

**MINUTES OF THE 439th MEETING OF  
THE OHIO TURNPIKE COMMISSION**

**May 11, 1998**

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:02 a.m. on May 11, 1998, with members of the staff: Gino Zomparelli, General Counsel and Deputy Executive Director-External Services; Robert Arlow, Deputy Executive Director-Operations; David Wright, CFO/Comptroller, David H. Ransbury, Chief Engineer; Pat Patton, Government Liaison Officer, Dan Castrigano, Maintenance Engineer, Thomas Amato, Assistant General Counsel David Miller, Chief Auditor, and others in attendance.

Present: Ruth Ann Leever, Marilyn R. Baker,  
Earl W. Williams, Gary Joseph, Senator M. Ben Gaeth,  
Representative Sally Perz

The Chairman said that the minutes of the last Commission meeting of April 13, 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-yes; Mrs. Baker-yes; Mr. Joseph-yes and Mrs. Leever-yes.

Nays: None

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

The Chairman said the meeting was the 439th 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 was unable to attend today's meeting. (She said Mr. Gary Joseph, Assistant Director of ODOT, was authorized to represent and vote for Mr. Wray. )

The Chairman said there were a number of guests at the meeting, and she would ask them to identify themselves as follows: FredMcFall, Tom Travis, Host Marriott; Jeff Carey, Merrill Lynch; ; Mary Sullivan, Pat Riley, Peck, Shaffer & Williams; Steve Wood, PaineWebber; Bobby Everhart, URS Greiner Co.; John Petty, , NatCity Investments; Paul Ash, OSHP; T. J. Moroco (Chronical Telegram); Mike McIntyre (The Plain Dealer) Ken Marley, Hardee's Food Services; Larry McQuillian ARCI; Stu Shear, Ohio Rehab. Services; Richard Boylan, Boylan & Assoc.; Debra Janik, , Key Bank; Ryan Connors, Connors & Co.; Paul Scuria, Scuria & Associates; GiGi Benjamin, Phil Campanella, Calfee, Halter & Griswold; Jim Fallon, Art Cobb and Vince Macaуда, Hahn, Loeser & Parks; Bill McDonnell, National City Bank; Matt Bornstein, Bob Brown, Key Capital; Eric Erickson, The Ohio Company; Gordon Reis, Seasongood & Mayer; Vince Carbone, Carbone Construction Co.; Keith Rosbury, HNTB; Frank Lamb, Huntington Bank; Howard O'Malley, B & T Express; Alan Lininger, Sunoco; C. C. Brooks, SBK Brooks; Susan Harper, League of Women Voters; Tom King, Ohio Trucking Association; Paul Komlosi and Larry Oakar, McDonald & Co.; John A. Peca, Climaco, Climaco, Lefkowitz & Garofoli; Bob Barnett, Public Affairs and Marketing; Barbara Lesko, Executive Director's secretary and Diane Pring, General Counsel's secretary.

The Chairman 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 Chairman 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 April 13, 1998:

1. Weekly Traffic Statistics, et al.
2. Traffic Accident Summary for March 1998
3. Traffic and Revenue Report for March 1998
4. Financial Statement for March 1998
5. Draft of Commission Meeting Minutes of April 13, 1998
6. Investment Transactions for March 1998
7. Budget & Expense Report for first 3 months of 1998
8. Independent Auditor's Report for Year Ending December 31, 1997
9. *Turnpike Notes*, March/April 1998
10. Various News Releases

Leever: Do we have a report on Budget & Finance?

Baker: Not at this time.

Leever: Mr. Wright, we'll call on you for your Audit & Legal report.

Wright: Madame Chairman, as we mentioned at the last meeting the total traffic for January was a record month and also the first quarter for a record quarter. I am pleased to announce that April was also a record month in the Turnpike's history both for passenger and commercial vehicles. That information is included in your packets.

Leever: Thank you, Senator Gaeth, do we have a report on the service plazas today?

Gaeth: No, Madame Chairman, I have no report.

Leever: Mr. DiPietro is not here, do we have a report on Employee Relations?

Plain: There is no report; nothing has happened since the last report.

Zomparelli: Madame Chairman, Commission Members, I know Mr. DiPietro was attempting to set up Labor/Management meetings and he had

tried at least a couple of times. It seems to have been difficult to establish a date. One date had been even May 15<sup>th</sup>, and the Union cancelled on us. I know he is working with them to try and set up a date for the next Labor/Management meeting. He asked me to relay that information to the Commission.

Leever: Thank you. Mr. Plain?

Plain: You want me to go next. OK. We have several resolutions that we want to take care of today and foremost of which is the resolutions concerning the bids that were taken on the new Travel Centers at Towpath and Great Lakes; Commodore Perry and Erie Islands. This is the most complex and complicated bids that we have ever undertaken since my tenure with the Commission which is over 27 years. We opened bids at 10:00 a.m. and it took them ½ hour (until 10:30 a.m.) just to open all the bids. They started reading at 10:30 a.m. and they were not complete with reading the bids until 1:30 p.m. We opened in here. We had them piled around and just the staff was here. We had it video taped and we set up seats in the other conference room so that all contractors could sit there and watch it on TV – live. Once we got through that it was up to the staff and our staff has really put in a tremendous amount of time along with our construction manager and everyone and again it was a very complicated process because we had to look at combinations of bids, individual bids any number of which and as you can see by the tabulations here which we have given the members, it was very complex. I'm going to use my executive privilege and ask Mr. Zomparelli go through these because of the legal and technical nature of this and I may jump in from time-to-time, but I will ask him to handle the first four resolutions.

