

## MINUTES OF THE 440TH MEETING OF THE OHIO TURNPIKE COMMISSION

June 22, 1998

Pursuant to the bylaws, the Ohio Turnpike Commission met in regular session in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:03 a.m. on June 22, 1998, with members of the staff: G. Alan Plain, Executive Director; Gino Zomparelli, General Counsel and Deputy Executive Director-External Affairs; Robert Arlow, Deputy Executive Director-Operations; Anthony A. DiPietro, Deputy Executive Director-Administration; David Wright, CFO/Comptroller; David Ransbury, Chief Engineer; Daniel F. Castrigano, Maintenance Engineer; and others in attendance.

Present: Senator M. Ben Gaeth, Earl W. Williams, Marilyn R. Baker,  
Ruth Ann Leever

Absent: Jerry Wray

The Chairman said the minutes of the last Commission meeting of May 11, 1998, had been distributed to the Members for their comments and she would accept a motion to adopt them without reading.

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

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

Nays: None

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

The Chairman said the meeting was the 440th meeting of the Commission. She said it was being held at the Commission's Administration Building as provided for in the Commission's Code of Bylaws. She said Jerry Wray was unable to attend the day's meeting.

The Chairman said it was her pleasure that morning to announce that, as soon as they were through with the formalities, Mr. Williams would be the new Vice Chairman of the Commission. She said that she was delighted that he was willing to accept that position.

The nomination of Mr. Williams to the position of Vice Chairman was made by the Chairman and seconded by Mrs. Baker. A vote by ayes and nays was taken and the vote was as follows:

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

Nays: None

The Chairman declared Mr. Williams was elected the Commission's new Vice Chairman.

The Chairman said she looked forward to working with Mr. Williams as she had with Mrs. Baker.

The Chairman said there were a number of guests at the meeting and she would ask them to identify themselves as follows: Heidi Jedel, Department Head secretary, Information and Research; Nancy Gold, Legal Department; Tom Travis, Host Marriott Services; David Patch, **The (Toledo) Blade**; Jim Calpin, PaineWebber; Mary Sullivan, Peck, Shaffer, & Williams; Steve Wood, PaineWebber; Robert Doherty, Merrill Lynch; Jeff Carey, Merrill Lynch; Robert Boylan, Boylan & Associates; Stu Shear, Rehab Services Commission; Bill McDonnell, National City Bank; Paul Stubbin, Seasongood & Mayer; T. J. Moraco, **The (Elyria) Chronicle Telegram**; Kathy Dolbin, Human Resources Manager; Thomas Amato, Assistant General Counsel; Jennifer Garver, McDonald & Co.; Eric Erickson, Fifth Third Ohio Company; Bobby Everhart, URS Greiner; Mike McIntyre, **The (Cleveland) Plain Dealer**; Frank Lamb, Huntington Bank; Vince Charucci, Business Consultant; Ryan Connors, Connors & Co., Inc.; Larry McQuilyn, Advanced Restaurant Concepts; Deb Janik, Key Bank; Matt Borstein, KCMI; Lt. Tom Derr, Ohio State Highway Patrol; Pat Patton, Government Liaison Officer; Fred McFall, Host Marriott; Heather Morrow, Nat City Investments; Mike Schipper, HNTB; and Alan Lininger, Sunoco Mid-America.

(Representative Sally Perz arrived at the meeting at 10:06 a.m. and Paul Sciria, Sciria & Associates, followed at 10:14 a.m.)

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 May 11, 1998:

1. Weekly Traffic Statistics
2. Traffic Accident Summary for April and May 1998
3. Traffic and Revenue Report for April and May 1998
4. Financial Statement for April and May 1998
5. Draft of Commission Meeting Minutes of May 11, 1998
6. Investment Transactions for April and May 1998
7. **Turnpike Notes**, May 1998
8. Various News Releases

Mrs. Baker said also that it had been a privilege for her to participate in the bond ratings meetings and also in some of the meetings as the Commission prepared for its upcoming bond issues. She said the Commission had prepared a fine team. She said the groups were working together in sync and they also worked well with the Commission's senior staff. She said the plan was in place for those upcoming bond issues and it was being fine-tuned.

Mrs. Baker said further that the market trends had been very favorable and they were looking good for the future of those issues. She said that at the meeting there would be a presentation later in the meeting to help the Members better understand the processes necessary for issuance of the bonds.

Mrs. Baker said further that it was her pleasure to announce that as of June 19, 1998, Fitch IBCA had given the Commission an upgrade in its bond rating from A+ to AA-. She said the Commission could be very proud of that accomplishment. She said it was going to save a great deal of money on the Commission's borrowing costs and it was an honor that the bond rating

upgrade had been received by the Commission. She said she would ask Mr. Plain if had some other comments.

Mr. Plain said he also was very, very pleased with the bond rating upgrade and he thought the team worked hard in making their presentation to the bond rating agencies. He said that, besides Fitch, they made presentations to Standard & Poor's and to Moody's. He said the AA-rating from Fitch was the same rating currently assigned to the Commission's bonds by Standard & Poor's. He said it would allow the Commission to sell its bonds at a lower interest cost in the future and lowered the target for the anticipated refunding issue.

Mr. Plain said further that when two of the big bond rating agencies assign the same high rating to its bonds he thought it showed the Commission's strengths. He said it was indicative of the superior operation and maintenance of the Turnpike. He said it reflected the financial community's recognition of the fine job the Commission had done for over 40 years.

Mr. Plain said further that he wanted to thank the senior staff, the Commission's financial advisor, Eric Erickson, the underwriting team and all of the others that participated in making the successful bond rating presentations. He said he thought they deserved a round of applause.

The Chairman said she thought something else should be brought out. She said that the Commission had extremely low indebtedness when compared with other toll facilities in the nation. She said she thought the Commission had done extremely well.

The Chairman said the report of the Secretary-Treasurer was accepted as offered. She ascertained there would be no report on Budget and Finance. She said the report on Audit/Legal would be received.

Mr. Wright said that May was another record traffic month for the Turnpike and June traffic was up 10% for the first two weeks. He said that if current trends continued the first 6 months should be a record for the first half of the year for the Turnpike.

The Chairman said that when Turnpike traffic was down it made headlines, but now that traffic records had been set for almost six months there were not any headlines. She said that traffic was on the way up and it was only going to increase and go further.

The Chairman said the report on Audit/Legal was accepted as offered. She ascertained there would be no report on Service Plazas. She said the report on Employee Relations would be received.

Mr. DiPietro said there had been two labor management meetings scheduled to take place, but at the request of the union both meetings were cancelled. He said that, in addition, a safety and health committee meeting was scheduled with the union and that meeting was cancelled as well. He said that just prior to those meetings being set they were cancelled because the union was unable to attend.

Mr. DiPietro said further that rescheduling of those meetings would take place in the future once they heard from the union. He said they stood ready to meet with the union once they gave them an indication that they were prepared to meet.

Mr. DiPietro said further that there was no additional progress to report regarding the collective bargaining agreement with the part-time toll collectors. He said their contract expired last year and the Commission's staff had not been meeting with the union. He said they were ready to meet with the union, but at that point there had been no further discussions.

Mr. Zomparelli said they had been at an impasse for some time. He said he didn't recall how long, but it had been months.

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

Mr. Plain said that he had sent three copies of the Commission's latest construction video to the Clerk of the Ohio House of Representatives and three to the Clerk of the Ohio Senate via Pat Patton. He said he also had one delivered to the Department of Development in the Governor's office and another copy to one of the Governor's senior staff people that had asked for a copy.

Mr. Plain said further that he had sent letters to all the House and Senate members informing them that they could borrow the videos for viewing from the Clerk's office in both the House and Senate. He said he thought those actions would address the issue.

Mr. Plain said also that the first resolution he had to introduce was a Resolution Awarding Contract No. 54-98-03 for improvements to the wastewater treatment plant for Erie Islands and Commodore Perry Service Plazas, located at milepost 100 in Sandusky County. He said they were going to need the improvements for the new travel centers at those locations.

