

**MINUTES OF THE 476th MEETING OF
THE OHIO TURNPIKE COMMISSION**

April 15, 2002

Pursuant to the bylaws, the Ohio Turnpike Commission met for a meeting at the Commission's Administration Building at 10:04 a.m. on April 15, 2002, with members of the staff: Gino Zomparelli, Executive Director and Assistant-Secretary Treasurer, Thomas Amato, General Counsel; James Steiner, CFO/Comptroller; David Miller, Chief Auditor; Tim Ujvari, Maintenance Engineer; Kathy Dolbin, Manager, Human Relations; Sharon Isaac, Director of Toll Operations, Rob Fleischman, Asst. Chief Engineer, William Keaton, Telecommunications Manager, Dick Morgan, Manager, Information Systems; Kerry Ferrier, Safety Engineer; Lauren Dehrman, Manager, Public Affairs, Lisa Reid, Associate Counsel, Heidi Jedel, Tracy Cowley and Diane Pring.

The Chairman then called the meeting to order and requested the Asst. Secretary-Treasurer to call the roll

Zomparelli: Mr. Chairman, my secretary gave me something that probably would be a good way to start off the meeting with the roll. (Fanfare sound. -- laughs.)

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

Ayes: Mr. Greenwood (I'm not sure if I'm here or in the twilight zone);

(Zomparelli: Today is tax day and I thought this would be a good start since everyone is relieved -- April 15th)

Mr. Strnisha, Mr. Wilkins, Senator Armbruster, Mo Darwish (for Gordon Proctor); Mr. Dixon (*arrived at 10:06 a.m.*)

Absent: Representative Buehrer

Greenwood: I saw Representative Buehrer last week and he said he was not going to be able to attend the meeting as he was going to be out of state on some legislative business. Mr. Darwish is here with us today representing the Ohio Department of Transportation Director, Gordon Proctor, and is authorized to vote for him.

We have a number of guests today, would you please introduce yourselves.

John Peca, Alan Hirth, Climaco, Lefkowitz; Capt. Bob Ferguson, OSHP; Eric Erickson, Fifth Third Securities; Mike Burgess, URS; Frank Lamb, Huntington Bank; Richard Exner, The (Cleveland) Plain Dealer; Matt Lawler, HNTB; Howard O'Malley, B & T Express, Inc.; Gil Brindley, Dick Corp., Mark J. Cleland, Sr. (OTC Maint. Dept. employee) Mark Miller; Tom Travis, HMS Host; John Petty, Nat City Investments; Stefan Holmes, First Merit Bank; Vernon Lastic, Mark Miller, Apex Pryor Securities; Steve Delong, Premo Pawzaluo, I.U.O.E., Local #18; Kevin Redden, Gladieux Corp.

This is the 476th 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. *(Mr. Dixon arrived at 10:06 a.m.)*

The minutes of the last Commission meeting of March 18, 2002 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 Mr. Strnisha and seconded by Mr. Dixon. 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. Dixon, Mr. Wilkins, Mr. Darwish-yes; Mr. Greenwood-yes.

Nays : None.

The minutes of the March 18, 2002 meeting are adopted.

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

If there are no questions, let's proceed with the report of the report of the Secretary-Treasurer, Mr. Strnisha?

Strnisha: Thank you, Mr. Chairman

The following items have been sent to the members since the last regularly scheduled meeting of the Commission on March 18, 2002:

1. Draft of Commission Meeting Minutes of March 18, 2002
2. Traffic Accident Summary Report, March, 2002
3. Traffic and Revenue Report, March, 2002 *
4. Total Revenue by Month & Year, March, 2002 *
5. Investment Report, March, 2002 *
6. OTC Comprehensive Annual Financial Report
for the year ended December 31, 2001
7. OTC Construction Projects Booklet - 2002
7. Various News Releases

* in the Members' folders

Greenwood: Thank you, Mr. Strnisha. Mr. Steiner – report on financial and budgetary matters?

