

**MINUTES OF THE 456th MEETING OF  
THE OHIO TURNPIKE COMMISSION**

**November 8, 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 November 8, 1999, with members of the staff: Gino Zomparelli, Executive Director and Assistant-Secretary Treasurer, Deputy Executive Director-External Services; Robert Arlow, Deputy Executive Director; James Steiner, CFO/Comptroller; Dave Ransbury, Chief Engineer, Sharon D. Isaac, Director of Toll Operations; Pat Patton, Government Liaison Officer, Thomas Amato, General Counsel, John Mitchell, Director of MIS; Vince Chiarucci, business consultant and Tim Ujvari, Maintenance Engineer; Kathy Dolbin, Human Resources Manager.

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

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

Nays : None.

The Chairman advised that Mr. Strnisha 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 advised that we have a number of guests here today, and we will ask them to identify themselves:

Fred McFall, Tom Travis, Host Marriott Services; Jay Showp, Wilbur Smith Assoc.; Mike Schipper, HNTB; Howard O'Malley, B & T Express; Mark Miller, Chronicle Telegram; Ken Marley, Hardee's Food Systems; Dick Boylan, Boylan & Associates; David Patch, The (Toledo) Blade; Tracy Black, V. Gladioux; Bob Hudecek, McDonald Key; Pat Riley, Peck, Shaffer & Williams;;

Stefan Holmes, First Merit Bank;; Frank Lamb, Huntington Bank; Tim Escola, Ohio State Highway Patrol; Peter Spittler, Shokti Gautum, GSI Architects; Mark Miller,, Pryor, McClendon Eric Erickson, Fifth Third Bank; Bobby Everhart, URS Greiner; John Peca, Climaco, Lefkowitz; Heidi Jedel, Tracy Cowley and Diane Pring.

The Chairman said the November 8, 1999 Meeting was the 456th meeting of the Commission, and we are meeting at the Commission's headquarters as provided for in the Commission's Code of Bylaws. The minutes of the last Commission Meeting of October 4, 1999, have 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. Greenwood, Mr. Blair, Mr. Williams; Mrs. Leever

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 Chairman stated if there were no further questions, we would proceed with the report of the Secretary-Treasurer, Mr. Greenwood. The following items have been sent to the members since the last regularly scheduled meeting of the Commission on October 4, 1999:

1. Draft of Commission Meeting Minutes of October 4, 1999.
2. Traffic and Revenue Report, September 1999
3. Financial Statement, September 1999
4. Investment Report, September 1999
5. Traffic Accident Summary Report, September 1999

6. Revenue by Month & Year, September 1999
7. Budget Report, Nine Months (January –September, 1999)
8. Various news releases

The Executive Director will be reporting to the Commission Members concerning the draft resolution adopting a Preliminary Budget for the year 2000 during his report. A copy of the preliminary budget resolution has been distributed to all the Members.

Leever: Thank you, Mr. Greenwood. Do we have a report on Budget & Finance?

Zomparelli: Madame Chair – we will reserve that time in my report and incorporate the report of the CFO and discuss the preliminary budget.

Leever: Report on Finances, Mr. Steiner?

Steiner: Madame Chair and Commission Members – once again it's nice to have good news to report. We have set all-time records for the number of passenger cars and commercial vehicles traveling the Turnpike during the month of September for the third quarter of this year and for the first nine months of this year. The number of passenger cars traveling the Turnpike during September totaled 3,123,000 which surpassed the previous record set last year by 52,000 cars or 1.7%. Commercial traffic for September totaled 807,000 surpassing the prior records set last year by 46,000 vehicles or 6%. Passenger car traffic during the third quarter of 1999 totaled 10,877,000 cars surpassing the previous record set last year by 166,000 or 1.6%. Commercial traffic for the third quarter totaled 2,483,000 vehicles surpassing the prior record set last year by 192,000 vehicles or 8.4%. Passenger car traffic during the first nine months of the year totaled 27.2-M surpassing the prior record established last year by 633,000 cars or 2.4%. During the same nine-month period, commercial traffic totaled 6.9-M vehicles surpassing the prior record set in 1995 by 368,000 vehicles or 5.7%. This is an increase of 470,000 commercial vehicles or 7.3% over last year. A total of 34.1-M vehicles traveled the Turnpike during the first nine months of 1999 which surpasses the previous record set last year by more than 1.1-M vehicles or 3.3%. Preliminary data for October indicates this trend is continuing and total traffic appears to up again about 3% in total for the month of October.

General fund revenues for the first nine months of this year total \$142.4-M compared to \$128.1-M for the same period last year and this is an increase of \$14.3-M or 11.2%. This also exceeded the year-to-date budgeted revenue by \$2.7-M or 1.9%.

Our operating maintenance administrative expenses for the first nine months were \$661,000 less than budgeted or 1.5%. As I reported previously, most of the expense savings is due to the lower participation of the Voluntary Early Retirement Program. During the Executive Director's report, he will be presenting the Preliminary Budget for 2000 as well as a proposed Declaration of Intent and I will be available to help answer any questions that may come up at that time.

Leever: Thank you, Mr. Steiner, you certainly were correct by saying it was "good news."

Zomparelli: Madame Chair, Commission Members, there was also one item I would like to point out that the Commission received an award from the State Auditor of Ohio, Jim Petro, "for its outstanding commitment to the highest standards of financial reporting as evidenced by the presentation of its 1997 Comprehensive Annual Financial Report. And, in further recognition, the Auditor commends the Ohio Turnpike Commission for meeting the strict standards established by the United States Government Finance Officers Association as qualification for its receipt of the Association's Certificate of Achievement for Excellence in Financial Reporting."

I'd like to present this to you and the Commission Members. Hopefully, we will set up an area to display these awards that we have been receiving over the years.

Leever: That is certainly to our staff's credit to achieve an award like this.

Zomparelli: I'll have to see if our new CFO can continue that goal because this technically applied to our previous CFO.

Leever: This will be hung in a prominent place?

Zomparelli: We have been receiving these annually and the bond rating agencies also give us high marks for our reporting financial statements and ease of reading the documents and the information that we provide in them. Gentlemen a couple of year ago from Standard & Poor's commented that he wished some of the other governmental entities would have similar types reporting formats.

Leever: I remember we discussed that at previous meetings and obviously, we are doing the right thing. It's a very nice award and everyone should be very proud of the work that they have done. Now for a report on service plazas?

Arlow: Madame Chair and Members, we have four service plazas that are under construction and they are now open. One pair (CP/EI) at the Sandusky area are totally open with all the food services and doing very well. The second pair (GL/T) opened this month with limited service (vending, fuel and restroom) facilities. The

total food operations will be opened within the next month. The third pair of plazas are in plan-review right now and hope to be bid towards the end of the month or the first of the year for construction in the year 2000. (That's Brady's Leap and Portage) in the east. We are doing very well in our service plazas construction.

Williams: Commodore Perry now has the sit-down restaurant operational?

Arlow: Yes, it's open and doing extremely well so far.

Leever: Yesterday, Mr. Williams, when I stopped I went and took a look around – especially at Max & Erma's. There were people enjoying breakfast and I did stop and although the space is now that large it is very well used. It is most serviceable and pleasant in there. I am sure the patrons are very pleased.

Zomparelli: Madame Chair and Commission Members, we will reserve time during my report to give the Commission Members a further update on the plazas – planning, construction, what has been accomplished to date and what our plans are for next year.

Leever: Do we have a report on Employee Relations?

Zomparelli: There is no report.

Leever: Mr. Zomparelli, we will have you give your report, please.

Zomparelli: Thank you. I'll go through the resolutions and save the service plaza discussion for the end. The first draft resolution before the Commission Members is a resolution awarding Contract No. 43-99-02. This resolution concerns a contract for the reconstruction of the Luckey Road Bridge over the Ohio Turnpike at Milepost 69.7 in Wood County, Ohio. We received four bids for the performance of said contract. A bid tab is attached to the resolution for your review. The low bid was submitted by E S. Wagner Co. of Oregon, Ohio. The bid has been reviewed the Commission's Chief Engineer, Mr. Ransbury who can answer any questions the Commission might have pertaining to this project. The Resolved reads:

“RESOLVED that the bid of **E. S. Wagner Company** of Oregon, Ohio in the amount of **\$1,131,688.11**, for the performance of Contract No. 43-99-02 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

“FURTHER RESOLVED that Project No. 43-99-02 is designated a System Project under the Commission’s 1994 Master Trust Agreement.

I would recommend that the Commission move to adopt this resolution.

Williams: I move for adoption.

Greenwood: Second.

Leever: Any questions?

Blair: David, are you using steel I- beams on this?

Ransbury: Yes, steel with a concrete deck.

Blair: Are you looking at any innovative ideas in that area? We always have problems with painting them.

Ransbury: What we are doing is we are shop-coating the steel with the new epoxy coatings that we expect to last 20-25 years. We are not field painting them. We are bringing them out all painted. We are doing the best technology there is right now.

Leever: Any further questions, please call the roll

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

Zomparelli: The second resolution you will find in your packet is Resolution awarding Contract No. 43-99-03. This is for the reconstruction of the Bagley Road Bridge over the Ohio Turnpike at Milepost 152.9 in Lorain County and the reconstruction of the Sprague Road Bridge over the Turnpike at 159.0 in Cuyahoga County.

The Commission received 8 bids for the performance of this contract. The low bid was submitted by Great Lakes Construction Co. of Independence, Ohio in the amount of \$3,294,729.60. I’ll read the Resolved:

“RESOLVED that the bid of **Great Lakes Construction Company** of Independence, Ohio in the amount of **\$3,294,729.60**, for the performance of Contract No. 43-99-03 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. 43-99-03 is designated a System Project under the Commission's 1994 Master Trust Agreement.

I recommend that we adopt this resolution.

Leever: We need a motion.

Blair: I'll move to accept it.

Williams: Second.

Leever: Any questions?

Blair: One more – how long do you expect to get out of these bridges; how old is this bridge that we are replacing?

Ransbury: These bridges were built in 1983 – they were re-decked. The reason we are doing this is because they have the double-median piers and the double-median piers will not accommodate the third-lane. As a result, we have to reconstruct the bridge. We expect 50 years on these decks and the steel – perhaps 75 years or more.