Mr. Plain said further that there were three bidders in response to the bid. He said the bids ranged from a low of \$1,492,000.00 from Kirk Bros. Co., Inc. of Findlay, Ohio to a high of \$1,735,800 from Mosser Construction. He said all three bids were below the engineer's estimate of the cost to perform that work. He said he would read the RESOLVED as follows:

"RESOLVED that the bid of Kirk Bros. Company, Inc. of Findlay, OH, in the amount of \$1,492,000.00 for the performance of Contract No. 54-98-03 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. 54-98-03 is designated a System Project under the Commission's 1994 Master Trust Agreement."

Mr. Plain said that he would ask that the Commission pass the resolution. He said he would need a motion and a second.

A Resolution Awarding Contract No. 54-98-03 was moved for adoption by Mrs. Baker, seconded by Mr. Williams as follows:

#### **RESOLUTION NO. 27-1998**

"WHEREAS, the Commission has duly advertised according to law for bids upon a contract for improvements to the wastewater treatment plant for Erie Islands and Commodore Perry Service Plazas, located at Milepost 100.0 in Sandusky County, which project has been designated Project No. 54-98-03;

"WHEREAS, three bids for the performance of said contract were received;

"WHEREAS, said bids have been reviewed and analyzed by the Commission's maintenance engineer and its consulting engineer, CTI Environmental, Inc., and they have

submitted reports concerning such analyses and their reports are before the Commission, and the Commission's executive director has made his recommendation to the Commission predicated upon such analyses;

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

"WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of Kirk Bros. Company, Inc. of Findlay, Ohio, in the amount of \$1,492,000.00 for the performance of Contract No. 54-98-03 has been determined by the Commission to be the lowest responsive and responsible bid received;

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

"NOW, THEREFORE, BE IT

"RESOLVED that the bid of **Kirk Bros. Company, Inc.** of Findlay, Ohio, in the amount of \$1,492,000.00 for the performance of Contract No. 54-98-03 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. 54-98-03 is designated a System Project under the Commission's 1994 Master Trust Agreement."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 27-1998.

Mr. Plain said the next resolution he had was a Resolution Authorizing the Execution of the Fourth Supplemental Trust Agreement. He said he would read the RESOLVED as follows:

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

"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 Trust Agreement.

"Section 2. Fourth Supplemental Trust Agreement. The Chairman, Secretary-Treasurer and Executive Director are each alone, or in any combination, hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Commission, the Fourth Supplemental Trust Agreement, the form of which has been preserved at this meeting, which form is hereby approved, with such changes or revisions therein not inconsistent with the Act and approved, upon advice of counsel to the Commission and Bond Counsel, by the Executive Director and the officers executing the same. The approval of such changes and insertions by such officers, and that such changes are not substantially adverse to the Commission, shall be conclusively evidenced by the execution of the Fourth Supplement Trust Agreement by such persons.

"Section 3. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with the provisions of the Resolution are, to the extent of such conflict, hereby repealed.

"Section 4. 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 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 1221.22 of the Ohio Revised Code."

Mr. Plain said he would ask General Counsel to make any other comments since the resolution was very technical.

Mr. Zomparelli said the resolution was prepared in order to comply with the Commission's directive that the Executive Director and General Counsel take any action necessary to discontinue the semi-annual audit conducted on June 30th of each year. He said the Commission had two audits a year and that would be ended with the passage of the resolution. He said Frank Lamb, the representative of the trustee, Huntington National Bank, had an opportunity to review the change and adopting the resolution would be the final step necessary to discontinue the semi-annual audit on June 30th.

A Resolution Authorizing the Execution of the Fourth Supplemental Trust Agreement was moved for adoption by Mr. Williams, seconded by Mrs. Baker as follows:

#### **RESOLUTION NO. 28-1998**

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

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

"WHEREAS, it is the recommendation of the Commission's CFO/Comptroller that it would be in the Commission's best interests to discontinue the semi-annual audits provided for in the Trust Agreement effective with the June 30, 1998 audit and to proceed with annual audits of the Commission's financial statements as of December 31 of each year; and

"WHEREAS, the Trustee, The Huntington National Bank, concurs in said recommendation and has determined that entering into a Fourth Supplemental Trust Agreement to provide for the discontinuance of the semi-annual audits in favor of one annual audit as of December 31 of each year is not to the prejudice of the Trustee or the Holders of the Bonds; and

"WHEREAS, the Commission desires to enter into such Fourth Supplemental Trust Agreement in order to authorize such annual audits.

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

"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 Trust Agreement.

"Section 2. Fourth Supplemental Trust Agreement. The Chairman, Secretary-Treasurer and Executive Director are each alone, or in any combination, hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Commission, the Fourth Supplemental Trust Agreement, the form of which has been presented at this meeting, which form is hereby approved, with such changes or revisions therein not inconsistent with the Act and not substantially adverse to the Commission as may be permitted by the Act and approved, upon advice of counsel to the Commission and Bond Counsel, by the Executive Director and the officers executing the same. The approval of such changes and insertions by such officers, and that such changes are not substantially adverse to the Commission, shall be conclusively evidenced by the execution of the Fourth Supplement Trust Agreement by such persons.

"Section 3. 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 4. 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."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 28-1998.

Mr. Plain said the next resolution he had was a Resolution Authorizing the Issuance of an Amount Not to Exceed \$300,000,000 Aggregate Principal Amount of State of Ohio Turnpike Revenue Refunding Bonds, 1998 Series A, and Authorizing Other Actions in Connection with the

Issuance of Such Bonds. He said that before he got into the resolution he would ask Eric Erickson to come forward.

Mr. Plain said further that they were going to give a presentation to all the Members that he thought more fully described all of the events that would be taking place. He said the presentation should answer everybody's questions. He said that if it didn't then Eric and the underwriters at the meeting would be happy to provide any additional information.

Mr. Erickson said that he was with Fifth Third Ohio Co., the Financial Advisor to the Commission. He said that several months back it was suggested that they prepare a formal presentation to the Commission and its staff. He said the presentation was to demonstrate what they were attempting to do with the debt restructuring, as well as the potential new money issue and the rating effort.

Mr. Erickson said further that, before he got into that, he just wanted to thank the senior staff and Mrs. Baker for their involvement with the whole rating process. He said it was a monumental effort and it was very difficult, but fortunately it was rewarded. He said that was always comforting because he knew a lot of people didn't really appreciate how much work was involved in really putting together a rating presentation.

Mr. Erickson said further that what they were attempting to do was to talk about the advance refunding or debt restructuring program. He said Steve Wood from PaineWebber was the lead manager on that issue and was going to talk about that. He said that, in addition, Bob Doherty was going to talk a little about the new money issue. He said Jeff Carey was going to brief everyone on the rating process, as well as compare the bond ratings for some other toll roads in the country.

Mr. Erickson said further he would first offer a quick profile of where the Commission stood to date with regard to bond issuances. He said that back in 1994 the Commission issued \$125,000,000 of bonds for the first part of the third lane project. He said to date \$117,000,000 of that remained at a really fairly attractive interest rate by traditional standards, 5.55%.

Mr. Erickson said further that in 1996 a much larger issue was completed, \$370,000,000. He said of that of that figure, \$361,000,000 remained outstanding at almost an identical interest rate of 5.57%. He said that the total remaining outstanding bonds amounted to \$478,000,000 with a combined average rate of 5.56%.

Mr. Erickson said further that interest rates were currently lower than those figures and they were going to make the effort to restructure part of those loans. He said he would like Mr. Wood to do that. He said that the Members should ask questions at anytime during the presentation because they might forget the question at the end and someone else might have the same question that they had.

Mr. Wood said he had a chart showing the historical interest rates over the last several years. He said the Members could see that from the left to the right there was a definite downward trend with one high in 1995. He said the 1994 issue was highlighted with an arrow about the 5.5% area. He said the 1996 issue was a little bit higher line a couple of years later.

