

# MINUTES OF THE 464th MEETING OF THE OHIO TURNPIKE COMMISSION

**December 18, 2000**

Pursuant to the bylaws, the Ohio Turnpike Commission met for a meeting at the Commission's Administration Building at 10:00 a.m. on December 18, 2000, with members of the staff: Gino Zomparelli, Executive Director and Assistant-Secretary Treasurer, Robert Arlow, Deputy Executive Director; Dan Castrigano, Asst. Deputy Executive Director/Chief Engineer, Rob Fleischman, Asst. Chief Engineer, James Steiner, CFO/Comptroller, Sharon Isaac, Director of Operations, Pat Patton, Government Liaison Officer, Thomas Amato, General Counsel, Richard Morgan, Director of Information Systems; David Miller, Chief Auditor; Tim Ujvari, Maintenance Engineer, Dick Lash, Director of Safety Services; Fred McFall, Patron Services Manager, William Keaton, Telecommunications Manager; Kathy Dolbin, Human Resources Manager and Lauren Hakos, Public Affairs 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. Strnisha,  
                    Mr. Greenwood, Mr. Williams.  
Nays :           None

The Vice Chairman advised that Chairman Ruth Ann Leever called him last night and advised because of the weather conditions, she was unable to travel to Cleveland. We will miss her, but we will move forward with today's meeting. Senator Armbruster was also unable to attend today's meeting.

The Vice-Chairman said Robert Blair is here today, as usual, representing the Ohio Department of Transportation Director, Gordon Proctor, and is authorized to vote for him.

The Vice-Chairman advised that a number of guests were in attendance, and he would like them to introduce themselves.

The following representatives attended the meeting:

Vince Chiarucci, business consultant; Allan V. Johnson (retired); G. Alan Plain (retired); John Peca, Alan Hirth, Climaco, Lefkowitz; Eric Erickson, Charles Harris, Fifth Third Securities; Tom Hanson, Steve Wood, PaineWebber; Frank

Lamb, Huntington Bank; Bill Medlock, SBK Brooks Investments; Mike Schipper, Tony Yacabucci, HNTB; Joseph Sokolowski, David Sokolowski, Ziggy Chudzicki, ADW, Inc.; Paul Stubbins, Seasongood & Mayer; Larry Woolum, Ohio Trucking Co., Howard O'Malley, B & T Express; Brett Bailey, McDonald Investments/Key Corp.; Patrick Sink, Steve Mayer, Tom James, Operating Engineers, Local 18; Gil Brindley, Ken Olup, Dick Corp.; Larry McQuillin, Advanced Restaurant Concepts, Inc. (ARCI); Tom Travis, HMS Host; Lt. Tom Derr, OSHP; Mike Burgess URS; Frank Lamb, Huntington Bank; Jim Sweeney, The (Cleveland) Plain Dealer; Dave Bennett, Wingfield, Bennett & Baer; Dean Berry, Daniel O'Loughlin, Squire, Sanders & Dempsey; Heidi Jedel, Tracy Cowley and Diane Pring.

The Vice-Chairman extended Seasons Greetings to all in attendance and said he was pleased to have everyone at today's meeting. This is the 464th meeting of the Ohio Turnpike Commission, and we are meeting here in the Commission's headquarters as provided for in the Commission's Code of Bylaws.

The minutes of the last Commission Meeting of November 6, 2000 have been distributed to the Members for their comments, and I will accept a motion to adopt them without reading.

The minutes were moved for adoption by Commissioner Strnisha and seconded by Mr. Greenwood. A vote of ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Strnisha, Mr. Greenwood, Mr. Blair and Mr. Williams

Nays : None.

The Vice-Chairman advised that various reports would be received and the Commission will act on various resolutions, draft copies of which have previously been set to the Members and updated drafts are also in the Members' folders. The resolutions will be explained during the appropriate reports.

If there are no further questions at this time, we will 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 November 6, 2000:

1. Draft of Commission Meeting Minutes of November 6, 2000
2. Traffic and Revenue Report, October, November 2000

3. Traffic Accident Summary Report, October and November 2000
4. Financial Statement, October 2000
5. Revenue by Month & Year, October 2000
6. Investment Report, October, November 2000
7. Various News Releases

Williams: Thank you, Mr. Greenwood. At this time we'll ask Mr. Steiner to give us a report on the budgetary and financial matters.

Steiner: Mr. Vice-Chairman, Commission Members, while the volumes for the month of November 2000 were somewhat lower than the levels of November of 1999, our year to date traffic volumes continue to set all-time records. Passenger car traffic during the month of November 2000 totaled 2,832,000 vehicles which is 48,000 cars or 1.7% fewer than last November. Commercial traffic during the month of November totaled 727,000 which is 12,000 vehicles or 1.7% fewer than last November.

Passenger car traffic for the first eleven months of the year totaled 33.6-M vehicles surpassing the prior record established last year by 497,000 cars or 1.5%. Commercial traffic during the first eleven months of the year totaled 8.6-M vehicles surpassing the prior record set last year by 195,000 or 2.3% and a grand total of 42.3-M vehicles traveled the Ohio Turnpike during the first eleven months of the year surpassing the prior record set last year by 691,000 vehicles or 1.7%.

General Fund revenues for the first eleven months of the year exceeded the amount budget by approximately \$700,000 while our operating maintenance and administrative expenses for the period were \$4-M less than budgeted. Mr. Vice-Chairman, that completes my report and I'll be happy to respond to any questions.

Williams: Thank you, Mr. Steiner, any questions regarding his report? Mr. Arlow, would you give us a report on the status of the service plazas?

Arlow: Thank you Mr. Vice-Chairman. We have four completed service plazas underway and the revenues are far exceeding our expectations. We have one pair of service plazas under construction presently and the construction should be completed by the end of March 2001 at which time we will begin another set of service plazas.

Williams: Any questions? Thank you Mr. Arlow. At this time, I'd like to ask the Executive Director to speak concerning several resolutions we have on our agenda.

Zomparelli: Thank you Mr. Chairman. We will miss Madame Chairman, she says that you can handle the job more than adequately. The term "chairman" actually applies at this time, because we know here at the table that Madame Chairman likes to be referred to as "Chairman" not Chairwoman or Chairperson (it's an inside joke.)

I have several resolutions to present to the Commission Members for consideration, but before I get to that I'd like to show a video that we have prepared recently. We are still working on it, but it's a video to describe the toll collection process. It became apparent that our various speaking engagements to various business and civic organizations throughout the state, that there really is a lot of mis-information or misunderstanding regarding the Turnpike. This is the first step. This video explains the toll collection operation. People seem to think you just pull up to the toll lane and get a ticket and pay your toll and it's that easy of a process.