Zomparelli: Executive privilege and executive delegation, right? Well the easiest way to start is – there are four draft resolutions before the Commission. There are titled, “Resolution Awarding and Rejecting Contracts for the Construction of Erie Islands Travel Center under Contract No. 53-98-03 and Resolution Awarding and Rejecting Contracts for the Construction of Commodore Perry Travel Center under Contract No. 53-98-04. There are also two rejection resolutions – one pertaining to Great Lakes Travel Center (Contract 53-98-01) and Towpath Travel Center (Contract 53-98-02.)

In everyone’s packet on top of the bid tab there is one sheet entitled, “Construction of New Ohio Turnpike Travel Centers”. You’ll see a list of items 2A to 16B.

Plain: It’s right on top of the big package.

Zomparelli: Remove the metal clips from the bid tabs, it will be a bit easier. OK.

The Commission’s staff including Dave Ransbury, Dan Castrigano (to some extent although he was away for a couple days) of Maintenance Dept.; Mr. Carbone is in the audience, our construction manager along with Michael Scarpatti and John Dregala of his office, Mike Phillips of our staff, myself, Bob Arlow, and Alan Plain. We spent a lot of time but originally what the construction manager has recommended is dividing each plaza into 27 separate bid packages. That sheet which I was referring to shows you how each of the 27 items were itemized, 2A is sitework, 2B is fence; 2C is landscaping all the way down to 16A and 16B (Building and Site Electrical and 16B – generators.)

Each one is a separate bid package that went out at the same time so each bidder would have the same set of contract documents and

plans to work from. We have one bid package that went out and incorporated all these items. Each bidder was given an opportunity to bid on each individual item or any combination of them and in any combination of the four service plazas. What we were trying to attempt to do pursuant to the construction manager's recommendation and to the staff, we felt that we could get best prices if we separate it out into 27 items. With the separation that would allow us to get the best prices in a time during the construction period where everyone is busy and it's competitive but not by awarding to one general contractor for all the items by separating them out, we had the opportunity to obtain the best bid prices from each sub for each item listed here as a bid package.

Leever: Excuse me, Gino, you had a pre-bid conference on April 16<sup>th</sup>, is that correct – so that everyone knew exactly.

Zomparelli: We had two pre-bid meetings – one at Great Lakes/Towpath and a second one on the same day at Erie Islands and Commodore Perry. We reviewed it, we apprised them of what we were doing, gave them an opportunity to ask questions and the meeting went pretty well. We did receive on Erie Islands and Commodore Perry, we received over 40 bids, but the “bid combinations” which we refer to, the real thick bid tab in excess of 90 pages, would outline what each bidder bid on. If you look at the first page, for example, this would have been an example of what a bidder would have bid on. 2A – site work. At this time we had only asked for site work on Great Lakes and Towpath. The plans and documents are currently being prepared by GSI Architects and being reviewed by our construction manager so that we can bid out the site work for Erie Islands and Commodore Perry. You can see what each bidder bid and what each bidder was proposing and broken up by items so

that we can ensure that the bid was responsive to the specifications that were submitted.

Page 2A takes you all the way up to page 42.

Leever: This is so complex.

Zomparelli: Go to page 44 for example. You'll see bid package item 4A masonry and cast stone/precast. The Commission received two bids - Mosser Const. and Northern Valley Contractors and they broke up their proposal by each item – one was for Great Lakes, one for Towpath, one was for Erie Islands and one for Commodore Perry. There were very alternates that we had asked each bidder to submit, if appropriate. On an item like the masonry and cast stone/precast, a contractor could have bid on any one of the four service plazas. They were not required to bid on all four. The important thing to keep in mind because of the schedule of the project, work has to be done simultaneously – at the same time at each service plaza. So that if a contractor is bidding on all four they have to have four crews operating at the same time and each crew has to have someone that is responsible – a superintendent or someone equivalent that would be responsible for the work of that contractor. We did this 27 times – we reviewed it.

It was a lot of work and an aggressive schedule. Our construction manager and his crew put in a lot of long hours and a lot of time in reviewing the bids in such a short amount of time. I want to get to the good news – first. I think that's the best way.

Leever: Mr. Carbone – you are smiling. I take that as a good sign.

Zomparelli: The good news is we have come up with award packages which we think the Commission should recommend an award to for the Erie

Islands and Commodore Perry. We start with, Resolution for Contract 53-98-03.

Contract 53-98-01, 02, 03 and 04 is how we broke up the four service plazas. The two that we are recommending award for certain bid packages is for Contract No. 53-98-03 and 53-98-04 (Erie Islands and Commodore Perry). On the second page of the draft resolution I have outlined each bid package with the description, bidders' name and the proposed amount. On Erie Islands bid package we are recommending, 3A, 4A, 5A, 7A, 8A, 8B, 9A, 9B, 9C, 10A, 13A, 13B, 13C, 15B, 15C, 15D, 15E, 15F and 16A. When we add up those totals, it gives us a total of \$5,670,554.00 .

Leever: How does that compare with our estimate?

Zomparelli: Overall, it's lower than the estimate that has been put together by the construction manager. Most of the items are under the estimate. There are a couple that are over but overall we are under estimate. We are recommending rejection on the following page: 9D, 9E, 14A, 15A and 16B. We have enough time to re-bid those, we think we can get better pricing if we re-advertise for those.

Leever; Why were no bids received on the plumbing – any idea?