Mr. Wood said further that the green line showed that the rates were down to a point where they were below 1993 levels. He said the resolution identified the number of \$300 million. He said they actually needed much more of a movement in the interest rate market until \$300 million would be economical. He said that for purposes of that day's presentation they were looking at a transaction that would be perhaps 10 to 20 bases points better than the current interest rates.



Mr. Wood said further that, for example, if interest rates were at 5.2% today they would like them to be about 5% to do a refund. He said that if the rates were 5% the refunding would be about \$127 million and in total the Commission would save \$6.7 million over time. He said the present value bases would save \$3.7 million.

Mr. Wood said further that the 3.2% savings rate was well in excess of the 3% target and that was at 5% interest cost. He said that the bonds to be refunded would be \$64,500,000 of the '94 bonds and about \$52,800,000 of the '96 bonds.

Mr. Wood said further he had a graphical presentation showing interest rates by year with green and blue lines for the '94 and '96 series of bonds. He said the magenta line was for interest rates today on each of the maturities by year. He said the bonds that they were looking to refund were on the right-hand side and the ones the arrow was pointing to were the later maturities for the years 2022 and 2026. He said those were the ones that were most likely to generate savings. He said what they had was a graphic representation of what the savings would be.

Mr. Wood said further that the left-hand bar showed the outstanding bonds they would be refunding with total principal interest of \$262 million. He said the principal of about \$117 million would be refunded. He said the interest component on that principal was \$145 million and that totaled to the \$262 million figure.

Mr. Wood said further that the important thing to remember was that, even though the principal needed to sell to execute the refunding was slightly higher than the principal of refund, the overall interest was going to be lower by \$6 million. He said that the combined principal and interest outstanding was definitely a reduction.

Mr. Wood said further that one of the issues they were going to be concerned with over the next several weeks was what if the market actually got better than their projection and they were able to do a \$200 million refund. He said that on one hand that might create some anxiety because it seemed to be a higher bond issue, but the fact is the higher the bond issue the greater the savings. He said that in this particular case with the Commission's debt it got proportionately better.

Mr. Wood said further that if they could actually get to the full \$300 million it would be an \$8.7 million savings or 4.9%. He said their hope was that in fact they had better market trends and the interest rates continued to go down so the results could be dramatically better. He said that with refundings sometimes the desired interest rates came in exactly when they predicted and sometimes it took two weeks before they reached their goals. He said that right now the trend was a good one and he thought they had a reasonable target.

Mr. Wood said further he would like to summarize the proposed refunding. He said that the debt service for the '94 bonds would go from \$222 million down to \$77 million with refunding. He said that refunding would reduce the debt service on the 1996 bonds from \$709 million to \$591 million. He said the total debt outstanding would go from \$931 million to \$668 million. He said the debt service on the 1998 refunding would be \$255 million, so the Commission's total obligations would still be in the \$900 million range for principal and interest.

Mr. Wood said further that there was one thing to remember and that was refunding was very different from new money in that the only reason you did it was to reduce the total obligation outstanding. He said there was no restructuring and there was no changing the way you did business. He said it was done solely to save money.

Mr. Doherty said he would like to take a few moments and talk about the new money program before the presentation was turned over to the rating portion. He said that, as mentioned

in the rating review by Fitch, the Commission had been very successful in meeting its operational goals of safety, accessibility and economic development. He said that toward that end it had implemented a capital improvement plan and basically successfully completed about 50% of the capital improvement.

Mr. Doherty said further that the new money financing would help further its operational goals by completing the capital improvements. He said there were six basic areas in the capital improvement program and they were going to use the proceeds from the new money transactions and funds to finance that work. He said the six areas were the continued third lane construction, the new interchange program, travel centers, renovating the old toll plazas, bridge repair and resurfacing.

Mr. Doherty said further that the proposed new money program was going to be \$250 million in principal with 30-year level debt service. He said it would require a fully funded reserve account. He said the transactions were very similar to the transactions that were put together in 1994 and 1996, so they were not doing anything different. He said that the key to the '98 new money proposal was the notion that the Commission had level debt and a moderate amount of that debt.

Mr. Doherty said further that all major capital improvement programs needed funding up front. He said that was something that all Turnpikes and other large capital improvements had to do. He said the unique nature of the Turnpike program was that it was being funded moderately. He said he would like to give a summary of aggregate debt.

Mr. Doherty said further that the principal issued in '94 was \$125 million, with \$52 million outstanding. He said that in the '96 transaction the principal issued was \$370 million and the total outstanding amount was \$302 million. He said the '98 refunding would have \$127 million principal outstanding at the significantly lower rate of 5% and the new money principal of \$250 million at an anticipated 5% rate. He said the total of standing principal after the inclusion of the '98 new money was about \$731 million with an interest cost of 5.36%. He said it was very moderate and very acceptable.

Mr. Carey said he would like to explain very briefly what the rating agencies were and the processes they went through to make their presentations to them. He said the credit rating agencies were important to the municipal markets because they set a relative value benchmark. He said they helped to provide a third party, an objective view. He said to offer an objective view of credit the agencies measured the credit worthiness and help determine the debt cost because higher rated entities can sell at lower interest rates.

Mr. Carey said further that the three rating agencies the Commission dealt with were Moody's Investor Services, a unit of Dun and Bradstreet, Standard & Poor's Corporation, which was a unit of McGraw Hill Co. and Fitch IBCA, which was a newly merged international rating agency. He said the objectives and goals of the Commission in the process were the highest review, the most favorable write-up and, if possible, rating upgrade.

Mr. Carey said further he would next summarize the bond rating categories. He said there were two major categories. He said above the bottom line on the chart they were called investment grade and below the bottom line they were called speculative or non-investment grade. He said that within the investment category the range went all the way from AAA to BBB category. He said that what was important for the Commission's purpose was that the AA rating was generally the highest category for revenue credit.

Mr. Carey said further that the next chart showed a comparison of the Commission's band ratings versus other toll roads. He said the AA- category was the highest rating category for any toll road entity in the U.S. He said that was only recently the highest for toll roads.

Mr. Carey said further that, in addition to the Commission's upgrade, the other ratings were fairly recent. He said the Pennsylvania Turnpike had only been upgraded by Standard & Poor's about a week and a half ago to AA-.

Mr. Carey said further that he wanted to compare the Commission with other Ohio issues. He said it was important to stress that the State's rating was based on the full faith and credit, with its unlimited taxing power. He said that 3 out of the 4 state credits below the Commission on the chart were related to that full faith and credit. He said they were either at the AA+ level or a half notch or two notches down representing a related strength to the state credit.

Mr. Carey said further that the Commission, on the other hand, was a separate revenue bond credit. He said it stood on its own without any credit to support it from the state and had the highest revenue bond credit.

Mr. Carey said further that the Commission got the top review because of its strong financial performance and management track record. He said it reflected the confidence of the rating agencies in the Commission and the Commission's effective implementation of its unprecedented capital program. He said it was the operational controls of the Commission, with its autonomy to set rates.

Mr. Carey said further that when Fitch increased the Commission's rating last week they made the point that the Commission was well positioned to manage their current capital plan, remaining two times that coverage even after accounting for the planned new money issues. He said it was that the degree of debt remained low compared to other toll roads.

Mr. Carey said further that taken into consideration was the Turnpike's role as a crucial east-west corridor, the Commission's capital program that was manageable, increased capacity, the Commission's revenues, service and management controls. He said it was a very significant accomplishment and reflected the diligent efforts of a number of folks.

Mr. Carey said further that the upgrading of the bond rating also was due to the well organized presentation to the rating agencies by the Commission's senior staff, as well as the responsible work of all the Commission's employees in the daily operation of the Turnpike. He said that considered was the Turnpike's multi-faceted capital program and the assistance and guidance from the Commission's traffic and engineering consultant.

Mr. Carey said further that he wanted to particularly recognize Mrs. Baker for her strong participation in the process, along with the efforts of Mr. Plain, Mr. Zomparelli, Mr. Arlow, Mr. Wright, Bobby Everhart and Eric Erickson. He said it was really a group process and he wanted to thank them all for the opportunity to represent them at the bond rating agencies. Mr. Erickson said that in the back of the booklets presented to the Members was the actual rate presentation used at all three rating agencies. He said that if the Members wanted to just flip through it or wanted them to walk through it they would be happy to do so.

