

MINUTES OF THE 454th MEETING OF

THE OHIO TURNPIKE COMMISSION

August 30, 1999

Pursuant to the bylaws, the Ohio Turnpike Commission met for a meeting in the Administration Building at 682 Prospect Street, Berea, Ohio at 10:00 a.m. on August 30, 1999, with members of the staff: Gino Zomparelli, General Counsel and Deputy Executive Director-External Services; Robert Arlow, Deputy Executive Director-Operations; James Steiner, CFO/Comptroller; Dave Ransbury, Chief Engineer, Pat Patton, Government Liaison Officer, Karen Lenahan, Director of Public Affairs, Thomas Amato, Assistant General Counsel, John Mitchell, Director of MIS; Sharon Isaac, Director of Toll Operations, Vince Chiarucci, business consultant and Dan Castrigano, Maintenance Engineer; Kathy Dolbin, Human Resources Manager; Bill Keaton, Telecommunications Manager.

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

Ayes: Mr. Strnisha, Mr. Blair, Mr. Williams, Mrs. Leever
 Representative Buehrer

Nays : None.

The Assistant Secretary-Treasurer advised that Mr. Tim Greenwood is present, and he also has been appointed to the Commission, however, his effective date is September 1, 1999, and we have asked him to join the other members at the table.

The Chairman advised that Mrs. Baker was unable to attend today's meeting. She said Robert Blair is here today representing the Ohio Department of Transportation Director, Gordon Proctor, and is authorized to vote for him.

The Chairman welcomed our newest Commission Members, (Truman) Tim Greenwood and Steve Strnisha. She stated she was very glad they were here today and said it isn't easy to join a Commission or Board for your first meeting. She assured Mr. Greenwood and Mr. Strnisha that they will find that these are a wonderful group of people to work with. We hope that before long you'll both feel very much at home. The Chairman asked Steve to tell the Board about himself.

Mr. Strnisha thanked the Chairman for her warm welcome and stated that he was Deputy Director at Cleveland Tomorrow which is a business organization in Cleveland consisting of chief executive officers of major companies in Cleveland. We focus on economic development within the region and he specifically focus on physical development and development of downtown Cleveland, development in Cleveland's neighborhoods. Prior to that he worked for Mayor White of Cleveland as his Executive Assistant for Development and as his Finance Director. Prior to that I worked for a bank doing some investment banking. He stated his background is primarily in development and finance and hope he can bring those skills to the Commission. Mr. Strnisha stated he is married and has three young children who keep him busy when he's not working.

The Chairman thanked Mr. Strnisha and said he was happy he was bring that expertise with him and will certainly put that to good use. She then asked Mr. Greenwood to give his background. Mr. Tim Greenwood said he always remembers how old he is because he saw that 1949 was the Turnpike's beginning and that was when he was born. He turned the half-century mark this year and is married to wife, Linda, 25 years (this year) and has two daughters, Kelly and Katherine, lives in Sylvania Township, a suburb of Toledo,. He is a lawyer with the firm of Spengler, Nathanson in Toledo. From 1988 to 1995 he was a member of the House of Representatives and also the Ohio Senate. Other than that he was doing a pretrial conference by telephone this morning on the way to the Commission Meeting. I told the Judge I knew where to go but did not know how to get there because I saw the building and didn't know how to get off the Turnpike. The said that was typical. Needless to say, I found my way. The folks were very accommodating. Madame Chairman called me last week to welcome me which he appreciated and he stated he looks forward to serving with you.

The Chairman thanked Mr. Greenwood for his comments and said she was glad that he was able to join us today. She said she understands that a good attorney knows all the facts, but a great attorney knows all the judges.

The Chairman stated she couldn't believe seeing Mr. Plain sitting along the wall with the other attendees and welcomed him.

We have a number of guests here today and we will ask them to identify themselves: Tom Travis, Fred McFall, Host Marriott Services; Pat Riley, Peck Shaffer & Williams (bond counsel); Eric Erickson, Fifth Third/Ohio Co.; Bobby Everhart, URS Greiner; Mike Schipper, HNTB; Howard O'Malley, B & T Express; Ken Marley, Hardee's Food Systems; Larry McQuillian, Advanced Restaurant Concepts (ARCI); Bob Hudecek, Key Bank; Brian Conners, Conners & Co.; Frank Lamb, Huntington Bank; Captain Tim Escola, Ohio State Highway Patrol; Jim Reeves and Don DiGeronimo, Independence Communications; G. Alan Plain, retired Commission employee; Dean Berry, and Bruce Gabriel, Squire, Sanders & Dempsey; Sam Covellii, Ray Dellarco, Panera Bread Co.; John Peca, Climaco, Lefkowitz; Bob Barnett, Heidi Jedel, Tracy Cowley and Diane Pring.

The Chairman also thanked Bob Barnett for his service to the Ohio Turnpike Commission as this would be Bob's last Commission meeting. She said he'd be missed and thanked him for his 26 years of service. She also stated that the Commission Members and our staff appreciated your services.

The Chairman said the August 30, 1999 Meeting was the 454th meeting of the Commission, and we were meeting at the Commission's headquarters as provided for in the Commission's Code of Bylaws. The minutes of the last Commission Meeting of July 19, 1999, has been distributed to the members for their comments, and she would accept a motion for their adoption 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; Mr. Blair, Mrs. Leever; , Mr. Strnisha (abstain)

Nays: None.

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

The Chairman advised that various reports will be received and the Commission will act on a resolutions, draft copies of which has been previously sent to the members and updated drafts are also in the Members' folders. She said the resolutions would be explained during the appropriate reports.

The Executive Director stated he would give the report of the Secretary-Treasurer. The following items have been sent to the members since the last regularly scheduled meeting of the Commission on July 19, 1999:

1. Draft of Commission Meeting Minutes of July 19, 1999.
2. Traffic and Revenue Report, June and July, 1999
3. Financial Statement, July 1999
4. OTC Budget Report – first six months, 1999
5. Investment Report, June and July, 1999
6. Traffic Accident Summary Report, July, 1999
7. Revenue by Month & Year, June and July 1999
8. IBTTA Annual Report
9. Turnpike Notes and various news releases
10. Litigation Report for the Second Quarter, 1999 (in members' folders)

(Senator Armbruster – arrived at 10:07 a.m.)

Leever: Do you have a report on Budget & Finance, Mr. Zomparelli, at this time?

Zomparelli: No, I don't.

Leever: Mr. Steiner?

Steiner: Madame Chair, members of the Commission. All-time records for the number of passenger and commercial vehicles traveling the Ohio Turnpike were again established for the month of July, 1999 as well as for the first seven months of 1999. The number of passenger cars traveling the Turnpike during July totaled 3,861,000 surpassing the

previous record established last year by 68,000 or 1.8%. Commercial traffic for July totaled 814,000 vehicles passing the prior record set last year by 68,000 vehicles or approximately 9%. For the first seven months of 1999 the number of passenger 20,211,000 surpassing the prior record established last year by 535,000 cars or 2.7%. During the same seven month period, the number of commercial vehicles totaled 5,215,000 surpassing the prior record set in 1995 by 249,000 or approx. 5%. This is an increase of 345,000 vehicles or 7.1% as compared to last year. For the first 22 days of August total traffic is running approximately 2% ahead of last year.

For the first seven months of 1999, total revenue in the Revenue Fund was 2.4% higher than budget, expenditures were 5.1% less than the budget. I'd be happy to stop here and respond to any questions, Madame Chair. I do have a report to make about our bank depositary.

- Leever: 2% ahead in the month of August – that's an awful amount of cars and a lot of traffic. It sounds easy to say 2%, but that's a tremendous amount. Do you know, is this what was anticipated or was it 2% ahead of last August.
- Steiner: This is 2% ahead of last August. Overall, the passenger car vehicles are running close to what we had projected – maybe slightly lower and the commercial traffic is far and away above our expectations.
- Leever: I noticed a lot of mobile homes on the road yesterday, I guess it's holiday time.
- Strnisha; I may have missed it in your statistics, but what's the current increase for the year on the trucks?
- Steiner; For the first 7 months, it was up 249,000 over the record set in 1995 which was 345,000 vehicles or 7.1% ahead of last year. We are 5% ahead of the all time record for commercial vehicles which was set in 1995.

Leever: Madame Chair, as our toll revenue has grown over the last several years so has our banking costs associating with depositing all those funds has also increased. At the request of the Commission's Executive Director and Deputy Executive Director-Operations, we have been looking for ways to try and reduce those costs. Under the leadership of the Deputy Executive Director-Operations we have changed we are preparing our deposits so as to minimize our banking costs. We have also met with our current bank depositary, Key Bank, in an effort o try and reduce our costs. In addition, we have sent requests for services to 6 other banks asking for proposals. After reviewing all those proposals, we believe that the proposal from First Merit is the most advantageous to the Ohio Turnpike. By maintaining a minimum balance at First Merit, they will waive all the costs associated with counting and depositing of funds. They have offered to provide free armored car pick-up at two locations of our choice along the Turnpike. They are giving free deposit bags, supplies and also offered to give us free treasury management software which we load on our network here that will allow us direct access to our account information as well as for on-line transactions processing. They also have very attractive interest rates on our deposits.

The Executive Director, the Deputy Executive Director-Operations, the Director of Toll Operations, the Superintendent of Toll Operations, the chief auditor, chief accountant and myself all visited First Merit's operation center in Akron and we were very impressed. We also contacted several references and received very favorable recommendations. With the approval of the Commission, we would like to begin depositing our daily revenues from the plazas beginning on September 14th. We do have with us, the Vice President of the Public Funds officer from First Merit, Mr. Stefan Holmes who I am sure will be happy to respond to any questions.

Leever: Welcome Mr. Holmes. Are there any questions, yes Senator.

