Contracts to Furnish Senior Managing or Co-Managing Underwriting Services for the Commission’s Potential Advance Refunding of Prior Revenue Bonds”

This relates to what Mr. Erickson was talking about being in a position and our Secretary Treasurer was talking about being in a position to take advantage of market rates. I’ll read the Resolved paragraph for this resolution:

“RESOLVED that the Commission hereby selects the following firms to furnish underwriting services to the Commission for its *first advance* refunding of the outstanding revenue bonds when and if the Commission determines to issue such bonds:

Again, the same structure is recommended by the Budget & Finance Group: senior, co-senior managers and co-managers. The Budget & Finance Group recommends:

Senior Manager: PaineWebber, Inc.

Co-Senior Managers: Key Capital Markets, Inc.
Seasongood & Mayer, Inc.

Co-Managers: NatCity Investments, Inc.
Connors & Co., Inc.
Pryor McClendon Counts & Co.
Morgan Stanley Dean Witter
Everen Securities, Inc.

“FURTHER RESOLVED that the Commission’s executive director and general counsel are authorized and directed to notify the aforesaid investment banking firms of the appointments aforesaid and to negotiate a fee and enter into contracts with such firms in accordance with the Commission’s Request for Proposals and the responses thereto and to take any and all further action necessary to complete the retention of the Commission’s investment banking firms.

I also would like to add as it relates to both this resolution and the prior one that was adopted, the Budget & Finance Group gave strong consideration to Ohio firms. If you take a look at the co-senior managers and in both the advance refunding and new money issues, there is significant involvement by Ohio firms and also be minority firms.

Plain: The minority firms and also other firms which had a strong presence in Ohio. We tried to take a good look at that and do the best we can to put that together and I think we did.

Zomparelli: We know this is important to the Commission.

Baker: It is. I'm also assuming that you're going to negotiate the best possible rates with these firms.

Zomparelli: That's correct. We'll

Plain: get the hammer out

Zomparelli: negotiate the gross underwriting discount and management fees and set participation percentages that would be very fair and also very tight.

Baker: Well, I'll move approval of your second resolution.

Williams: I'll second that.

Roll: Mrs. Baker-yes, Mr. Williams-yes; Mrs. Leever-yes.

Zomparelli: Madame Chair, Commission Members, before we go out for the new money, we will obviously keep the Commission informed at the next Commission Meetings and the RFP states a range of \$200 to \$250-M on the new money bond.

Plain: We'll probably be visiting the rating agencies back in New York before we do that.

Zomparelli: Thank you, no further report.

Leever: OK, we're down to Mr. Arlow, please.

Arlow: Thank you, Madame Chairman. Presently we have 13 construction projects underway from the start of last fall. With the mild winter we were able to continue working right through the winter months. We have six bridge projects, four mainline and two overhead bridge projects underway. Five of the six will be completed this year. One will be completed in 1999. We have four third-lane projects approximately 20 miles of third-lane under construction, all of which will be completed this year by the end of November. We have the ongoing interchange at 2A and we have C. R. 18 connector into Exit 15. That's underway, both of those projects will be completed this year. We have one renovation of a toll plaza at Exit 4 which is underway and will be completed in the fall of this year. That's what we have presently underway and the rest of those contracts that you approved today, the two resurfacing projects will start next month.

Leever: Thank you. Do we have any report from our trustee, Frank Lamb?

Lamb: No report, Madame Chairman.

Leever: Captain Ash, are we going to hear from you today?

Ash: Yes, Madame Chairman. Especially since Mr. King is here. Our "Stay Awake/Stay Alive" program is off and rolling which is a means where our officers can give somebody a traffic safety reminder and a notation for a free cup of coffee at the service plazas - rather than a ticket for minor traffic infractions on the Turnpike. We are hoping that will save some lives in the future.