Mr. Plain said he wanted to thank the underwriters for their fine job and fine presentation. He said would like to defer the resolution to the Commission's General Counsel for some added information.

Mr. Zomparelli said there was a draft resolution before the Members entitled A Resolution Authorizing the Issuance of an Amount Not to Exceed \$300,000,000 Aggregate Principal Amount of State of Ohio Turnpike Revenue Refunding Bonds, 1998 Series A, and Authorizing Other Actions in Connection with the Issuance of Such Bonds. He said that the RESOLVED of the resolution ran for three and a half pages so he would not read it. He said the Members had an opportunity to review the resolution before the meeting. He said he recommended the resolution be adopted.

A Resolution Authorizing the Issuance of an Amount Not to Exceed \$300,000,000 Aggregate Principal Amount of State of Ohio Turnpike Revenue Refunding Bonds, 1998 Series A, and Authorizing Other Actions in Connection with the Issuance of Such Bonds was moved for adoption by Mrs. Baker, seconded by Mr. Williams as follows:

**RESOLUTION NO. 29-1998**

"WHEREAS, the Ohio Turnpike Commission (the "Commission") is, by virtue of Chapter 5537 of the Ohio Revised Code (the "Act"), authorized and empowered, among other things, (a) to issue revenue bonds of the State of Ohio (the "State") for the purpose of advance refunding any bonds then outstanding, including the payment of related financing expenses, and (b) to enact this Resolution and execute and deliver the documents hereinafter identified; and

"WHEREAS, the Commission has determined that it is necessary to issue an amount not to exceed \$300,000,000 of State of Ohio Turnpike Revenue Refunding Bonds, 1998 Series A (the "1998 Series A Refunding Bonds") in order to advance refund certain Outstanding Bonds of the Commission to reduce interest costs and to pay the costs of issuance of the 1998 Series A Refunding Bonds;

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

"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, the Third Supplemental Trust Agreement dated as of May 1, 1996, the Fourth Supplemental Trust Agreement, dated as of June 1, 1998, and the Fifth Supplemental Trust Agreement, dated as of July 1, 1998, (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. Recitals, Titles and Headings. The terms and phrases used in the recitals of this Resolution have been included for convenience of reference only, and the meaning, construction and interpretation of such words and phrases for purposes of this Resolution shall be determined solely by reference to Article I of the Trust Agreement. The titles and headings of the articles and sections of this Resolution and the Trust Agreement have been inserted for convenience of reference only and are not to be construed as a part hereof or thereof, shall not in any way modify or restrict any of the terms or provisions hereof or thereof, and shall never be considered or given any effect in construing this Resolution or the Trust Agreement or any revisions hereof or in ascertaining intent, if any question of intent should arise.

"Section 3. Interpretation. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the single number shall be construed to include correlative words of the plural number and vice versa. This Resolution, the Trust Agreement and the terms and provisions hereof and thereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of the Trust Agreement.

"Section 4. Determinations of Commission. The Commission hereby finds and determines that the 1998 Series A Refunding Bonds will be and are being issued in full compliance with the provisions of the Act and in a manner consistent with the purposes thereof. The Commission hereby declares its intention to comply fully with the requirements of the Internal Revenue Code of 1986, as amended, and the regulations applicable thereto (the "Code") in issuing the 1998 Series A Refunding Bonds.

"Section 5. Authorization of 1998 Series A Refunding Bonds. It is hereby determined to be necessary to, and the Commission shall, issue, sell and deliver an aggregate principal amount not to exceed \$300,000,000 of State of Ohio Turnpike Revenue Refunding Bonds, 1998 Series A, for the purpose of advance refunding all or a portion of the Outstanding 1994 Series A Bonds and 1996 Series A Bonds, including costs of the financing thereof, all in accordance with the provisions of the Trust Agreement and the Bond Purchase Agreement relating to the 1998 Series A Refunding Bonds (the "Bond Purchase Agreement") between the Commission and PaineWebber Incorporated, as representative of the Underwriters named in the Bond Purchase Agreement (collectively, the "Underwriters").

"Section 6. Terms of the 1998 Series A Refunding Bonds:

(a) Authorization and Authorized Amount of 1998 Series A Refunding Bonds. The 1998 Series A Refunding Bonds shall be issued in the aggregate principal amount not to exceed \$300,000,000. No additional Bonds may be issued under the provisions of this Resolution or the Trust Agreement on a parity with the 1998 Series A Refunding Bonds, except in accordance with the Trust Agreement.

(b) Form, Date, Number and Denominations of the 1998 Series A Refunding Bonds. Each 1998 Series A Refunding Bond shall be issued in the form of global book entry bonds, with one 1998 Series A Refunding Bond per maturity, and shall be dated July 1, 1998. The 1998 Series A Refunding Bonds shall be in the denominations of \$5,000 each and integral multiples thereof and shall be initially numbered, and shall be in substantially the form set forth in the Fifth Supplemental Trust Agreement.

(c) Interest Payment Dates. The 1998 Series A Refunding Bonds shall bear interest from their date, payable semiannually on February 15 and August 15 of each year, commencing February 15, 1999, as provided in the Trust Agreement.

(d) Pricing. The Chairman and Secretary-Treasurer of the Commission are hereby authorized, empowered and directed to determine the principal amounts and the dates on which the 1998 Series A Refunding Bonds shall mature and be redeemed, whether the 1998 Series A Refunding Bonds shall be subject to optional redemption, and the redemption price in the case of optional redemption, whether bond insurance should be obtained in order to produce present value savings in debt service on the 1998 Series A Refunding Bonds in excess of its cost, and the rates of interest per annum which the 1998 Series A Refunding Bonds shall bear, provided that the 1998 Series A Refunding Bonds shall mature no later than February 15, 2026, and shall bear interest at a true interest cost not to exceed 6% per annum.

(e) Redemption of 1998 Series A Refunding Bonds Prior to Maturity. The 1998 Series A Refunding Bonds shall be subject to redemption prior to maturity as set forth in the Fifth Supplemental Trust Agreement.

(f) Execution of 1998 Series A Refunding Bonds. The 1998 Series A Refunding Bonds shall be executed by the manual or facsimile signatures of the Chairman or the Vice Chairman of the Commission and shall be attested by the manual or facsimile signature of the Secretary-Treasurer of the Commission, and the seal of the Commission shall be impressed thereon or a facsimile of such seal placed thereon. No 1998 Series A Refunding Bond shall be valid for any purpose unless and until a certificate thereon shall have been duly executed by the Trustee.

"Section 7. Security for the 1998 Series A Refunding Bonds. The 1998 Series A Refunding Bonds shall be payable solely from the System Pledged Revenues and shall be secured by a pledge of and lien on the System Pledged Revenues on a parity with the Outstanding 1994 Series A Bonds, 1996 Series A Bonds and any additional Bonds to be issued in accordance with the Trust Agreement in the future, all as set forth in the Trust Agreement. Anything in this Resolution, the Trust Agreement, the 1998 Series A Refunding Bonds or any other agreement or instrument to the contrary notwithstanding, the 1998 Series A Refunding Bonds shall not constitute a debt or pledge of the faith and credit or the taxing power of the State, or of any political subdivision of the State, and each 1998 Series A Refunding Bond shall contain on the face thereof a statement to that effect.

"Section 8. Continuing Disclosure. In order to comply with Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the "Rule"), the Commission hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Commitment dated as of May 1, 1996 (the "Continuing Disclosure Commitment"). For purposes of such Continuing Disclosure Commitment, "Annual Information" with respect to the 1998 Series A Refunding Bonds means the Comprehensive Annual Financial Report of the Commission and the operating data contained in the Section of the Official Statement (as hereinafter defined) relating to Tolls, including the Schedule of Tolls, Statistical Traffic Information and Summary of Gross Revenues and Cost of Operation, Maintenance and Administration.