- Armbruster: Madame Chair – to the bank, how long do you plan on providing the services for free?
- Holmes: The contract we are in the process of finalizing is for a 2 year period. The services we are offering will remain in effect for a 2 year period.
- Strnisha: With the change, is there any change in procedure or operation which is dictated by changing banks or is it procedure basically that you use for deposits remain the same – just with a different depository? Any changes from a Turnpike standpoint, do you have to accommodate in order to switch institutions?
- Steiner; Basically, the procedures will be very similar. We are planning to have the deposits picked up on a more frequent basis, if we can. But the basic procedure is the same as we have been utilizing.
- Strnisha: Can you just briefly talk about how money gets from the toll plaza to the bank?
- Arlow: We would not like to talk about our security measures at a public meeting. Primarily, we have a armored car service pick-up our money at various locations.
- Strnisha: Does the deposits get into a lock-box situation? That's all I was looking for.
- Zomparelli: Madame Chair, Commission Members, myself, Bob Arlow, our CFO, Jim Steiner, Sharon Isaac, Director of Toll Operations, Gary Cawley, Superintendent of Tolls – we took a tour of the First Merit's facility in the Akron area. It was pretty enlightening to see how things happen – the armored car come in (we don't know what time) and we got to see the money counting operation. I think we were all satisfied.
- Williams: Does this mean that deposits are going to get to the bank faster now then they were going before and enable us to.
- Zomparelli: That's something we talked about, Madame Chair, Mr. Williams. We will be credit the same day if the funds are received by 3:30 p.m., they will be available. We wont' be losing any time.
- Williams; Is there action that the Commission must take on this item?
- Zomparelli: I have a resolution for consideration later in the meeting. I think it would be a good idea for Commission action to be taken.

- Strnisha: Would it be the intention that after a two year period you would do the same thing and go out again and seek bids at this point?
- Zomparelli: It's for a two year term and then we can take a look. The Commission has been doing business with Cleveland Trust since 1955 and Cleveland Trust became Ameritrust and later became Society and then Key Bank and that's been the only financial institution that the Commission has used over the years. That's what we tried to do at this point –open it up to give other banking institutions an opportunity to do some of the Turnpike's business and at the same time see if we can receive any cost savings. If we are happy with the service and it's still going to be free, it's kind of premature to talk about it, but I think we will probably stay with them for a little more than two years. I'm sure they will have more invested in the operations, but they will be evaluated on a daily basis and we'll have no problem switching banks again if we have to. Later on in my report, I'll present a resolution regarding what Mr. Steiner referred to.
- Leever; Are there any other questions? Thank you. Do we have a report on the service plazas?
- Arlow: I'll do that with my construction report.
- Leever: Report on Employee Relations, Mr. DiPietro?
- DiPietro: Madam Chair, there has not been a lot of activity this month. As you know the Voluntary Early Retirement Incentive Program is progressing, effec. August 1st, we had an additional 12 individuals take advantage of the program. That brings to date a total of 30 individuals who have signed up for and have taken advantage of the retirement program.
- Leever: Thank you. OK, our Executive Director, Mr. Zomparelli. Excuse me, before we go any further, gentlemen, it's terribly warm in here, if you want to take off your jackets, please do so. Be comfortable.
- Zomparelli: Thank you Madame Chair. Before I get started with my staff reports, the first item of business is – since I was appointed Executive Director, I think it's best that we have a new General Counsel. That

was a position I had with the Commission for almost five years. During the time from December until August 1st I have been working closely with Alan Plain during the transition period. Tom Amato, who is our Assistant General Counsel, really assumed the bulk of the work in the Legal Department. He has been employed by the Commission since May 4, 1998, I have had more than sufficient time to evaluate him. I am pleased that he has done a good job and with you assent and the other Commission members, I would like to appoint Tom Amato as the Commission's General Counsel. I'd ask for the Commission for a motion to assent to Mr. Amato's appointment as General Counsel. Unless you want him to take the stand now and grill him -- He has been an attorney since 1985. He has extensive experience in civil litigation and insurance defense and his experience has been valuable to the Turnpike and has been helpful.

Leever: That's an excellent recommendation. May I have a motion, please?

Blair: I'd be happy to move and I'd like to mention that I have worked with him a number of times during the past year and he has been very good to work with, I would be delighted to make that motion.

Leever: Thank you, Mr. Blair.

Williams: Second.

Leever: Call the roll, please.

Armbruster: Madame Chair, just a question – we are changing Commission Members next month?

Leever: Well, we do have a new Commission Member seated today and Mr. Greenwood's appointment will begin with our next meeting.

Armbruster: Not to throw a kink in the armor, I was just wondering does it make sense, it is absolutely necessary that with another new Commission member coming on within 30 days that we make this decision today. Is it absolutely necessary that we do?

Zomparelli: Madame Chair, I'll answer that question – absolutely necessary - I guess nothing is absolutely necessary, but I would highly recommend it. It's an appointment for the Executive Director and if the Commission Members are not comfortable, then I would

understand, but being an attorney also and having been General Counsel, I think we would be best served to go ahead with the appointment. The legal cases that we are handling now they are not on hold. It puts me in an uncomfortable position to go into meeting as an Executive Director and General Counsel. I had an arbitration last week. One question was – what capacity was I there as – Executive Director or General Counsel? With us planning on skipping the September meeting and going into the October meeting, I don't expect anything to change. There are no other candidates that I interviewed or asked. I feel real comfortable with Mr., Amato. I have talked to various staff members and the Deputy Executive Director-Operations and asked him if he is comfortable. Our CFO, our Chief Engineer and most of the people. You can go to any staff member and I'm sure they would tell you that Tom has been working without guidance and he has been pro-active for the Turnpike and has always had the Turnpike's best interests at heart. I understand Mr. Strnisha is a new member and it puts him in a difficult spot to try and assent to someone he doesn't know anything about or the Turnpike and he really doesn't have much experience, but Mr. Williams, Mr. Blair has had a chance to work with him on ODOT matters. Mrs. Leever has been with the Turnpike longer than I have and I think the timing is not bad given these set of circumstances, but it is a good question and observation.

Armbruster: One further question, is this by contract then. Does he serve for a period of time?

Zomparelli: This will be at the pleasure of the Executive Director. The Bylaws have the General Counsel appointed by the Executive Director with the assent of the Commission Members. Under constant scrutiny – just like the banks are on a day-to-day basis.

Leever: Does that answer your question, Senator?

Armbruster: Yes.

Zomparelli: We have a first and second already, but I'll go ahead with the roll.

Roll: Mr. Blair- yes; Mr. Williams-yes; Mr. Strnisha-yes; Mrs. Leever-yes.

Zomparelli: Congratulations, Tom.

Amato: Thank you. Madame Chair and Commission Members, thank you for the appointment and I pledge my dedication and service to this great Commission. Thank you very much.

Zomparelli: We have a number of resolutions that I would like to introduce to the Commission Members and have them take action on. The first resolution relates to the award of Contract No. 38-93-01. This draft resolution is for the furnishing, installing and testing of a nine-position, CRT based Dispatch Console System at the Turnpike locations here at the Admin. Bldg., at Swanton, Milan and Hiram Patrol Posts. The Commission received three bids. The Resolved paragraph of this resolution reads:

“RESOLVED that the bid of **Modular Communications Systems** of North Hollywood, California, in the total amount of **\$936,304.00** (\$850,000.00 base bid plus \$86,304.00 options) for the performance of Contract No. 38-93-01, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidder of its 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. 38-93-01 is designated a System Project under the Commission’s 1994 Master Trust Agreement.

Our Chief Engineer is here to answer any questions regarding this bid. It is my understanding that this is a vendor that had previously done work for the Commission and I recommend that the Commission move to adopt this resolution.

Leever; Do we have a motion?

Williams: Move adoption.

Strnisha Second and I’d like to ask a question. Just curious and to help me understand a little bit. I noticed that the Director mentioned that this is a company that we have worked with before and by the Director’s comments I assume they have done a good job. It references that they put consoles in going back to 1979. Are we replacing consoles

of that age and is that typical that these consoles last for twenty years or so or have they been upgraded. Can someone tell me briefly about the technology.

Zomparelli: Madame Chair, Mr. Strnisha. 1979 was when we had the equipment installed in the Posts and here in the building. It is an update in technology. Having 20 years of service for equipment of this nature which involves a lot of technical and computer facets I think we have gotten good use for it. Dave Ransbury, our chief engineer if you would like to comment.

Ransbury: We are upgrading and we have a new building that we are installing the new equipment. It will be a completely computerized system whereas we do not have that now. This will allow us to do the type the things we need to do in the coming years with the CAD systems and allow us to operate our changeable message systems throughout the Turnpike and our cameras and everything else we will need for the future.

Blair: Dave, what happens to the old equipment and the second system and could you explain the one hour uninterruptible service situation.

Ransbury: I believe Bill Keaton is here and can respond to that. The old system will be scrapped. In response to your question about the uninterruptible service requirement, all three bidders were unable to do that to meet the specifications entirely for the one-hour system. That has to do if the power goes off the batteries take over until our generators kick in to supply the power to run the system. The specifications require a one hour battery operation. None of them were able to do that. We have determined that all of them do meet our needs with what they have proposed and we feel that the system they are providing, especially the low bidder, is OK. Therefore, we consider that since none of them had it, it is a technicality that we can waive without a problem.

Leever: Any further questions?

Roll: Mr. Williams-yes; Mr. Strnisha-yes; Mr. Blair-yes; Mrs. Leever-yes.

Zomparelli: The resolution is adopted. Madame Chair, Mr. Blair, if you are interested in the old equipment and ODOT has a use for it, we might as well have a disclaimer and a waiver it is so old.

The next item is a resolution awarding Contract No. 59-99-04. This is a resolution for a contract for repairs, resurfacing and guardrail improvements of Interchange 232 (old Exit 6) ramps at Milepost 232.9 in Mahoning County. The Commission received two bids. The low bid was submitted by N. Ohio Paving Company. In regards to this item, both bids exceeded our engineer's estimate. N. Ohio Paving Company was approximately 12.4% higher than our estimate. In reviewing this with our Deputy Executive Director-Operations and our Chief Engineer, our experience for the Commission has been that all work in Mahoning County is historically been 10-20% higher than in other areas. That may account why the bid is higher than our 10%. Since the amount is not extremely higher than 10%, approximately 12.4%, and we did receive two good bids from two companies who have done work for the Turnpike in the past. McCourt Construction Company and Northern Ohio Paving Company – the base bid amount of \$1.124 and \$1.482 bid by these two companies are probably more in line with what the actual estimate should have been. It's over one million dollars and it is in an area that is in need of resurfacing. The Commission has received some complaints about the pavement. I would advise the Commission to go forward and I recommend that we adopt this resolution. I'll read the Resolved:

“RESOLVED that the bid of **Northern Ohio Paving Company** of Twinsburg, Ohio, in the amount of \$1,124,829.45, using crushed slag in the surface course, for the performance of Contract No. 59-99-04, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

“FURTHER RESOLVED that Project No. 59-99-04 is designated a System Project under the Commission’s 1994 Master Trust Agreement.

Our Chief Engineer is available to answer any questions the Commission may have.