The Executive Director stated that a lot people don't realize that when a vehicle approaches the toll booth that there is a lot of business transactions going on before the vehicle actually reaches the toll booth. The vehicle is weighed, axles are counted. The vehicle is measured for over-height dimensions and length dimensions and from the time where it hits the first loop (actually inside the pavement underground) a lot has to be done before the ticket is printed and processed. We have a lot of information on the ticket. Also, many people are not aware of that the Ohio Turnpike charges both based on length of travel and weight – aside from the passenger vehicles – the cars that are classified Class 1. Obviously their weight is not a consideration unless they are over 7,000 pounds and they would be classified higher.

We also want to show that a lot has to be done technically. We always get the question – when will you get into electronic toll collection. I wanted to explain the complexity of the process. Before we get into Electronic Toll Collection and a lot of what the Turnpike has been working on during the last two years is updating the lane computers on each tollbooth and software. That's not an easy process as everyone knows – dealing with computers and once you started

working on with a plan a year or two ago is already outdated or they have something new in the field and you want to capture the technology advances and you have to increase your memory, change your hardware. There is a lot involved. Go ahead and play the video. (We used the same start as the other video to save money.)

Video entitled, “A Road to the 21<sup>st</sup> Century –Toll Collection” was shown to all present. *(time at completion of video: 10:30 a.m.)*

Mr. Zomparelli thanked Dave Bennett of Wingfield, Bennett & Baer for putting that video together for us in a relatively short period of time. I didn't see it until Friday, December 15 for the first time. As you can see it's a nice educational promotional tool and we want to expand again on the toll information process – the computers, software behind it, but we felt it was a nice way to get some of the employees recognition in the toll booths, too.

Williams: Any comments from the members of the Commission? An excellent piece, very well done. It was interesting to see the background – both to your left and to your right – the U.S. flag and the Turnpike flag.

Zomparelli: The ballot boxes were not the boxes from Florida. That was another question we had. Thank you Mr. Chairman, I'll get to my resolution reports now.

The first draft resolution is entitled, “Resolution Awarding Contract No. 58-00-04 and Contract No. 58-00-05”. This resolution pertains to the contract for the demolition and reconstruction of toll plaza, utility building, toll booths and canopies to the Commission's interchange 16 in Youngstown located at Milepost 232.9 in Mahoning County. That project is designated Contract No. 58-00-04. This resolution also pertains to Commission Interchange 16A in Youngstown-Poland area located at Milepost 234.1 in Mahoning County which is designated Contract No. 58-00-05.

The Commission received bids from four bidders. Not all bidders bid on both 16 and 16A, but a bid tab is attached with the draft resolution. Bids have been reviewed by the Commission's Asst. Deputy Executive Director-Chief Engineer and he has submitted his report concerning his recommendation. The lowest bid was submitted by the A. P. O'Horo Company for a combination bid in the amount of \$5,915,000.00. The bidders were given the option to bid on one plaza

only (TP-16 or TP-16A) or they could bid in combination. The bids have been reviewed by General Counsel and the Resolved of the resolution reads:

“RESOLVED that the combination bid of the **A. P. O’Horo Company** of Youngstown, Ohio, in the amount of **\$5,915,000.00** for the performance of **Contract No. 58-00-04 and 58-00-05** is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contracts, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized (1) to execute contracts with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bids; (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 bids and of said contracts; and

“FURTHER RESOLVED that Project No. 58-00-04 and 58-00-05 are designated System Projects under the Commission’s 1994 Master Trust Agreement.

A. P. O’Horo has also worked for the Commission in the past. I would recommend that the Commission move to adopt this resolution.

Williams: Any questions regarding this resolution?

Blair: Gino, I see the estimate is \$8.5-M. Is there a reason why it is so much higher? It’s good it’s so much lower, but could someone advise where the difference is?

Zomparelli: I think it was across the board, but we’ll ask our Chief Engineer to comment. The fourth bidder did come in around that estimate.

Castrigano: You may recall at the last Commission Meeting we had a similar project on the agenda for award at TP-34 at the western end of the State. During the preparation of this estimate, many of the similar unit prices were used to compile this estimate. It’s just we have a much more competitive atmosphere in the eastern end of the state than we have in the west.

Zomparelli: We should have a first and second and then take Mr. Greenwood's question.

Williams: May we have a motion to accept and a second?

Greenwood: I'll move to accept and I have a question.

Strnisha: Second.

Greenwood: Just a follow-up to Mr. Blair's question. Is it just pure competition? It's about 25% . That's \$2-M or \$1-M on each one.

Zomparelli: Mr. Chairman, Commission Member Greenwood and Commission Member Blair, I think the estimate was too high on this one. I think that's something I asked Mr. Castrigano to take a look at and have the engineer review because the estimate was higher. The amounts that you see the difference between A. P. O'Horo and Northern Valley Contractors – I don't think Northern Valley Contractors had ever bid on an entire project before either have Marucci & Gafney. Although Blaze Building Corp. is fairly new to the Ohio Turnpike, their first project was here at Exit 10 – currently under construction right now and I believe at the last meeting we awarded Blaze Construction the interchange that Mr. Castrigano was referring to. I think he bid and it's speculation on my part, but I think that corporation bid high because they already had two projects and if they did get it it would be worthwhile doing it at that price. It seems that the bid amount of Northern Valley Contractors for about \$7.7-M is probably where the estimate should have come in at. The \$8.5-M is not that huge of a difference. It's probably within 10%.

Castrigano: Excuse me, Gino, you may notice also that A. P. O'Horo in their combination bid, they gave us a discount of approximately \$200,000 for being awarded both contracts, where the second bidder did not incorporate a discount per se for a combination award.

Zomparelli: But the point is it is a lot lower than the estimate. The way would be if it was over the estimate, but we'll take a look at it. The O'Horo Company has been very successful in the past on the Turnpike and has been extremely competitive.

Castrigano: They have built several similar projects for us – I can think of at least four in the past. They are finishing one up right now.

Zomparelli: The question we had was when we saw the amount came in low, we had asked our Engineering staff to look at it and determine if there was anything they had missed. There is nothing apparent, so we think the bid is a good bid.

Blair: Obviously, it would be nice if they bid on other ones, too because we save so much money here. They basically work in one location and that's why we don't get them to bid across the board?

Castrigano: That's correct. They are based out of Youngstown. They don't bid must further west on the Turnpike than our area right here in Cleveland.

Blair: If they are so good, we should ask them to bid on everything?

Castrigano: We do. They are invited.

Zomparelli: But you lose competitive advantage when you go to a different jurisdiction. I don't know how far west they bid.

Castrigano: They have a third-lane project here in Cleveland.