Steiner: Mr. Chairman, Commission Members - the passenger car traffic during the month of March, 2002 totaled 2,881,000 cars exceeding the previous record set in 2000 by 140,000 cars or 5.1% and exceeding the level reached last year by 172,000 cars or 6.4%.

Commercial traffic during March totaled 721,000 vehicles falling short of the level reached last year by 19,000 vehicles or 2.2% and total traffic during the month of March totaled 3,602,000 exceeding the level from last year by 153,000 vehicles or 4.4%.

Passenger car traffic during the first quarter of the year totaled 7,826,000 vehicles surpassing the prior record established in 2000 by 411,000 cars or 5.5% and exceeding the level set last year by 417,000 cars or 5.6%.

Commercial traffic during the first quarter of the year totaled 2,030,000 vehicles falling short of last year's volume by 40,000 vehicles or 2% and total traffic for the first quarter of the year totaled 9,856,000 vehicles exceeding the previous record set in 2000 by 224,000 vehicles or 2.3% and exceeding the level reached last year by 377,000 vehicles or 4%.

As a result of the increased passenger car traffic, our General Fund Revenues for the first quarter were \$900,000 more than the amount budgeted, however, total revenues for the first quarter was slightly lower than the revenues of the first quarter of last year. In fact, revenues during six out of the last seven quarters had been lower than the revenues from the corresponding quarter of the previous year.

As I reported previously, the economic slowdown continues to have an adverse impact on our commercial traffic and our commercial toll revenues. In addition, we have seen a significant decline in our investment revenues since the calendar year 2000. This is the result of the expenditures associated with our ongoing Capital Improvement Program which have reduced the amount of funds that we have to invest plus we have a dramatic decline in the interest rates that we are earning on our investments. Fortunately, the mild winter season has provided substantial savings related to snow and ice removal costs and consequently our total operating maintenance and administrative expenses for the quarter are approximately \$3-M less than the amount budgeted.

Mr. Chairman, that completes my report, and I'll be happy to respond to any questions.

Greenwood: Thank you, Mr. Steiner – any questions from the Commission Members?

I would now like to hold an election for the office of Vice-Chairman. As those of you who were on the Commission for some time, we have not had a Vice-Chairman – not because my shoes were irreplaceable, but just because the fact we had to wait for appointments and confirmations. This election will be conducted for nomination and voting and confirmed by resolution so that action will appear in the Commission's Journal. Is there a nomination to the office of Vice-Chairman?

Strnisha: Mr. Chairman, I would like to nominate William Wilkins for the position of Vice-Chairman.

Greenwood: Is there a second?

Darwish: I'll second.

Greenwood: Are there any other nominations? There being none, I declare the nominations closed. Mr. Zomparelli, would you call the roll, please on the question as Mr. Wilkins as Vice-Chairman of the Ohio Turnpike Commission.

Roll: Mr. Strnisha-yes; Mr. Darwish-yes; Mr. Dixon-yes; Mr. Wilkins-yes; Mr. Greenwood-yes.

Greenwood: Very good, Mr. Wilkins – your job – Vice-Chairman. Congratulations.

Zomparelli: There's a draft resolution confirming the election which I will attest to. It reads:

“RESOLVED that the election of **WILLIAM W. WILKINS**, as vice-chairperson of the Ohio Turnpike Commission pursuant to Ohio Revised Code Section 5537.02 (C) and Article I of the Commission's Code of Bylaws dated February 28, 1996, to serve until the next election which shall be held at the first meeting of the Commission held after the 30th day of June, 2003 or until their respective successors are elected and qualified, or

until such officers individually shall cease to be members of the Ohio Turnpike Commission, hereby is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

I just want to remind the Commission Members that the Commission holds elections for officers every four years. So the next time frame according to the Bylaws would be June 2003 for new officers.

Dixon: Mr. Chairman, since everyone has a title but me, I feel left out, can we create a title like Sergeant of Arms or something?

Greenwood: Sure.

So moved.

Dixon: Just kidding.