Leever: You can certainly keep your eyes on this construction project, can't you?  
When do you plan to begin construction?

Arlow: They plan to do some sub-structure work this fall and then in the spring they will remove the deck.

Leever: If there are no further questions, please call the roll.

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

The resolution is adopted.

Zomparelli: The next resolution in your packet is titled, Resolution Awarding Contract No. 56-99-03. This is a proposed contract for the renovations and additions to the Elmore Maintenance Building located at Milepost 79.7 in Ottawa County. The Commission received bids from six companies. I should point out to the Commission that there is a second resolution attached entitled, Resolution Awarding Contract No. 56-99-04 for the renovations and additions to a second Maintenance Building known as the Hiram Maintenance Building located at Milepost 198.6 in Portage County.

The Commission went out to bid for both Maintenance Buildings at the same time and we had six companies respond to bids although we received four bids for each building. Ironically we received one bid from Rudolph/Libbe for the Elmore Maintenance Building, and they were the low bidder we received one bid from Caputo Martini Const. for the Hiram Maintenance Building and they were the low bid.

Two of the other four bidders bid for both buildings and the remaining two bidders only bid for one building respectfully. There were an ample pool of bidders. The bids were below the engineer's estimate. I'll read each resolution as they pertain to different contracts. Regarding Contract No. 56-99-03, the resolution reads:

"RESOLVED that the bid of **Rudolph/Libbe, Inc.** of Walbridge, Ohio, in the amount of \$2,047,240.00 for the performance of Contract No. 56-99-03 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; and (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. 56-99-03 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Tim Ujvari's the Commission's Maintenance Building reviewed the contract and is here to answer any questions the Commission may have pertaining to this project or renovations and additions to the Maintenance Buildings in general. I recommend that the Commission move to adopt this resolution.

Williams: Without going in any great detail, basically what is involved?

Ujvari: In general, the Elmore and Hiram Maintenance Buildings house both the section and division personnel. Due to the fact that our truck and equipment fleet size has increased physically, we need to better accommodate the equipment in the section and division mechanics space so both those division and second mechanics space will be expanded. In addition, we will be installing a paint booth which will comply with EPA regulations. It will ventilate the area, filter out the residue before it enters the atmosphere. Thirdly, we will improve the HVAC system in the facility. Right now we get a certain amount of migration of smoke and fumes into the office space. Fourth we will connect into the utilities which includes natural gas, water and sewer.

Zomparelli: In addition, the reason for the larger equipment, Mr. Ujvari? The larger equipment helps us to accommodate the third lane without increasing our staff size. We now have to cover approximately 15 miles in both directions of the maintenance building where as before we had sections of 10 miles per area of responsibility. Right now our truck size will help spread salt over that longer distance.

Buehrer: Madame, was that the answer on both these projects?

Ujvari: Yes.

Buehrer: How many maintenance buildings do we have?

Ujvari; We have 8 maintenance sections, two divisions and in each division we have a division headquarters which in this case is the Elmore and Hiram locations. There are four sections within each division.

Buehrer: Are these two contracts part of a systemic upgrade of all these 8 facilities?

Ujvari: What I would hope to do is upon successful completion of this contract we would initiate another package to renovate our sections locations also. They would not include a paint facility. They are smaller facilities and I would expect the cost to be significantly less than what we are looking here.

Buehrer: Do we have any idea of what the whole renovation then of these 8 facilities might be and for how long a period of time?

Ujvari; Right now, this project we are looking at approximately 360 days from beginning construction. I would hope by the fall of 2000 we would initiate another set of 3 which would bring our total to 5 and complete in the year 2002 – somewhere in there.

Buehrer: When was the last time these facilities were upgraded?

Ujvari: I believe we had a phase of renovations that were initiated back in the late 80's and it was completed in the early 90's. That included the expansion of the section mechanics space. Due to the fact they were working the main storage area – the high bay at that time. It also included some HVAC improvements at that point.

Buehrer: I appreciate the answers and candor on them. Although the bids came in below our projections, I think it is incumbent upon this Commission especially when we are talking about projects that are really administrative part of running this fine roadway that we be very careful about the expenditures. I think we have been able to maintain a lot of credibility in terms of why the tolls went up to expand the roadway to improve the bridges, and do many of the other projects that are currently in the works. I think when we get into the ones that are part of the administrative overhead we need to be very cost-conscious to continue to make sure that we meet the public's test on these sorts of projects.

Leever: How many people did we have people bidding on these projects?

Zomparelli: Six companies bid but we received four actual bids per building. I just wanted to comment further that the equipment that we purchase is very costly and you do have to have the proper facilities to house them, maintain them. Some of the changes are

necessitated by working conditions for the employees – painting, EPA considerations. When the buildings were first built, there were different rules and sets of regulations that we had to comply with. Again, it's the safety of the public for the equipment. We are expanding the roadway from two lanes to three lanes – that's 50% more capacity in each direction. What is the benefit to the Commission and to the State – we can use the existing facilities – we don't need to build additional – otherwise, you see the costs really escalate. It would get expensive. Buying the equipment we buy – the trucks, plows, back-hoes, multitude of small tools, jackhammers, and everything else. It makes you more efficient at the same time, it costs a lot of money and we also have to worry about insurance considerations. We don't have immunity that political subdivisions have or that the State has – we don't have sovereign immunity. This is something we have to constantly look at. We talked about painting equipment – keeping it up to EPA regulations. The Commission would be liable for it. I think we acted responsibly. We don't like spending \$2-M either. We prefer not to but it's something that's required.

Buehrer: Thank you Mr. Zomparelli. I have no accurate barometer to know if these bids are good or bad bids. Obviously, you had a competitive situation. I don't have any problem with that. I think it's just a matter in the public's eye, we make sure we are not buying a \$300 hammer or a \$400 screwdriver. That we are buying the necessary facility to as you say, house the right equipment and those types of things. I am not questioning the amount – perhaps the scope. If that's what we are doing, we need to keep that in mind.

Zomparelli: Madame Chair, Representative Buehrer, I guess that's why I'm trying to explain that. I think there is the first public perception that it may be wasteful. I wanted to get some information to you and we'll be happy to provide any further information and give you a tour of the facility. I think it comes as a necessity and I wanted to assure you. That way you can answer your constituency if you need to.

Leever: Mr. Blair?

Blair: Gino, are these standard design buildings? Is there one drawing for both of them. I realize there will be site differences and things like that but are they the same configuration?

Ujvari: That is correct. We attempted to bid both of these projects as one, but I think trying to gain some economies, but due to the fact that there was such a difference in

distance, we did not gain that economy. But the plans, square footage will be same and obviously there will be some little changes because of the HVAC or electrical, but the footprint will be pretty much the same.

Blair: One comment I'd make is one of the things that we found and of course we have 300 buildings, one of the things we found we had problems with was our sizing has been difficult. We found out our inventory control was really causing us these problems. What we have done is we found we can get parts through NAPA and we used to be storing things for 3-4 years and we found we stored batteries too long and they went dead on us. We down-sized our storage areas and storerooms and I recommend that you look at that as well.

Zomparelli: Good idea.

Leever: Any further questions, we'll need a motion.

Williams: Move for adoption.

Greenwood: Second.

Roll: Mr. Williams-yes, Mr. Greenwood-yes; Mr. Blair-yes; Mrs. Leever. (The resolution is adopted.)

Zomparelli: The second resolution is, as Mr.Ujvari pointed out to the Commission is the same rationale and reasoning for the renovations and additions to the Hiram Maintenance Building applies regarding awarding Contract No. 56-99-04. I'll read the Resolved:

"RESOLVED that the bid of **Caputo Martini Construction Co.** of Cleveland, Ohio, in the amount of \$1,900,000.00 for the performance of Contract No. 56-99-04 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; and (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. 56-99-04 is designated a System Project under the Commission's 1994 Master Trust Agreement.

I recommend that the Commission move to adopt this resolution.

Leever: We need a motion.

Blair: I'll move.

Williams: Second.

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

Zomparelli: Before we move to the next resolution, one item comes to mind that I think might be appropriate to mention and have the Commission think about relating to what Mr. Blair discussed and Representative Buehrer. The Commission's maximum amount which it can purchase a product is only \$10,000 or we have to go out for competitive bid. I know that Department of Transportation bottom amount is a lot more – I don't know if they are at \$40,000 or \$50,000 before you are required to bid out a project. Most of the school boards are at a higher amount. I think it's appropriate start looking at raising that level. I have asked the legislative members to take a look at that. \$10,000 doesn't buy very much these days and the cost administratively of putting out bids, preparing the documents, advertising. It makes sense, expenditure-wise, that we would like to see that number raised a little. Even if it's \$30,000 or mirror what ODOT is doing or maybe school boards throughout the State. But I think that's probably an important item to look at for next year. There certainly is no emergency at looking at a legislative change. It is something set out by statute. So if you wanted to buy a hammer that cost \$11,000 we'd have to bid it out. It is something serious to look at because we buy so many different maintenance items and a lot of times it comes in at \$11,000; \$15,000 or \$16,000 and it costs us several thousand dollars just to put a bid together. In a long run we can lose money doing that. If the Commission wants to stay at \$10,000 we certainly have been working under that threshold all these years, we have no problem remaining with that.

Leever: How long has it been at \$10,000?

Zomparelli: I don't know, but I think it was at \$5,000 initially when the Turnpike first started. I would have to do the research on it, but it has been \$10,000 for a significant amount of time. There hasn't been any kind of cost-of-living adjustment on that. It doesn't make sense to hire an extra personnel in your Purchasing Department when it ends up costing you more to administratively to bid out something only costs \$10,000. Along that line, we are looking at ways to try and reduce costs and getting into electronic bidding and that's something that down the line by putting bids on the internet – electronic bidding so that a company can download what we have instead of doing the manual sending out of all the bid documents and having the thick packet go out every time. We are going to try and streamline those costs or look at that next year or just make it easier to bid on the Turnpike. Even if there is not a cost

reduction, there may be a more competitive situation set up because of the ease of bidding.

Leever; Mr. Blair, do you do any of that at ODOT?

Blair: No. We obviously have a higher threshold.

Leever; I mean on computers – do you do electronic bidding?

Blair: No, not really.