Plain: Madame Chairman, I might add that this is a joint effort by the Ohio Turnpike Commission, the OSHP and by our vendors out in the service plazas that all have graciously agreed to donate coffee to this particular program. As the Captain said if you are observed weaving or something, they stop and issue them a citation or warning ticket. On the top it will say it entitles them to a free cup of coffee. We try to encourage them to pull off, get some rest, get some coffee and to make it a safer trip. We had an

outstanding record. The fatalities were the lowest since 1955 for the Commission last year. It was indicated last time that the programs that we instituted with safety - the barrier walls, the third-lane sections and the rumble strips there that we have along the edge of the pavement have aided and we will keep working in our efforts to see if we can better that. We are very proud of our safety record and we're proud of the cooperation that we receive from everyone - the concessionaires out there that are willing to work with us and to the State Highway Patrol. It's a very good program. We have put notices out in all of the news media of that program.

Leever: Are we going to keep track of the number of warnings issued?

Plain: Yes. We are going to total those. They will be collected at the various companies and they will be returned to Captain Ash and they will total them up and see how many responses. Based on how many warning tickets were issued, we'll have an idea.

Williams: How many warning tickets were issued and also to determine how many persons who received those tickets actually took advantage. OK.

Leever: When you think about the volume of our traffic in the last forty years and how many times that has tripled or doubled, etc. and the number of fatalities that we have had, this is amazing, really. One fatality is too many, but when you look at the overall record.

Plain: I think it speaks well of our operation and our zones, particularly our construction zones and things we have. Because we have had an inordinate amount of construction over the last couple years and despite all that, we have had an excellent record compared with some of the other areas that are quite small with that same number of fatalities. I think we are doing a good job.

Gaeth: Madame Chairman, do we have an ongoing study going on uniform traffic for trucks, cars on the Turnpike? Or is that a dead issue?

Plain: Well, I don't know that it is a dead issue right now. We've had a request for uniform speed because of the amount of construction we have we're really studying it to see whether it might have some affect as we decrease the number of construction zones out there and we get these things behind us, as Mr. Arlow indicated, by the end of this year, we'll have 50% of the third-lane completed. That's in a three-year period. I think we are moving along quickly with that but we've got some difficult parts with the long bridges. As that thins out and in addition, we will be working in the travel centers and the plazas, I think we have to look at that and see and the timing may be such after things slow down that we take a look at that and maybe run a test section to see if we can't have a uniform speed. We certainly don't want to do anything that we consider to be unsafe or that will tarnish our record. I think we have to be sensitive to that because of the amount of construction we have out there. Technically, if you look at it, it makes sense to have people going at the same speed so you are traveling quickly and you come up on slow-moving vehicles, but I am also aware that it's something you can't legislate. People are going to drive at what they feel comfortable with. Older people may tend to slow down a bit and younger people tend to speed up a bit so I don't think no matter what you post it at, you are always going to have that little divergence of speed. You're not going to say that everything is going to be going at the same speed. We know now that we have posted speed limits, but we hand out a lot of tickets to people speeding. There are people going slow so how do you control that? It's a good theory, and theoretically it works and makes sense. I support a uniform speed, but in the practical manner, how do you get it accomplished? You can't legislate people to drive if they don't feel comfortable driving at that speed. So as long as you within the range, you're always going to have that. I think you won't have as much of it if you put a uniform speed in. I think those are the things that the

Commission has to wrestle with, review and decide how we want to do that.

Leever: That would be our problem.

Plain: That's right. We'll make recommendations and support you with it, but I think there's a better time to do it than right now.

Leever: I agree. We have enough going on right now. General Consultant, Fred Richardson, do you have a report?

Richardson: I have no report, Madame Chairman.

Leever: Thank you.

Leever: And our General Counsel, Mr. Zomparelli?

Zomparelli: No further report.

Leever: OK, before we adjourn the meeting today, I have just been informed that Eric Erickson's mother has had a stroke and from those of us here, Eric, we certainly wish her a full and speedy recovery. We are sorry that that has happened.

Erickson: Thank you.

Leever: If there is no further business, I'll accept a motion to adjourn until April 13.

Baker: I'll make that motion.

Williams: Second.

Roll: Mrs. Baker-yes, Mr. Williams-yes; Mrs. Leever-yes.
(Meeting adjourned at 11:07 a.m.)

/dsp