Greenwood: I'll consult with you, OK since two of us can talk without violating the Sunshine law. I'd be happy to talk to you on that.

The resolution will be so entered in the Journal. The next item on the Agenda is staff report from the Executive Director, Mr. Zomparelli.

Zomparelli: Thank you, Mr. Chairman. The first draft resolution is titled, "Resolution Awarding Contract No. 40-02-01, Contract No. 40-02-02 and Contract No. 40-02-03.

These are contracts for bridge repainting for the following bridges: St. Joseph's River, MP 11.3; Cummings Road Bridge, MP 11.6; Hessville Road Bridge at MP 84.4, Four File House Road at MP 88.1; Fangbonner Road Bridge at MP 91.1; Exit 91 ramp bridge over Ohio Turnpike at MP 91.6; Gifford Road Bridge at MP 135.4; South Amherst Road Bridge at MP 138.7; West Ridge Road Bridge at MP 142.6 and West River Road Bridge at MP 145.8.

These bridges have been divided into three separate contracts: Contract No. 40-02-01, 40-02-02 and 40-02-03.

The Commission received bids from three companies for the performance of said contracts. The bidders were given the option to submit a single bid for one contract or a combination bid for all three contracts. The bids have been reviewed and analyzed by the Commission's Deputy Executive Director-Chief Engineer.

Mr. Castrigano called in sick this morning, but our Assistant Chief Engineer, Rob Fleischman, is here to answer any questions you might have pertaining to these contracts. They also have been reviewed by General Counsel.

The Resolved of the resolution reads:

“RESOLVED that the combination bid of **All State Painting & Contracting Co., Inc.** of Brunswick, Ohio in the amount of **\$1,287,538.00** for the performance of Contract No. 40-02-01, Contract No. 40-02-02 and Contract No. 40-02-03 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. 40-02-01, Project No. 40-02-02 and Project No. 40-02-03 is designated a System Project under the Commission's 1994 Master Trust Agreement.”

The bid submitted by All State Painting & Contracting for all three contracts is below the engineer's estimate – significantly below their estimate. The bid tab is attached to your packet.

Mr. Castrigano and the engineering staff did review the matter and we recommend that the Commission move to adopt this resolution.

Greenwood: I'll accept a motion to award the contract and then discussion.

Strnisha: I'll move.

Wilkins: Second.

Greenwood: Discussion from the Commission Members -

Strnisha: Maybe the Executive Director could expand a little on the discussions with the contractor since it is significantly less than our estimate. They have done some work for us in the past. Do they appreciate that they can perform work at this scale?

Zomparelli: Mr. Chairman, Commission Member Strnisha, yes this contractor is capable and I'll let the Asst. Chief Engineer answer the question.

Fleischman: Mr. Strnisha, Commission Members, we contacted All State because they were significantly lower than the other two bidders. We also evaluated their work on several third lane painting jobs where they were sub-contractors to one of our prime contractors. The work has been satisfactory, it has been done within the schedules on those projects.

All State is very comfortable with the timeframe for this project and feels there is no problem. They explained the reason they were able to bid significantly lower is they plan on working extended hours – probably seven days a week on this project – to do them quickly.

Zomparelli: I just want to point out that All State Painting – these bridge contractors have to be certified and the staff engineer lists the certification.

Darwish: Basically, they are making their money by finishing this job ahead of time? Correct?

Fleischman: They are reducing their maintenance of traffic requirements by doing the project quickly. That's really where the significant number was, Mr. Darwish.

Greenwood: I have one more follow-up on that topic, did you, I notice there is a letter in our files from Mr. Hedrick reporting that he had contacted the All State Painting Co. (this is the lawyer in me coming out) he said he telephoned to speak with Mr. Kafantaris, the President. He was unavailable and he was directed to speak with George Rotitos. Are you comfortable that Mr. Rotitos had authority and knowledge to be able to commit the company to the extent we want? That's my question. We don't need time to get Mr. Hedrick here, but.