Zomparelli: My explanation is everybody is busy right now. If we were re-advertise and have a longer bid schedule and now that we have gone through the process once and a lot of contractors who maybe didn't have enough time will be prepared and waiting for the re-bid. They all see the bid tab.

Plain; We'll be calling all of them, too to make sure they are aware.



Zomparelli: We'll advertise. I don't know if Mr. Carbone wants to speak about the plumbing at all if there is anything happening in the market except contractors are busy right now.

Carbone: Madame Chair, Commissioners, it is our professional opinion that the plumbers are rather busy and this was a rather short bid period. There are a couple significant projects being bid in the City of Cleveland and Toledo. We had received two to three calls of subs asking for the bid to be extended. We felt with the aggressive schedule it would be better to bid with the published date and if we had to tinker with the plumbing, we could do that later on. So the plumbing is really not as significant as the critical path for the overall travel centers so we again recommend rejection.

Williams: What are we talking about rejecting – this page and not only the bid dealing with plumbing, are we talking about –

Zomparelli: From 3A to 16A, the total of \$5,670,554.00 – that's what we are recommending for award and the small chart (from 9D to 16B) that's what we are recommending for rejection. The two most critical items out of the 27 bid package items are the steel and the stone pre-cast. There are a lot of lead time that we need to order the steel and also the pre-cast stone for the service plazas. That is because of the scheduling and lead-time that's why the Commission is recommending awarding the masonry and steel at this time on Erie Islands and Commodore Perry. Again, the biggest bid package item that still needs to be decided is the sitework and we still have not put the sitework to bid on Erie Islands and Commodore Perry. I'll read the Resolved of the resolution and try to tie it together and make some sense. I'm on the third page towards the middle,

“WHEREAS, the Commission's executive director and general counsel concur in said review group's recommendation;

NOW, THEREFORE, BE IT

RESOLVED that the bids of the following bidders: (here's where you see the chart starting with 3A, Concrete & Reinforcing in the amount of \$725,000 – the chart goes all the way down to the next page with the last item on the chart being 16A Building & Site Electrical work in the amount of \$865,000 for a total of the above items in the amount of \$5,670,554.00.

<u>Bid</u> <u>Package</u>	<u>Description</u>	<u>Bidder's Name</u>	<u>Amount</u>
3A	Concrete & Reinforcing	Mosser Construction, Inc.	725,000
4A	Masonry & Cast Stone/Precast	Mosser Construction, Inc.	460,000
5A	Structural Steel	Mosser Construction, Inc.	950,000
7A	Roofing	Franklin Roofing	385,000
8A	Glazing, Curtain, Wall, Storefront & Mirrors	Architectural Products	150,998
8B	Sectional and Coiling Doors	Advance Door	25,715
9A	Interiors	GQ Contracting	931,800
9B	Carpet, Resilient Base & Accessories	Acme Arsena	11,000
9C	Painting and Wallcovering	Frank Novak & Sons	58,800
10A	Toilet Partitions	Folding Equipment Co.	44,000
13A	Furnish Pre-fab Fueling Booths	Mosser Construction, Inc.	35,000

<u>Bid Package</u>	<u>Description</u>	<u>Bidder's Name</u>	<u>Amount</u>
13B	Furnish Fuel Tanks	Quality Petroleum Products	67,428
13C	Install Fuel Tanks, Provide Piping & RMVLS	Toltest	291,273
15B	HVAC	Ogrinc Mechanical	439,880
15C	Furnish Air Handlers	Ogrinc Mechanical	75,800
15D	Furnish Boilers	P. M. Equipment Co.	21,817
15E	Controls and Building Automation System	Slawson	42,490
15F	Fire Protection	S. A. Communale	89,553
16A	Building & Site Electrical	Regent Electric	
			<u>865,000</u>

**TOTAL .....\$5,670,554.00**

in the total amount of all bid packages awarded is \$5,670,554.00 in connection with the performance of Contact No. 53-98-03, is and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said bid packages and contracts, 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 the Commission concurs in the above-mentioned rejection recommendation of the following:

<u>Bid Package</u>	<u>Description</u>
9D	Porcelain & Ceramic Tile
9E	Terrazzo
14A	Elevators
15A	Plumbing <i>(Note: no bids were received)</i>
16B	Furnish Generator

and that the bid packages with alternates, if any, and combination bids submitted in response to Contract 53-98-03 are hereby rejected;

RESOLVED that the executive director and general counsel hereby are authorized and directed to take any and all action necessary to re-advertise for the bid packages rejected, including bid package 15A (plumbing) in connection with the replacement and new construction of the **Erie Islands Travel Center** under **Contract No. 53-98-03**, forthwith.

FURTHER RESOLVED that Project No. 53-98-03 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Zomparelli: I would recommend that the Commission move to adopt this resolution if they so desire.

Leever: We need a motion –

Baker: I'll make the motion.

Leever: Second?

Williams: Second.

Leever: Any discussion?

Baker: I'd just like to say I'm glad it was videotaped. Something this complex, I think it's an excellent idea. Let the people involved watch the process.

Leever: Absolutely, I'm so pleased that we have Mr. Carbone. That's why we have him. One of the many reasons.

Plain: We are pleased also. We are pleased with the staff that participated in this complicated processing – Purchasing – they opened and tabulated all of the bids and put them together. They did an outstanding job in a short period of time. We had everything moving pretty fast around here. It's been -

Zomparelli: I forgot to mention that.

Leever: May I ask when you might be ready to re-bid?