Zomparelli: There's the issue of having it – you still want a signed document and an original signature. Someone has to verify what they downloaded from the computer.

Armbruster: Madame Chair, in response to that I'd love to see what it cost you to put together a bid so we can get an idea as to what it is and I'd like to compare it to ODOT. I'd like to see where we are and what the cost is. I would like to comment on the garages and the facilities. We have to be real careful on the Commission that the disparity – if there is one – perceived or not – that the rest of the State and ODOT and what people see on the Turnpike and how we expend our money vs. the rest of the State of Ohio for our roads and interstates that we have out there. I think Representative Buehrer's comments are far reaching from the standpoint when we get back to the House and Senate and to ODOT as to how the facilities are being maintained, how are their facilities being maintained. Is there that wide gap. Are we spending our money wisely or are we adding "gold faucets." I am not suggesting one way or the other, but you have to recognize when we get back to the State House and people see that we are sitting here listening the conversations and there is no comment whatsoever, you have to be real careful and I'm not suggesting any way that we are mis-spending any money.

Leever; Senator and Representative Buehrer, both of your gentlemen, if you have the time and I realize what your lives are, perhaps we could go and take a look at either of these buildings and see what is needed, why it is needed. Would that be of any help to you?

Armbruster; Probably from a reference standpoint. I'd like to see the best of the Turnpike and the best from ODOT. I guess my comment is – I'm not an engineer or lawyer, I'm just a legislator. From that determination from my years of experience of being in marketing I would probably decide who had the best facility – in my own opinion –not necessarily anybody else's.

Zomparelli: Madame Chair, Senator Armbruster, I think you are on target. We do want to get some of the information out about how we do manage our facilities. Not to be

compared with ODOT because that's a different operation. It's a different road and they have different constraints. Just so the public understands how our road is funded #1 because I think there is a lot of misinformation. They think we receive state and federal tax dollars which is not the case, but what the perception is. That the road is self-sufficient and how we go about operating our facility and understanding the differences between the Turnpike and ODOT. It think there is a lot of unfair comparisons made to the Department of Transportation as it relates to the Turnpike. It's two different facilities, two different type of products. Our customers (we call them patrons) they are making a choice to drive on the Turnpike, they are paying for it. So their expectations should be higher and we should be spending more on our road because of their expectations being higher. But I think you are right, call it marketing call it informational, but the information needs to be out – an educational process has to happen. I think the Turnpike hasn't done that in the past. That's something we need to do.

Williams: The cause of these misconceptions, they come about because of unknowns. You see the big dollars being spent and they actually don't know. I imagine that those who are down state look at it and wonder what we are doing out here. It might be wise if we had an opportunity to make some kind of presentation to certain individuals down State about what we are in fact doing. Take this as an example. We might take these two facilities we are awarding and talk about that. Talk about the need so we actually have an opportunity to explain our agenda down State. We think we are doing a hell of a job, but they might think something different simply because of unknowns. It is only fair to them and fair to us that there is some kind of collaborative effort put in place so we can create better understanding among them and us.

Leever: Mr. Ujvari, perhaps you can speak with Senator Armbruster and Representative Buehrer.

Armbruster; Madame Chair and Mr. Williams, a comment on that is we are here for that specific purpose. Unfortunately, as we go back and speak to others and to exactly what is happening it is the same gap and we are new at it. It would be nice to be able to bridge that gap. I am not sure we are doing a good job on our end as to get that collaborative effort. I don't know how better to do it than what I'm doing. It still doesn't look like it is getting any closer together. I don't know.

Williams: I did not mean to criticize. I was simply saying a starting point might be what we are talking about today. We realize you are new. We understand your efforts and mandates. It seems to me there ought to be a starting point where we can begin to do what needs to be done in terms of bridging the gap.

Armbruster: Madame Chair, from my comment from the standpoint is by looking at the two facilities we now have a better benchmark as to what I have right now from the standpoint as when I drive by one of the Turnpike garages I see all the new trucks sitting there which you should have. I drive by the ODOT trucks and I'm not sure I see the same thing. That's part of my problem as a legislator – to provide them with the funds necessary to take care of the roads. Although I do like driving on the Turnpike because it always plowed, it's always salted and it's always clear. That's not the case when I drive with ODOT.

Leever; As Mr. Zomparelli said, we are just two different entities – that's all, apples and oranges.

Zomparelli: Madame Chair, Senator Armbruster, I heard an additional comment, it's not only good in the winter time it's good in the summer time. It's starting to evolve. Our ODOT representative can take the credit for it too, because he is a Commission Member and he has been all through the years been part of the success of the operation of the Turnpike. So ODOT is not unrelated to the success of the Turnpike.

Blair: We'd be happy to do revenue-share.

Zomparelli: You've got a bigger piece of the pie.

Leever; Well perhaps this could be a beginning, Senator. Maybe after the meeting, you can make some arrangements.

Zomparelli: The Oversight Committee has been excellent forum to start bridging that gap. That has given us a forum to get to six additional legislators as you are well aware and that helps them go back to communicate with their different constituencies. It takes time.. I'll get to the next resolution.

Along the grounds that the Senator is talking about, we'll start talking about funding. The resolution adopting the Preliminary Budget for the year 2000 providing for deposits required under the 1994 Trust Agreement during said year. We are taking that before the Official Declarations resolution. This is what the Secretary-Treasurer mentioned in his report that I would be reporting to you on as required under the 1994 Master Trust Agreement. The Commission has prepared a Preliminary Budget

for the ensuing fiscal year which was due before November 14<sup>th</sup> and we are a week early. Our new CFO/Comptroller has been with the Commission about 6 months now – correct, Mr. Steiner - he got to cut his teeth on the overall Turnpike projects working on this budget. I think it's very informative and I want to compliment him on making some changes. If you look at the attachment which is attached to the draft resolution, you will see what was before the Commission in 1999 – proposed Budget with the three categories: Pledged, Non-Pledged and Total. Mr. Steiner and I talked about coming up with a little bit more detailed preliminary budget for the Commission to review and breaking between the Pledged and Non-Pledged – a little better background for the Commission to take into consideration. Pledged are obviously our toll revenue – that's what the Commission has pledged for repayment of its bonds. Non-pledged revenue is our concessions, revenue receipts from the service plazas, both food, fuel, vending, We also have investment revenue we receive representing the bond cash proceeds and our cash from toll operations – these would be non-pledged, but that category is split up. If you look in the budget there is \$12-M in investments on pledged and \$700,000 that we have invested the proceeds from the non-pledged revenue. We also charge permit fees for doubles and triples. That would be included in the other category – non-pledged revenue. The reason I have asked Mr. Steiner to separate the pledged and non-pledged categories and start attributing expenses to it this year is because one of my goals as Executive Director this year and in future years is to start increasing and maximizing our potential for non-pledged revenue which is really non-toll revenue. We are looking ways to fund the Turnpike not just tolls where we are totally toll dependent in the past where we were over 90% of our revenue was from tolls. Service plazas are the first step in that regard. We expect the new service plazas and we will talk a little bit later on that too that new service plazas to increase our non-pledged, non-toll revenue. There is ample opportunity for advertisement and advertising at these new facilities which we didn't have with the old facilities. Bob Arlow gets calls often on what products can be advertised at the Turnpike, what signs can be put up. We met with a couple different groups of people over the last months so that we can bring in and process formulating an RFP for advertising and marketing at these new travel centers. That could be starting with an emphasis with advertising Ohio products or products made in Ohio. We have auto manufacturers along the Turnpike – Lordstown, Lorain. We have Ford, Chrysler, GM. We'd like them to start advertising

their products on the Turnpike. Sauder Village would be another example – the largest employer in northwest Ohio and if we can charge them a fee for advertising at our center, they reach 43-M vehicles a year. Tire companies – things like that. Our users drive cars and trucks. They need to buy tires. If they advertise a product like a tire at our facilities. We can start charging money and I think over the next five years we will see an increase in non-toll revenue, non-pledged revenue. We will see an opportunity to take pressure off any further toll increases by increasing the non-pledged, non-toll revenue. The reason why I keep repeating non-toll, non-pledged revenue, I want the Commission to make the association that the Commission has not pledged its non-toll revenue. These are funds that we have available for the reconstruction of the new service plazas. We are showing concession revenue of about almost \$9-M. The fuel tax you see there – the \$2.4M is the nickel the Commission received only from the fuel purchased at those service plazas. That money is not used on the mainline. We use that money to maintain the overpass bridges that you see on the Turnpike. Those are state and county roads – they are not on the mainline. By increasing our concessions and increasing maybe the consumption of fuel tax, we are getting aggressive with our fuel vendor to provide the truckers some fuel deals, we will put pressure off any further toll increases. As those increase the Commission will have in the future numbers to consider any possible review of the toll rate structure. I see from time to time members of the trucking association and trucking firms that attend our Commission Meetings and are part of our Customer Advisory Group and they have asked me to take a look at our Class 8 weight scale and to see if any relief can be given to the trucking firms on that. Our Deputy Executive Director, Robert Arlow, and myself have been taking a hard look at trying to find a way to maybe increase the weight classification for the Class 8 so that a single vehicle with five axles won't see the penalty for being a Class 9. The discrepancy in toll rate from a Class 8 to Class 9 is large. A trucking only weighing 1,000 or 2,000 extra pounds will have to pay significantly more in tolls. When I think that we may be able to find a way to accommodate them and not lose any toll revenue and maybe encourage more traffic off the Turnpike to come back on the Turnpike since the State's legal load limit is 80,000 pounds and our Class 8 is 78,000 pounds. Possibly by making a classification change of 2,000 or 3,000 pounds we may be able attract additional trucks on the Turnpike and not lose any revenue. Before we get that far I definitely would review it with our consultant, talk to

our Trustee and HNTB and we would go through all the requirements of the trust agreement to make sure we have dotted all our I's and crossed all our t's and received the certification from our general consultant, HNTB and our trustee and come up with some kind of performa to present to the Commission – hopefully some time next year. I don't have a date but this is something I wanted to apprise the Commission that we are looking at it.

Leever: I'm glad you are looking at that.

Zomparelli: The reason why we couldn't do it earlier is we changed our toll Information System, our computer systems, at all the toll booths. We are still working out some software modifications but all the equipment is now installed. There may be some changes in some of the equipment but we think we are finally along in the process where we can do proper due diligence and planning.