Zomparelli: Traditionally, there were lines drawn and those territories are being blurred as the estimates become more competitive. Just the same we don't see the contractors out west bidding in the east. There has been a lot of work these last few years. It's not to say that it will change in a year or two. From what we can tell, the bid has met all legal requirements and as well as the non-legal requirements. We plan to hold them to that bid if the Commission awards it.

Williams: Any other comments? Roll, please.

Zomparelli: Mr. Greenwood-yes, Mr.Strnisha-yes; Mr. Blair-yes and Mr. Williams-yes.

The resolution awarding Contract No. 58-00-04 and 58-00-05 is adopted.



The next resolution is captioned, “Resolution Adopting Proposed Budget for the Year 2001 and Providing for Deposits Required under the 1994 Trust Agreement during said year.”

The Commission by Resolution No. 27-2000 at its November 6<sup>th</sup> meeting adopted a preliminary budget for the year 2001. The final budget is attached to the draft resolution. The CFO is here to answer any questions, but there are no changes to the budget from the preliminary budget. This budget is again entered into pursuant to the Master Trust Agreement dated February 15, 1994 between the Commission and Huntington National Bank. The Resolved of the draft resolution reads:

“RESOLVED that the Commission hereby adopts the following as its Proposed Annual Budget for the Year 2001 and the Executive Director and CFO/Comptroller are directed to transmit a copy of the budget to the appropriate officials set forth in Section 5537.17(F) and to The Huntington National Bank, Trustee, under the Commission’s Trust Agreement as is provided in Section 5.01(a)(iii).”

Williams: May we have a motion to adopt?

Greenwood: I’ll move to adopt but I have a question.

Strnisha: Second.

Greenwood: What was the budget revenues for the year 2000 – the number corresponding to the \$204-M?

Steiner: Mr. Chairman, Commission Member Greenwood, the total revenues budgeted for the year 2000 was \$207,151,000. As I indicated at the previous meeting, the reason for the decrease has to do with our investment revenue. As we continue to make progress on the additional third lane, the renovation of the service plazas, we are

spending down our available funds and due to the fact that we have less funds to invest, our investment revenue is dropping so that decline in investment revenue is offsetting the increase in the toll revenue. That is my explanation why the total revenue budget is down somewhat.

Williams: Any further comments or questions?

Strnisha: Mr. Chairman, just a comment – particularly given the earlier report that my sense in this is that Mr. Steiner and his staff have been conservative particularly on the revenue side which I think is good, because I think there is probably some slowing down in the economy. We basically have projected and relied on flat revenues. That’s probably in line and probably won’t get worse than that. I think it’s consistent of what we have heard in the earlier report.

Zomparelli: Mr. Chairman, Commission Member Strnisha – you hit a bulls eye. That’s directly that approach which was taken and we hope we don’t have the “R” word.

Strnisha: Then we might be overly optimistic. Hopefully, there will be just a slowing which occurs.

Zomparelli: Gasoline prices seem to be dropping right now. We don’t know it that will impact but the investment does make up a big part. You can see that’s \$8-M.

Williams: Any further questions?

Roll: Mr. Blair-yes; Mr. Strnisha-Yes, Mr. Greenwood-yes, Mr. Williams-Yes.

The resolution adopting the Ohio Turnpike Commission’s proposed budget for the year 2001 is adopted.

Zomparelli: The next draft resolution is captioned “Resolution Approving and Adopting General 2001 Wage Increase for Certain Commission Employees”. I’d like to remind the Commission that the affected Commission employees last had an increase in July 2000 and in conversations regarding the preliminary budget, the Commission Members last November we had talked about getting the wage increase back in line with our calendar year and fiscal year which starts on January 1<sup>st</sup>. The fiscal year is the same as the calendar year and making this part of the budget process as it traditionally was. It had changed in 1992 because of some other considerations, but this resolution would bring us up to date and in lieu of giving her report, our Human Resources Manager is here to answer any questions.

The Resolved reads:

“RESOLVED that the Ohio Turnpike Commission hereby approves the granting of a general wage or salary increase of **1.75%** effective **January 7, 2001** to those regular, full-time Commission employees, as determined by the executive director, who are not members of a collective bargaining unit.”

Attached to the resolution is the memo from the Human Resources Manager to me regarding the Consumer Price Index adjustment and some background information from General Counsel regarding the history of the wage increase. I would recommend that the Commission move to adopt this resolution.

Greenwood: I move for adoption, Mr. Chairman.

Strnisha: Second.

Williams: Call the roll, please.

Roll: Mr. Strnisha-yes, Mr. Blair-yes, Mr. Greenwood-yes and Mr. Williams-yes. The resolution approving and Adopting a General 2001 Wage Increase for Certain Commission employees is adopted.

Zomparelli: The next draft resolution you'll find in your packet is captioned, "Resolution Authorizing Ohio Turnpike Commission Employees to Purchase Additional PERS Service Credit Tax-Deferred by Payroll Deduction"

The Internal Revenue Code Section 414(h)(2) permits employer pick-up of employee contributions to a retirement plan resulting in tax deferral of such contributions.

Resolved paragraph of the resolution reads:

"RESOLVED, that effective **December 18, 2000**, employees of the Ohio Turnpike Commission ("Commission") may purchase additional PERS service credit, tax deferred, and the Commission shall withhold the required service credit deduction from the gross pay of each person who elects to do so and shall pick-up (withhold and remit) such deduction to PERS; and

FURTHER RESOLVED, that Commission employees electing this pick-up deduction shall not have the option of choosing to receive the payroll deduction directly instead of having this deduction picked up by the Commission; and

FURTHER RESOLVED, that Commission employees electing this pick-up deduction may not increase, decrease, or terminate the amount of the pick-up deduction; and

FURTHER RESOLVED, that the Executive Director and CFO/Comptroller are hereby authorized to implement the provisions of this Resolution."

A copy of the notice from PERS which is the Public Employees' Retirement System of Ohio is attached to the draft resolution. Our CFO/Comptroller is here to answer any questions you may have regarding this resolution. It is a housekeeping thing that would be required by the Commission to allow the pick-up and it will not cost the Commission any additional money or any additional funds.

I would recommend that the Commission adopt this resolution.

Williams: Is this open to all employees regardless of their status?

Zomparelli: Yes, all employees that would have eligible service time to be purchased.

Blair: So moved.

Strnisha: Second.

Zomparelli: Mr. Steiner, would you like to comment briefly what employees would be eligible for this.