Williams: Is Northern Ohio Paving Co. presently doing work for the Turnpike under contract.

Zomparelli: Yes, they have received awards for asphalt work they have done on the Turnpike.

Williams: The work has been satisfactory?

Zomparelli: Yes, Dave would you like to comment?

Ransbury; Northern Ohio Paving is a long time contractor on the Turnpike ever since I have been here. They have done outstanding work and won awards as Gino said for asphalt paving smoothness. They have done a fine job. When they are low bidder, we are very happy.

Zomparelli: They are significantly lower than the second bidder.

Strnisha: Is it typical here only to have two bidders? Is it based on season, business of the contractors?

Arlow: That’s common especially at this time of the year. Many of the contractors have already had their work set out for the year at this time they are trying to finish up their work before the fall season which ends their work. When you have large companies like the ones that bid on this contract, they are capable of handling more than some of the other companies. This is typical at this time of the year.

Blair: How many books get sent out to prospective bidders, Dave?

Ransbury: We advertise through Dodge Reports and several other people of that nature. There is also a list that we have here that gets prior notification of those types of jobs. I couldn’t tell you how many, but there are a number of them.

Leever; If this work is begun shortly, will be it be finished before winter?

Ransbury: Yes.

Leever: Are there any further questions. We need a motion then.

Williams: I move the adoption of the resolution.

Blair: Second.
Roll: Mr. Williams-yes, Mr. Blair-yes; Mr. Strnisha-yes, Mrs. Leever: yes.
Zomparelli: The resolution is adopted.

The next draft resolution is for the award of Contract No. 77-99-03. This is a contract for third-lane construction from Milepost 127.23 to 132.08 in Erie County. Again, the Commission received two bids. They have been analyzed by the Commission's Chief Engineer. S. E. Johnson of Maumee, Ohio was the low bidder. The Resolved reads:

RESOLVED that the bid of **The S. E. Johnson Companies, Inc.** of Maumee, Ohio, in the amount of \$13,063,311.15, utilizing its base bid using crushed slag in the surface course and Alternate #2, elliptical pipe at Harrison Road, for the performance of Contract No. 77-99-03, 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. 77-99-03 is designated a Construction Project under the Commission's 1994 Master Trust Agreement.

Commission Members, S E Johnson has done work for the Commission in the past – a lot of work for the Turnpike and I recommend that we adopt this resolution, and it is below our estimate.

Leever: We need a motion.

Williams: I missed the explanation on the last resolution – why was there only two bids on a paving contract?

Zomparelli: Dave, do you care to comment on that again?

Ransbury: I think it's similar to what Mr. Arlow said earlier – there is a lot of work going on out there and perhaps it's the time of the year, I don't know.

Williams: Is this work to be completed this year?

Ransbury: No. It starts in the fall of this year and will be completed at the end of next year.

- Williams: So we are going on the assumption that because they have a back log of work they can't do this year, then it is going to be done this year it will be done next year.
- Ransbury: No. They will do Phase I in the fall of this year. Phase II will be completed next year.
- Blair: Dave, maybe it's the size of the project. Not all contractors can handle this. I would assume you only had two bids on this one because the other contractors didn't want to bid because of the size, is that your guess?
- Ransbury: Not necessarily. Because you'll see on the next resolution we had a number of bidders. It's a similar size job.
- Arlow: The next job is further west. Maybe the contractors who are more in the east have enough work but the ones located in the west are not that busy.
- Zomparelli: Madame Chair, Commission Members, you really never know what job a particular contractor is going to go after. It's hard to say why you receive one or two bids. We use the same type of advertising to let contractors know there is work well in advance. Our engineers have gone to association meetings, where we let every contractor know the work in advance. All the contractors know which work will be coming available on the Turnpike. For whatever reasons – schedules, whether they think they can bid low enough for our project. The analysis is different. A lot of time I heard bidding described as an art form rather than a science. It's all speculation really to determine why some bid or does not. We have been consistent for the last number of years all through this third-lane process. The third-lane construction has not been a secret on the Turnpike. I would recommend that the Commission move to adopt this resolution.
- Strnisha: Two questions, if a contract is awarded now, what type of work will they be completing before winter – staging? Without too much engineering, somebody could explain this to me.
- Ransbury: They will be preparing the 10 foot outside shoulder so that next year we can move traffic over onto that 10 foot shoulder. We have to shift

the traffic over to be able to work in the median. We have to re-build that 10 foot shoulder. That's essentially is going to be the major portion of the work for this fall. Next year –

Strnisha: How long can they work?

Ransbury: They will be working until the end of October.

Arlow: Madame Chair, Mr. Strnisha, they work on paving – they work on the outside shoulder so we can maintain two lanes of traffic at all times. Secondly, they will work all winter long doing sub-structure work on some of the mainline bridges that they have to do to add the third lane onto the mainline bridges. They can work all winter long on the sub-structure work – weather permitting, providing we don't have heavy snowfalls or inclement weather. Normally they work throughout the period.

Strnisha: What are the alternates?

Ransbury: There are four alternates really. Two of which is whether to use slag in the surface course of the asphalt or limestone. Our recommendation is to use slag because that gives a little better skid resistance over the long term of the pavement and traditionally the slag has allowed us to put a little more liquid asphalt into the mix which gives a little better life. We put the other alternative in there for the limestone for competitive purposes to make sure that the prices stay in line.

Strnisha: When is this project slated to be completed?

Ransbury: It will be November 2000.

Leever: Any further questions?

Williams: I move the adoption of the resolution.

Strnisha: Second.

Roll: Mr. Williams-yes; Mr. Strnisha-yes; Mr. Blair-yes; Mrs. Leever-yes.

Zomparelli: The resolution is adopted.

We have another third-lane project, this is resolution awarding Contract No. 77-99-05. This is for the third lane area between Milepost 81.31- 86.17 in Ottawa and Sandusky Counties, Ohio. In this project, the Commission received four bids. The low bidder is S.

E. Johnson Companies, Inc. of Maumee, Ohio. I'll read the Resolved:

“RESOLVED that the bid of **The S. E. Johnson Companies, Inc.** of Maumee, Ohio, in the amount of \$15,964,079.60, utilizing its base bid using crushed slag in the surface course, for the performance of Contract No. 77-99-05, 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. 77-99-05 is designated a Construction Project under the Commission’s 1994 Master Trust Agreement.

The Commission received four bids. S E. Johnson is a contractor that has done work for the Turnpike in the past and I recommend that the Commission move to adopt this resolution.

Blair; I'll move.

Williams: Second.

Leever; Are there any questions?

Strnisha: Could someone explain the timetable on this project as well.

Zomparelli: Madame Chair, Mr. Strnisha, it's the same strategy. Maybe as another point of information, along the third-lane expansion process, the Commission's staff has determined that it is best to stretch out these projects and get the work started in the fall so that we can do the best possible job for the Ohio traveler in preventing delays and traffic back-ups in the two lanes, we also recognize during the weekend the traffic is a lot higher and we work with the contractors throughout this project and we found that by having the job set out this way – starting the fall, taking off during the holidays – when the traffic peaks – the early award in the fall gives them an opportunity to attack the job a lot earlier when the weather conditions permit – Feb., March or April. That way they have the entire season and spring and

summer to complete their work and also be done by the time Thanksgiving and Christmas holiday traffic.

Strnisha; I figured that out from the previous award. That makes sense.

Roll: Mr. Blair-yes; Mr. Williams-yes; Mr. Strnisha-yes; Mrs. Leever-yes.

Zomparelli: The resolution is adopted.

The next resolution relates to the new Travel Center at the Great Lakes/Towpath Travel Centers currently under construction in Cuyahoga County. That is just east of our Admin Bldg. about 10 miles. Again, the Commission and this is the process, for the benefit of the new Commission Members, that the Turnpike has been working on for a number of years and it seems like it has been going on all year. We advertised for what we call a sit-down or family-style restaurant, in the Great Lakes and Towpath Travel Center. We have divided that facility into four areas for food concessions and food vending. First three of the units are more of a fast-food and food court type facility. In the past the Commission had awarded those three to Gladieux – (Advanced Restaurant Concepts, Inc. and V/Gladieux.) The food concepts that they had proposed and the Commission awarded and accepted their proposal for a Travel Express/Coffee Beanery retail (Unit #1); Pizza Hut Express (Unit #2); Wendy’s (Unit #3). The Commission did **not** accept bids on Unit #4 and re-advertised – that’s how we find ourselves here today. This is actually the third time we have done this. We received two bids. The bids were received from Dalcan Limited Liability Company, d/b/a Panera Bread Company. The other bid was received from Advanced Restaurant Concepts, Inc. and V/Gladieux Enterprises, Inc. The Gladieux bid had proposed discontinuing the Pizza Hut Express in Unit #2, expanding the Wendy’s and proposing for #4 (the larger sit-down) area a Denny’s or Friendly’s. The second bid by Dalcan was for the operation of a Panera Bread Company. There is also a reference to a St. Louis Bread Company which is a similar type operation or it may be another d/b/a entity. The bid by Gladieux was for 4%. The bid from the Panera Company was for 5% without taking out any of the food concepts the Commission had

previously awarded. The Commission's staff of Director of Safety, Dick Lash, Dan Castrigano, our Maintenance Engineer; Bob Arlow, our Deputy Executive Director-Operations; Assistant General Counsel (now General Counsel) Tom Amato and myself reviewed the bids. We recommend the award to The Panera Bread Company because it involves no changes to the other facilities and the bid percentage of 5% is also an amount is acceptable. It is the same percentage that Marriott bid for their sit-down facility at the Erie Islands/Commodore Perry Travel Center which is the Max & Erma's Restaurant.

I would like to read the Resolved of this resolution:

RESOLVED that the bid of **Dalcan Limited Liability Company, d/b/a Panera Bread Company** of Warren, Ohio, which utilizes the following concept at the Commission's **Great Lakes** and **Towpath** Travel Centers:

Unit	Gross Receipts Bid %	Concept
4	5 %	Panera Bread Company

is, and is by the Commission determined to be, the **best** of all bids received for the performance of Contract TR-8B (Unit #4) and is accepted;

FURTHER RESOLVED that the executive director and assistant general counsel hereby are authorized to execute **Contract TR-8B (Unit #4) Great Lakes and Towpath** Travel Center, which provides for an initial term of **Seven (7) years** and at the Commission's option to extend for three (3) year periods, with **Dalcan Limited Liability Company, d/b/a Panera Bread Company** of Warren, Ohio, in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, and to take any and all action necessary or proper to carry out the terms of said bid and said contract.