Let me get back to the budget.

Greenwood: May I ask a question, can you explain to me again what the fuel tax revenue is?

Zomparelli: The fuel tax revenue is out of every gallon of gasoline sold at our Travel Centers, the Turnpike receives \$.05 out of the state fuel tax. We are allocated \$.05 out of the total state tax that is collected per gallon of gas sold. There is a statutory provision that provides that in Ohio Revised Code and the Ohio Revised Code establishes the use for that fund – that nickel which amounts of \$2.4-M. The Turnpike can use it anywhere except for new interchanges. We can use it on our mainline, on existing interchanges, we can use it at overpasses and underpasses on the Turnpike but we are not permitted to use that \$.05 on new interchanges. I don't know the rationale for that but that's the only limitation. We don't receive tax for miles driven on the Turnpike. If none of our patrons bought zero fuel on the Turnpike but bought all the fuel in Ohio, we would get zero. It's only \$.05 and again that is revenue that the Turnpike has not pledged as collateral for its bond re-payment. The preliminary budget is broken down by revenues, expenditures for operation and maintenance and administration and then there is a division for bond interest payments, bond principal payments. Our CFO is here to answer any questions. In the past – for the new Commission members - after the Commission has adopted the preliminary budget, the preliminary budget is reviewed by the Commission's Chairman and with department heads and department staff between now and next Commission Meeting when the Commission will submit the final budget at the December 20<sup>th</sup> meeting. I

would recommend that the Commission move to adopt this resolution. Three is a breakdown that the Commission Member can see how the amounts came about broken up by department expenditure worksheets. We took as sharp a pencil as we could to it and came in a little bit higher when I had it and then I sat down with our CFO and it came down a lot lower. I sat down with some department heads. We think this accurately reflects what the Turnpike could expect for the year 2000.

We are projecting \$182-M in toll revenue. Total revenues will exceed \$200-M for the first time.

Leever; We need a motion to adopt this preliminary budget. Yes, Mr. Blair.

Blair: Gino, I'm sure you gave this to me before and I don't know what it is right now, could you next time, send it to me – a one-pager summary on this bond interest and principal (\$50-M) when it's coming off and what are future plans are.

Zomparelli: You are asking for the debt reserve fund calculations? Jim, why don't you explain that Jim. And what we can expect in the future.

Steiner: Debt service –

Blair: I think we are on about \$700 to \$800.

Steiner: Yes we are and we are anticipating one additional bond issue next fall – approximately \$75-M to \$100-M and we do have a Declaration of Intent which is a related resolution that will be discussed later in the meeting. That probably will be the last bond issue that we will need to complete the third lane in the time line that we have established.

Blair: That will put is about \$800-M out and the coverage. It looks like almost 2.8.

Steiner: We are within another \$100-M we expect to remain above 2 throughout.

Zomparelli: Madame Chair, Mr. Steiner, why don't you explain the debt coverage ratio.

Steiner: We want to make sure by taking our total revenue and our pledged revenue we subtract our operating maintenance and administrative costs that we still have sufficient remaining revenues to pay the bond principal and interest as those payments come due. What this is saying that we have twice as much – after we have paid our operating and administrative expenses – we have twice as much remaining as we need to pay the current debt service. This means that we have the total debt service you are looking at is approximately \$50-M. You can see that we are proposed a transfer to System projects of \$57-M and so we continue with our

goal of trying to fund the construction – approximately 50% from our own revenues and approximately 50% from borrowing. We do have debt coverage ratio of at least 2.0 out in the unforeseeable future even assuming that we issue bonds in the amount of \$100-M next year.

Zomparelli: Thank you Mr. Steiner. Commission Members although it's worked out to be 50/50, we were at the 40/60 approach and our truck commercial revenue went up significantly this past summer. That has permitted for the additional financing with tolls instead of bonds and do more with our existing revenues.

Eric is sitting there wanting to say something – I don't know. Our financial advisor but the Master Trust Agreement calls for 1.2 debt coverage ratio. The Commission has pledged 1.5 – that was one of the reasons we received an upgrade from Standard & Poor – and we have the highest rating of any toll road. That's what the credit rating firms and bond firms look at for rating. The debt coverage or cash flow, are you able to meet current obligations. We are very solid in that regard and the second thing that high rating translates into is the lower cost of borrowing and I think it's important to point out that of that over \$700-M of bonds, the Commission has less than a 5% cost interest rate of borrowing. We were very fortunate to hit the lows. Some of the financial people in the room would be willing to attest that we couldn't hit it at a better time and the rates have been going up since then. We picked the right time to go out with our bond financing and by saving the interest costs we saved millions. That allows us to do more as pay as you go and that gets you to that 50/50 instead of the 40/60. We are looking to fund the Cuyahoga River Bridge project which is a big part of the reason for the new funding we will need next year. The new bond deal. That was a \$51-M project the Commission approved last month. I have asked our financial advisor since we are increasing our debt reserve fund to find ways for us to maximize that money that's in that. If you would like to make a brief comment on that, Eric.

Erickson: The Executive Director has directed me to review some options relative to the reserve funds and cash. We haven't concluded anything at this point and hopefully by the next meeting we will have some options for you to look at. I don't want to go into a lot of details at this point. Just to kind of follow along with Gino's comments, it is clear that one of the main reasons that you are the highest rated toll road in the

world is because we do have some very strong coverage numbers. And of course the rating agencies view this in terms of the worst case situation. We all recognize that we have a fairly strong economy right now and that's in part why the revenues are coming in as it has been. That may or may not always be the case. They want to make sure there is a good cushion in there in the event there is a downturn you do have sufficient coverage to cover the debt service and also maintain the road in the fashion that it has been maintained. That's to your credit that you have maintained this coverage and again in large point why you do have the rating that you do have.

Leever; Mr. Blair, does that answer your question?

Blair: The only thing I am thinking about is we have great coverage right now. If we only go out for another \$50-M we still have tremendous coverage. We are in great financial shape as it appears here which should be commended.

Zomparelli: Thank you.

Blair; If we are not going out any more, the only thing I am worried about is our reserves are going to continue to build.

Zomparelli: Madame Chair, Mr. Blair that's why I called Eric last week and we are starting to plan for the next bond issue. That's one of my concerns having the building of the debt reserve fund. Being an accountant I don't like that money being there if I have to find a way to use it.

Blair: You can always give it back or we'd take it, Gino.

Leever: Somehow I knew that was coming

Zomparelli: I thought you would bring up the comment that Senator Oelslager asks you at every Oversight Meeting –

Erickson: About the rates?

Zomparelli: Yes and can we pay them back.

Erickson: The comment I always get asked at every Oversight Meeting is “ do you need any additional rate increases to fund the next bond issue or existing issue?” The answer has been and continues to be, “that for the foreseeable future we do not see any need for additional rate increases.”

Leever: Very good.

Zomparelli: Again, the Commission asked me to dispense with reading the Resolved but the figures are before you and they are broken up by revenues, expenditures and the transfers. We will be back at the next Commission Meeting after review with you if

this preliminary budget is approved to see if there are any other changes or modifications that need to be made and submit the final. I would ask for a motion.

Greenwood: I move to adopt the preliminary budget.

Williams: Second.

Leever: Any further questions?

Roll: Mr. Greenwood-yes; Mr. Williams-yes; Mr. Blair-yes; Mrs. Leever-yes.. The preliminary budget is adopted.

Zomparelli: Going on with more interesting financial information. The next resolution before the Commission is captioned, "Resolution to authorize and issue a Declaration of Official Intent with Respect to Reimbursement of Temporary Advances Made for Capital Expenditures to be Made from Subsequent Borrowings. This Declaration of Official Intent was drafted with keeping in mind that the Commission would need to borrow additional funds next year to fund its continued capital improvement program. We want to make advances now and use the bond proceeds when they are received to reimburse us and this is a technicality requirement from our Master Trust Agreement. I see Pat Riley here from bond counsel, Peck, Shaffter & Williams and he is available to answer any questions. Without going through the whole Resolved, I'll read Section 2:

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

(a) The Ohio Turnpike Commission declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid no earlier than sixty (60) days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Ohio Turnpike Commission in the maximum principal amount, for such Reimbursements, of **\$100,000,000.00**;

Now we haven't determined that \$100,000,000 would be the bond principal the Commission is seeking. This is a maximum number, it is meant to be very close projection of what we may borrow. But a lot can happen between now, this summer or the third quarter. Revenues may go up, some potential uses of our Debt Reserve Fund may possibly bring down the principal amount on that bond financing. My objective is to borrow the least that we need and I think the Commission will have sufficient debt in future years to pay off and I don't think we need to borrow any more.

Section B reads:

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

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

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

I would recommend that the Commission move to adopt this resolution. Our CFO, Mr. Steiner, is available to answer any questions the Commission may have.

Armbruster: Madame Chairman, Mr. Steiner or bond counsel, why don't you explain this in terms of “dog” “cat” – as opposed to the more precise language.

Steiner: Mr. Pat Riley can do a better job than I can but in essence. If we sell bonds next year – let's say 5% interest that we are paying and prior to payment to contractors we have those funds invested at let's say 6%, then we are earning a 1% spread or positive arbitrage. And in normal circumstances under federal law, we have to rebate that 1% arbitrage earning to the federal government. This technique here by declaring a Declaration of Intent what it allows us to do is go back 60 days from today and start counting all payments that we make to contractors from that date (approximately Sept 10 of this year) up to the time that we issue the bonds, we can count those expenditures as advance payments and we are simply reimbursing ourselves from the bond proceeds. What that does at the time of sale of those bond proceeds, it changes the character of the proceeds. They are no longer technically bond proceeds but they are now “Turnpike “ funds because they are just reimbursing ourselves and to that extent we no longer have to be concerned about the arbitrage

rebate. In that case if we earned the 6%, we can keep that additional 1% and use that for additional construction costs. That's the advantage of it. It eliminates that arbitrage rebate that would otherwise have to pay. Maybe Pat could elaborate further.

Riley: Brilliant.

Greenwood: Thanks.

Leever: We need a motion, please.

Blair: I'll move.

Greenwood: Second.

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

The resolution authorizing the issuance of a Declaration of Intent is adopted.