Steiner: Mr. Chairman, Commission Members, for many years our employees have been eligible to purchase additional service credit through payroll deduction on an after-tax basis. This is typically for example, military time, or prior employment that was eligible for PERS contributions for which the employee did not elect coverage. For example, there was a time when part-time employees could elect to participate in the retirement system or not. Now, it is mandatory. Employees during that period, who previously elected to waive that coverage, may now want to go back and purchase that credit, and this allows them to do it through payroll deductions. A few years ago with new rules that PERS adopted, our employees are eligible to purchase their past service credit through payroll deductions on a tax-deferred basis if the Commission would adopt this resolution. Again, there is no cost to the Commission. The employee has to pay the employee's share, the employer's share and any interest.

Williams: Thank you, Mr. Steiner. Please call the roll.

Roll: Mr. Blair-yes; Mr. Strnisha-yes; Mr. Greenwood-yes; Mr. Williams.

The resolution authorizing OTC employees to purchase additional PERS service credit tax-deferred by payroll deduction is adopted.

Zomparelli: The next draft resolution the Members will find in their packet is a "Resolution Accepting the Proposals and Authorizing the Executive Director to Take Further Action Concerning the Award of Contract TR-8C."

This resolution was drafted in connection with the service plazas located at Portage and Brady's Leap in Portage County, OH at Milepost 197. As the Commission Members are aware, we have been

negotiating with the three bidders that submitted proposals for operation of food concessions and/or retail operations at Portage and Brady's Leap. Those three bidders were: Advanced Restaurant Concepts, Inc. (ARCI); HMS Host and McDonalds Corporation.

We are currently under negotiations with ARCI for providing a Denny's concept at both the Portage and Brady's Leap in Unit #4. We are not in a position to offer a final contract because negotiations are ongoing. We received a reply to our last counter on Friday, December 15<sup>th</sup> after 5:00 p.m. and that letter is also included in your packet. It's the letter from Advanced Restaurant Concepts dated December 6, 2000. Some of the items that we had offered to encourage ARCI's Denny's at Unit #4 was allowing them to have a 10% higher than street pricing if the unit was operated for 24-hours every day. They have agreed to that, but they have also countered with in the event that it turns out that there isn't sufficient business for 24-hour period, they would like to reduce their hours of operations to 6:00 a.m. to 10:00 p.m. and at the same time maintain the 10% higher than street pricing.

Right now our approach on the sit-down if you are open 24 hours was to allow 5% higher in prices because your concept is being compared to other franchises or other food stores that are not open 24 hours so obviously your operating expenses are higher. I don't think the 10% is out of line, it's probably not unfair for Denny's proposal. They have additionally requested some other things that I need to work out, but I would like to ask the Commission authority to expedite this process and not delay it any further by authorizing the Executive Director to enter into a contract with any one of the three that submitted proposals – not any new companies – just the three that submitted proposals and negotiate on behalf of the best interests of our patrons at the same time allow the concepts to proceed expeditiously.

The other factor that our staff and I have to say - Dan Castrigano, Asst. Deputy Executive Director and Bob Arlow, Deputy Executive Director, Tom Amato, General Counsel, Jim Steiner, CFO, Dick Lash, Director of Safety Services, Fred McFall, Patron Services Mgr. – we have all been involved in these negotiations and discussions. Additionally, before that the proposals have been reviewed by Acting Chairman, Mr. Williams and Mr. Strnisha as Commission representatives when we first were evaluating possible layouts and

proposal combinations for food concessions and retail. The hopes that we could reach an agreement with the Denny's concept with ARCI and then move from that point as the anchor tenant if you will for the location.

The resolution provides a lot of background information, and I'll read the Resolved:

“RESOLVED that the authority hereby granted to the executive director and general counsel shall include authority, if deemed appropriate, to award the subject contract(s) to any of the above-mentioned companies; and

FURTHER RESOLVED that the executive director may take such action aforesaid, provided that the general counsel issues an opinion that said bidder(s) comply with all statutory requirements of the State of Ohio and complies with the policies of the Commission; and

FURTHER RESOLVED that the executive director of the Ohio Turnpike Commission is hereby authorized to take any action necessary concerning award and execution of Contract TR 8-C for the operation of the food concessions and retail/gift shops at its **Portage and Brady's Leap** Service Plazas at Milepost 197.0, located in Portage County, Ohio; prior to the next meeting of the Commission, including the award of contract for such invitation and is further directed to notify the bidders in writing of said action; and

FURTHER RESOLVED that the executive director and general counsel hereby are authorized to execute Contract TR-8C (Units 1, 2, 3, 4 and 5) (Portage & Brady's Leap) Service Centers, with said successful bidder(s) which provide for the terms(s) and provisions the executive director determines to be in the best interests of the Commission, including but not limited to, monetary participation up to \$250,000 and up to 10% pricing adjustment in Unit 4, and to take any and all action necessary or proper to carry out the terms of said bid and said contract; and generally in accordance with the terms and conditions of the Commission's Request for Proposals dated October 2, 2000.

I am hi-lighting that monetary participation up to \$250,000 and I have asked Mr. Steiner without giving up the percentage proposed by ARCI, Inc. for the Denny's concepts in the event that we don't work

out an agreement, we don't want the other providers to know what the other one is bidding what percentage increase in their bid amount would allow us to participate up to \$250,000 per location for reimbursement of equipment costs. At the end of the expiration of the contract that the Ohio Turnpike will be owner of the equipment and during that term, ARCI would be required to maintain that equipment in working order.

We want to make the sit-down concept attractive recognizing that there is a short term in the proposal. The initial term is only 10 years. Part of the problem that all the bidders are facing that amortizing the cost of the build-out including furniture, fixtures, restaurant equipment, it is hard to amortize over a shorter period. If they knew they had a contract for twenty years, it would be a lot easier to amortize those concepts over a 20-year period as opposed to a 10-year period. We recognize this and we decided – I asked Mr. Steiner if the Commission were to pay up to \$250,000 only in the sit-down area. (These are not for the fast-food or retail units, only for Unit #4,) and we agreed to pay per location up to \$250,000, what additional percentage increase would we need in gross sales. Our percentage of gross sales receipts that the Commission would receive. He has given me that number and again I don't want to give up that number because we are in negotiations with all the bidders and that was what we countered with asking them for a higher percentage. That puts us even. I think the whole review group seems to believe that trying to make a Denny's concept work is a good idea and we should proceed along those lines. If we are not able to reach an agreement, then we can eliminate and move on with the rest of the bidders.

I will follow-up with a report to the Commission as soon as agreements are worked out. I would recommend that the Commission move to adopt this resolution.

Greenwood: I move to adopt the resolution.

Strnisha: Second.

Williams: Questions?

Zomparelli: I know I provided a lot of information, I didn't think it would sale through.