I would recommend that the Commission move for adoption of this resolution if there are no other questions. I see Mr. Covelli and Mr. Ray Dellarco of the Dalcan Limited Liability Company here. If the Commission has any questions, I did have one question for them and the Deputy Executive Director-Operations did call him to get some

supplemental information on their bid. We had a question how they were proposing to operate their sit-down area. We were advised that they will have one or two floor people to clean the tables after the people are done eating in their own seating area. It is not their food court area. They are not waiters or waitresses per se, they don't take orders, but they will walk around and make sure that all the customers are getting the service. If they need anything else they will accommodate them. It is similar to a cafeteria tray-type facility where you go out to a counter, give your order and move down the line and by the time you pay you should have received your food and if not, you sit down at a table and they will have some kind of mechanism to let the patron know that the food is ready. They can go up and pick them up themselves and I'm sure if it is sitting there for a while and a patron did not become aware that their order was complete, they would deliver their order to them. We understand this is a new and unique enterprise for food companies and it is something we will monitor every day. We plan to have quarterly meetings for all our concessionaires to continue to improve the operations. If the Commission members or Madame Chair have any questions, the gentlemen are here to comment or if they want to make a brief statement on the operation, I think that would be helpful to our Commission Members.

Williams: I would like to let them talk and let us know something from the start – a perspective about the company itself.

Covelli: Excuse me, I have laryngitis.

DeMarco: My name is Ray Dellarco. I am the operating manager with Mr. Covelli and to give you a brief history – St. Louis Bread Company was founded in 1987 – it's the fastest growing bakery café company at this point. There are now 180 restaurants open. Mr. Covelli's organization opened 11 from last June. We have six more under construction at this point. If you haven't visited we have several in the Cleveland area from Tower City all the way to Westlake. We are in Belden Village, Pittsburgh – just acquired Squirrel Hill in

Pittsburgh, Erie, Pa (under construction). We also acquired Syracuse, Rochester, Buffalo, West Virginia. We are moving rapidly.

Covelli: We will have offices in Cleveland because we are expanding so much in the Cleveland area so we will have a base in Cleveland which will be great for our hiring for all our associates. I am excited to be in the Cleveland area. Our volumes have been unbelievable. If you talk to any customers that have been at Panera – I'm sure you received a fantastic response from them. I'd love you visit a Panera unannounced just go help yourself. We are proud that we are involved with Panera. We have over 40 years in the restaurant business. We researched this company we felt we could take a great concept and take it to another level. We have and we never dreamt that we could do the volume that we are doing. The response has been overwhelming. We are very proud to be associated with Panera. We are very proud to be part of the Ohio Turnpike with the new facilities. We think we could fit in. I think over a period of time being on the Ohio Turnpike customers will look forward to stopping at our unit. If there are any other questions, Ray or I would be glad to answer them.

Strnisha: Are you on any other highways in terms like this one. Will this be like one of your regular restaurants? Will it be different because it is in this type of facility?

Zomparelli: Madame Chair, Commission Members, I'll save your voice a little bit and you can add. Mr. Covelli has operated in the past the McDonalds franchise on the Ohio Turnpike so he has experience working on the Ohio Turnpike. I don't know how many years –

Covelli: 15 years.

Zomparelli: It gives a little bit of comfort level having that even though it is a new franchise that we are not familiar with. He has operated and is aware of the challenges of operating the facility on the Turnpike as well as the benefits. Are you aware of any of these being operated on a toll road or rest-stop area?

Covelli: Right now, we'll get different interstates, but right now these will be the first ones on the Turnpike. We have experience to run Turnpike stores.

Strnisha: I'm familiar with the Paneras in the Cleveland area – same type of products and so forth?

Covelli: Exactly.

Leever; Is this a 24 hour facility?

Zomparelli: No. There will be a breakfast menu. They have provided a number of egg dishes. This is not 24 hours, this is 5:00 a.m. to 11:00 p.m. It's 2800 square foot facility – a large operation.

Strnisha; How long is the contract term?

Leever: 7 years.

Zomparelli: 7 years – one reason for that is the first time we went out to bid it was for a five year term. I guess that makes it difficult to amortize the costs over 5 years and working with plans to get loans. The 7 year period is better and they will have to furnish their space.

Armbruster: Madame Chair, in the bids that we received over since January and I have been here with regards to the new plazas – the question I have is what happens if Pizza Hut Express chooses to leave the Paneras or their company. They cannot provide Pizza Hut Express and let's assume they have a disagreement with that company or with Marriott with Gladioux, they lose the McDonalds franchise. What impact does that have within the 7 years of this contract and then the fact that I don't consider a "cafeteria" style restaurant a sister to a sit-down restaurant myself. I feel that that's more like Wendy's or Pizza Hut. I'm going to a window, placing an order, getting back up and going some place. If I wanted to sit at a cafeteria type restaurant I'd go to a cafeteria. I wouldn't consider it a sit-down restaurant. Not to say that I am not suggesting that you should vote anywhere different there but truly the concept that we talked about with regards to these plazas based on the fact that no bid came in with the most recent plaza that opened up and now we have a Max & Erma's which could be considered – it is a considered a sit-down, and I'm wondering if I

have to go cafeteria style in that restaurant because we changed the process in this plaza. So has the definition changed? And I guess those are the questions in the 7 year period if they close down a portion of the plaza and it is now not run, what happens at that point?

Not reading the contract, I guess I have some questions. I'm in the fast food business you might say, I understand the process and I also understand contracts with other companies. I'm just trying to figure out how this works. When in fact, we have had no bid on a sit-down restaurant twice and now we are going to a cafeteria style and I guess I don't accept the definition of two waitresses or waiters cleaning tables and you still have to go up and get your food. I think that's fast food. I'm not voting I'm just a Senate guy here.

Zomparelli: Madame Chair, Commission members, Senator Armbruster, you asked a a lot of questions. They are questions that we have asked ourselves. It is the same deliberation I made myself personally going through this even this morning talking to my staff. We had the same discussion that you just brought up. Travel Centers on the Turnpike is a unique operation. A lot of companies didn't bid - I won't mention their name - their philosophy is they don't' want to bid on the Turnpike, they are in the real estate business more than the food business. I guess most of your fast-food vendors are probably like that too. They locate corners for their location or they are part of a larger strip center and they have one facility. It's really going to take a company with some imagination and some creativity to bid on the Turnpike and operate this concept. As a family-style, sit-down restaurant, I think our staff is aware it will be difficult for any restaurant to come in and have full service from 5:00 a.m. to 11:00 p.m. We don't have steady business. We have peak times in the summer time and it trails off and then you got the weekends that are higher. There are challenges in hiring people to staff it. We can say Max & Erma's for example is a family restaurant, but I'm sure they will have the employee issues because we have them now

everywhere on the Turnpike to hire people to provide service. Even McDonalds, I've seen them advertising \$8.00 or \$9.00 an hour on roads in the area and they can't hire kids or people, but they say they are having a labor problem. I don't think we are insulated from that. When I look at the facts and the experience here – we haven't gotten any bids. There is competition because they are fast-food concepts in the same building and in the same facility. We might have to bend this one time on our expectations so that we do get a history and see what kind of numbers are being generated. What kind of operations are being taken, recognize that the Marriotts, V Gladioux/Dalcan take a certain level of risk going into a new facility and not having experience.

We feel strongly that they will be profitable, that they will do well. We have 16 buildings from day one on the Turnpike. We haven't expanded our facilities even though traffic has expanded. We think there is business there. Pricing will be #1 it will have to be competitive. What we need to know more about is how many people really want to go in there and sit down for a prolonged period and have dinner there. When I'm going out to dinner on Saturday night, I made reservations in advance. I'm planning on being out for a couple hours, but your traveler on the road I don't know if they will visit the facility and say, "let's take an hour break here." Everyone seems to be in a race these days. You can't slow them down. That is probably more true for the passenger- not the commercial driver. I think the commercial driver who operate the big tractor trailers. They will sit in the restaurant. They are looking for a place where they can get some service. That was the whole intent behind the sit-down restaurant. Those type of users who want personal service. They are used to having fast food concepts all over the country. They are looking for a nice place to sit down and have someone ask them if they want soup. This looks good, this is the special. Can I refill your cup of coffee – service is what it's about. You are right and I am concerned about making this recommendation for award. I think

giving what happens, I think we might be best served giving the reassurances I received from these two gentlemen about continuing to monitor and being sensitive to the safety needs and service needs of our patrons that they will try to go above a cafeteria style. If they don't we will take that into consideration when it comes down to renewal.

In regards to what happens if Wendy's or Pizza Hut leaves, that was the reason we divided this up into units. In the past the Turnpike bid out the entire building. So if Wendy's goes out of business or they pull the franchise or Pizza Hut leaves, we still have the other facilities. In the past, Marriott, for example, had the whole contract for the whole facility, if someone our contractual relationship ended with them, and all our eggs were in one basket, we would have no one to operate that facility. By having two different vendors in one building, that gives us (1) some level of competition between the vendors and (2) an option in case one vendor is not going to be available for one reason. The other units, Units 1,2,3,5 are five-year terms so we built into a little lag so we won't get stuck having all the contract terms coming due at the same time. We do have some levels of protection making sure that there will always be some food service. Madame Chair, Commission Members.

Blair: Is this something that we could do one more round at? Could this bid hold for another thirty days?

Zomparelli: Madame Chair, Mr. Blair, I think that if the Commission was so intent on re-bidding, we have awarded the other four concepts. They are not working as quickly as we would like and the Deputy Executive Director-Operations was in contact with the other successful bidder. They are not meeting our target completion dates. Marriott has not met them for Erie Islands and Commodore Perry. We have given what we feel is more than sufficient time to get those units completed, but Erie Islands and Commodore Perry is – we are struggling to get them open for Labor Day weekend. The gentlemen

from Marriott are here today and they know I will be talking to them today after the meeting. I give them credit for showing up today. They know they will receive some harsh criticism.

Williams: What's the projected date for the opening of this facility?

Zomparelli: November 1st I believe.

Dellarco: We can open before that, but let me clarify one thing. We are not a cafeteria-style restaurant. We are a full-service bakery café. It need be and it depends upon what concepts work at the Turnpike since it's going to be our first initial undertaking. If we need people in the dining room to expedite the trays and food to the customer – we do that now. This is a simple fix. It's just a matter how we will fit everything in. We know the game plan. We know what we can accomplish. Fast food we are not; quick service we are.