Zomparelli: We are working on it now and hopefully we will be able to make a recommendation at the June meeting on those items, unless we

decide to go to the July meeting – if we think a longer time is necessary.

Plain: We'll take the vote on the resolution.

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

Zomparelli: The next resolution will be a little bid easier. That's Commodore Perry Travel Center under Contract 53-98-04. The lowest bids are identical for Commodore Perry as they were for Erie Islands with one exception. That's item 16A on the second page, building and site electrical. Regent Electric had bid \$865,000 for Erie Islands Commodore Perry they firm bid \$5,000 greater – not a substantial amount so this total is for \$5,675,554.00. We are recommending awarding on the same items that we had listed for Erie Islands and rejection of the same items. The third page of the resolution is where the "Resolved section starts" If you want me to read it again, I will -

"RESOLVED that the bids of the following bidders: (here again we itemize each item that the bid package refers to, the bidders name and the amount)

<u>Bid</u> <u>Package</u>	<u>Description</u>	<u>Bidder's Name</u>	<u>Amount</u>
3A	Concrete & Reinforcing	Mosser Construction, Inc.	725,000
4A	Masonry & Cast Stone/Precast	Mosser Construction, Inc.	460,000
5A	Structural Steel	Mosser Construction, Inc.	950,000
7A	Roofing	Franklin Roofing	385,000
8A	Glazing, Curtain, Wall, Storefront & Mirrors	Architectural Products	150,998
8B	Sectional and Coiling Doors	Advance Door	25,715
9A	Interiors	GQ Contracting	931,800

<u>Bid</u> <u>Package</u>	<u>Description</u>	<u>Bidder's Name</u>	<u>Amount</u>
9B	Carpet, Resilient Base & Accessories	Acme Arsena	11,000
9C	Painting and Wallcovering	Frank Novak & Sons	58,800
10A	Toilet Partitions	Folding Equipment Co.	44,000
13A	Furnish Pre-fab Fueling Booths	Mosser Construction, Inc.	35,000
13B	Furnish Fuel Tanks	Quality Petroleum Products	67,428
13C	Install Fuel Tanks, Provide Piping & RMVLS	Toltest	291,273
15B	HVAC	Ogrinc Mechanical	439,880
15C	Furnish Air Handlers	Ogrinc Mechanical	75,800
15D	Furnish Boilers	P. M. Equipment Co.	21,817
15E	Controls and Building Automation System	Slawson	42,490
15F	Fire Protection	S. A. Communale	89,553
16A	Building & Site Electrical	Regent Electric	
<u>870,000</u>			
<b>TOTAL .....</b>			<b>\$5,675,554.00</b>

in the total amount of all bid packages awarded is \$5,675,554.00 in connection with the performance of Contact No. 53-98-04, is and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said bid packages and contracts, 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 the Commission concurs in the above-mentioned rejection recommendation of the following:

<u>Bid Package</u>	<u>Description</u>
9D	Porcelain & Ceramic Tile
9E	Terrazzo
14A	Elevators
15A	Plumbing ( <i>Note: no bids were received</i> )
16B	Furnish Generator

and that the bid packages with alternates, if any, and combination bids submitted in response to Contract 53-98-04 are hereby rejected;

RESOLVED that the executive director and general counsel hereby are authorized and directed to take any and all action necessary to re-advertise for the bid packages rejected, including bid package 15A (plumbing) in connection with the replacement and new construction of the **Commodore Perry Travel Center** under **Contract No. 53-98-04**, forthwith.

FURTHER RESOLVED that Project No. 53-98-04 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Leever: We need a motion.

Zomparelli: Right.

Williams: I move for adoption of this resolution.

Joseph: Second.

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

Zomparelli: Those two service plazas will be closed after July 4<sup>th</sup> weekend. We will start working to award, draft contracts pursuant to the Commission's wishes. The other two draft resolutions pertaining to the service plazas are titled, "Resolutions Rejecting Bids for Construction of the Great Lakes Travel Center under Contract No. 53-98-01"

When the staff, our review group and our construction manager reviewed the bid packages submitted, we were not comfortable with the bids we received on a couple of the items and because one of the items involved is the steel and the steel is the most critical to the service plaza construction and scheduling we are recommending rejecting the steel and in that regard rejecting all the other bids and re-advertising and at that point, new bids are received we will come back to the Commission again in June and possibly in July to make our recommendation at that time. We don't want to not go forward with the project. We will be recommending to the Commission simply to re-advertise for bids and the additional time will allow more bidders and more aggressive bidders by the prospective bidders.

Leever: You don't plan to have another pre-bid meeting, do you?

Zomparelli: Yes, we will another pre-bid meeting. I think that's important because there would be some bidders who have not bid prior. The new bid documents will be similar with the plans and specifications. We will incorporate in the addendum that was issued. Everybody will be on the same page, equal ground and no one will have a competitive advantage. I'll read the Resolved:

NOW, THERFORE, BE IT

“RESOLVED the Commission concurs in the above-mentioned rejection recommendation and all the bid packages with alternates, if any, and combination bids submitted in response to Contract No. 53-98-01 are hereby rejected;

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 the replacement or renovation, construction of the **Great Lakes Travel Center** under Contract No. 53-98-01, forthwith. “



Zomparelli: I recommend that the Commission adopt this resolution.

Leever: We need a motion.

Baker: So moved.

Leever: Second.