Strnisha: Gino, you talked about a lot of the negotiations focusing on Denny's. Can you say anything about the other concepts? You have reserved the right to negotiate with the others as well, on the other parts of the plaza? Because this would enable you to negotiate all the units.

Zomparelli: Mr. Chairman, Commission Member Strnisha, thank you for the question. If we were able to reach an agreement with Denny's, then we would be looking at a fast-food concept for Unit #3. The three fast-food concepts that we received were: McDonalds, Burger King and Wendy's to compliment the Denny's.

In the lobby area or retail shop, we would go with the retail. We haven't gotten that far with negotiating the other concepts, but we're thinking retail and going back to the food court in Unit #1, we would go back with a coffee concept. We have two to work with – Starbucks (submitted by HMS Host) and Time Express Café (submitted by McDonalds Corp.). The review group decided we would not want to put in another food concept. We would collectively go for a retail concept – The Travel Mart Convenient Store, as an example, in the remaining space in the food court area.

In the food court, the things we worked out are: a coffee shop, Denny's in the sit-down area, a fast-food concept, convenient store and go back to the lobby area for the retail proposal (a convenient store Travel Mart or a Fossil/Bijoux concept that HMS Host had submitted.) If we weren't going to work out a deal with Denny's we still may go with the rest in the layout and come back and re-bid for the sit-down.

Strnisha: I read the information they responded to on the Denny's, they also proposed a fast food for the other unit, but in one of their responses it seemed they left the door open that they didn't require necessarily going with their other concept on fast food. Am I reading that correctly?

Zomparelli: Mr. Chairman, Commission Member Strnisha that's correct. In the negotiations with them, that was one of the things I put on the table with ARCI, would they have any objection to another fast-food concept? In other words, would they hold up the Denny's?

Strnisha: In other words, they have left the door open for another concept to come in. The question is whether someone else could come in with

the Denny's. And your negotiations are focused on them so far so you don't know the answer to that question yet?

Zomparelli: That's correct. Once we know what happens with Denny's, we can move onto the second step. If not, then we'll go with HMS Host to discuss Unit #4 and their layout proposals.

Strnisha: I seconded the resolution so you could move forward as I understand we have a time-frame. And I know, Mr. Williams, feels the same way. You have done a good job of keeping us informed throughout and request that you continue to do that as you get closer to that point. I don't think there is any need to change the resolution, but just continue to do what you are doing and as you get close to a deal, let us know.

Zomparelli: Mr. Chairman, Commission Member Strnisha – thank you, we'll do that.

Buehrer: Is the above market pricing something that's already taking place at the plazas?

Zomparelli: Representative Buehrer, we do currently allow 5% pricing adjustment now because if you are open 24 hours and we go into the competitive pricing, we are comparing ABC fast foods with all the other ABC fast foods and the other fast foods in the area. When we look at their pricing, they are not necessarily open 24 hours. Because our facility would be open for 24 hours, there is the increased cost of utilities and increased costs paid to employees and obviously to the product. We feel that 5% is probably low for the Denny's concept, but currently for the fast-food concepts we don't see a need to change that right now.

Buehrer: Mr. Chairman and Gino, so this would be the first time the Commission is blessing the 10% over market idea as a term of the contract?

Zomparelli: Mr. Chairman and Representative Buehrer, as far as I am aware, yes, that would be the first time.

Buehrer: One more question, does that then – have we thought through the possibility that these higher prices ultimately start forcing regular users of the Turnpike in the plazas off the road and thereby hurt

ourselves while we were trying to help ourselves to negotiate these contracts?

Zomparelli: Mr. Chairman, Representative Buehrer, in my opinion, I don't think and I think our review group and our CFO agree that the 10% is a high enough change to drive traffic off the Turnpike. When talking to our operators, they have to pay their employees more money to work on the Turnpike because the employee draw is a lot more difficult and if we have a \$5 item or \$8 as your total ticket for your meal and increasing that 10% only brings it to \$8.80. I think if we allowed a 50% adjustment that would probably play but because of the attractiveness of the facility and all the positive feedback we have gotten, it is necessary and another point, when we compare these new buildings to the old buildings, the cost to operate the new buildings are a lot more because they are much larger and the 5% might have been enough to get away with years ago, but this may be something we need to look at in the future.

There's increased CAM charges related to these buildings. The Commission picks up more than half now, but it is more costly for these operators to operate in these new facilities compared to the old buildings and the employee pull is a factor. They need more money to attract employees – even here in our Cuyahoga County location, they pay significantly more from I have been told than what they are paying in the other fast-food concepts in the area. The kids don't want to work – I guess. Nothing has changed. It's probably what they said 100 years ago, but that's part of the problem. They actually bus workers in. I think the 10% keeps us in line with balancing the needs of the Operator as well as making sure the customer is not being overcharged.

Strnisha: Mr. Chairman, Gino, just to confirm, the allowance for the 10% is only on the Denny's concept? We agree with the rationale of not changing the other concepts, and I also agree with the rationale that maybe the sit-down concept justifies giving them that – probably middle most inconsequential it may be.

Zomparelli: Correct. The Denny's concept is moderate pricing. It's not a Morton Steak House.

Roll: Mr. Blair-yes, Mr. Strnisha-yes; Mr. Greenwood-yes; Mr. Williams-yes. The resolution is adopted regarding Contract TR-8C accepting

proposals and authorizing the Executive Director to take further action.

Zomparelli: That concludes the resolutions I have before the Commission for their review. Before I conclude my report I would also sidestep into the operation of the service plazas and the improvement that the customers have noticed – our patrons as well as our staff have noticed at the new service plazas particularly Erie Islands/Commodore Perry and Great Lakes/Towpath. I'd like to ask Mr. Fred McFall, our Patron Services Manager to come up to the podium and give the proper people recognition that they deserve.

McFall: Thank you Mr. Chairman and our Executive Director, the Ohio Turnpike is very proud of the (4) new service plazas and in those plazas we have Plaza Managers. We are really happy today to bring them in and recognize them for the job they do out there. Their primary responsibility is the total operation of the plaza which includes restrooms, lobby area, outside area. We are really happy to have Tony DiBacco (Great Lakes/Towpath SP) and Susan Dirlam (Erie Islands/Com. Perry) Come up, please.

We also have coverage in the cleaning area 24 hours per day, 7 days per week. The emphasis is on restrooms and making sure they are up to par 24 hours a day. They are very much involved in working with the customers giving them information as they travel and also working with the Operators to make sure the food concessions are run in a proper manner. We are really happy to have you here today and recognize you as doing a great job and we really appreciate all the things you are doing out there. (Applause.)

Williams: We are always proud of all our employees. All our employees are excellent, very professional in carrying out their job responsibilities, and it's good to see from time to time those employees being given the proper recognition. Congratulations and thank you.