Armbruster: Madame Chair, the only suggestion would be in the bid prior to this it was if I can remember the discussion, there was breakfast that was involved and how they were going to process in a true sit-down restaurant. And a true sit-down restaurant is a true sit-down restaurant. I am not sure if in fact we are going to change the concept, then maybe we should look at the future plazas and if it's not working this way, maybe we should have a "super" truck stop on the Turnpike with plenty of parking for a thousand trucks or 2,000 trucks or whatever it takes to get all those trucks diesel fuel to boost up our diesel sales. And I guess if in fact what is proposed here maybe with Marriott, and I'm not going to support a Marriott – they probably wouldn't finish it until next spring - but that's my own personal opinion. It does change and it truly is not a sit-down restaurant.

Zomparelli: Madame Chair, Senator Armbruster, 80% of the vehicles on the Turnpike are cars and we are talking about a facility further west that hasn't been finalized, but trying to cater more to trucking. Maybe pick one pair out of the eight pairs that have a facility that caters

more to the commercial user. They are doing this for business and they are trying to keep costs down. Food is part of their cost just like fuel. You have all types of users on the Turnpike. It's hard to earmark the facility for one type of user because if you have a truck-stop facility – the comment that I heard is that people who are driving cars don't want to stop there for whatever reason. They do not view it as their facility. When we designed this building, we wanted a generic building that was a transportation building and not a building that looks like a truck stop building or ABC fast food concession building. These are buildings that the food concessionaire is not performing to our satisfaction, we will terminate the contract and be able to adopt another food concept relatively in a short period of time. This is a decision and why we have come to the Commission to make the decision. This is a "best bid" scenario. It is not a lowest bid. It is a best bid. It is a bid that you have to decide on your own with deliberations as best for the operation of the facility itself and the patrons, and I would advise the Commission if you agree with the Senator that it is a change in concept in direction that we are taking and you are not comfortable with the concept proposed by Panera, then the Commission should not award the contract. If you are satisfied that it is some kind of enough of a high-bred where it isn't a fast food and that they obviously have been made known of our concerns at this public meeting, what it's going to take to operate this kind of facility. If they will not meet the service style that we are trying to achieve with this at this Travel Center, then we should re-bid. It's a decision for the Commission members. I'll make my personal recommendation. I'd like to have this whole facility up and running with all food concessions by Thanksgiving so that by the time we start the next pair – which we will do – it's coming that we will have enough time to build statistics on sales, that we can encourage and make more competitive the Middle Ridge/Vermilion Valley and the Portage/Brady's Leap which we will bid out next.

Yes we can re-bid. We lose time and if the balance needs to be done, is there enough concern to re-bid it and lose the next couple of months that we might lose. They won't be ready for the holiday and we still lose the period where we can get statistics on the type of sales, is three concepts working better than four concepts?; is even three concepts too many? Maybe there needs to be only two concepts – one fast food and one strictly, pure service, sit-down, family-style restaurant.

- Williams: What is it we hope to achieve if we re-bid at this stage of the game?
- Armbruster: Madame Chair, I think there is nothing you are going to achieve in re-bidding because it's a proven fact that we are not going to get bids for a true sit-down restaurant. The Executive Director was exactly correct, I'm not going to dinner and sit down at a Turnpike plaza. I'm in a hurry to go from Point A to B – correct. There are times when you want to take some time out and have a corner to do that so I'm not sure that I'd go to Max & Erma's either. The issue becomes are we really looking or what are we the grand design was wonderful based on the fact that we would have a sit-down restaurant that worked but obviously the experts which we are not have chosen not to bid on that part of the plaza. My suggestion is here – maybe we re-think this plaza completely and not to try to force something as cafeteria style and I'm not sure that they will make it with a Max & Erma's where they are. So I'm suggesting that the Turnpike Commission not accept the bid; re-think this whole process on this pair and if it is cafeteria –style, then we go that direction. But let's not try and make a definition of a sit-down restaurant into - we're going up and make an order when in fact that's not what it truly is. That wasn't the intent of it; that shouldn't be the way we go to the second plaza when we already know we're in trouble with the process going to the third and fourth plazas that sit-downs are not going to work. Let's not try and take money – we want a good process; we want good food and we want things to work out right. Let's not take the vendor and put him such a poor position that they

have to subsidize something that doesn't make any sense. I'm not suggesting that they can't make it work, but maybe their style is better than what we have done at Max & Erma's. Let's not put it in a can and expect it all to come out and do all the plazas together.

Leever: I understand that but unless we do it how will we really know?

Armbruster: You don't even have one up. I'm sorry Madame Chairman.

Leever; Right.

Armbruster: They are going to put one up and I suggest now that it's going to be dismal, maybe not a failure but if there are profits from that center then Max & Erma's will be dismal. Recognize that I have been in this business for twenty-eight years so and the Turnpike Plaza is not some place you'll go and sit down and spend 30-45 minutes to eat. I'm thinking that maybe their concept of cafeteria-style does meet the concept of sit-down, but it certainly did not give them the opportunity to bid that way. So we have bent the rules.

Zomparelli: Madame Chair, Senator Armbruster – the bid specs allow for the Commission to be the ultimate decision maker. We set out in the bidding documents – I think we are going a little bit off-track. The RFP that was issued was asking for these type of concessionaires to submit their plans and be creative. At the Pre-bid meeting that we had when we invited all the bidders to come in, we told them we are not the experts – you are the experts. We can't put everything in this document. You have to come up with your own proposal and be creative. The intent of the document was to be flexible. So that someone can be creative and that's what the other bidder did here by trying to close down the Pizza Hut. We told them if you want to combine two concepts and put it in the sit-down restaurant, do it. We encourage them to think out of the box. Don't look at how the Turnpike was operating service centers for the last almost 50 years. We want something different. That's why we are building new facilities and new buildings. The taste of people have changed. We can only look at the success of companies like Marriott has had at other Turnpikes. They are the experts; they have been on the Turnpike and I'm going to hold them to it. If Max & Erma's fails,

that's their problem. It's a business decision. If it doesn't, it doesn't but if you have a Max & Erma's and you have this facility then maybe we can do the comparison and that's maybe the only way to make a good, informed decision for the next pair. I think you are right on that. We have already done a post-mortem with the construction – what we liked and what we didn't like. And now we have already done through a little phasing of the change. At Erie Islands and Commodore Perry we had one extra food concession. Before we went out to bid for these plazas, we said to keep things competitive let's take one out. We want to make sure these guys don't go out of business either. We want to make sure these firms operate, make a profit and at the same time, we are not in the food business. We want to make sure our customers who are the Turnpike users are getting satisfied.

Arlow: Madame Chair, Senator Armbruster, we presently have a sit-down restaurant at the Turnpike and it's very, very successful. It's probably the most successful plaza in all the Turnpike's plazas. Marriott can verify that in five months of the summer from May until September we could double or triple the size of our sit-down and still not have enough room. It's the most highly successful restaurant we have on the Turnpike.

Armbruster: One last comment, Madame Chair, if in fact they do pledge a sit-down restaurant. It truly now is a problem for the Commission. I suggest that any closure of any part of it certainly does not make it a success and whatever the Commission decides, I don't have a vote I am just offering my comments.

Strnisha; Madame Chair, question – it was talked about and if it wasn't acted on in the beginning, there is another alternative and it's a legal question. Could the Commission come back in its October meeting and accept these bids or is there some time-frame on these? If the Commission did not act.

Leever: There's always a time frame.

Zomparelli: Madame Chair, Mr. Strnisha, we try not to go over 60 days. We try to make an award within 30 days generally. I can't remember if it was in 1995 or 1996 where we kept one bid for months open and we rejected all other bids.

This has been a long process we have gone through. We even had the restaurant bid on buildings over the last 4 or 5 years. My recommendation would be to award or reject. If we are not going to award today, then I would say reject it. We will re-bid it. We would be holding their bid guaranty and I don't think that's fair. If you are holding it that will not serve any purpose because whose going to bid? You either have to award to reject it. If we don't award it now – it's the timing. They have made a representation here that they can meet the November 1st deadline. It doesn't end here. We still have a process to sit down with them and organize the blueprints for the food court area, their seating area, where the counters will be located. They will have to have it approved by our architect. At the same time before we sign a contract if there are representations made today , we will want that as a letter agreement attached to it so they will be conscious of the food service requirement that we talked about. Not a requirement but what they represented to us and with those representations, then we will sign the contract. If not we will be back here asking the Commission to re-advertise for bids.

Strnisha; Just a comment as a new Commission member, on the one hand I'm familiar with their operation. I have been in their places. It's very fine. From a personal standpoint, I can see and as someone who patronizes the Turnpike can understand how that product could be very nice to have. On the other hand I hear a number of issues and I respect Senator Armbruster's knowledge and opinion as someone who has looked into this. I have not for an extended period of time so I'm somewhat torn. I'm looking to some of the other Commission Members to express what the appropriate action is at this point. Because while I understand what is proposed and have some general gut-level comfort to it, there are some other issues here that

are obviously important and I don't have enough time to understand them or know whether this is the right place or whether to move on this.

Zomparelli: Madame Chair, Mr. Strnisha, Senator Armbruster, you just hit on probably the most important aspect of this. It gives the customer a choice. Let them decide. Let the travelers decide. Let's see what happens. If I'm a truck driver and I drive the Turnpike five times a week I'm not going to want to eat at Max & Erma's five times a week – this is me personally. I might want to go to Panera's, Wendy's or Pizza Hut. It gives them a choice. They will know which concepts are at which facilities. They can find it out. I wouldn't like a closure of any facility and I don't think that makes the Commission look bad. That's what decision making is all about – business judgments, there's always a risk associated with every judgment and every decision. I don't think anyone can be criticized for making a decision after they have given it the proper deliberations. This is not something we are working on for the first time. Just on this unit alone, we were working on it maybe the fifth or sixth time.

Williams: If we decided – let's assume that we decided to re-bid it, and in the bidding document we would have to specifically say sit-down, restaurant meaning where you have waitresses and waiters service – giving you complete service. Is that your concept?

Armbruster: That's my definition of a sit-down restaurant.

Williams; That's the only thing actually that we would be re-bidding. Is that correct? In addition to what we have already described in the bidding document.