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

Zomparelli: The final resolution today on the service plazas is Resolution Rejecting all bids for Construction of Towpath Travel Center under Contract 53-98-02” under the same analysis that we rejected Great Lakes Travel Center. The Resolved reads:

“RESOLVED the Commission concurs in the above-mentioned rejection recommendation and all the bid packages with alternates, if any, and combination bids submitted in response to Contract No. 53-98-02 are hereby rejected;

“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 the replacement or renovation, construction of the **Towpath Travel Center** under Contract No. 53-98-02, forthwith.”

Zomparelli: I would recommend that the Commission move to reject.

Baker: So moved.

Joseph: Second.

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

Zomparelli: I refer back to the Executive Director.

Plain: Excellent job, Gino. As we said, they were very, very complicated. We will put together the bidding documents as quickly as possible and re-advertise for bids. There is a possibility that if we adjust our next meeting’s date from the regularly scheduled that we may be able to work that in without having to wait till July. We are going to

try to do that if at all possible depending how soon we can get the bids in and whether we got something that we can go. We'll give you a status report and let everybody know prior to that, OK.

I have a couple other resolutions that pale in comparison to some of the others, but they are still necessary. The next resolution is for awarding Contracts under Invitation No. 3617-C. Attached to the back is the two-page bid tabulation summarizing the bids received by the Commission. This is for furnishing and installing (20) each dump/spreader bodies, central hydraulic and lighting system and furnishing and installing each front snow plows with wing plow and quick hitch. These are necessary for our snow and ice operations. Part of the new equipment that we have to be able to cover more ground out there with the third lane. With the third lane, we are adding additional capacity which means we will have to do additional plowing. With the new equipment we found that we have been able to handle it successfully. I've got the Maintenance Engineer here – Dan Castrigano – that can get into any of the particular details but with this and even with the expansion we feel that with the larger trucks, there is no need to put on additional crews to handle the expansion of the third lane. We have worked real hard to keep our operating costs down in maintenance and with the new and larger equipment we will be able to handle the third lane and longer distances – with the same crews. I'll read the Resolved. There's three groups here – Group I, II and III (items 1 and 2):

“RESOLVED that the bid of **Wise International Trucks of Ohio** of Cleveland, Ohio for **Group I** of Invitation No. 3617-C in the amount of \$976,760.00; and the bids of **Ace Truck Equipment Company** of Zanesville, Ohio for **Group II and Group III (Item 2)** in the total amount of \$692,436.00; and the bid of **Concord Road Equipment Mfg., Inc.** of Painesville, Ohio in the total amount of

\$176,544.00 for **Group III (Item 1)** 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; Ace Truck Equipment Company 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 would make a recommendation that we award these contracts. I will need a motion and a second.

Williams: I move for the adoption of this resolution.

Baker: Second.

Roll: Mr. Williams-yes, Mrs. Baker-yes, Mr. Joseph-yes, Mrs. Leever-Yes.

Plain: As we talked previously, we want to be in a position to take advantage of the market conditions and we talked about a refunding issue or perhaps two refunding issues and if you have any questions, I'll have Erik come up and talk about this. Our Financial Advisor explained this before. We'll get into the resolution; we have covered it at other meetings. I just wanted to cover it again. Erik –

Erickson: Thank you, as you recall at the last meeting, you folks selected an underwriting team to move forward on your advance refunding of the 1994 and 1996 issue. At the time the rates were a little more attractive. They backed off a little bit. We are about 30 basis points away from perhaps doing a 65 or 100-M bond issue. However, it's helpful to have everything prepared and we have the team assembled and we will begin working on the actual

documentation so the Commission is in a position that they can move forward quickly if the rates do drop down. A number of us think that over the course of a year that should happen. This is just part of the flow of the documentation necessary – the resolution for the Board to proceed.

Again, the first issue probably will not be anywhere to that size, probably closer to \$100-M but it's helpful if rates drop dramatically to have the ability to capture up to \$300-M of prior bonds. The target savings is approximately 3% of the prior issue. It will be several million dollars over the life of the issue in terms of savings to the Commission. Any other questions. Want me to talk about the rating process, too?

Baker: I think you should.

Erickson: The Commission is in the process of visiting with the three national rating agencies. Last week, we had Moody's and Fitch in here to visit the Turnpike and look at the road and the service plazas. Next week we go to New York to visit Standard & Poor for their annual update. It's an important process and we are hopeful that there will be an upgrade coming from the rating agencies.

Plain; We have asked for that upgrade upfront and presented an enormous amount of material to them and they seemed pretty receptive from what I could read. We are hopeful that with that again will amount for savings for us over the course of the years. Thank you, Erik.

Baker: I had the privilege of sitting in on the Fitch meeting, and would have sat in on the Moody's meeting except they were fogged in and I could not stay the entire day. I had the impression that Fitch gentlemen were impressed with our operation. And as a Board member I was very pleased with the presentations that were made

by our Executive Director, our top staff people and the consultants which we have hired to assist us. I said to them that we are a proactive Board, we want to save money and yet we want to be ahead of the curve as far as what we are building and do for this State. They seemed receptive so we'll see how it goes.

Leever: We were very happy that you were there representing the Commission members.