Zomparelli: There are two other resolutions in the packet that General Counsel will be presenting to the Commission later on regarding appropriations.

At this time as part of my report I'd like to give the Commission members an update on the status of the Commission's planning for the new travel centers /service plazas as well as a report on what's transpired from when the Commission initially awarded the contract to actual completion of the construction of the buildings located at Commodore Perry/Erie Islands and Great Lakes/Towpath. The Commission's architects are here. They brought some 11 x 17 design renderings that they will be referring to. I'd ask that you pull that out of your packets. I will ask the gentlemen from GSI to introduce themselves to the Commission and give us a little update on the process – how we started and where we are today.

Spittler: My name is Pete Spittler. I am a principal with GSI Architects. This is Shakti Gautum – the project director and is in to the day-to-day dealings of getting these things worked out in the field and constructed. As Gino had indicated there are 4 completed today. I think we just had the "Preview" of Great Lakes/Towpath just a week or two ago. There has been some changes since the first two initial Travel Centers. I think when we were awarded the contract it was done on a sort of design competition and putting together our design we had looked at alternative means of revenue-source generation in these plazas which is in keeping with the whole direction of the Ohio Turnpike. What we had done was research on malls and

airports and lot of things that we see in the day-to-day movement as we travel and in putting these plazas together we had always indicated early on that the buildings were going to be one component and the site was going to be the other. That's kind of. It started out as almost a 50/50 split when you start looking at the budget.

Some of the things relative to the building we were able to go through and very easy quantify relative to bricks, sticks and mortars and putting the things together. The other issues relative to the site was what we categorized as "unforeseen conditions" and you really don't understand until you get into them. You can make your best guess assumptions and as you go through the process, but issues such as wetlands mitigation, environmental issues relative to the fact that these sites have been utilized for the last 50 years with heavy truck traffic, car traffic, fueling. You just don't know until you get into it. That kind was set in motion early on. What we had determined was as we moved through that would be the variable: site. Sites range in size of acreage as well as conditions that we see from an infrastructure standpoint. Some of them we had the opportunity to tap into existing utilities, others have to be kept pretty well self-sufficient on site: wastewater treatment facilities and such. We have all seen them. There has been a lot of positive feedback. The actual design has won a couple national awards from a design point but more important is the way they function. As we look at the ones at Erie Islands and Commodore Perry, we have been able to make some basic assumptions – in sizing the eating area, parking lots. Based on the information we developed early on through studies and interviews of traffic and also patron habits.

As we moved to the next ones at Great Lakes and Towpath, what we tried to do was be very pro-active and listening and talking to the users and stuff of that nature – not only from the vehicular and circulation amongst the site but also user-friendly enhancements on the inside. As a result as we moved to the next set, what we did was we looked at some of the parking – both from the cars as well as the trucks and tried to make the adjustments because as they new plazas opened up there was a lot of interest and a lot of people stopping and it became kind of an issue of safety relative to the influx of traffic, but very pro-active in the initial design concepts, we built in flexibility to be able to accommodate that on-site without a whole lot of effort in the design or construction implementation of it. As a result we increased the car

parking at Great Lakes and Towpath to accommodate that influx as well as the truck circulation and stuff. As we moved into the next ones – Brady’s Leap and Portage, we talked to the vendors who now have operations. We looked at the way they have been operating, made some adjustments. I think Starbucks when they first opened up in the first set was probably the highest-moving coffee movement in the world. In addition, there are loaded trucks in the parking lot to keep on putting the vending, candy bars and everything so we have been able to accommodate doubling the size of the vending areas. Such minor adjustments made in the floor plan just from locating phones in one area and you can open up an area for additional vending. Again, all revenue generators. I know there are some small drawings. These are not the flashy renderings that we would like to put here. They are the actual working drawings with some of the changes made on them. As you can see in some of the site plans and stuff, you know the whole front end was where the parking was re-adjusted. We also increased some travel trailer parking adjacent again. It didn’t appear in the first plazas, but we had made accommodations as we moved through if it was deemed necessary we had a plan to be able to implement that. So as we move into the next 2 plazas, (Portage and Brady’s Leap) we will be able to accommodate travel trailer parking very near the travel center itself.

Zomparelli: Show them where the auto parking was cut off at Erie Islands/Com. Perry original design.

Spittler; The original design, the parking was primarily up in this area. We were able to extend it and pick up approximately 35% more parking spaces up in the front area. Just be re-locating some of the bus parking over here. The trucks still come around and go over to the fuel island canopies and stuff and back into the back side of the travel plaza where the washers and dryers are located.

Zomparelli: Madame Chair and Commission Members, the reason for that enhancement the parking lots were becoming filled. The design parameter that we required from GSI had that adaptability came early. We were able to increase the parking. We understand that some of that may go down when the other facilities are opened but having that clock/counterclockwise growth gave us additional land to easily accommodate the parking. At the same time the buildings will absorb the traffic.

Spittler: The buildings have been able to accommodate the influx of people as well.

So the parking was enhanced. We have the trailer parking over here for campers. One of the issues that came up in the last set was as a trucker, there were some basic assumptions made to the habits of how people come in, what they do first. For instance, the truckers come in. They would fuel, park and go and eat. There was some feedback from some of the truckers that they loop and come around. We were able to very easily adjust the fuel island location, slide it just a little bit that will put it closer to some of the fuel tanks along the back side of the building to facilitate that. So what we tried to do is talk to the users. We have an opportunity with these projects as a result of having 16 rather than just one, as you get one, you talk, get the feedback and we were pretty pro-active in putting the flexibility in the buildings and the site design to be able to accommodate those things. As we move forward, I'm sure we will be getting more feedback as well.

For instance, from the vendors on the inside of the building. We have a basement underneath here that has a lot of storage and stuff for the various vendors. There was some feedback that they would like to have more storage on the first floor. We very easily, - this dark area that you see was previously the service hall. What we were able to do was slide this service hall back provide additional vendor storage on the first floor to the backside of the sit-down restaurant and to the backside of each one of the vendor's booths. Without a lot of re-work with the building design and things of that nature. There was some of the pro-active I think design flexibility that was built into the plazas from the onset. As we move forward, we will continue to get this feedback from the truckers, from the cars from the patrons from the vendors and that will constantly be evaluated and incorporated if it made sense and at least we had an opportunity to go through and have that open dialogue.

Zomparelli: Madame Chair, Commission Members –just so we go through the right chronology – Erie Islands/Commodore Perry (Sandusky County) were the first pair that the Commission opened to the public. That was part of the first design along with Great Lakes and Towpath. All 4 buildings were designed around the same time. At Great Lakes and Towpath (Cuyahoga County) – just about ten miles east of here – we did make some changes that we learned from Erie Islands/Com Perry. We enhanced the parking area, we did expand it all away around and that going to be how we will do all the future facilities. The parking is at a premium and we worked with the

configuration on the trucks to increase the truck parking because that's the biggest problem. There is not enough truck parking in the State. I think a lot of trucking firms will come to the Turnpike because there is not a choice. They need to park and they will not drive out of their way and get back on another route. They will probably adjust their logistics and their routing to the Turnpike. We don't charge them for parking. They have a place to park whether they use the facility or not. Without food concessions, the parking lots were full.

We knew that was a problem which leads us into the next change in phasing or chronology. Instead of doing 4 buildings, we will go out to bid for one pair (Portage/Brady's Leap, in Portage County.) I think that Senator Armbruster brought this up earlier, at a prior meeting, that the impact is great on the traveler to have four facilities closed at the same time. With the second pair under consideration, Vermilion Valley/Middle Ridge in Lorain County which is our busiest facility, we wouldn't start construction on that if the Commission desires, until Sept. 2000 – 6 months after we close Portage and Brady's Leap. We got through the summer months of only having one facility closed still working within the same time frame of 13-15 month construction period – whatever it may be. It's hard to give a definite because each site at each pair is different. The site work is different, the acreage is different. Some soil is higher, some is lower. It has to be built up, it's flatter. Some is not. The buildings are not changing and I want to get to an important aspect that the Commission and legislators have to be educated about – the cost of the buildings have not really changed from the initial working numbers that the Turnpike was considering. Even back 4-5 years ago. What has changed is the increase in the "site."

I don't want to take away from the presentation – the buildings are cheap in the grand scheme of all things. They look expensive but they have not cost the Turnpike very much money in terms of dollar square footage what we expect on a commercial construction project. Actually I think GSI's review –

Spittler: The numbers are coming out about \$145 a square foot and that's with pretty durable materials in there. I mean part of the charge as designers of the project was to make sure that these buildings could accommodate travelers for the next 50 years. That was a kind of a two-fold effort not only in the design but in the selection of the

material so you can get the proper wear out of it. In those decisions, also made from an operational standpoint, how are they maintained? Are they easily maintained? What's going to be the cost of operation? We tried to look at this design solution at 360 degrees not only from an architectural design but also from the OTC's perspective of how do you maintain these things over a period of time. What is the cost implication of that.

Zomparelli: Can you give us a breakdown of what the costs were for the site and building at Erie Islands/Commodore Perry? At this point, Shokti if you want to take over. Please ask questions as we go along.

Gautum: I think this kind of echoes Earl's comments earlier and I'll just try and explain everything and if there is a perception issue, let's talk through it and everything else. We'll slow down and I'll walk you through some numbers and indicate where these changes came from. When I talk about numbers I want people to understand it. It doesn't mean the budget is out of control on the project. It means what Pete and Gino have said – that the scope is changing while we are out on the site of the projects. As a result of scope changing and hidden site conditions, dollars have to be appropriated to account for those changes. But if we look at Plaza 4 (EI/CP) the base bid award amounts were approximately \$18.67-M for both plazas combined. To date, estimated changes have totaled close to \$3.4-M which is about an 18% change from the initial bid numbers.

If you get into a breakdown of just those changes – those close to \$3.4-M what we are finding is 53% of the changes are related solely to hidden site conditions. The primary driving force on the hidden site conditions is petroleum contaminated soil which I think was eluded to and some of that was known going into the job but it's just not known how you quantify that underground and what ramifications need to be taken until you get there. I don't need to imply the Turnpike couldn't of spent oodles of money for all sorts of engineering surveys on that ground to really delineate the exact extent of it, but that is a cost which was chosen not to bore out that cost because you are going to have to deal with the remediation according to OEPA requirements regardless. Just as a side note, we have gone a little bit further on that surveying effort on Plaza 7 (Portage/Brady's Leap) to help quantify that better – to

get a little bit understanding what are the conditions we will be encountering out there.