Zomparelli: Mr. Chairman, Commission Members, these are new employees and this was a new category we created when we opened the new service plazas. To talk about that "presence" we need to give the patrons. That was sorely missed at the old facilities. The Turnpike really didn't have an employee presence at all our service plazas and you saw the video with the toll collection process. The toll collection is going into the electronic era in the future and a lot of that has occurred

today with just the automatic ticket issuing machines that we have at our interchanges and as the old interchanges become reconstructed, we are going to insert the dual-height ticket issuing machines at those locations and we are going to miss the customer-patron connection we used to have at that point. Just saying, Good Morning and now at our plazas we recognize that that's becoming an important area where we can interact with our patrons, ask them questions, make sure the facilities are clean at all times and safe and keep an eye on the food concessions. It was a pilot program we had started about a year or two ago so these are new employees and a new part of our staff and I personally want to thank them for the hard work that they have done and Mr. McFall because this was an area we didn't have any experience in dealing with either. We didn't know if it would work out or end up being an extra strain, but it's turned out to be the right decision. We hope to continue the same trend on the new service plazas as we build those.

And Mr. McFall has another recognition for him to present.

McFall: In the new service plazas we have a contract with an operator to keep the plaza clean – a janitorial service. We really proud of the job that the janitorial service are doing at our Great Lakes/Towpath plazas. The Ohio Turnpike wants to recognize those operators this morning. So if we could have ADW representatives come up, please.

The Ohio Turnpike would like to present this certificate of recognition to ADW Janitorial service for the great job they are doing at Great Lakes/Towpath. This certificate is presented for outstanding job of cleaning service provided to Great Lakes/Towpath Service Plaza along the Ohio Turnpike. The Ohio Turnpike Commission has not received one bad complaint by e-mail, telephone, U.S. mail since they have taken over operating these units and that has been since November 12<sup>th</sup>, 1999. They have done an outstanding job. (Applause).

From ADW we have the President of the company, Joseph Sokolowski, his son, David – following in his footsteps, and Ziggy, the General Manager who serves in a supervisory position. So on behalf of the Ohio Turnpike, we'd like to present this certificate to you which is signed by Ruth Ann Leever, Chairman and our Executive Director, Gino Zomparelli.

Williams: It always makes us feel good when we know that we have entered into a contract agreement with outside agents who are doing a good job and hope you will continue your excellent work in the future.

McFall: I think David has something he would like to say.

Sokolowski: First of all, we'd like to thank the Ohio Turnpike Commission for giving us such a wonderful staff of employees to work with. Everybody has been more than helpful. I'm also very proud to accept this award for Mr. Sokolowski. He put this whole thing together for us. We are very grateful to have been given the opportunity to provide our service to the Ohio Turnpike. Most of all we'd like to thank Ziggy, our area supervisor, and all our employees for their hard work and determination and dedication, and Mr. Richard Lash and Mr. Fred McFall for their help and also Mr. Dan Miller for his extra motivation and support provided to our staff over the past year. It's been a great pleasure working with the Ohio Turnpike Commission, and we hope to provide you with the same great service in the years to come. Thank you.

Zomparelli: Mr. Chairman and Commission Members, I don't think the public realizes how difficult a job it is to keep those facilities clean especially when you have bus loads of people who pull in at any time, any hour of the day and most of the time without notice. You could have cleaned the facilities five minutes ago and all of a sudden here comes two or three buses with 50-60 people each and they could turn good work into a mess in no time at all. We wanted to give them public recognition and Mr. McFall how many years have you been in business related to the service plazas on the Turnpike – although you're our employee now?

McFall: Do I have to say – forty years.

Zomparelli: How many times do you remember going a whole year without a complaint for cleanliness?

McFall: I don't remember one.

Zomparelli: That's a record you should be proud of and we really appreciate that. When I heard that news, that's definitely recognition they have to receive. Again, it turned out that the Commission and the staff made a good choice in going with this separate contract for janitorial

services at the service plazas. It goes back to the question, is that 10% more in price worth it? I think it will be.

That concludes my report.

Williams: Thank you, our Executive Director.

Williams: Our financial advisor, Mr. Eric Erickson, do we have a report?

Erickson: Mr. Chairman, members of the Commission, in light of the fact that next year there will be a potential financing and in light of the fact in the past we pretty much stayed with one mode of financing – one strategy – what we'd like to do is just introduce a couple of alternatives to you. Again, this is just for information purposes only at this point. I'd like to spend a few minutes talking about each of these particular strategies and go over the benefits, costs, current interest rates and a little discussion about current market.

While waiting for the machine to warm up, I just want to bring you up to speed on where we are with Moody's Investors Services. As you are aware, we made a presentation back in September. We were expecting to have a rating change sometime in November. The Executive Director and myself both spoke with Moody's last week and they indicated they wouldn't have anything for us until January. Hopefully, the timing will prove fruitful for us.

The first slide I have in front of you is potentially an interest rate index graph. The two indexes that we have graphed there (the red and blue line) are both the fixed rate and the variable rate. The variable rate index is the blue line down below. It's pretty difficult to read that on the slide, but you have booklets in your folders, it reflects the BMA (Bond Market Association) index of variable rates. The current rate is 421 as of December 14, 2000. The Bond Buyer index is the actual index for the bond market for the fixed rate, the 20-year general obligation index. It would be closely aligned to the interest rate you would expect to receive on your issues if you sold them at this particular time. The current rate for that is at 5.25 and I have the actual other commercial taxable rates as well as tax-exempt on the next slide. As you can see the Bond Buyer is at 5.25. The current rate for fed funds is 6.5.

As you probably are aware, we are entering a time period where actually interest rates, particularly fixed interest rates, are beginning to drop. But I still think it makes sense to talk about a couple different strategies for this next financing.

First of all the financing will perhaps be a little smaller than what you have done in the past. It may well be the last financing. We have about \$¾ billion in fixed rate bonds currently so it doesn't hurt to review some other alternatives.

To begin with, most of you are familiar with fixed rate financing. Current rates on fixed rates as I just indicated of about somewhere between 5.20 – 5.35% and we expect to be lower earlier next year. Most of your financings are in the 25-30 year amortization range, and I think the important component to the fixed rate financing is there is certainty as to re-payments over that time period. You know for a fact exactly what the payments will be 15 and 20 years from now.

But, when you examine the components of risk on a fixed rate financing, there are essentially two components: credit risk (which everybody is somewhat familiar with – that is to say the risk that you are going to re-pay this loan. We recognize that this is a pretty fair bet with the Ohio Turnpike, but you have another component of risk – that's the interest rate risk. On fixed-rate financing you really transfer that risk to the investor. The interest rate risk is nothing more than if the investor buys this bond at 5%, two years later interest rates are 10%, that bond is worth something less than when he bought it. However, that's not your risk, that's their risk. You are effectively transferring that risk on a fixed rate. However, with the variable rate financing you're going to have that risk.