Fleischman: Mr. Chairman, Commission Members, I spoke with Mr. Hedrick after he had contacted All State and he was very comfortable with the conversation he had. In talking to Mr. Rotitos, he was very involved in putting together the bid package for this project.

Greenwood: OK, thanks.

Dixon: I have all the confidence in us and our staff to make estimates. So when I see an estimate come in at \$1-M below what the bids come in, it gives me pause. I'm just curious if we are comfortable with it and dotted all the I's and crossed all the t's. Our estimate is \$2.2-M and they are coming in a \$1.2-M. That's a big difference. I'm happy if they can do it. Maybe we have to discuss it?

Zomparelli: No, Mr. Chairman, Commission Member Dixon, Rob why don't you explain the traffic control element of the bid package.

Fleischman: I'd also like to address one other issue on their bid, Mr. Dixon and Commission Members, we received bids on a project one week prior to this bid opening that had bridge painting incorporated in it. It was not a painting contract, but it had bridge painting very similar to this project. We used the prices there to help us establish this estimate.

If you look at the second and third bidders, they are very close to the engineer's estimate. Again, the maintenance of traffic is a very significant issue. The longer it takes you to go out and paint the structure the longer you have to have zones set up.

Any time we have a contractor setting a zone on the Turnpike restricting lanes, they are required to have a person dedicated - just as a zone person - to watch that zone, re-set any barrels, or arrow board if there is a problem with it - any incidences. So it's a 24-hour obligation when there is a zone out there. Obviously, the quicker you can get in and paint the structures, you significantly reduce that cost.

Dixon: So that I'm clear, you are saying that the difference is that these guys, All State, will pay extra flagmen and that's going to amount to the \$1-M difference between our bid estimate and what they bid.

Fleischman: Mr. Dixon, I'd say the actual painting costs were very close with all three contractors. It seems like a rather significant difference obviously, but that is where most of the difference is.

Zomparelli: Mr. Chairman, Commission Member Dixon, I expressed the exact same concern immediately when I received the bid tab. I contacted our Deputy Executive Director and asked him to check it out. We are on notice that our estimate is significantly higher than the low bid. Atlas and North Star, the other two bidders, they are more in line with our estimate. It would have been easier to make a recommendation. How critical is the painting of the bridges right now? Do we have to take action?

Dixon: Let me say this, I am not trying to stall this process, if we got a deal, I'm happy about it. I want to make sure that we have done our due diligence in making sure that this company understands exactly what we expect and can do what they have promised to us and I don't want to get a change order a few months down the line for the difference.

Zomparelli: There's a bond, if they are not able to perform the job and we have to go to the second low bidder, we would have protection in that regard if it ever came down to that.

Dixon: We have never done business with Allstate?

Zomparelli: Only as a sub.

Fleischman: Mr. Chairman, Commission Member Dixon, we really haven't had any prime contracts for bridge painting for many years. All State has not operated as a prime. I'd like to add though on this project because it was our first painting contract for several years, we had a Pre-Bid Meeting. All three of these bidders came to that meeting. We went over the specifications and all the requirements of the project and had a general discussion of the maintenance of traffic, so all three bidders were very aware of the requirements of this project. All State feels very comfortable with their price. As the Executive Director said if their bid was closer to our estimate, it would be much easier to recommend an award. Do we not award a project because of our concerns of a low bid?

Armbruster: Mr. Chairman, how much work has All State done as a sub over the years? A substantial amount of work?

Fleischman: In your packet, there is a copy of a letter from Dick Corporation, our construction manager of our third-lane program, that talks about the three projects that All State has recently been involved in. Project 77-00-02 it's my recollection on that project we had seven pairs of mainline bridges. It was a significant project and required significant painting effort.

Armbruster: Mr. Chairman, Commission Member Dixon, might I suggest that what has happened here is and this is how I look at it – here we have a sub-contractor who over the years has worked at the Turnpike and has now realized how much damage he can do let's say to the major contractors. He has grown to a point and this again is my thought process behind this as a businessman, he has grown now to a point where he can bid on mainline work. Consequently what he has done, he has always been beat up by these other contractors and who ever hires him as a sub and now he's decided that he is going to get into the mix and start bidding contracts which in effect maybe he missed it. He's happy with the amount of money he is making because he didn't make any money to begin with. How's that? That's how I look at it. I think we have a hungry contractor here and he's

going out and doing some work. Next bid it won't be as good. How's that?