"Section 9. Fifth Supplemental Trust Agreement, Escrow Agreement, Bond Purchase Agreement, Continuing Disclosure Commitment and Official Statement. The Chairman, Vice Chairman, Secretary-Treasurer and Executive Director are each alone, or in any combination, hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Commission, the Fifth Supplemental Trust Agreement, the Escrow Agreement, the Bond Purchase Agreement, and the Official Statement of the Commission regarding the 1998 Series A Refunding Bonds (the "Official Statement"), and to comply with and carry out the provisions of the Continuing Disclosure Commitment, the forms of which have been presented at this meeting, which forms are hereby approved with such changes or revisions therein not inconsistent with the Act and not substantially adverse to the Commission as may be permitted by the Act and approved, upon advice of counsel to the Commission and Bond Counsel, by the Executive Director and the officers executing the same. The approval of such changes and insertions by such officers, and that such changes are not substantially adverse to the Commission, shall be conclusively evidenced by the execution of the Fifth Supplemental Trust Agreement, Escrow Agreement, Bond Purchase Agreement, and Official Statement by such persons. The use and distribution of the Preliminary Official Statement by the Underwriters, the form of which has been presented to this meeting, is hereby authorized and approved.

"Section 10. Authorization of Other Documents. The Chairman, Vice Chairman, Secretary-Treasurer and Executive Director are each alone, or in any combination, hereby authorized to take any and all actions and to execute such financing statements, certificates, commitments with bond insurers, if any, and other instruments or documents that may be necessary or appropriate in the opinion of Bond Counsel, or Counsel for the Commission, in order to effect the issuance of the 1998 Series A Refunding Bonds and the intent of this Resolution. The Secretary-Treasurer, or other appropriate officer of the Commission, shall certify a true transcript of all proceedings had with respect to the issuance of the 1998 Series A Refunding Bonds, along with such information from the records of the Commission as is necessary to determine the regularity and validity of the issuance of the 1998 Series A Refunding Bonds.

"Section 11. Sale of the 1998 Series A Refunding Bonds. The 1998 Series A Refunding Bonds are hereby awarded to the Underwriters, in accordance with the terms of the Bond Purchase Agreement. The Chairman, Secretary-Treasurer and Executive Director are each alone, or in any combination, hereby authorized and directed to make on behalf of the Commission the necessary arrangements with the Underwriters to establish the price, date, location, procedure and conditions for the delivery of the 1998 Series A Refunding Bonds, and to take all steps necessary to effect the due execution and delivery of the 1998 Series A Refunding Bonds to the Underwriters under the terms of this Resolution, the Bond Purchase Agreement and the Trust Agreement.

"Section 12. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Resolution, or in the 1998 Series A Refunding Bonds, or in the Trust Agreement, the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Commitment, or under any judgment obtained against the Commission or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any member or officer or attorney, as such, past, present, or future, of the Commission, either directly or through the Commission, or otherwise, for the payment for or to the Commission or any receiver thereof, or for or to any Holder of the 1998 Series A Refunding Bonds secured thereby, or otherwise, of any sum that may be due and unpaid by the Commission upon any of such 1998 Series A Refunding Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member or officer or attorney, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Commission or any receiver thereof, or of any sum that may remain due and unpaid upon the 1998 Series A Refunding Bonds hereby secured or any of them, shall be expressly waived and released as a condition of and consideration for the execution and delivery of the Fifth Supplemental Trust Agreement and the Escrow Agreement, the compliance with the terms of the Continuing Disclosure Commitment and acceptance of the Bond Purchase Agreement and the issuance of the 1998 Series A Refunding Bonds.

"Section 13. 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 14. 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."

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 29-1998.

Mr. Williams said he would like to offer his congratulations to all those involved in that entire process. He said it made the Members feel very good about what was happening at the Turnpike. He said the Members' colleagues made them feel good about the Commission's financial standings and they certainly would continue to move forward on that in the future.

The Chairman said they were indeed a team, all of them put together. She said that separately they couldn't accomplish that, but put together they could.

Mr. Zomparelli said the next resolution was a Resolution to Authorize and Issue a Declaration of Official Intent with Respect to Reimbursement of Temporary Advances Made for Capital Expenditures to be Made from Subsequent Borrowings. He said Mr. Wright, the Commission's CFO/Comptroller, was at the meeting to answer any questions the Members might have about the resolution.

Mr. Zomparelli said he would dispense with reading the RESOLVED of the resolution. He said he would ask the Members if they had any questions or perhaps Mr. Wright would like to comment.

Mr. Wright said that, basically, the resolution allowed the Commission to borrow money from itself until the new money issue.

Mr. Zomparelli said the resolution was drafted pursuant to reimbursement regulations that require the Commission to make an official declaration of intent so that they could be reimbursed for any capital expenditures prior to the issuance of any obligations or bonds. He said he recommended that the Commission move to adopt the resolution.

A Resolution to Authorize and Issue a Declaration of Official Intent with Respect to Reimbursement of Temporary Advances Made for Capital Expenditures to be Made from Subsequent Borrowings was moved for adoption by Mr. Williams, seconded by Mrs. Baker as follows:

#### **RESOLUTION NO. 30-1998**

"WHEREAS, Treasury Regulation § 1.150-2 (the "Reimbursement Regulations"), issued pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under Section 150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of Sections 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and



"WHEREAS, such Reimbursement Regulations require that the Ohio Turnpike Commission, as Issuer (as hereinafter defined) make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that any Reimbursement Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Reimbursement Allocation must be made no later than three years after such Capital Expenditure was paid; and

"WHEREAS, the Ohio Turnpike Commission wishes to ensure compliance with the Reimbursement Regulations;

"NOW, THEREFORE, BE IT

"RESOLVED by the members of the Ohio Turnpike Commission that:

"**Section 1. Definitions.** The following definitions apply to the terms used herein:

"Allocation" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to reimburse the Ohio Turnpike Commission for such payments. "To allocate" means to make such an allocation.

"Capital Expenditure" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

"Declaration of Official Intent" means a written declaration that the Ohio Turnpike Commission intends to fund Capital Expenditures with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

"Issuer" means either a governmental unit that is reasonably expected to issue Obligations, or any governmental entity or 501(c)(3) organization that is reasonably expected to borrow funds from the actual issuer of the Obligations.

"Reimbursement" means the restoration to the Ohio Turnpike Commission of money temporarily advanced from other funds, including moneys borrowed from other sources, of the Ohio Turnpike Commission to pay for Capital Expenditures made before the issuance of Obligations intended to fund such Capital Expenditures. "To reimburse" means to make such a restoration.

"Reimbursement Bonds" means Obligations that are issued to reimburse the Ohio Turnpike Commission for Capital Expenditures, and for certain other expenses permitted by the Reimbursement Regulations, previously paid by or for the Ohio Turnpike Commission.

"Reimbursement Regulations" means Treasury Regulations § 150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations may be allocated to reimburse the Ohio Turnpike Commission for Capital Expenditures and certain other expenses paid prior to the issuance of the Obligations such that the proceeds of such Obligations will be treated as "spent" for purposes of Section 103 and 141 to 150 of the Code.

**"Section 2. Declaration of Official Intent.**

(a) The Ohio Turnpike Commission declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid no earlier than sixty (60) days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Ohio Turnpike Commission in the maximum principal amount, for such Reimbursements, of an additional **\$70,000,000.00** in addition to the amount approved by Resolution No. 57-1997, adopted at the December 15, 1997 Commission meeting; and

(b) The Capital Expenditures to be reimbursed are to be used for construction, reconstruction, land acquisition and related costs incurred in improving the System (as defined in Article I of the Master Trust Agreement dated as of February 15, 1994, between the Ohio Turnpike Commission and The Huntington National Bank, as supplemented, the "System") and all facilities integral to the System.

**"Section 3. Reasonable Expectations.** The Ohio Turnpike Commission does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed) to be reserved, allocated on a long-term basis, or otherwise set aside by the Ohio Turnpike Commission or any other entity, with respect to the Capital Expenditures for the purposes described in Section 2(b).