Let's talk about the cost of fixed rate financing and some of the other components. First of all, the on-going administrative work on the fixed rate financing is somewhat minimal. You have an annual continuing disclosure statement which effectively is your Annual Report which you do anyhow. As far as the cost, the initial underwriting cost is somewhere in the \$4-\$6 per \$1,000 range as well as other issuance costs at \$2 to \$3 per \$1,000. The ongoing costs are minimal – essentially the trustee's fees and the continuing disclosure statement. Now in terms of your actual market disclosure, it would require a full disclosure – Official Statement. Essentially what you are used to in the past. It's a document not unlike a full Prospectus



that lays out fully and completely all the financial activity of the Ohio Turnpike.

In terms of a variable rate – the variable rate is nothing more than a long-term bond – 20-25 year bond – with an option attached. That option gives the right of the investor to put that bond back to a remarketing agent - in today's market every 7 days – but it can be 30 days, 6 months or even 1 day. It's generally every 7 days. So that transfers the interest rate on a long-term bond to actually a short-term 7-day interest rate. Again, currently the BMA index is at 421. If you recall back in the earlier slide of the interest rate chart, you can see that over time that has averaged lower than the fixed rate. It's difficult to read it and you can see if from the front, the average rate over the 10-year period from 1991-2000 is a 3.37. So over time the average rate on the variable rate has been very attractive.

Now there are spikes in there and the spikes occur usually at year-end and around April 15<sup>th</sup>. These type instruments are generally purchased by money market funds. Liquid money market funds which you probably see in the Wall Street Journal (Vanguard, Fidelity). There is a lot of drain at year-end and at tax time. Again, the characteristics of it are: it's re-set every week and the rate is basically fixed upon a 7-day yield.

A couple of other components – there's generally a letter of credit. The letter of credits two functions. It serves to provide liquidity for the re-marketing agent in the event that he has to re-market the “puts” that are put back to that re-marketing agent. Further, it may serve and in the case of the Ohio Turnpike it may not be necessary it may serve as credit support. That is to show the market that in the event that the Turnpike for whatever reason could not pay, the letter of credit stands behind it. But as you recognize your rating is higher than most of the banks in the country. So it may not be necessary for you to acquire a letter of credit for credit support – only for liquidity.

The re-marketing agent is generally the initial underwriter. They would re-market all the bonds that would be put back to the Turnpike. They would provide this on-going liquidity for the VRDBs or VRDO's. What are the risks involved? Clearly, there's obviously the credit risk which is minimal as we discussed. But there is that interest rate risk. That interest rate risk that you had shifted to the investor under the fixed rate, you now have. So over time, interest rates could

move up or obviously down. As we have seen over the past ten years, they have been fairly attractive and in fact, the folks that have used variable rates have been “winners” in that interest rate.

There is also a letter of credit risk. The letter of credit is generally only obtained for a 3-5 year period. So that every 3-5 years you’d have to re-negotiate that and the cost could increase. It’s difficult to lock in a cost on a letter of credit for more than a 3-5 year period.

The initial underwriting costs a little less - \$2.50 - \$4.50 per \$1,000 worth of bonds. The other issuance costs are slight less. There is a little bit higher ongoing annual fees. You have the re-marketing agent fees – somewhere around 8-10 basis points as well as trustee fees which again will be minimal.

Disclosure Statement can be a little less than the fixed rate or could be as complete depending upon which credit is being used. In your case, more than likely with your credit you’d have a full disclosure not unlike the fixed rate.

One other type of variable rate which we want you to look at and understand is commercial paper. It’s very similar to the variable rate. The primary difference is that the commercial paper not all the issue is done at the same time. For the variable rate, if it’s a \$100-M, you issue \$100-M on day one. For the commercial paper, if you have a \$100-M authority, you may only issue only \$25-M. That’s done primarily to help meet spend-down tests. Remember, the goal to avoid rebate is to try and spend over a period of time the construction fund in a 24-month period based on certain percentages.

Now, with the Commission, one of the things that’s done is to use its own funds to pay for the reconstruction and get reimbursed. So the commercial paper isn't quite as attractive. The rate on a commercial paper can be one day, 7 days, 30 days – generally it’s 7 days, so it’s very similar to the variable rate. In fact, once all of the commercial paper is issued you can convert the instrument to either the variable rate or to a fixed rate. The costs are essentially the same and the features are essentially the same as a variable rate. You have a letter of credit which provides liquidity and/or credit support. There is a re-marketing agent that does exactly the same thing as done with the variable rate and the risks are essentially the same. You have the credit risk, the interest rate risk and the letter of credit rate risk. The

cost may be slightly less \$1.60 to \$2.30 per \$1,000 and the annual ongoing costs are essentially the same.

This is a nut-shell are three components of the type of instruments that will probably be considered next year when you get ready to do your financing. I want to turn it over to the Executive Director to ask for perhaps a committee to be set up.

Zomparelli: Thank you Mr. Erickson. Mr. Chairman, Mr. Steiner, would you tell the Commission when we would expect the next borrowing according to your projections and Mr. Everhart's cash flow forecasts. (Mr. Everhart also was unable to attend today's meeting.)

Steiner: Mr. Chairman, Mr. Executive Director, we are at this point still projecting one more financing somewhere between \$50-M and \$100-M either late next spring or early summer. It could be the May, June, July timeframe the way things are looking right now.

Zomparelli: Thank you, Mr. Steiner. In regards to the need to start work on our next financing, I had talked to the Chairman about setting up a Review Group and actually going out to bid to prospective investment bankers on the approach of our next financing in which ones would be selected.

We would like to have two Commission Members participate in that process – Mr. Greenwood as Secretary-Treasurer and Mr. Strnisha with his financial background if you think that's good idea, Mr. Chairman.

Williams: I think it's an excellent idea.

Zomparelli: Along with that we'll have an internal review group set-up with the General Counsel, CFO, Deputy Executive Director and myself. We will start working with Mr. Erickson, putting out the invitation to bid for accepting proposals. Once we have a bid document prepared we'll issue it and await for replies and we will work together with the Review Group to review the proposals from the prospective bidders. Are there any further questions?

Williams: Thank you very much for the report. Very well done. Mr. Lamb, any report from Huntington Bank?

Lamb: No report, Mr. Chairman.

Williams: Lt. Derr, Ohio State Highway Patrol?