Zomparelli: That would have to be a change under that parameter. We would have to submit something in the document requiring waiters and waitresses. We never did that even with the Marriott bids. We never required waiters or waitresses. I don't think you will find the words, waiters or waitresses anywhere. I think I did state in there – be creative, you can submit combinations of food concepts – tell us what to do. The problem with waiters and waitresses. It was hard enough for us to determine the hours of operation. Now you want

waiters and waitresses every day – all day long, just during the holidays, on the weekends. I think that gets too technical. That's something more for the food concessionaire.

Williams: I think that the Senator has raised a valid point of concern as we move forward with others in the future opening of operations we ought to take that into consideration. I think at this stage of the game we are at a point. We have gone through this three times. We should just move forward now and profit by our mistakes or our conception in terms of what has happened thus far. I think we should move forward with the awarding of this contract frankly.

Leever: Mr. Blair, do you have any comments?

Blair: I will probably vote for it because I don't think we will get anything better. I appreciate what you are saying but I don't think we can get a sit-down restaurant. Seven years is a long time, but I assume if it doesn't work, we'll know before that.

Buehrer: Madame Chair, a question for the Director – obviously our primary responsibility here is to the traveling public using the Turnpike. Do we have any statistics over time, percentage of volume that have come from non-Turnpike travelers, i.e., people who come to the back gate and use these restaurant facilities. I think it's an important consideration because speaking for the one rest stop in my district, there is a Hardee's. Hardee's wouldn't draw the people of Cleveland across town, but the fact is that Hardee's sits in the middle of a corn field with no other fast-food restaurants for 20 miles in any direction. People go there through the back gate if you will because it is the only restaurant. I completely agree with what the Senator has said about not getting on the Turnpike to go to a restaurant just for that purpose. But if you put a Max & Erma's or something else out there in the middle of a market where there isn't any other competition we might be making a draw from a marketing perspective in an area as well.

Zomparelli: Madame Chair, Rep. Buehrer, that happens quite often where a community adjoining our plaza center location where they will park on the other side of the connecting road to the back of the facility and

they will use our travel centers. It happens often and I'm sure the two gentlemen from Marriott can comment as well. You two can too because I think Great Lakes and Towpath's McDonalds got utilized often by people parking on Towpath Road which is the road that connects into the back. We have no way of knowing what the percents are but we expect that we will continue to get that type, if not more now, because of the concepts being offered.

Armbruster: Madame Chair, Director – is it possible to park on the road. Maybe we could enhance the ability and I would agree that I have eaten at sit-down restaurant. I can't think – Bob's Big Boy and I have eaten there. The issue becomes, can you provide some parking for these locals in the new plazas?

Arlow: Madame Chair, Senator – we do have parking in the back. We have an access road off the local highway that leads to the back of our facilities where employees park. We do have additional parking for locals who have been coming especially in the western part – not in the eastern part – mostly of the western part of the Turnpike we do have a number of locals come into our restaurant and there is adequate parking in the back in our employee lots.

Zomparelli: That is something we are interested in looking at in the future trying to see if there is a way to accommodate that patron because there is a need for that. There is just availability and we have the utilities and the services. It makes a lot of sense to be a good neighbor to some of those communities.

Buehrer: I don't know how we will bring this into the vote we will be taking soon, rather than this cookie-cutter approach across the state, maybe we do need to looking to a local market that our rest stop is sitting in whether we go with a pure sit-down or a modified concept as proposed.

Zomparelli: Madame Chair, Commission Members, I want to caution you because we don't want to compete with private enterprise. If there is someone who is in that area or city or community. I don't know what everybody's economic development area or zones are. We have been trying to be careful with competing against private businesses

in the area. There may not be something right behind the Turnpike but you go around the corner or someone has a mind for a little restaurant or facility we don't want to put those people out of business either. So that's a delicate area. We figure we'll take care of ours first and then we can look into those other areas. That's the whole reason we don't operate these facilities ourselves and we have gone out to the food vendors.

Leever: Was it in 1994 or 1995 that we took our little excursion, Bob.

Arlow: 1995.

Leever; Several Commission Members and me traveled to New York, Pennsylvania, New Jersey and we took a look at some of the facilities that were being built – some of the food concepts because this is very important to us. This is obviously not a spur of the moment – we better do it or we don't have anything else . This has been given a lot of thought, years as a matter of fact. I think “innovative” is a very good word. I think people who are in the food business are the ones we need to be talking to because we are not the food business and they have certain more expertise than we do and they should know whether they can make a go of it or they can't. I don't' want to make a bad business decision or neither are any of us here in the food business.

Zomparelli: Madame Chair, Commission Members, I want to say for the record that nothing has been given to us to give us any indication that this philosophy is wrong or bad or not going to be successful. The other toll roads are looking to us as leaders in this travel center/service plazas area. I know Bob has spoken to one of the IBTTA meetings with the concession group and they have asked us to follow-up. We are being watched closely. We have learned from other toll roads' mistakes to where we are today. We have to do our own balancing when we talk to perspective bidders because they have different viewpoints than we do. So just as you talk to a witness in a legal setting, you have to do your own weighing and balancing and give as much credibility as you think it deserves. I don't' think these last two companies would be bidding if they didn't think they could be

profitable. We had bids on the other facilities. What I'm worried about is having the same operator up and down the Turnpike. That somehow has a chilling effect on other operator's bids. That may be the reason why there isn't any other bids. I don't know this for a fact, but it's just an opinion in my mind where you have the big companies like Marriott and Gladioux who are operating these facilities and having contracts with these national brands or national franchises and you don't have a company that operates one or two restaurants right now. We had a few for the first go-around in the fast-food court, but I think that is something for us to be constantly comprised of and aware of in the back of our minds as we make recommendations for awards of contracts that if this is really intended to open up and encourage different food concessionaires, food vendors and Ohio companies in particular that what we think is best overall will have longer impacts and having the prospect of having a third competitor or operator on the Ohio Turnpike, I think helps us move in that direction. So there is another reason for my recommendation in regards to that as having a third vendor on the Turnpike just to keep things competitive and give us more objective view as to what kind of numbers are being derived by different companies and what we think may be successful. Again, I think we have exhausted this but I recommend we move to award this contract and move on.

Leever: Do we have a motion to accept this contract?

Williams; I move the adoption.

Leever; Any second?

Blair: I reluctantly second.

Leever; Call the roll please.

Roll: Mr. Williams-yes; Mr. Blair-yes; Mr. Strnisha (I mentioned before being comfortable with a lot of issues here and as a first meeting, I will abstain from this issue.) Mrs. Leever-yes.

Zomparelli: The resolution is adopted.

Leever; I think we can put Senator Armbruster's background and knowledge to work. I was not aware of that until today.

Zomparelli: I was thinking the same thing.

Armbruster; Madame Chair, I would like to make a comment, too. I think that if we are going to make them successful I would gracefully ask the Executive Director to, I believe, it is a private enterprise, I think we should provide for locals. I think not only given the opportunity for people to come to the Turnpike plaza, it would give the opportunity for the individuals in the area to come to that plaza to see what it is like. It might generate some more income on the Turnpike. I don't see it as direct conflict with private industry because we are talking about private businessmen. They should have the opportunity to enhance their business and when driving up and provided with parking and using that parking that come across and I think quite honestly would increase the competition within the restaurants in the area outside as they are also – sure they will try foul as to what is the Turnpike doing. But their cost of doing business is far greater than the McDonalds franchise cost when you really look at it. Because they not only have a franchise fee to pay to Wendy's, have a Turnpike fee and they folded it into their contracts. I would suggest that we provide more parking for locals and that we offer that opportunity and surely make these restaurants first-class in the concept for the locals to be able to get there.

Zomparelli: The next resolution keeping along the lines of our travel center facilities. The contract is advertised separately for cleaning and janitorial services at the Great Lakes and Towpath Travel Centers which are the same travel centers in question that we just took action on. On July 1st the Commission issued its RFP. We received a number of responses. The bid tab is attached to the packet. We mailed RFP to 63 firms . We received bids from 6 companies. I'll read the Resolved:

RESOLVED that the bid submitted by **Jones Technologies Enterprises, Inc.** of Cleveland, Ohio, which utilizes the following Schedule of Bids:

<u>Travel Center</u>	<u>Monthly Fee</u>	<u>Hourly Rate</u>	<u>(2) yr. Annual Fee</u>
Great Lakes	\$22,625.37	\$13.62	\$543,008.88
Towpath	\$22,625.37	\$13.62	<u>\$543,008.88</u>
Total Bid			\$1,086,017.76

is, and is by the Commission determined to be, the **best** of all bids received for the performance of Contract TRM 8B-6 and is accepted;

FURTHER RESOLVED that the executive director and assistant general counsel hereby are authorized to execute Contract TRM 8B-6 [Great Lakes and Towpath] Travel Centers, which provides for an initial term of **Two (2) years commencing October 1, 1999**, and further provides, at the Commission's option, to extend for one (1) year periods, with Jones Technologies Enterprises, Inc. in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, and to take any and all action necessary or proper to carry out the terms of said bid and said contract; and

FURTHER RESOLVED that the Commission concurs in the above-mentioned rejection recommendation that all other bids submitted for Contract TRM 8B-6 be rejected;

FURTHER RESOLVED that the executive director is instructed to return the bid security of all other bidders as soon as said contract is executed.

Again, this is a change in how the Commission is operating its service plazas in the past. The cleaning and janitorial services were handled previously by the food concessionaire that operated the facility. We thought it was best to have a separate contract for cleaning and janitorial services and pass on a portion of that fee based on square footage to the food concessionaires operating the facility. That was we would have a designated work force at all times concentrating on keeping the facilities clean at all times. This is probably not maybe I could say along with doing with we did before. These are probably not the easiest way out. The Commission has not taken the easy way out in operating these travel centers. The easy way out would have been to have one contract for everything – cleaning, food, even fuel and let someone operate it. We tried to

regardless the of the time that going to be involved and the difficulty in making decisions, we will not take the easy way out and do what we feel is ultimately better for the Ohio traveler and at the same if we can expand the facility to people who are not using the Turnpike - they will also benefit. I need a motion and a second to adopt this resolution.

Leever: yes, a motion, please.

Strnisha; Madame Chairman, a couple of questions. You mentioned some references about the apparent bidder. This is obviously the line the work that this company does – how would this job stack up for a standpoint for this company? Question (2) what determines as you describe this monthly fee and they pay this hourly rate? If they go above that what determines when that additional work kicks in because obviously they have a low bid on the monthly fee basis but if they get into that hourly rate that is higher. Obviously, you don't want to get into a situation where they underestimated the job or something.