**"Section 4. Open Meeting.** It is found and determined that all formal actions of the Ohio Turnpike Commission concerning and relating to the adoption of this resolution were adopted in an open meeting of the Ohio Turnpike Commission; and that all deliberations of the Ohio Turnpike Commission and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with Section 121.22 of the Ohio Revised Code.

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 30-1998.

Mr. Plain said he had one other thing to mention. He said the staff had been working on the State Route 58 interchange. He said he and Mr. Zomparelli had been talking to the Ohio Rail Authority and Lake Shore Railway Association. He said they were at a point where the staff had urged the association to move forward. He said he had gotten a call from one of the state representatives from the area, who was involved with the county in trying to get it done as quickly as possible.

Mr. Plain said further that Lake Shore Railway had to go to the Rail Authority to secure a slight portion of the money they needed to complete the project. He said they had been working very, very closely with the association to try to make this deal happen. He said he suggested that the Commission defer any action on that particular interchange at least until the next meeting when they should have more information and be in a position to move forward.

The Chairman asked if Lake Shore would have more information for the Commission.

Mr. Plain said he awaited more information from Lake Shore.

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

Mr. Arlow said that he was happy to report that work was proceeding very nicely on the Turnpike's construction projects. He said all the projects were either on time or ahead of schedule. He said that, even with the record amount of traffic on the Turnpike, there had been no problems to date with the construction.

Mr. Arlow said they had taken some different steps in order to complete the construction. He said midnight shifts were established so work could be done when the least amount of traffic was on the road.

Mr. Arlow said the design for the Turnpike communications and Ohio State Highway Patrol building previously discussed had been completed. He said it would be bid within the next week. He said the building would go next to the garage. He said the Commission needed a bigger communications center since the federal government made it change its microwave system and to accommodate the fiber optic system being installed. He said plans were completed and they were going out to bid on it.

Senator Gaeth asked what determined the height of the divider on the Turnpike.

Mr. Arlow said he thought the Senator was talking about Humm Road.

Mr. Plain said that there the divider acted as a retaining wall at that point for the divergence and elevation from one side to the other.

Mrs. Baker said she thought the staff was doing a fine job of keeping the traffic moving and she had several comments from people who traveled the Turnpike and they were pleased. She said there were still two lanes to travel through the construction zones.

Mr. Plain said Mr. Arlow had worked hard with the engineering staff and the Commission's consultants to split some of the work up in the fall at the lowest part of traffic. He said that was particularly true for the third lane projects when construction necessitated single lane traffic in each direction. He said that if that work was done in the fall then for the following spring and continuing through November there would be two lanes of traffic both ways in the third lane zones.

Mr. Plain said further that since last year the contractors had been required to take down all mainline zones from noon on Friday until after 10:00 p.m. on Sundays. He said that period was a time of the heaviest concentration of traffic on the road, particularly during the summer months. He said that taking down the zones meant there were two lanes of traffic in each direction. He said the procedure had been successful and there had not been any major backups.

Mr. Plain said further that there had been some limited backups due to rolling roadblocks, which were used to allow contractors to set steel across the active lanes of the road. He said the areas were cleared out and traffic moved slowly about 15 minutes while they got the beams in place and bolted down. He said that the traffic flow was then allowed to return to normal. He said the rolling roadblocks were scheduled at nighttime to minimize disruption.

The Chairman said the report from the Deputy Executive Director-Operations was accepted as offered. She ascertained there would be no report from the trustee. She said the report of Lieutenant Derr would be received.

Lieutenant Derr said Captain Ash was unable to attend the day's meeting. He said Trooper Cassandra Brewster from the Swanton post on the Turnpike was the Ohio State Highway Patrol's employee of the month for May. He said he also wanted to note that there had been no fatalities on the Turnpike so far this year.

The Chairman said the report of Lieutenant Derr was accepted as offered. She ascertained there would be no report from the consulting engineers. She said the report of General Counsel would be received.

General Counsel said he had three resolutions to introduce relating to appropriations. He said the first resolution was entitled a Resolution Declaring the Necessity of Appropriating Property and Directing the Proceedings to Effect Such Appropriation be Begun and Prosecuted. He said the appropriation was necessary for the construction of the interchange with Fulton County Road 24, State Route 66 in the vicinity of milepost 25.3. He said the description of the property was attached to the resolution as Exhibit "A".

Mr. Zomparelli said further that listed as the owners were Carol Ann (Stahl) Nafziger, Gilbert J. Nafziger and John Trudel, the Auditor of Fulton County and Dennis Hales, Treasurer of Fulton County. He said he would read the FURTHER RESOLVED of the resolution as follows:

"FURTHER RESOLVED that the general counsel be and he hereby is instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above may be commenced."

Mr. Zomparelli said further the resolution was drafted since he and Joe Disantis, the Right of Way Coordinator, had not be able to reach an agreement with the property owner on the value of the property. He said the property in question was less than an acre of land and they would have hoped to be able to reach an agreement, but that had not been the case. He said he recommended the resolution be adopted.

A Resolution Declaring the Necessity of Appropriating Property and Directing that Proceedings to Effect Such Appropriation be Begun and Prosecuted was moved for adoption by Mrs. Baker, seconded by Mr. Williams as follows:

#### **RESOLUTION NO. 31-1998**

"RESOLVED that the Commission has negotiated for a reasonable time for the purchase of the real estate described herein with the owner, but has been unable to enter into an agreement and has complied with the provisions of section 163.04 of the Revised Code; and said property is necessary for the construction of an interchange with County Road 24 (S. R. 66) and the Ohio Turnpike in the vicinity of Milepost 25.3 in Fulton County, Ohio;

"BE IT FURTHER RESOLVED that proceedings be begun and prosecuted to effect the appropriation of the fee title and necessary easements on the following described property from the owner and persons having an interest therein, to-wit:

<u>Owners</u>	<u>Place of Residence</u>
Carol Ann (Stahl) Nafziger	7512 County Road 24 Archbold, OH 43502
Gilbert J. Nafziger	7512 County Road 24 Archbold, OH 43502
John Trudel Auditor, Fulton County	210 S. Fulton Street Wauseon, OH 43567
Dennis Hales Treasurer, Fulton County	210 S. Fulton Street Wauseon, OH 43567

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

**Parcel No. 2A-4WD - Fee Simple**

A legal description is attached as Exhibit "A";

"FURTHER RESOLVED that the general counsel be, and he hereby is instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above may be commenced."

**Parcel No. 2A-4WD**

A parcel of land comprising part of the Northwest Quarter (¼) of Section 8, Town 7 North, Range 5 East, German Township, Fulton County, Ohio, being more particularly bounded and described as follows:

BEGINNING at the West quarter (¼) corner of the said Section 8, said point being Station 15+80.24, centerline of survey & right of way of County Road 24, Station 16+16.52, 20.05' Lt. of centerline of construction of County Road 24 (said centerlines of County Road 24 being defined as shown in the Plans and Specifications of the Ohio Turnpike Commission project C.I.P. No. 55-95-02); thence North 00°20'50" West, along the said centerline of survey & right of way of County Road 24 (C.R. 24), (West line of Section 8, East line of section 7) 25.00 feet (to Sta. 16+40.63, 15.31 feet Left of centerline of construction C.R. 24, Sta. 16+05.24, centerline of survey and right of way C.R. 24); thence North 89°58'26" East, 60.00 feet (to Sta. 16+29.15, 43.61 feet right of centerline of construction C.R. 24); thence South 00°20'50" East, 25.00 feet, more or less, to the East-West centerline of the said Section 8 (Sta. 16+03.57, 38.56 feet right of centerline of construction C.R. 24); thence South 89°58'26" West, along the said East-West centerline of Section 8, 60.00 feet, more or less, to the point of beginning. Containing 1,500.024 square feet or 0.034 acres of land, more or less, including the present right of way of C.R. 24 which occupies 625.010 square feet or 0.014 acres of land, more or less. Subject to easements, restrictions and leases of record.

The bearings contained herein are based upon an assumed meridian and are to be used for the determination of angular measurements only.