Plain: It makes a difference. As Marilyn indicated, after our presentations, we rented a van. We took them out to see the facilities. One of the comments made when we went out with our last bond issue was: well now you have a \$1.2 billion project and I know you have a good staff and a good record, but do you have the ability and wherewithal to handle this? And so what we did was say, not only have we handled it but by the end of this year, we'll have 51% of mileage of the third-lane complete. And we took them out and drove on it and we showed them new interchanges. We drove through it, we showed them a renovated interchange; we showed them an old interchange and how we were changing it, upgrading it, adding capacity. We went out to the service plazas and showed them the condition what it is right now and we showed them the new maintenance buildings that have been rehabilitated. Once they were out there and were able to see for themselves. We can talk about it but here it is – you're on it. I think they were very impressed, but we had the current undertone by everybody's presentation the underwriters have put together a nice book for us and a slide presentation and the video which I will show shortly. I think demonstrated that we do have a good organization, we are able to handle programming despite a small staff, and we are making, I think record progress in the amount of over 80 miles

completed by the end of this year. That says a a lot for the Commission and what we are able to do – not only for ourselves but for the State of Ohio as well. I will get into that after that.

I'd like to read the Resolved:

**:NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE OHIO TURNPIKE:**

Section 1. Definitions. In addition to the words and terms defined in the recitals and elsewhere in this Resolution, those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization shall have the meanings assigned to them in the Master Trust Agreement, dated as of February 15, 1994 (the "Master Trust Agreement"), the First Supplemental Trust Agreement, dated as of February 15, 1994, the Second Supplemental Trust Agreement, dated as of September 1, 1995, and the Third Supplemental Trust Agreement, dated as of May 1, 1996 (collectively, the "Supplemental Trust Agreements"), each between the Commission and The Huntington National Bank, as Trustee (the "Trustee"). (The Master Trust Agreement and the Supplemental Trust Agreements are collectively referred to herein as the "Trust Agreement.")

Section 2. Declaration of Intent. It is hereby determined to be the intent of this Commission to issue, sell and deliver an aggregate principal amount not to exceed approximately \$300,000,000 of State of Ohio Turnpike Revenue Refunding Bonds (the "Refunding Bonds") in one or more series, for the purpose of refunding a portion of the outstanding Bonds, including costs incidental thereto and of the financing thereof, provided that the net present value savings achieved in connection with the refunding is approximately 3%, all in accordance with the provisions of the Trust Agreement.

Section 3. Terms of the Bonds. The Bonds shall be issued in the form of conventional tax-exempt fixed rate revenue refunding bonds, at such times and upon the terms determined by this Commission in its authorizing resolution or resolutions, all in accordance with the provisions of the Trust Agreement.

Section 4. Authorization of Other Action. The Commission's executive director and general counsel are authorized and directed to proceed with the preparation of documents necessary for the issuance of Refunding Bonds so that such Refunding Bonds may be issued by the Commission upon its determination that market conditions so advise. Nothing in this Resolution, however, shall be construed to commit the Commission to issue such Refunding Bonds. Such issuance shall be upon the sole determination of this Commission.

Section 5. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 6. Compliance with Sunshine Law. It is hereby determined that all formal actions of the Commission relating to the adoption of this Resolution were taken in an open meeting, and that all deliberations of the Commission and of its committees, if any, which resulted in formal action were in meetings open to the public, in full compliance with Section 121.22 of the Ohio Revised Code.”

I would like a motion and a second and would recommend that this resolution be adopted.

Baker: I will make that motion.

Joseph: Second.

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

Leever: We will look forward to an update after your New York trip.

Plain: We are expecting a similar trip. Standard & Poor’s had come out to the Commission last time and visited and we took them through the facilities. We are looking forward to meeting with them and making our presentation next Monday (May 18).

The next resolution – Resolution to Provide for Discontinuance of Semi-Annual Audits Effective with the June 30, 1998 Audit and to Proceed with Annual Audits

Again, before I get into the resolutions, I will ask David Wright to please explain what we are doing. We talked about this over the years and we are now in a position to act.

Wright: As some of you may be aware, our 1994 Master Trust Agreement requires us to do two audits per year – a June 30 and year-end (December 31) audit. In my limited 18 year career in both private and for-profit environments I never heard of an organization doing two full audits. If any of you work with your financial staffs, you understand that undertaking an extra audit is very time-consuming and it takes a lot of staff time. So basically, we went to Peck, Shaffer and said we just didn’t see the practicality of doing two audits per year – the strength of the Commission, the history of the

Commission didn't appear to require it. Basically, Peck, Shaffer has indicated that there is two things that need to be done: The first is go to the rating agencies to make sure such a change would not have an adverse rating and the second would be to have Huntington Bank, our trustee, to approve such request. Once that is done then a resolution would come forward to the Commission giving basically Peck, Shaffer the OK to work up the changes for the Master Trust Agreement.

Through the process, I did contact all the rating agencies and they were surprised and were not even aware that we were having two audits a year and asking casually if they ever seen that and in their experience, they had never seen it anything like it.

Plain: You might want to cover our independent auditor's report for the year ending December 31, 1997. We discussed it with them.

Wright: They didn't see a need for it either. Throughout obviously the Ohio Company, our financial advisors, they agree there is really no need and pretty much every conversation I have had with people in the financial industry I have asked them. Do they do it? Do they see a need? Do they know of anyone who is doing it? I haven't gotten any response one way or another.

Leever: How long have we been doing this?

Wright: In talking to my staff, we have been doing it prior it my predecessor.

Plain: As long as I have been here.

Williams: Do we know why – is it a state requirement or something?

Plain: No – that's one of the things I guess I asked when we were looking at re-organization. Trying to apply our time.

Leever: We have enough to do, right?

Plain; We have a lot to do and these are some of the things that we brought up and when we did, to our independent auditors, they said they didn't know of anybody else that did it that way. This doesn't mean that we are trying to diminish the importance of our audit. We still have it done by an independent auditor. It is still reviewed by the State Auditor. It's just that it is too time consuming and we can get the same results in doing it once a year and doing the preparation and it will provide more staff time for doing other things that we are trying to do.