Blair: I presume you are taking the old tanks out and putting new tanks in and that's where the soil contamination is coming from.

Gautum: The existing tanks were leaking or truckers were disposing of fuel that seeped into the ground.

Zomparelli: They changed their oil on the site.

Gautum: The ground underneath and especially in the area immediately adjacent to the fuel farm area that houses the underground tanks is pretty saturated with petroleum-byproducts. That's just a fact we will have to deal with. But like I said that type of condition and primarily the contaminated soil accounted for 53% of the cost changes out in the Sand. Area. 36% of the cost changes is what we are calling "owner-requested adjustments." There were requests for doing pavement work on Rt. 260. Wastewater treatment plants that the Turnpike bid out on separate contracts. Once those contracts were awarded and those treatment plant facilities had to come on-line at the same time as the new plazas come on-line. There were differing power requirements that had to be sorted out. It seemed easier at the time to go ahead and issue change orders on the plaza.

Things that maybe the Turnpike thought was originally included in the original bid package that was not and through conversation or realizing that maybe some plumbing fixtures may not take the beating the truckers were going to subject them to in the truckers lounge and once those pieces starting getting installed and they were looked and re-evaluated and it was felt they wouldn't meet durability requirements, so the manufacturers upgraded them and gave us credit backs on those. Again, those deltas had to be paid for. Those are some of the issues we starting looking at once you get into it. If you are going to have these things operate for 30-40-50 years, you spend a couple cents or couple dollars up front you will be able to avoid the maintenance and operational issues.

Zomparelli; Is the point that you are making that changes in the building itself are minimal?

Gauntum: There were changes in the building, I am not going to disguise that.

Zomparelli: I'm not asking to disguise it but be careful how you say things – we are in a public meeting.

Gautum: Approximately \$3.4-M – let me do it another way -- for EI there was \$1.92-M of changes. Of those \$1.92-M changes \$370,000 of that figure or roughly 20% of all changes were directed to the buildings themselves. Those changes might have to do with upgrading fixtures or finish durability requirements and things of that nature. 80% of the changes were really related to “site” specific reasons or other civil infrastructure.

Zomparelli: I think what the people have to understand is that although we are making changes to the building, and they are minimal, even with 20% these are public areas. These are public areas – restrooms, places to sit and rest, use phones to call – it’s whether they buy food or not, they have to be there. Wastewater and water treatment, these were all located in rural areas in the state. They were changes that needed to be made and these changes were necessitated by the public need and not bringing additional revenue to the Turnpike but more of a requirement. That is one thing I need GSI to point out for our Commission Members and our legislative representatives. They need to understand that and our ODOT representative, too because I know -- I can’t remember the person’s name but they are operating the rest area facilities on the Turnpike came to the Grand Opening on October 27<sup>th</sup> or was going to come to the opening of Great Lakes/Towpath because they are all learning from what we are doing and how to maintain an area where you don’t have the utility connections but you have such a mass need or mass requirements. We are not talking about a little picnic table or picnic grounds in a park where you have a small restroom with an out building with a big hole in the ground with a septic tank in it. This is very high-traffic, high-volume facility. There are some off-shoot benefits the public will receive because of the connection of water and sewer lines to our building. It’s economic development for that surrounding area because now they have a road and possibly a water or sewer line that they can start tapping into and upgrading our utilities.

Blair: I can see where they are getting the water, but you got obviously a package plant to treat these two. Nobody can tap into that, I think.

Zomparelli: No, but we are changing – Tim what areas are we changing?

Ujvari: Right now at Portage and Brady’s Leap we are looking at putting a force main in lieu of putting a package plant in place. We are currently in negotiations with two of the municipalities out there. We hope to incorporate that into the Portage and Brady’s Leap design.

- Zomparelli: Every facility is different so when you take a dollar amount, you question why does it cost \$10-M here and \$12-M there. It's an entirely different site. You want to ask about the building itself. The building will not change that much unless there is some additional foundation work.
- Gautum: The only changes are the change adjustments that we are doing as a result of the response of the vendors that are leasing the space. They are asking for more space and some adjustments and we are doing it. Maintenance was asking for some walk-up mats to be added so we are adding those.
- Zomparelli: Now the increased storage area is an area we will receive benefit from because vendors are giving Commission revenue for that facility. That's an easy expenditure to recommend to the Commission.
- Williams: The vendor space, there were complaints that the present space at EI/CP not having enough space for storage and they had to go downstairs in order to store. Giving them that additional space in the future in this design and you are not going to expand the building at all in order to that?
- Gautum: No, it does go back 8 feet, we are growing and that will shift 8 feet.
- Williams: But cost factors are not going to escalate as a result?
- Gautum: There will be some cost increases because of the net increase, but Gino's point is well taken because it puts it in an area that's part of the leasehold improvements that would go into the vendor contract.
- But the point I was trying to make which maybe wasn't clear. Four have been built now – two are fully operational. If you look at the cost of all sites, EI/CP and GL/Towpath, the building costs of the building on those four sites have not changed. The building costs in relation to the overall bids when you start pulling out the building numbers are pretty consistent from all four sites. What isn't consistent on all four sites is the original bid amounts on all four sites. If you look at the original bid values, CP base bid amount was \$9.06-M. Towpath and Gr. Lakes, the bid amounts were \$9.8-M so that's a spread of \$800,000 dollars. And what I am telling you is the building didn't change between Plaza 4 and 6, the only thing that changed is the actual site and the landscape and how much cut and fill work you need to do on it, how much demolition work needs to happen out there and what types needs to happen with the utilities and civil infrastructure to support these facilities. That is really the only variable. Outside of these proposed changes going forward into Plaza 7 the only other variable is going to be again the site.

Gino asked us to make a brief statement about where costs are looking at – totality for Plaza 7 and they are looking to be approximately \$13.5 to \$14-M per site. And the reason is these sites out on Plaza 7 (Portage/Brady's Leap) occupy currently 15% more acreage than the sites out at Plaza 4 and 6. As a result of that we will be able to accommodate more parking for the future which through internal discussions we feel will be needed especially as adjacent plazas are shut down and that overflow will have to go to the new uprunning plazas.

The other thing a Pete pointed out is travel trailer parking is being added. That is amenity new to Travel Center 7 that wasn't incorporated on Travel Ctrs. 4 and 6 .

Zomparelli: By design or plan, we didn't think it was necessary to have that kind of facility at every location. This is a factor I want to make sure the Commission understands that in their deliberations and deciding whether the Commission should go forward with future travel centers under this design and project and the scope that there are additional costs, and I think it's important that the Commission is not surprised if we go out to bid and recommend an award of contract why these are costing more than the EI/CP sites. I say sites because the buildings are going to be around the same price actually when our feedback in the competitive bid nature may be better on a construction standpoint for the building. There is not much work as there was last couple of years.

Armbruster: You said 53% of the increased costs was petroleum related? Is that true?

Gautum: I said 53% of the costs were hidden site conditions, of that 53% I am telling you contaminated soil represented the bulk of it. Total hidden conditions were \$1.02-M Of that petroleum-contaminated soil was about \$928,000. There were other hidden costs associated but 95% is contaminated soil.

Armbruster; What did you do with that contaminated soil? You are putting tanks back into the ground. I have been in this business and have been in it for along time. What was your requirement from the EPA to do. You're going to have contamination anyway. There's trucks sitting there, cars sitting there, asphalt sitting there. What did we have to do?

- Gautum: You know in the “cat and mouse” type scenario, it was essentially excavated out and hauled off the site and legally disposed according to environmental regulations.
- Armbruster: They required you to take that dirt off the site?
- Gautum: The threshold limits established by EPA did in fact require us to haul it off the premises. I will say this and Tom, correct me if I'm wrong, I'm not an expert in the environmental mediation aspect, but they have established higher threshold limits of acceptable contamination level out at Plaza 7 which will allow us a little bit more latitude on what we can do, what we can use for back-fill and how much contaminated soil will eventually have to be hauled off-site.
- Zomparelli: It's site-specific and it's the amount and extent of contamination that determines what needs to be done. The process has changed from where we started and where we are now. EPA has made some changes, too. We are just like a private corporation. It's the same problems that the private businessman feels. We feel the same pain and we have to cooperate with them. Now, if you drove the Turnpike last year when we were constructing GL/Towpath facility you saw on the south side of the Turnpike this big dirt mound. We will not have to do in the future with these other facilities. Again, it's site dependent.
- Gautum: That was a contaminated mound that we rounded up until we sorted through the regulations and we were able to finally get bids and transport it off-site.
- Armbruster: You were forced to transport it off-site? I don't think you were.
- Gautum: I don't want to say we were because I'm not fluent in the exact specific reasons.
- Zomparelli: We did what was required.
- Amato: In the past I was involved in the remediation on site and I can tell you that for a small gas station lot it took 2-1/2 to 3 years to remediate that portion on site- where they actually clean it on-site and put it back.
- Armbruster: I spent \$700,000 of the City of North Ridgeville's money cleaning up a site that I questioned my sanity in doing such. I think the EPA quite honestly, there are a whole lot of circumstances, I'm sorry Madame Chair, it's not my sanity that should have been cleaned, but the requirement to do. Because the earth cleans itself up and I question the 53% override and I think we should work even firmed with EPA. I am note one that the earth should not be cleaned, but quite honestly they have gone overboard and they continue to go overboard as to how clean is clean and there is a point where we should stop and really look at the practicality of it. I understand

where you are, but certainly, if I ever get on JCAR, it will be a situation where EPA in a lot of instances over-steps their boundary. It certainly sounds to me they did in regards to this dirt because you are putting tanks back into the ground. You are putting the pea-gravel in and there is going to be continual contamination there and why they required you to haul that contaminated ground away and not do something on site with it. Of course I wasn't the engineer and I'll get off some soap box but it just doesn't make sense this 53% override was it required that you had to haul that material away when in fact it could have been on-site, left there and aerated. There's mounds all over the state and all over the whole U.S. doing the same thing because that's what they are doing with it when they take it to a land fill.