Greenwood: Once again, your eloquence is persuasive. Any further questions on the motion? Please call the roll on the motion to award these contracts.

Roll: Mr. Strnisha-yes; Mr. Wilkins; Mr. Darwish-yes; Mr. Dixon-yes; Mr. Greenwood-yes.

The resolution is adopted awarding Contracts No. 40-02-01, 40-02-02 and 40-02-03.

Zomparelli: The next draft resolution in the members' folders is titled, "Resolution Awarding Contract No. 43-02-02" (Part A and B). This is a contract for bridge deck replacement and rehabilitation described as Part A: Prospect Street (S.R. 237) bridge over the Ohio Turnpike at MP 159.5, Cuyahoga County. If you look out the window behind us it's that bridge.

Part B: - the ramp bridge over I-71 at MP 162.0, Cuyahoga County, designated as Contract No. 43-02-02.

The Commission has received six bids for the performance of said contract. Bids have been reviewed by the Deputy Executive Director-Chief Engineer. He has submitted his report and analysis. It has also been reviewed by Legal counsel to make sure they have met the legal requirements of bidding.

The Resolved reads:

"RESOLVED that the bid of **National Engineering & Contracting Company** of Strongsville, Ohio in the amount of **\$2,140,289.05** for the performance of Contract No. 43-02-02 (Part A and B) 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. 43-02-02 (*Part A and B*) is designated a System Project under the Commission's 1994 Master Trust Agreement."

This contractor has done work for the Commission in the past. They are currently part of a joint venture on the Cuyahoga River Bridge – a project over \$50-M construction award. I recommend that the Commission move to adopt this resolution.

I note that National Engineering's bid is above our estimate, but below 10%. All the other bidders are above our estimate by 10%. When we look at National Engineering's bid in line with all the bidders, they all seem to be in line with each other. There is only a differential of about \$450,000 from the lowest to the highest. I'd recommend that the Commission move to adopt this resolution.

Greenwood: The Executive Director recommends adoption and I'll entertain a motion to adopt the resolution and then we'll have a discussion.

Darwish: I move.

Dixon: Second.

Greenwood: Any discussion? This is I guess the opposite of the previous one. On the prior one we had a bid come in significant below the engineer's estimate. This is one where we had six bids and all of them came in above our engineer's estimate. Correct? Any discussion or questions on this contract?

Zomparelli: Mr. Chairman, Commission Members, at the last Commission Meeting we talked about how come we only get 1, 2 or 3 bidders. Here we received a lot of bids and I think some of the comments of Senator Armbruster hold true and we are also seeing changes in the economy. Because of the location in this area and there are more contractors located in the Cuyahoga County region, we received many bids. Rob, the differential relating to the bridge painting again. Correct? It's more of an art than a science?

Fleischman: Mr. Chairman, Commission Members, in discussing the previous resolution, I mentioned a bid that we received a week

prior. Our estimate was low on all painting issues on this contract. That's the most significant difference between the actual bid and the engineer's estimate. So on the next contract, we increased our painting estimate and we end up being significantly higher. So I guess you can never really address where prices are going to come from – where the contractors are looking to make their money.

We feel this is a very good bid and it's primarily a painting cost that exceeded our estimate.

Greenwood: My only comment and I'm not an engineer at all. But common sense would dictate, that these two contracts whoever in our Engineering Dept. does the estimates, might want to take a close look at the progress to permit that person then to perhaps develop a more accurate or narrow the parameters. It's a common sense thing. You said we haven't had any situations where we let out just the painting contracts for quite some time.

Fleischman: Yes, Mr. Chairman, that's true. And actually on this contract, the estimates were prepared by the design consultants. We did review them internally. Again, the significant area was the bridge painting costs.