Zomparelli: Madame Chair, Mr. Strnisha, I'd like to keep the department in charge respond to your questions. Dan Castrigano is here but before he responds, the base fee is what we feel is the required staffing. The hourly rate or additional rate should be the exception more than the norm and that way the base figure will control. Our Maintenance Engineer, would you please describe the process you went through and who you talked to.

Castrigano: I'll address the second part of your question. The hourly rate is determined when we utilize additional personnel is at the determination of the Commission. If you take into consideration when I reviewed the bids, our breakeven point between Jones and the third low bidder, you would have to work an additional 257 hours at one location per month. And based on our Erie Islands and Commodore Perry location which has been up and running since June although the food courts are not open, I think 257 is a pretty unrealistic number to actually come above the next bid. It also

should be noted that the \$13.62 is not only in addition to the contract but if the Commission also determines during the slow period like during the winter or at off-hours, if we say we don't need the base amount of personnel on site and if we pull one off the job, they then give us a credit of \$13.62 per hour. So it works both ways. With respect to the company itself, we did check the references submitted with the bid. Just to give you some idea of the work they are doing right now – They currently have a contract with Clev RTA for all their bus stops within their jurisdiction and it should be noted that is basically a 24-hour type of contract where they are constantly on call. We got a good reference from them. As far as a larger dollar volume contract, they are working at NASA Lewis (now NASA Glenn) taking care of all their facilities at that location. The third one was TRW Marine. That contract expired and they lost that one by competitive bid but we got a good reference from that one too. Also, Communities United, Pet Smart and Day Care. We had good references from them also.

Strnisha; This is a two year contract. Obviously, if they are not performing satisfactorily we have the ability to terminate the contract.

Zomparelli: Yes. Madame, we need a motion a second.

Strnisha: I'll move.

Blair: I'll second.

Roll: Mr. Strnisha-yes; Mr. Blair-yes; Mr.,. Williams-yes; Mrs. Leever-yes.

Zomparelli: The resolution is adopted. We got more. This is a resolution pursuant to Invitation 3695. This is also a particular subject that draws a lot of questions. This is an invitation for furnishing the Commission's requirement for sodium chloride (a/k/a rock salt.) It is estimated at approximately 356,800 tons. The Commission received 7 bids in response to our invitation. The Resolved reads:

“RESOLVED that the bid of **The Detroit Salt Company L.C.** of Detroit, Michigan, for Items 1, 2, 3 and 4 in the total estimated amount of \$312,731.00 and **Cargill, Inc. (Salt Division)** of North Olmsted, Ohio for Items 5-14 in the total estimated amount of \$1,282,414.00 for Invitation No. 3695 are, and are 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 each successful bidder in the

form heretofore prescribed by the Commission pursuant to the aforesaid invitation; (2) to direct the return to the other bidder of its bid security, when appropriate; and (3) to take any and all action necessary to properly carry out the terms of said contract.

Again, I recommend the Commission move to adopt this resolution. This is a contract for one year and our Maintenance Engineer, Dan Castrigano, is available for questions.

Leever; I think I was the one who questioned you last year, Dan. That was because we had a mild winter, wasn't it?

Castrigano: Yes, but we made up for it last year.

Leever; We certainly did, do we have a motion?

Strnisha; Are salt prices up or down? This reminds me of my days in City Hall, Cleveland.

Castrigano: I was anticipating that question so we took a look at last year's prices compared to this year. And if we were awarding this contract with last year's prices, we would be spending about \$220,000 more. So the prices are down. Last year was a heavy year for us.

Ambruster; Madame Chair, material costs – does it all come from the same salt mine? Why does it vary so greatly?

Castrigano: It is not coming from the same mine. For example, Detroit Salt, their mine is in Detroit; Cargill's mine is in Cleveland on Whiskey Island. They have different stock pile locations. Their stock pile location basically adds the material unit cost and freight costs to our location.

Ambruster: One other question. We cannot go outside of the United States to buy salt -- Is that true – we can't go to Canada?

Castrigano: Want to take that question, Tom or Gino?

Zomparelli: Madame Chair, Senator Ambruster, we have what was last year or the year before when we purchased salt from Chili – two years ago. The Commission hasn't taken that position. We don't think we are limited to purchase salt in the United States. That's why I mentioned earlier, this relates to a subject that begs a lot of questions. Sometimes the question is asked or there is an assumption that the mine that is closest to you should be cheaper. Mr. Blair can attest to that in ODOT and you, Mr. Strnisha with your experience in the City.

It seems to be no real reason or logic how these prices seem to vary. I know the legislature is concerned about this issue in the past. I don't know where it is going. This time it was a question we didn't have to consider since they are both from Ohio and Michigan. We will do what the judges do – wait until that issue becomes ripe for determination.

- Leever; Are there any further questions?
- Blair: A maintenance question – do you guys mix sand with grit or is it pure salt?
- Castrigano: I didn't hear the question
- Blair: Do you mix in grits or is it pure salt?
- Castrigano: We don't use any grits at all.
- Zomparelli: Does ODOT?
- Blair: On different roads.
- Leever; Haven't you been behind one? You can tell.
- Williams: Bob, is there an advantage using the mixture? Is it cheaper?
- Blair; It's just a totally different road situation. We probably use 100% salt on our interstates, but when you get to a low-volume road, sometimes we'll add some grit in there. For the safety thing, etc.the general public has gotten used to it.
- Castrigano; With the level of service that we maintain and the patrons expect, we would not consider mixing grit.
- Zomparelli: I recommend to the Commission that it adopt this resolution.
- Williams: I move for adoption, Madame Chair.
- Strnisha: Second.
- Roll: Mr. Williams-yes; Mr. Strnisha-yes; Mr. Blair-yes;Mrs. Leever-yes.
- Zomparelli: The resolution is adopted.

The next resolution in our maintenance category, relating to the award of Contract for gasoline or diesel fuel for a one-year period under Invitation No. 3696. This is the gasoline and diesel fuel we require at all our eight maintenance buildings. The Resolved of the resolution reads:

“RESOLVED that the bid of **Petroleum Traders Corporation** of Fort Wayne, Indiana for Groups I, II, III and IV of Invitation No. 3696 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted and the chairperson and executive director, or either of them, is hereby authorized (1) to execute a contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid invitation; (2) to direct the return to the other bidder of its bid security at such time as Petroleum Traders Corporation has 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 recommend that the Commission adopt this resolution. I'll need a motion and a second.

Armbruster: I have a question – only two bidders?

Zomparelli: Yes, only two bids were received. Mr. Castrigano, do you know how many bids?

Castrigano; This was a public bid and it should be noted also that BP has always been a main player in this contract but since they announced their merger they pulled out of the bid.

Strnisha: Is this price per gallon – one year? How does it work? Is it set or does it float or something?

Castrigano; No we subscribe to OPIS (Oil Price Digest) It's published once a week on a Monday. The prices are adjusted weekly on Monday and the price differential that you see is either added or subtracted to that.

Strnisha: They actually get a differential to that index. For illustration purposes that it what you did?

Castrigano; Yes, we picked the latest one and that's how we ran the figures.

Leever: Are there any further questions? May a motion please?

Strnisha: Move for adoption.

Williams: Second.

Roll: Mr. Strnisha-yes; Mr. Williams-yes, Mr. Blair-yes; Mrs. Leever-yes.

Zomparelli: The resolution is adopted. Ok, Dan you can rest now. The next resolution refers back to the comments made earlier by our CFO/Comptroller, Mr. James Steiner. This is a resolution rescinding Resolution No. 50-1955 and adopting the selection and designation of more than one depository for tolls and other revenues derived from the operation of the Ohio Turnpike System and provides for the securing of such deposits. The Resolved is quite lengthy. It starts on page two and goes to page three. If the Commission will assent to the waiving of the reading of the Resolved, I'll describe the points in the Resolved paragraphs.

It allows for two banks, Key Bank and First Merit Bank of Cleveland, Ohio to be the designated depository for the Commission's tolls and other revenue. In drafting this resolution I had two intentions in mind. The first intention was to allow for the transition from Key Bank to First Merit. It's not easy to transfer funds overnight and it will take us some time to start that process. The second reason is in the event that First Merit Bank is not providing the type of services that they said they would provide or continue to provide we can go right back to Key Bank. So Key Bank and First Merit will be recognized both as acceptable depositories for our toll revenue and other revenue. As we

progress will be eventually transfer all our checking, banking and accounting needs to First Merit because of the better proposal that First Merit made. We intend to realize First Merit Bank as the primary (I don't want to say single) for all intense purposes they would be the single depository but we will recognize them as the primary and Key Bank will be the back-up in case that is necessary if future circumstances might present themselves. As long as First Merit continues to do a good job, I don't expect that to happen. Except as an exceptional basis.

Leever; This would be from September 14th. The other language is just boiler plate language coming from our Trust Agreement. WE have given a copy to Frank Lamb at Huntington National Bank, our trustee. Pat Riley, our bond counsel from Peck, Shaffer & Williams as well as Dennis Wilcox, special counsel from the Climaco firm has had a chance to review it. Attached is that is the banks we contacted in your packet. We talked to all these banks that you see listed. These were banks that identified as near our facilities and possibly able to meet our needs. Before we decided to recommend the transition from First Merit to Key Bank, we did meet with Key Bank on two other occasions and gave them an opportunity to make a proposal. I would like to thank them for the years of service they have rendered to the Commission in the past. We met with representatives from Key Bank. The proposal from First Merit was better. We'll measure their level of service against the level of service that was provided to us by Key Bank in the past. I recommend that the Commission move to adopt this resolution.

Williams: You said that Key Bank will be back-up – what does that mean?

Zomparelli: The way the resolution read in 1955 we had only one single depository. That was Cleveland Trust. I could not find any other resolutions to reflect any changes that have gone on even though the bank changed its name or was acquired or merged or otherwise. The way this banking business has been over the last few years, it's First Merit today, tomorrow it may be First Second Merit Society National Chase – I don't know. We don't want to be in a position where we get caught and have limited ourselves to one depository. The back-up is only meant to be in the event that First Merit cannot meet its obligations or fulfill the contract. We need a place to put the money. The revenue is so large that I think it makes good business sense to have a back-up or second bank and Key Bank has provided the service in the past. There's no reason why they can't be.

Leever: Are there any further questions?

Strnisha: This is something you have to do every 45 years ?

Leever: We did this just because we knew you were coming today.