Zomparelli: It's a residential area that's growing in that location, I don't know if that is a consideration.

Armbruster: Every service station in the United States is contaminated. Every road we drive on is contaminated. That means that ODOT would have to dig out every piece of material out there of every road and you should be taking contamination – I'm sorry, I should get off this -- This 53% is just ridiculous.

Gautum: I think you are correct and I know you can't aerate it as a means, but I don't think as Gino pointed out that we had the acreage provide to lay that down in the kind of cubic yards we were talking about – tens of thousands – and the amount of room and what that would have done to the whole sequence of construction to start laying this out to start aerating would have been very problematic. All that was evaluated, I can assure you.

Armbruster: I'm sure it was.

Zomparelli: It's just a frustration.

Arlow: We did work something out, Senator. At the future sites, after this site, as Shokti pointed out we did not have the area to lay this down to aerate it. That was why we had it hauled off and the EPA made us haul it off, but in the future we had a BUSTR consultant come in and they worked out with us that we do not have to do the extensive amount in the future that we had to do there because we did complain very bitterly about this.

Gautum: Some of the thresholds were raised.

Armbruster: Bring me on the next consulting job, I'd be very happy – another question, as you get to the busiest service plazas, which are down, would it be a consideration because obviously you are going to have additional truck traffic, I mean –

Zomparelli: To answer your question, -yes – I think I know where you are going.

Armbruster: Why don't you double the size of the plaza and leave the plaza running, buy additional land. You'll have more than enough adequate space to aerate your dirt so you don't have that plaza in itself down completely because I think that truck traffic is what we need out there on that road to alleviate it coming off the ODOT back roads and if you can do that and buy the additional land and just buy and leave the other plaza up and running, I think that would be in our best interests.

Zomparelli: Madame Chair, Senator Armbruster by the time we get to that the pair of plazas on either side of that busy area will have been open. Compared to what we had before and what we'll have now we'll have more parking so we should be able to take that impact when that facility is closed. There is always one person out of a million that would probably need to stop at that facility to take care of a restroom function, but by and large with the expansion of all the parking on either side and if we got out early enough to the Trucking Association members and let them know – this is what is happening, when it's closing and we're coming out so early with this information that we should be able to plan for that. I think that may work, but we are looking at additional land and why we are going through this in particular we went through the exercise on EI/CP and GL/Towpath (Cuyahoga County) try to figure out a way to keep them open why we are doing construction even without parking and it cost a lot of money.

Blair: Gino, on that site plan up there to the left, what do those lines represent?

Gautum: Adjoining property.

Blair; Farmland? Is there a road there?

Zomparelli: Which facility is that the theme for?

Gautum: Portage. What's the terrain like in Portage?

Gautum: This is a hill and I know we are cutting in to get this additional LCV parking in.

Zomparelli: The costs are the costs. When these buildings were first built compared to the traffic today we have over 400% more traffic and we've got more than that use out of these. It's a thing I think the Commission needs to be aware of in their future deliberations – what kind of costs – what kind of figures that we are talking about as

a budget for these. We can cut out millions if the Commission wants, but that would mean reducing the parking area. It wouldn't change the facility itself. You can save a little here and there but you really wouldn't save – even if you saved a couple hundred thousand dollars in the building, it really would be a disservice to the traveling public. If you think that it costs too much, we can cut out 30 trucking spaces, 30 car spaces – cut out the camper spaces and the trailer spaces. We can reduce the number of fuel dispensing units.

Gautum: We added more.

Zomparelli: That will not meet the needs of the traveling public on the Ohio Turnpike today and what we anticipate the need to be in the next ten years. I am recommending to the Commission that we proceed with this schedule that we go on planning reconstruction of the Portage and Brady's Leap facility in March 2000 and then start the construction process six months thereafter after the summer traffic period and we close down the Vermilion Valley/Middle Ridge facility knowing that the facility on either side will be operational for some time, with expanded parking facilities. At the same time Portage and Brady's Leap will have a six-month headstart over the Vermilion Valley/Middle Ridge so thereby should be completed about six months thereabouts earlier. Again, noting different site requirements. So we will have four brand new buildings and almost six brand new buildings out of the 16.

After we get done with these eight, after this half, then the Commission and GSI have to look at what to do with the remaining facilities. At this time I am not projecting that Pair #1 and Pair #8 on the western and eastern end of the Turnpike should be this large. Although these should be costing more, those should be costing less because there is less use of them now, but I think we still need to do more due diligence on recommending those facilities.

Traffic patterns may change coming out of Pennsylvania and New York. If they toll 80 or do work on the Turnpike and it changes traffic flow, you may see an increase between our Portage facility and the boundary line where the Ohio and Pennsylvania meet. If truck traffic keeps going up the way it did this past summer, that may necessitate that the truck parking area may be larger, but not necessarily the passenger car parking area. We would have done our research at that time and go

to the Commission for guidance and instruction. Certainly, spending \$12-\$14-M for these facilities will not jeopardize the operation of the Turnpike.

Going back to an item I eluded to on the preliminary budget, we are using current toll revenue and non-pledged toll revenue to fund these facilities. The money we are making from food concessions and advertising and selling fuel. We are using that money to pay for the facilities.

Blair: I would, for one, favor large size because we are absolutely getting killed on our roads by truck traffic and every truck you take helps us a lot. I would also tell you where we get killed is our rest areas. Have you noticed our rest areas? We are having trucks Q-up on the highway – it's a nightmare on that. Every truck that you can accommodate overnight off-site that's so much safer for us. We would be thrilled.

Zomparelli: I guess indirectly this is a way we are working with easing congestion on ODOT roads. They are not only do it at rest areas, they are also doing it at interchanges – on the berm. It's very unsafe. They come to us and throw up their arms and say we need truck parking. In the old facilities they were parking in the automobile area and eating all the automobile space. It's very unsafe situation and Highway patrol is always monitoring that situation. Captain Escola and his staff are directing the trucks to move on. I guess at this point the Commission Members if they have any questions for me or any additional questions from our GSI representatives.

Armbruster: I have a question and only a comment – when you do get to Vermilion Road and Route 58 as I assume and look forward to the economic development we will have out there when we get the interchange in, with or without the railroad. And with that in conjunction, I would only hope to comment back to ODOT that you would seriously consider buying property now because the cost of that land is going to be so substantial that we need to get it under our belt whether you expand it now. We don't have to deal with mountains or deal with anything -- maybe a few salamanders – I'm not sure, but I think it is in our best interests that we increase the size of that plaza substantially whether we use the land or not. Use it as a land bank.

Zomparelli: Madame Chair, Senator Armbruster, I haven't got to that point, but you are right on target again. The natural progression I guess this is a perfect time to get into that

part of your presentation. There is going to be a change in these buildings and the buildings at Vermilion Valley/Middle Ridge - maybe you can show it on that chart here. Vermilion Valley and Middle Ridge we actually want to expand that building. That's going to be the largest buildings on the Turnpike. We'll expand this area for the sit-down restaurant. I thought you were getting into expanding by getting additional land so that can provide an avenue for people in the area to use too. Your perceptions are right on and these have to be bigger. This is the only area where you will see increased costs for the buildings as opposed to the site. The site will be more, too, but Joe Disantis, our Right of Way Coordinator, and I have instructed Tom Amato our Joe to look at all land we can get and start negotiating.

Armbruster: Is it not true in Indiana – didn't they just take a toll plaza and just make it truck parking?

Zomparelli: These closed some down. I think they did make it at one facility or one pair.

Arlow: Where they did not re-build the plaza, they just left the parking for the trucks. There are no facilities. They closed down the existing travel center and left the parking for the truckers.

Zomparelli: That may be something to look at down the line if traffic continues.

Arlow: We are trying to expand our land bank in every plaza that we are re-habbing so that The ones that we just opened up we bought 8 more acres. We are trying to do that everywhere.

Leever; We have been in that process for a long time

Arlow; Yes, since day one.

Zomparelli; While I have these gentlemen still standing, there is still an important part that we need to talk to the Commission about is what we discussed for a plan on the bid process for the construction of these facilities. If you can touch on a little bit of what we have asked you to take a look at – the methodology for future bidding.

Gautum: What we are recommending is not going with as many bid packages that we previously have with at Plazas #4 and #6. Each plaza, each site had approximately 23-28 bid packages – both on the north and south site – so you are talking about 50+ bid packages combined per plazas. A lot of the bidders got very small packages and had to coordinate extensively amongst themselves and with each other that led to a lot of bickering that had to be solved and it's very difficult to implement and hold somebody to liquidated damages when somebody has the potential out of pointing to

ten other culpable people to his plight. As a result of that what we propose to do is go out to bid with essentially 5 prime bid packages and that would be combined north and south works. So there would be a site work package for both the north and south plaza. They would be basic building trade packages for both the north and south plaza and mechanical, electrical and plumbing packages also prime bid packages. What we also proposed is to do voluntary alternate bids with some of those packages so that if there are any general contractors or CMs out on the market that want to sit there and aggressively come after these jobs that they would be allowed to under the format that we are proposing to combine their own bid packages and give one bid to replicate four or five packages. We are allowing two alternates to essentially combine mechanical, electrical and plumbing with the general buildings package would be one alternate and then adding the site package to that thing would also be another alternate. So what we are thinking is let the competitive market decide. How many contractors or subs should be out there. That we feel that by letting the competitive market do it that will lead us to the least cost and upon that we will evaluate that when the bids come in.

Zomparelli: Thank you – nice job. The construction process, the real change is the way we bid out the original four were a multitude bid package with the various subs and trades. We tried to achieve the economies of scale of going out to bid for four. Having the same for example the mason contractor, electrical contractor bid on all four facilities and see if we receive a savings and a benefit from the learning crew with having the same crew working in all facilities. Not having a new crew each time for the first time asking us all the same questions. I don't think it will change the cost of construction a whole lot one way in either direction up or down. I think what it does is reduces the number of bid packages.

The bid package for HVAC, electrical, plumbing, site work and general trades are large enough amount that it's going to be similar to what was done the first time around. The only thing that will change is that some of the smaller interior work and some of the separate bids for interior, glass, things like that, are being grouped together so that they on a dollar amount will be on an equal basis with say the site work which is probably going to be \$2.5-3-M by itself. Steel will be over \$1-M a facility. By taking a look at the dollar amounts the first time around, having the benefit of doing it the first time and seeing what the costs came in we were able to

group a lot of the separate bid packages into one general trades construction bid package. Still the major components will be bid separately and we hope to save dollars doing that.