**Exhibit "A"**

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 31-1998.

Mr. Zomparelli said further that he had a second resolution relating to the same interchange project at milepost 25.3 in Fulton County. He said he would read the BE IT FURTHER RESOLVED as follows:

"BE IT FURTHER RESOLVED that proceedings be begun and prosecuted to effect the appropriation of the fee title and necessary easements on the following described property from the owner and persons having an interest therein, to-wit:"

Mr. Zomparelli said further that listed as the owners were Sanford O. Nofziger and Sanford O. and Bernice E. Nofziger Trust. He said also listed were John Trudel, Auditor, Fulton County, and Dennis Hales, Treasurer, Fulton County. He said that attached were Exhibits "A", "B" and "C", which were legal descriptions of the property in question. He said the property was about 2 acres in total and was in different parcels.

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

"FURTHER RESOLVED that the general counsel be, and he hereby is instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above may be commenced."

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

A Resolution Declaring the Necessity of Appropriating Property and Declaring that Proceedings to Effect Such Appropriation be Begun and Prosecuted was moved for adoption by Mr. Williams, seconded by Mrs. Baker as follows:

#### **RESOLUTION NO. 32-1998**

"RESOLVED that the Commission has negotiated for a reasonable time for the purchase of the real estate described herein with the owner, but has been unable to enter into an agreement and has complied with the provisions of section 163.04 of the Revised Code; and said property is necessary for the construction of an interchange with County Road 24 (S. R. 66) and the Ohio Turnpike in the vicinity of Milepost 25.3 in Fulton County, Ohio;

"BE IT FURTHER RESOLVED that proceedings be begun and prosecuted to effect the appropriation of the fee title and necessary easements on the following described property from the owner and persons having an interest therein, to-wit:

<u>Owners</u>	<u>Place of Residence</u>
Sanford O. Nofziger	7196 County Road 24 Archbold, OH 43502
The Sanford O. and Bernice E. Nofziger Trust	7196 County Road 24 Archbold, OH 43502
John Trudel Auditor, Fulton County	210 S. Fulton Street Wauseon, OH 43567
Dennis Hales Treasurer, Fulton County	210 S. Fulton Street Wauseon, OH 43567

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

**Parcel No. 2A-1WD - Fee Simple**  
**Parcel No. 2A-2WD - Fee Simple**  
**Parcel No. 2A-2WD-1 - Fee Simple**

Legal descriptions are attached as Exhibits "A", "B" and "C";

"FURTHER RESOLVED that the general counsel be, and he hereby is instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above may be commenced."



**Parcel No. 2A-1WD**

A parcel of land comprising part of the Southwest Quarter (¼) of Section 8, Town 7 North, Range 5 East, German Township, Fulton County, Ohio, being more particularly bounded and described as follows:

Commencing at the West quarter (¼) corner of the said Section 8, said point being Station 15+80.24, centerline of survey & right of way of County Road 24, Station 16+16.52, 20.05' Lt. of centerline of construction of County Road 24 (said centerlines of County Road 24 & U.S. Route 20A being defined as shown in the Plans and Specifications of the Ohio Turnpike Commission project C.I.P. No. 55-95-02); thence South 0°20'28" East, along the said centerline of survey & right of way of County Road 24 (C.R. 24), (West line of Section 8, East line of Section 7), 580.24 feet, more or less, to the intersection of said C.R. 24 and the centerline of right of way of U.S. Route 20A, (Station 10+00.00 centerline of survey & right of way of C.R. 24, Station 9+88.85, 59.43' Lt. of centerline of construction C.R. 24, Station 158+56.67 U.S. Route 20A), said point being the POINT OF BEGINNING; thence South 50°41'07" East, along the said centerline of U.S. Route 20A, 243.33 feet, (to Sta. 161+00 U.S. Route 20A); thence South 39°18'53" West, 30.00 feet, more or less, to the existing right of way line of U.S. 20A (to Station 161+00, 30' Rt. U.S. 20A); thence South 71°40'25" West, 134.78 feet (to Station 7+80, 40' Right of centerline of construction, right of way and survey, C.R. 24); thence South 00°20'28" East, 180.00 feet (to Station 6+00, 40' Right of centerline of construction, right of way and survey, C.R. 24); thence South 89°39'32" West, 40.00 feet, more or less, to the said centerline of construction, right of way and survey, C.R. 24, said line also being the West line of said Section 8, East line of said Section 7, (Sta. 6+00 on the centerline of construction, right of way and survey, C.R. 24); thence North 00°20'28" West, along the last described line, 400.00 feet, more or less, to the point of beginning. Containing 30,183.452 square feet or 0.693 Acres of land, more or less, including the present rights of way of C.R. 24 & U.S. 20A which occupy 15,693.690 square feet or 0.360 Acres of land, more or less. Subject to easements, restrictions and leases of record.

The bearings contained herein are based upon an assumed meridian and are to be used for the determination of angular measurements only.

**Exhibit "A"**

**Parcel No. 2A-2WD**

A parcel of land comprising part of the Southwest Quarter (¼) of Section 8, Town 7 North, Range 5 East, German Township, Fulton County, Ohio, being more particularly bounded and described as follows:

Commencing at the West Quarter (¼) corner of the said Section 8, said point being Station 15+80.24 on the centerline of survey and right of way of County Road 24, Station 16+16.52, 20.05 feet Left of centerline of construction of County Road 24 (said centerline of County Road 24 and U.S. Route 20A being defined as shown in the Plans and Specifications of the Ohio Turnpike Commission project C.I.P. No. 55-95-02); thence South 00°20'28" East, along the said centerline of survey and right of way of County Road 24 (C.R. 24), (West line of Section 8, East line of Section 7), 452.89 feet, (to Station 11+27.75 centerline of survey and right of way C.R. 24, Station 11+09.16, 102.40 feet left of centerline of construction C.R. 24), said point being the POINT OF BEGINNING; thence North 89° 58' 26" East, 159.93 feet (to Station 11+57.17, 50.00 feet right of centerline of construction C.R. 24); thence along a circular curve to the right or southwest, said curve having a radius of 300.00 feet, an arc length of 30.03 feet, said arc subtending a central angle of 5° 44' 3", and having a chord bearing and distance of South 16° 26' 52" West, 30.01 feet (to Station 11+32.15, 50.00 feet right of centerline of construction C.R. 24); thence South 19° 18' 53" West, 32.15 feet (to Station 11+00.00, 50.00 feet right of centerline of construction C.R. 24); thence South 14° 36' 08" East, 189.95 feet, more or less, to the Northeast right of way line of said U.S. Route 20A (Station 160+75.00, 30.00 feet left of centerline of survey, U.S. Route 20A); thence South 39° 18' 53" West, 30.00 feet, more or less, to the centerline of U.S. Route 20A (Station 160+75.00, centerline of survey, U.S. Route 20A); thence North 50° 41' 07" West, 218.33 feet, more or less, to the west line of the said Section 8 (East line of Section 7) (Station 158+56.67, centerline of survey, U.S. Route 20A, Station 10+00.00 centerline of survey and right of way C.R. 24, and Station 9+88.85, 59.43 feet left of centerline of construction C.R. 24); thence North 00° 20' 28" West, along the said west line of Section 8 (East line of Section 7) and also being the centerline of survey and right of way C.R. 24, 127.75 feet, more or less, to the Point of Beginning. Containing 31,519.733 square feet or 0.724 acres of land, more or less, including the present rights of way of C.R. 24 and U.S. 20A, which occupy 9,399.864 square feet or 0.216 acres of land, more or less. Subject to easements, leases and restrictions of record.