Derr: Thank you sir, I have just a couple reports. On November 19, 2000 at 5:20 a.m. one of our officers stopped to help a disabled vehicle at MP 177 directly over the Cuyahoga River Bridge. At that time the driver of the car had the spare tire out and was attempting to change it. However, there was a wing nut on the jack that he was unable to get off. The officer went and got a pair of pliers to assist him and when he came back up to the car that gentleman had disappeared and vanished from the area.

When he got to check around the vehicle he could not locate the man and shortly later they discovered the body was below the Cuyahoga River Bridge on the road path below. That gentleman was Paul Olander from Hudson, OH age 39. They have worked extensively with the Summit County Coroner and our investigators have worked with him and discussed this matter numerous occasions and he has determined that as an “undetermined” cause of death at this time.

The second incident I have is on December 5 at 2:00 p.m. officers working the west end of the Ohio Turnpike stopped a 1994 Ford pick-up truck for following too close. There were several indications of criminal activity in the vehicle – not only were the driver and passenger nervous, they gave unbelievable stories as to their destination and the purpose of their trip. The drug detection K-9 was called in and alerted to that particular vehicle. When they completed the probable cause search they found that there were fresh scratches around the auxiliary gas tank on the vehicle and also that there were several screws missing from the bedliner. They took that vehicle and checked it with a fiber-optic scope looking into the auxiliary gas tank area at which time they found 17 bundles of U. S. currency inside that false compartment. They also checked through it and found it operated with hydraulics. Once that compartment was opened the amount of money discovered was \$571,650.00, and part of that money was also counterfeit. At that time the K-9 alerted to that money indicating that it was used in drug activity. The Drug Enforcement Agency out of Toledo, OH assisted in that particular case. Is there any questions on either of those instances?

OK, I have one final report. Often times the State troopers were put in a position of being in danger. They were called upon to arrest escapees, dangerous people and that type of thing. Friday afternoon (December 15<sup>th</sup>) at about 4:30 p.m. again we were called up to apprehend an escapee.

This was a little bit different. This particular escapee had four legs and weighed about 15 pounds and fell off the back of a livestock truck. The escapees – they always cause havoc no matter where they end up at. This particular escapee was destined for a dinner table somewhere, fell out on the Turnpike. Then decided he would get on the road and stop traffic. I didn't know if he was trying to get a ride or what. Anyway, we sent two of our bravest state troopers to apprehend this 4-legged escapee. Well not being familiar with how to handle this type of situation – especially when we have an escapee with four legs who could probably out-run both of them, they decided they'd get a blanket out of their trunk. So they got the blanket around the 15-pound hog and captured him. Traffic got moving again. Not only were we happy, but the motoring public were happy. Well, when you go to arrest somebody like this, they resist. Well, once they got him subdued, we don't always put our two-legged people in the truck but this escapee was transferred to the trunk of our cruiser. It was later taken to MB-6 and incarcerated by a local farmer until we find the owner.

So I don't always report bad new -- thanks.

Williams: Thank you Lt. Derr. Mike Schipper, general consultant – any report?

Schipper: Mr. Chairman, since the last Commission Meeting you received our Annual Report. We completed all our pick-ups of inspections on the third-lane work.

Williams: OK, thank you. I'd like to recognize the presence of a previous Executive Director, Mr. Allan Johnson, it's always good to see you. Glad to have you with us this time of year.

I'd like to congratulate Representative Buehrer on being re-elected to the Ohio House of Representatives and in a leadership position. We are pleased you are back with us again. You want to tell us what that is.

Buehrer: My colleagues elected me Asst. Majority Leader and will be looking forward to going together into the brave new world of term limits in the Ohio House of Representatives – with 45 new members starting in January.

Williams: Congratulations -- Mr. Arlow, I understand you have an announcement.

Arlow: Well, I have two reports to give today, Mr. Chairman. First is on our construction projects. We had 27 construction projects in the year 2000, 22 of which were to be completed in November and they were all completed, on-time and on-budget. We have 5 remaining projects: two third-lane projects, two toll plaza rehabilitation projects and one major bridge project – the Cuyahoga that will continue. Four will be completed next year and the Cuyahoga River Bridge in 2002.

My last report Mr. Chairman is that this will be my last Commission Meeting. I'm retiring January 31<sup>st</sup> and I'd like to thank the Commission for all their help and support during my tenure here and especially the last five years during the massive construction program we had with the 160 miles of third lane of which today 70% is completed. You only have 30% left to go and I know that the projects will be completed on time and on budget in the future. I do wish the Commission good luck in the future and I would hope that after the remaining 30% of the third lane is completed that you will consider finishing the remaining 80 miles and making it all third-lane. I think that would be advantageous to the Turnpike. Thank you very much for all your help. End of report.

Williams: Your years of service have been of tremendous value to the Ohio Turnpike. As we past the mileposts out on the Turnpike, we will always think about you and your involvement from milepost to milepost. We look forward to the earliest completion of the work there, and your involvement has been second to none. We appreciate your dedicated service to the Ohio Turnpike Commission.

Arlow: Thank you, Mr. Chairman.

Williams: Any other comments?

Greenwood: Mr. Chairman, I'd just like to comment that I have only been on the Commission a little over a year and Bob it has been a pleasure for me

to work with you. The fact that you took the time to educate me on any questions I had. I also want to make a personal comment that this will probably increase my financial status significantly because now I will not have to pay as many golfing bets to Bob as I have in the past. But now that you are retired, perhaps I won't have to give you as many strokes.

Arlow: I'll need the money.

Greenwood: Thanks Bob.

Zomparelli: Good luck in your retirement. (Applause.)

Williams: And now a report from our General Counsel, Mr. Amato?

Amato: Thank you Mr. Chairman, Commission Members. In mid-year we passed out proposed amendments to the Administrative Rules that we follow on the Turnpike. I am happy to report on December 11<sup>th</sup> we went to Columbus in front of the Council for Rules Revision and all rules were approved as submitted. We will formally adopt them at the next Commission Meeting – probably in February.

At this time, I would request a motion to adjourn to executive session to review pending legal matters and also to discuss collective bargaining preparations.

Greenwood: Mr. Chairman, I move that we adjourn the meeting and hold an executive session to discuss and review pending litigation as well as the preparations for the collective bargaining negotiations. At the end of those discussions, we will re-convene.

Strnisha; Second.

Roll: Mr. Strnisha-yes; Mr. Greenwood-yes; Mr. Blair-yes, Mr. Williams-yes. (Time: 11:45 a.m.)

Members returned at 12:05 p.m. and officially adjourned the meeting until the next meeting on February 12, 2001.

Roll: Mr. Greenwood-yes; Mr. Strnisha-yes; Mr. Blair-yes and Mr. Williams-yes.

/dsp