Strnisha; This is a lot to absorb on a pretty major change, but given my background commend the Director on dealing with this. The fact that this has not been dealt with before, this is the way most public agencies are designating or analyzing their depositories.

Zomparelli: Thank you, Mr. Strnisha I appreciate that. With our revenues doubling over the last ten years, we felt it was an important time to take a closer look at that. And with the interchanges running from 17 to 30 I would need a motion if the Commission desires to adopt this resolution and a second.

Williams: I move the adoption of this resolution.

Blair: I'll second.

Roll: Mr. Williams-yes; Mr. Blair-yes; Mr. Strnisha- (I don't mean to sound contradictory with what I just said, because I mean it, but it is a lot and being new, I'm going to abstain on this matter); Mrs. Leever-yes.

Zomparelli: The resolution is adopted. The next resolution on the agenda, I've asked the Commission to remove this from the agenda. We don't want to say tabled, but it may be necessary because it's a resolution to declare the necessity for appropriating a property in connection with the I-77 interchange. Because of an issue we are working on involving the community and land that needs to be appropriated, we need more time to continue negotiations. We'll remove that from the agenda.

The last item is an important resolution that I imagine the Chairman would like to handle, but we have someone in the audience who we could put on the hot seat to answer many of these questions, but I'm sure he is available for comment at any time.

Leever: That's the problem.

Zomparelli: This is a resolution titled, commending the long and meritorious service of G. Alan Plain and I would like to acknowledge that he has been very helpful to me and I know to the rest of the staff in preparing us to continue without him. I have asked the Chairman to read the resolution:

“WHEREAS, on February 7, 1971, G. Alan Plain commenced his association with the Ohio Turnpike Commission as Assistant Chief Engineer; on September 1, 1974 was promoted to Deputy Executive Director and on February 5, 1978 was promoted to the combined position of Deputy Executive Director/Chief Engineer;

WHEREAS, G. Alan Plain remained in that position until January 23, 1996, when he was appointed Executive Director upon the retirement of Allan V. Johnson and has served in that capacity with distinction under six Chairmen, namely: James W. Shocknessy, O. L. Teagarden, Clarence D. Rogers, James H. Brennan, Sr., Umberto P. Fedeli, and Ruth Ann Leever until his retirement on July 31, 1999;

WHEREAS, during his more than twenty-eight years of service with the Commission, and particularly under his efforts, supervision and/or guidance, the Commission has moved forward in vital areas relating to the maintenance and operation of the Ohio Turnpike;

WHEREAS, G. Alan Plain’s dedication, loyalty and service to the management of the Ohio Turnpike Commission’s employees and assets have resulted in significant and material improvements and efficiencies;

WHEREAS, as Executive Director, G. Alan Plain was instrumental in guiding the operations of the Ohio Turnpike Commission in such a way as to win outstanding ratings from national bond-rating agencies including the highest rating received by a toll transportation authority;

WHEREAS, as Executive Director, G. Alan Plain’s fiscal responsibility enabled the Ohio Turnpike Commission to diligently continue its capital improvement program in excess of One Billion Dollars which includes new interchanges, toll plaza renovations and the expansion of the Ohio Turnpike from two lanes to three from Toledo to Youngstown, Ohio, a distance of approximately 160 miles;

WHEREAS, G. Alan Plain was instrumental in the process which led to the award-winning design of the Commission’s new and modern Travel Center Service Plazas which provide Ohio travelers the best concept for food, service, fueling, parking and rest areas;

WHEREAS, G. Alan Plain has represented the Ohio Turnpike Commission’s interests with the International Bridge, Tunnel and Turnpike Association serving on various committees and as a Board of Director member;

WHEREAS, he has served as Assistant Secretary-Treasurer of the Commission from February 28, 1996 until his retirement; and

WHEREAS, as the Commission's chief administrative and operating officer, he provided distinguished service and advice to the Commission and its staff in all areas of its extensive operations and through his demanding, but fair administrative style, he earned the respect and admiration of the Commission's employees totaling in excess of 1100 full and part-time employees; and

WHEREAS, the members of the Commission and the Commission's staff wish to give formal and public recognition for the long, honorable and exceptionally dedicated and effective service of G. Alan Plain as a respected professional engineer, executive director and officer of the Commission; and

NOW, THEREFORE, BE IT

RESOLVED that the Ohio Turnpike Commission hereby acknowledges its gratitude and expresses its appreciation of the diligent, active and valuable service rendered by G. Alan Plain; and

FURTHER RESOLVED that the Commission extends to G. Alan Plain, its best wishes for his success and well-being in all matters and activities which he shall undertake in the future; and

FURTHER RESOLVED that the assistant secretary-treasurer be, and hereby he is, directed to send a certified copy of this resolution to G. Alan Plain.

Plain: A word, If I might, Madame Chair, it's been my distinct privilege and honor to serve over 28 years with a world-class organization. I don't think there is any other organization, board, commission that has had so much scrutiny, legislative oversight by members of the legislature on board, newspapers and everything else. We have been able to maintain a great operation and listening to the dialogue and the discussions – this happens all the time. I don't know if it happens on all the other boards – maybe it should. I just want to thank you for the opportunity to serve and I commented earlier that it looks like it's running along very nicely without me. Congratulations and good luck to everybody and thank you very much for the honor.

Zomparelli: Madame Chair, I know he was dying to attach some of the dialogue that was going on today.

Leever: Isn't it nice?

Zomparelli: He really made the transition.

Leever: He has done well – not subtly but well.

Zomparelli: We will be looking for your comments in the editorial page. That concludes my report Madame Chair.

Leever; That you. That's a lot of work and especially this is your first Commission Meeting and you had a full plate.

Armbruster: Madame Chair, do we need to vote on the resolution for Alan?

Leever: May I have a motion, please.

Williams: I move the adoption of the resolution.

Blair: Second.

Roll: Mr. Williams-yes; Mr. Blair-yes; Mr. Strnisha-yes; Mrs. Leever-yes.

Leever: As Mr. Williams says, "plain old Plain."

Zomparelli: The resolution is adopted. No further business from the Executive Director.

Leever; Mr. Arlow?

Arlow: Thank you Madame Chair and members. We have 12 construction projects underway right now. Three third-lane projects, two will be completed in November , the third one will be carried over to next year. We have one overhead bridge project under construction which will be completed in November. We have four major bridges under construction (Huron,Vermilion, Maumee and Sandusky), two of which will be completed in November (Huron and Vermilion) the other two will be completed the middle of next year. We have two toll plazas under renovation presently. The expansion of Westgate at the Indiana border and the newly upgraded Eastgate which is located at the PA border under construction presently.

We have a resurfacing project that we will start after Labor Day and that will be completed before the end of October and we have one travel center still under construction which hopefully will be completed at the end of September for one and the one will be completed the first week of October.

We have on our S.R. 58 interchange we have the federal permit and we are just waiting for the summary from the OEPA from their public

meeting. We expect that to come shortly and when that permit is available, we will begin construction on the interchange at S.R. 58. That concludes my report, Madame Chair.

Leever: Thank you.

Arlow: Any questions? Thank you.

Zomparelli: Madame Chair, Commission Members, regarding the S.R. 58 interchange, we received a conditional permit and that's conditional based on Ohio EPA issuing a water quality certification for S.R. 58. We have the plans completed for the original location assuming the issue on re-location is not broached again. I know that the new Governor has made a comment in the newspapers that he is concerned about the status of the S.R. 58 interchange and he know that the Lake Shore Railway Association has sought out, but I think he is doing is due diligence by looking at the transportation corridor regarding the railway and the possible co-existence or re-location that we have heard a lot about. Other than his doing his due diligence in reviewing that issue, I think the interchange will be moving forward with or without the re-location for Lake Shore Railway Association. I just want to make the Commission aware that I have been contacted by the Development Office of the Governor in Cleveland, Ohio and he wanted to stress that nothing is delayed and it is just a matter that they have reviewed and Mike Wise from the Development Office asked me to pass that on. I'll keep the Commission apprised.

Williams; Madame Chair, I made a suggestion some weeks ago regarding possibly the Executive Director or you or other members of the Commission having an opportunity to sit down with the Governor apprising him of the work of the Turnpike – where we are on various issues, what our plans are for the future, and I think that is still relevant. I don't know what steps, if any, have been taken in that direction but I think that ought to be pursued and I think it is important to let the Governor know where we are on various issues so when he is asked publicly regarding things happening he will be abreast of them and can respond as he so chooses.

Zomparelli: Madame Chair, Mr. Williams, along those lines, that was the first reason with Mike Wise who is in the Governor's Cleveland's Development Office. We have had occasion to talk two or three times and he has expressed the same willingness and cooperation to work with the Turnpike and would like to keep informed and keep us informed so we have the dialogue between the two offices and we both concur. We have scheduled a meeting in the second week of September to meet with the Governor's Office. We have made progress and until that day comes. I think everything looks well and encouraging and it just another busy item for the Governor to put on his plate with everything else that he has had to deal with. Thank you.

Leever: Frank Lamb?

Lamb: No report.

Leever: I see Capt. Escola has gone to lunch. (No he had to review something, Madame Chair.) I understand.
Mike Schipper?

Schipper: We are submitting the inspection reports for the buildings today and that's the last of the general inspection reports for this year.

Leever; Thank you. If there is no other business, I will accept a motion to adjourn until October 4th.

Arlow: Madame Chair, do you want to mention about the Oversight Committee Meeting?

Zomparelli: Madame Chair, Commission Members, there is an Oversight Committee Meeting scheduled for September 14th at 11:00 a.m. If any Commission Members would like to attend, in fact it is encouraged. It's at the Holiday Inn in Fremont (Exit 6) south side.

Leever; Is that just as you get off the Turnpike?

Zomparelli: It's on the south side of the Ohio Turnpike.

Armbruster: Madame Chair, as a matter of record, I'd like to state that I certainly would like the Turnpike Commission to continue to look at and evaluate the bridge materials that is being developed by the Air Force at Wright Patterson Air Force Base and these bridge deck

materials be considered in future use for the overpasses or bridges for the Turnpike. As the state legislature has put \$2 million into the project, we certainly would like the Ohio Turnpike give due consideration to this new material as a possibility of not only economic development for the whole State but for the longer and better use that we get out of our bridge decks.

Leever; Thank you, do I have a motion to adjourn?

Blair; I'll move.

Strnisha: Second.

Roll: Mr. Blair-yes; Mr. Strnisha-yes; Mr. Williams-yes; Mrs. Leever-yes.

(Time: 12:22 p.m.)

/dsp