The State of Ohio requires on all state buildings to have four different bids – general trades, electrical, plumbing and HVAC. Cities are not required to do that under the Home rule they were able to bid out to one general contractor. The Turnpike, in my opinion, is not required to bid out in separate bid packages like the State of Ohio because we an autonomous entity but we chose to take that philosophy and mirror what the State does when we went out with the various bid packages. We will let the market make the decision itself. One general can still bid for the entire work, they can bid for two parts, three parts or we can have five separate subcontractors. If that's the case – if we have five – then that would change the level of construction management services that would be required if there would be only one general contractor. But there still would be some project management, construction management services that will be required regardless whether we have a general contractor doing all the work or not. We need someone looking for the Turnpike's interests; in addition there would be a separate contract for inspection and testing. That is something the Turnpike will not change.

Blair: Gino, I assume this \$26-M will come out of bonds?

Zomparelli: No.

Blair: It will come out of our operating budget.

Zomparelli: Non-pledged toll revenue. We'll use some of the toll revenue to fund this project but the bonds we are using for third-lane, capital improvement projects. We are permitted to use up to \$15-M of the bond proceeds for this facility and the reason for the limitation is the bonds are tax-exempt. There are certain private activities going on with the sale food concessions. I don't know what part is public and what part is private. I don't want to get into that.

Blair: Will this cut into your 50/50 on the capital improvements for your third lane?

Zomparelli: Yes because some of the toll revenue will be paid here instead of the third-lane. People paying the toll are the ones using the facility so there couldn't be anything fairer or more American.

Leever: Thank you gentlemen.

Zomparelli: To finish up my report, the Turnpike did receive a certificate from the International Bridge, Tunnel & Turnpike Assoc. for the design and construction of these facilities. Again, they are facilities that the world is watching – not only Ohio and our neighbors in other states – but I think countries in Europe and South America are watching what we are doing with these facilities and will incorporate some of these ideas and designs in their toll facilities. Pennsylvania, Indiana, Illinois, Florida Turnpike are all interested in what we are doing. This is something the State of Ohio can be very proud of. It's a nice image that we are presenting for the State as well as meeting the needs of the traveling public.

Tomorrow the Turnpike will be meeting with Moody's , the bond credit rating firm to give them an update as to how the Turnpike has progressed in its capital improvement program. They are flying in from New York and we'll show them first-hand some third-lane projects, take them out to the new restaurants so they can see that facility. At the same time I am strongly request them to upgrade us. I am not promising anything. They are pretty tight with their bond rating. I don't know if anything will change. I will be asking Steve Strnisha who is not here today is trying to make time to also come to that meeting and speak on behalf of the Commission and Ruth Ann Leever, our Chairman will be there to give the bond rating firm her prospective on the Commission Members' role on the operation of the Ohio Turnpike Commission and answer any questions they may have in the direction that the Ohio Turnpike has in the future.

One last item on November 30<sup>th</sup> the Ohio Turnpike will have its last Oversight Committee for the year 1999 – the fourth quarter meeting. It will be held in the Youngstown area at 11:00 a.m. on November 30<sup>th</sup> – all Commission Members are welcome to attend. I know one who will be there for sure since he's on the Committee – Senator Armbruster. We will also be giving them a report and update on the service plazas and any future construction projects.

We are working with ODOT on the S. R. 250 project. That is somewhat hampered by litigation but Mr. Amato and Mr. Blair have been in constant communication in

drafting the proper agreements so that that project can proceed without delay when the opportunity permits.

We are also working on the I-77 project, connecting I-77 with the Ohio Turnpike interchange. This is another example of the Turnpike and ODOT working together. People don't realize there still needs to be a lot of interaction between the OTC and ODOT.

S.R. 58 is another project that the Ohio Turnpike and ODOT are waiting for the OEPA to issue a permit and local officials in that area to finally make a decision so they can give us direction. I think the Turnpike has definitely shown its patience in this project in its willingness to work with the local area. We have given them ample opportunity to determine what is best for them. We remain neutral and the project that needs to be looked at now for the near future is S.R. 8. I know that Mr. Blair is concerned about that and I guess there is some consideration of turning that portion in Summit County into a limited access highway which it isn't now. The Turnpike interchange is close –that's Exit 12. We would have to look at reconfiguring our design to accommodate that. We got plenty to do and that's my report.

Leever: Thank you, Mr. Zomparelli. Mr. Arlow?

Arlow: Thank you Madame Chair and members, our construction projects are winding down. Our two third-lane projects for 1999 are complete. They finished up two weeks early. I'm happy to say we have four projects that are started and will be completed next year. There's no barrier out on the highway right now. We are ready for our winter mode. We have one overhead bridge project that is still underway. It will be completed by the end of this month.

The three major bridges that were under construction – Maumee, Vermilion and Sandusky . Vermilion is completed and open. The two other bridges will be open at the end of next year. The construction is completed for this year and they will start again in spring. It will be finished next year.

The three toll plazas under construction – Westgate (Exit 6) and Eastgate (Exit 17).

Westgate and Eastgate will be completed and opened within the next month Eastgate will be completed at the end of next year. It's a major project.

All resurfacing projects are done and off the road. That's my report.

Leever: Thank you Mr. Arlow, I noticed that and I do like the winter mode. Very nice.

Frank Lamb?

Lamb: No report, Madame Chair.

Leever: Captain Escola?

Escola: Thank you Madame Chairman, Commission Members. I would just like to report the good news. I hope I am not jinxing ourselves by saying this but right now we are right on track if we have a good final month and half. We will have one of the safest years in Turnpike history in regard to fatal accidents. We contribute that to construction and design of the road and the fact that we have people out there who believe in high visibility, strict and fair enforcement and if we continue on this trend we will have a really safe year.

Also, I'd like to point out that this year the Highway Patrol has assisted 57,732 patrons on the Turnpike, a 9% increase over last year's totals. One of the reasons for that is we are putting more people in the service plazas now. Making more security checks and in doing so, our primary focus is with assisting patrons when we are in the service plazas. Once again the Highway Patrol is dedicated to providing the best service to the patrons on this roadway and help to make this the safest road in the nation.

Leever; Thank you, 9% is quite a jump in a year. You gentlemen are very busy. Mr. Amato? Excuse, Mike Schipper?

Schipper: No report, Madame Chair.

Leever; Thank you so much. Mr. Amato.

Amato: Madame Chair, Commission Members, I have two resolutions declaring the necessity of appropriating property and directing that proceedings to effect such appropriation be begun and prosecuted. Before I read these two, I'm pleased to report that two out of the four passed at the last meeting have been resolved and we

are continuing negotiations with the Brushwood Motel and the other property at the Cuyahoga River Bridge Project.

These two involve small landlocked parcels at the I-77 interchange and I will read the Resolveds:

RESOLVED that the Commission has negotiated for a reasonable time for the purchase of the real estate described herein with the owner, but has been unable to enter into an agreement and has complied with the provisions of section 163.04 of the Revised Code; and said property is necessary for the construction of an interchange with I-77 and the Ohio Turnpike in the vicinity of Milepost 172.5 in Summit County, Ohio;

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

<u>Owners</u>	<u>Place of Residence</u>
Alton E. Cody	2905 Mogadore Road Akron, OH 44312
James McCarthy Auditor, Summit County	175 South Main Street Akron, OH 44308
John A. Donofrio Treasurer, Summit County	175 South Main Street Akron, OH 44308

The aforementioned property to be appropriated is described as follows:

**Parcel 11-18WL - Fee Simple**

A legal description is attached as Exhibit "A";

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

I recommend that the Commission move to adopt this resolution.

Leever; We need a motion.

Williams: I move for the adoption.

Second: Greenwood.

Leever; Any discussion?

Zomparelli: Madame Chair, I'm not sure that Mr. Donofrio is still the current Treasurer of Summit County, but I'm sure if he is not, the effect is still the same. We will be naming whoever is the treasurer of Summit County.

Leever: Because of the election?

Zomparelli: Yes.

Leever: Well he would still be until January.

Zomparelli: He did win - oh, he was running for a different position. That's right so he still is the Treasurer. I just wanted to make sure.

Roll: Mr. Williams-yes; Mr. Greenwood-yes; Mr. Blair-yes; Mrs. Leever-yes.  
The resolution is adopted.

Amato: Thank you, the second resolution is a contiguous piece of property at the same location. It is also landlocked. I'll read the Resolved:

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

<u>Owners</u>	<u>Place of Residence</u>
Shirley Cody	3801 Prospect Street Mogadore, OH 44260
James McCarthy Auditor, Summit County	175 South Main Street Akron, OH 44308
John A. Donofrio Treasurer, Summit County	175 South Main Street Akron, OH 44308

The aforementioned property to be appropriated is described as follows:

**Parcel 11-17WL - Fee Simple**

A legal description is attached as Exhibit "A";

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

Again, I would recommend that the Commission adopt this resolution.

Leever: We need a motion.

Greenwood: I'll move for the adoption.

Williams: Second.

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

The resolution is adopted.

Amato: I would also like to report that the Director will submit to a deposition in the lawsuit filed by the Owner-Operator Independent Drivers Association (OOIDA) against the Tax Commissioner and various other state entities. That will occur on November 15, 1999 where again, he will talk about the fuel tax, how the Commission's moneys are spent and appropriated.

Zomparelli: Madame Chair, Commission Members just so the Commission is aware, this is a litigation filed by the Owner-Operator Independent Drivers Association – one of the four states where they filed. The issue is the constitutionality of paying tolls and being charged a fuel tax. They will be deposing me next Monday and I think there will be someone from the Attorney General's office also present. The reason why it is brought to the Commission's attention, it will affect possible funding of the Department of Transportation and part of the fuel tax we receive on that nickel we talked about earlier.

Amato: That's my report, Thank you.

Leever: Thank you, Mr. Amato. If there is no further business, I will accept a motion to adjourn until December 20.

Blair: So moved.

Greenwood: Second.

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

Meeting adjourned at 12:17 p.m.

/dsp