**Exhibit "B"**

**Parcel No. 2A-2WD-1**

A parcel of land comprising part of the Southwest Quarter (¼) of Section 8, Town 7 North, Range 5 East, German Township, Fulton County, Ohio, being more particularly bounded and described as follows:

Commencing at the West Quarter (¼) corner of the said Section 8, said point being Station 15+80.24 on the centerline of survey and right of way of County Road 24, Station 16+16.52, 20.00 feet Left of centerline of construction of County Road 24 (said centerline of County Road 24 being defined as shown in the Plans and Specifications of the Ohio Turnpike Commission project C.I.P. No. 55-95-02); thence South 00°20'28" East, along the said centerline of survey and right of way of County Road 24 (C.R. 24), (West line of Section 8, East line of Section 7), 260.00 feet, (to Station 13+20.24 centerline of survey and right of way C.R. 24, Station 13+68.58, 89.92 feet left of centerline of construction C.R. 24), said point being the POINT OF BEGINNING; thence North 89° 58' 26" East, 146.07 feet (to Station 13+26.71, 50.00 feet right of centerline of construction C.R. 24); thence South 16° 41' 07" East, 37.48 feet (to Station 12+89.23, 50.00 feet right of centerline of construction C.R. 24); thence along a circular curve to the right or southwest, said curve having a radius of 300.00 feet, an arc length of 158.47 feet, said arc subtending a central angle of 30° 15' 57", and having a chord bearing and distance of South 01° 33' 08" East, 156.64 feet (to Station 11+57.17, 50.00 feet right of centerline of construction C.R. 24); thence South 89° 58' 26" West, 159.93 feet to the west line of said Section 8 (East line of Section 7) (Station 11+09.16, 102.40 feet left of centerline of construction C.R. 24, Station 11+27.75, centerline of survey and right of way C.R. 24); thence North 00° 20' 28" West, along the said centerline of survey and right of way C.R. 24 (West line of said Section 8), 192.49 feet, more or less, to the Point of Beginning. Containing 31,307.001 square feet or 0.719 acres of land, more or less, including the present right of way of C.R. 24, which occupies 4,812.250 square feet or 0.110 acres of land, more or less. Subject to easements, leases and restrictions of record.

The bearings contained herein are based upon an assumed meridian and are to be used for the determination of angular measurements only.

**Exhibit "C"**

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

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

Nays: None

The Chairman declared the resolution adopted with all Members present voting in the affirmative. The resolution was identified as No. 32-1998.

Mr. Zomparelli said further that he had a final appropriation resolution. He said the resolution related to the Erie Islands Service Plaza or the soon to be constructed Erie Islands Travel Center, which was located at milepost 100 in Sandusky County. He said it was a situation where they had negotiated a reasonable time to purchase the real estate from the owner, but they had been unable to enter into an agreement.

Mr. Zomparelli said further that one of the reasons was the alleged owner of the property claims to have bought it from the previous owner, who was now deceased. He said the sale had not been recorded properly. He said that, although the present owner had been paying the real estate taxes on the property, it was still listed in the name of the previous owner, who was deceased.

Mr. Zomparelli said that, to avoid a delay in the construction of the travel center at Erie Islands, the resolution was prepared in the event the staff could not enter into an agreement. He said the plaza was scheduled to close on July 7. He said the resolution lists the name of Albert R. Schwochow, who is deceased, as the owner.

Mr. Zomparelli said further that they also listed William E. Baker, the Sandusky County Auditor and the Sandusky County Treasurer. He said the description of the properties was attached as Exhibit A. He said he would read the FURTHER RESOLVED as follows:

"FURTHER RESOLVED that the general counsel be, and he hereby is instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above may be commenced."

The Chairman asked how much land was involved.

Mr. Zomparelli said it was 3.4 acres total. He said he recommended that the resolution be adopted.

A Resolution Declaring the Necessity of Appropriating Property and Directing that Processing to Effect Such Appropriation be Begun and Prosecuted was moved for adoption by Mrs. Baker, seconded by Mr. Williams as follows:

#### **RESOLUTION NO. 33-1998**

"RESOLVED that the Commission has negotiated for a reasonable time for the purchase of the real estate described herein with the owner, but has been unable to enter into an agreement and has complied with the provisions of section 163.04 of the Revised Code; and said property is necessary for the construction of the Erie Islands Travel Center in the vicinity of Ohio Turnpike Milepost 100.0 in Sandusky County, Ohio;

"BE IT FURTHER RESOLVED that proceedings be begun and prosecuted to effect the appropriation of the fee title and necessary easements on the following described property from the owner and persons having an interest therein, to-wit:

<u>Owners</u>	<u>Place of Residence</u>
Albert R. Schwochow (now deceased)	Sandusky County Probate Case No. 951398
William E. Baker	4493 County Road 229 Clyde, OH 43410-9706
William Farrell Auditor, Sandusky County	100 North Park Avenue Sandusky, OH 43420
Virgil Swartzlander Treasurer, Sandusky County	100 North Park Avenue Sandusky, OH 43420

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

**Parcel No. EI-2WL - Fee Simple**

A legal description is attached as Exhibit "A";

"FURTHER RESOLVED that the general counsel be, and he hereby is instructed to do or cause to be done all things that may be necessary in the premises in order that proceedings for the appropriation of the property described above may be commenced."

**Parcel No. EI-2WL**

Situated in the Township of Riley, County of Erie and State of Ohio and known as being part of Original Riley Township Section No. 25, bounded and described as follows:

Beginning at a brass monument in concrete found in the centerline of the Ohio Turnpike at Station 941+00 as shown by the plat recorded in Volume 19, Page 20 of Sandusky County Map Records, thence South 71° 20' 25" East along the centerline of the Ohio Turnpike a distance of 181.61 feet to the centerline of State Route 412 (formerly State Route 12), thence North 82° 56' 34" East along the centerline of State Route 412 a distance of 1277.02 feet to a PK nail found at its intersection with the quarter section line and the principal place of beginning of the premises herein described:

**Course No. 1**

Thence continuing along the centerline of State Route 412 North 83° 28' 08" East a distance of 416.60 feet to its intersection with the Northeasterly prolongation of the Westerly line of lands conveyed to the State of Ohio known as Parcel 82G-3 for the Ohio Turnpike Commission recorded in Volume 215, Page 73 of Sandusky County Deed Records;

**Course No. 2**

Thence South 22° 24' 10" West along said Westerly line passing through a capped 5/8" iron pin set at 34.28 feet, 217.84 feet a total distance of 539.52 feet to a capped 5/8" iron pin set at an angle point therein, being Ohio Turnpike Station 957+73, 193 feet left;

**Course No. 3**

Thence South 55° 31' 47" West a distance of 60.00 feet to a PK nail set in the concrete base of the Right of Way fence;

**Course No. 4**

Thence North 71° 20' 25" West a distance of 177.97 feet to a capped iron pin set in the Southeast corner of lands conveyed to Mark H. and Gail A. Payne by deed recorded in Volume 330, Page 61 of Sandusky Deed Records;

**Course No. 5**

Thence North 1° 18' 35" East along the Easterly line of lands conveyed to Payne as aforesaid passing through a capped 5/8" iron pin set at 398.23 feet, a total distance of 428.55 feet to the centerline of State Route 412 and the place of beginning and containing 3.4310 acres of land, of which 0.2828 acres lie within the existing Right of Way of State Route 412, be the same more or less but subject to all legal highways.

All bearings cited herein are relative to the record bearing of the Ohio Turnpike as shown by the plat recorded in Volume 9, Page 20 of Sandusky County Map Records.

All capped pins set as cited herein bear the stamp W.R.E.S. #5060.

**Exhibit "A"**

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

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

Nays: None

The Chairman declared the resolution stood adopted with all Members present voting in the affirmative. The resolution was identified as No. 33-1998.

The Chairman said the report of General Counsel was accepted as offered.

There being no further business before the Commission, a motion was made by Mrs. Baker, seconded by Mr. Williams that the meeting adjourn until July 20.

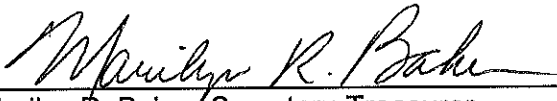
A vote by ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

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

Nays: None

The Chairman declared the meeting adjourned. The time of adjournment was 11:20 a.m.

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

  
\_\_\_\_\_  
Marilyn R. Baker, Secretary-Treasurer