- Gaeth: I would guess this would be quite a financial savings – any idea we can save by doing away with one audit?
- Zomparelli: Madame Chair, Commission members, we brought up this discussion maybe a year ago to the then-Comptroller and I asked him whether there would be a savings. He didn't say particularly there would be a large savings. We are more concerned about the time consumed. Sometimes interim work is being done anyways throughout the year from time-to-time and that I guess a decision was in the past that it really wasn't that much more money, and it wouldn't hurt when we went into the bond market for the first time in 1994 to continue with a June 30 and then December 31 audit of each year. But the practicality is when we reviewed it today, and reviewed it with various members outside of the Turnpike, there just wasn't the need anymore. There might have been a need before and might have been a reason because the role that the State Auditor's Office plays in this.
- Wright: With many of the audit firms, it is a slow time for them so it's attractive to them because they are looking to get their people some work. Thus, their fees are not nearly as expensive as it is for the December 31 audit when most organizations have the December 31 audit. They make their fees very attractive for the June 30 audit. While it will have some savings, it will not be that significant.
- Zomparelli: Right. It's the timing that's important. David Miller is here from our Auditing staff, and I think we'd like to get him more involved in the other auditing functions.
- Plain; David (Miller) do you have any comments, you would like to make regarding this matter?
- Miller: Madame Chair, Commission Members, only that I firmly believe this is an appropriate action that we should take at this time. I have been here nearly 5 years now and have been involved in the audit Department. I came here from a Big 8 accounting firm and two audits per year was new to me at that time. I was very unfamiliar and being somewhat unfamiliar with the governmental arena, I wasn't sure if that was unusual or not. I have come to learn that it is, in fact, unusual I don't feel that this will impair our control in any way of the Audit Department. We will continue to make sure that our resources are protected and under control. I deem this to be appropriate action.

Plain: OK, I'll read the Resolved:

"RESOLVED that the Commission hereby authorizes its executive director and general counsel to take any and all action necessary or appropriate to accomplish the discontinuance of the June 30 audits effective with the June 30, 1998, audit period and to proceed with the annual audits as of December 31 of each year; and

"FURTHER RESOLVED that the executive director and general counsel are authorized and directed to take any and all action necessary to issue a Request for Proposals for Contract Audit Requirements for the audit period of December 31 of each year commencing with the audit of the Commission's financial statements for the year ending December 31, 1998. "

As we indicated, we have gotten a blessing from all those that we need, and I would recommend that we adopt this resolution. I will need a motion and a second.

Williams: I move for adoption.

Joseph: Second.

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

Plain: Those are all of the resolutions that I had, and I would like to cover something else and maybe to take a short break. If someone would get those blinds over there for me. We'll reduce the lighting.

One of the things that we have been stressing are our strategic goals. We covered this in depth and we also showed this to all the rating agencies, We received an award from the Ohio State Highway Patrol for our tremendous accident record this year of 0.2 accidents per 100,000,000 miles and 0.4 fatalities per 100,000,000 miles. That is probably the best in the State and if you look at overall the federal which is up around 1.25 something like that, it speaks well of the job that we have been doing. The third lane has been an important part of this, I feel, along with the snap-alerts along the outside edges of the pavement. The other thing is what we have done for economic development and it's been a fairly closely guarded secret in here. I have been out talking to the newspapers along the corridor of the Turnpike and telling them what we have been able to do to attract new businesses. We have been working with the Departments of Economic Development & Tourism and in talking about these new Travel Centers, those are things that we really want to pursue and enhance is more

involvement with tourism in promoting it, showcasing the Ohio Turnpike, but also Ohio as well and what Ohio has to offer for attracting new business, for protecting jobs that are already here and how we have become that catalyst for economic development.

We have been working with a consultant to put together a video which highlights some of these things and we intend to go out to the electronic media with this also to the cable TV and others – Dept. of Development is going to go to New York and work with Sites Selection Magazine and follow-up things on this, but I think this re-caps fairly well what we have been about.

(Showed video, “Ohio Turnpike – a Road to the 21<sup>st</sup> Century.”  
Began at 11:00 a.m. and showing of video was completed at 11:20 a.m.)

Williams: Is there a plan for utilization of that?

Plain; Yes, we are working with the Dept. of Development to promote and we will promote it along the electronic media across Ohio. We will be putting that together as soon as we have the strategy down how we are going to do that.

That will be shown and you’ll probably be able to see that on your cable TV. They like fillers and they’ll show that over and over again. Also in our new Travel Centers when we have them built, we’ll have video facilities out there on a wall where we will be able to show these types of things. There are four screens that you can show four individual things or one or two at the same time and make it a large one when you combine all four. We’ll do this thing with safety things, driving, weather and traffic information and it will give us another opportunity to work with the various businesses and industries across the State. After seeing this video, some have already indicated that they want to show there’s out there so we ‘ll have another source of revenue to do this by charging to play these things out there for everybody to see. In working hand-in-hand with the Dept. of Development and Tourism and local Chambers of Commerce, we think that we can do a much better job in this State than we have over the years and to really showcase Ohio – what it has to offer, what attractions and why businesses should be located there. I think we have a tremendous opportunity to enhance this image and I guess I’m proud and so is the rest of the staff to be a part of this.

Williams: We talked about one time about the importance of having a closer collaboration down State and I'm just wondering if our Representatives and Senators might find a forum at the state-level that we might be able to show this to some committees or to the legislature as a whole. It might be a good thing to consider.

Perz: If I might respond – I think it would not be unusual that every legislator would be sent a letter and a video. It also could be showcased in transportation committee. I think the legislators for sure, I mean some still have a memory of the sting and flood of calls – it would be a good PR move and we have received videos from different entities –

Plain: I think we could make it available but I don't know if we want to send it out to everybody because it will be stuck in the drawer somewhere and the cost might be prohibitive for that. We certainly will and maybe you can help us with that to set up some of those things and work closer with the legislators. We intend to show this to the Oversight Committee on Friday, May 15 at Exit 12 – our next meeting at 11:00 a.m. and as we go out and then we'll do more in the local communities when we go out for talks and that we'll put this on. We are looking for Tourism and Development and others to work hand-in-hand. They are helping to underwrite the cost of the video so we think we have something here that is dynamic and positive and really it shows what we are all about.

We have been doing some of these things, but we want to highlight that and take a more active role in some of these things because we have the major east/west interstates across this nation from the east coast to the west coast I-80 and I-90 and parts of 76 all on the Ohio Turnpike. We think when we get these new Travel Centers and we can put out these promotional things and the literature and everything else that goes out with it, it will help attract business and will reach a great number of the travelers and the business people that are out on our road.

Perz: Well, I wouldn't blow the Legislature off so quickly, but at least send to Chairmen

Plain: I never blow the legislature off, but quickly –

Perz: You said it's too expensive to do, I mean it's not unusual, it's a good form of PR I would at least send to the committee chairs – all Chairmen of all committees. We could ask them to share it with their committees.

Plain; Sure. Your point is well taken.

Gaeth: It's a great program for service clubs.

Plain; One of the other points that I wanted to cover along with the Travel Centers, we put the models up in the glass conference room if anybody wants to take a look at those along with some of the renderings that we had.

The other thing we talked about the interchange with S. R. 58. We had hoped to have something to present to the Commission today, but unfortunately that has not been accomplished. We are working with them – the Ohio Rail Development Authority and also with Lake Erie Railroad to make that happen and I think we are close in having some of the language drafted up that we can get an agreement. We are very hopeful in having that for the next Commission Meeting – whenever that is scheduled for.

Zomparelli: Madame Chair and Commission Members, I will be talking to the attorney from Lake Shore Railway Assoc. tomorrow to try and iron out the terms for the reimbursement of the additional construction and engineering costs that would be incurred because of the relocation of the interchange. We both anticipate having that completed sometime this week. We will be in a position to report on that at the next Commission Meeting.

Leever: There will be a light at the end of the tunnel.

Zomparelli: We are almost there – we can see it.

Plain: We think so.

Zomparelli: It depends upon which tunnel they choose. Talks are going well, I don't anticipate any problems. I think we have the same understanding, but as we know, that can change at any time.

Plain: That's all, Madame Chairman.

Leever: OK, thank you. Mr. Arlow, it's your turn.

Arlow: Thank you Madame Chairman, Commission Members. We presently have 18 construction projects on the Turnpike. The four third-lane projects that are underway will be in the two-lane mode by May 15 – a full three weeks ahead of schedule – two lanes in each direction mode. We have two resurfacing projects out west which are bi-directional. They are progressing very well and will be

complete by the middle of June and will be in full- two-lane situation at that time. We have two interchanges that are under construction that are progressing very well. We have one rehabilitation at Exit 4 that is underway that is more than 50% completed and is going very well.

The rest of the projects that we have are bridge projects which we will have periodic zones throughout the remainder of the year, however, none will be disruptive to our traffic. They will be day zones which we can take down at any time and in our contracts we have put a provision in there that by Friday noon and until Sunday night at 10:00 p.m. all construction zones have to off the Turnpike because that's our heavily traveled period so we will not have any zones at that period to ease the flow in traffic for that period. We are very proud that we are ahead of schedule in getting it to a two-lane on our third-lane projects and to have very little disruption of traffic the remainder of this year.

Leever: Thank you. I think it's a very good idea that over the weekend – the busy peak travel time – that we have the two-lanes open.

Arlow: Cedar Point just opened this past weekend so the traffic has really gone up and other things this past weekend along with that. We saw significant amount of traffic.

Leever: It was very busy when I came across it. Thank you. Frank Lamb?

Lamb: No report, Madame Chairman.

Leever: Captain Ash?

Ash: No report, Madame Chairman.

Leever: We had a wonderful thing happen to us last month when you were not here. You don't have anything extra special?

Ash: So I understand – too bad I wasn't here.

Leever: Bobby Everhart?

Everhart; No report, Madame Chair.

Leever: And our General Counsel, Mr. Zomparelli, do you have something for us?

Zomparelli: No further report, Madame Chairman.

Leever: I just want to remind us all that there is an Oversight Committee Meeting on Friday, May 15, at Exit 12 at the Holiday Inn at 11:00 a.m. and Senator Gaeth and Representative Perz if you will be there, we will look forward to seeing you.

Gaeth: I can't make that one.

Leever: Well, if there is no further business, I will accept a motion to adjourn. We don't have a date yet for our June meeting, right?

Plain: We will take a look at what kind of bids we get in response to the Travel Centers and try to coordinate that so we can make an award at the next meeting.

Leever: I need a motion to adjourn.

Baker: So moved.

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

Leever: Thank you all for coming. Have a safe trip home. (Meeting adjourned at 11:30 a.m.)

/dsp