Greenwood: Any further questions or discussions before we vote on the resolution? Please call the roll.

Roll: Mr. Darwish-yes; Mr. Dixon-yes; Mr. Strnisha-yes; Mr. Wilkins, Mr. Greenwood-yes.

The resolution passes and the contract is awarded to National Engineering.

Zomparelli: The next draft resolution is titled, "Resolution Awarding Contract No. 77-02-01." I should point out when you see our contract numbers for the Commission. You see the code: 43 on the prior resolution – that represents bridge projects; code 77 that represents third-lane projects on this one. The second number, 02 – that refers to the year. The third number is the

project number. There is a reason to the contract number delineations.

This is a contract for third lane construction from Milepost 71.05 to 72.59 in Wood County, Ohio. This contract includes grading, drainage, asphaltic concrete lane and shoulder pavements, permanent concrete barrier, installation of traffic control devices and safety upgrading of guardrail and reconstruction of one overhead, four-span steel beam bridge.

Here again, the Commission bids from five bidders and each bidder submitted alternate bids for the performance of said contract. The bids were reviewed by the Deputy Executive Director and staff. His report is attached recommending that the Commission award the contract to S. E. Johnson Companies, Inc.

The Resolved of the resolution reads:

“RESOLVED that the bid of **The S. E. Johnson Companies, Inc.** of Maumee, Ohio, in the amount of **\$5,964,767.49**, utilizing its base bid using crushed slag in the surface course for the performance of Contract No. 77-02-01, is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidders of their bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

FURTHER RESOLVED that Project No. 77-02-01 is designated a System Project under the Commission’s 1994 Master Trust Agreement.

S. E. Johnson has done plenty of work for the Commission in the past and is an experienced contractor. Their bid is below our estimate. I’d recommend that the Commission move to adopt this resolution.

Greenwood: The Executive Director has recommended adoption of this resolution, is there a motion to pass the resolution before we discuss?

Strnisha: I move approve.

Wilkins: Second.

Greenwood: Discussion on the motion to adopt the resolution awarding Contract No. 77-02-01 to S. E. Johnson Companies, Inc.

Dixon: Considering the events with crushed slag throughout the region in the last couple of years, do we have an idea of the composition of the materials they want to use?

Zomparelli: I'll ask our Asst. Chief Engineer to respond to that question.

Fleischman: Mr. Chairman, Commission Member Dixon and Commission Members, the slag on this project is incorporated into the asphalt mix. It's not exposed to the elements where the problems have occurred where it is used as a draining base or for underdrain. Granular backfill, this is completed encapsulated into the asphalt. We use it in our surface course to give superior skid resistance. That's really the reason for it and it doesn't create the environmental potential problems that we have read about in the papers recently in other projects.

Dixon: So that I understand, we have used this material before and have had no problems with it and it's perfectly safe. Thank you.

Fleischman: Yes, Mr. Dixon, it is.

Darwish: The letter to General Counsel from Mr. Castrigano stating that S. E. Johnson elected to use the slag. Did the other companies have that option?

Zomparelli: Mr. Chairman, Commission Member Darwish, and yes. It's all the same.

Darwish: They are bidding the same material?

Zomparelli: Right. They were all requested to submit alternate bids for the performance of the contract.

Greenwood: Mr. Darwish raised a question so did Mr. Dixon and having been here a little longer than they have, could you do a quick explanation. I recall Mr. Castrigano one time explained the slag usage on the Turnpike and it was experimental sometime ago. Do you know what I'm talking about?

Fleischman: Yes, Mr. Chairman. We have historically taken bids for slag in our surface course and also for crushed limestone. When this concept was first developed it was to keep competition between the two aggregates. It has done that. There were years I believe in the 80's for a short time when we eliminated the alternates and saw that the slag prices were getting much higher. We went back to putting the alternate bid in there for stone. Our entire surface course from one end to the other has the slag as its course aggregate. We certainly found that it is the most beneficial. We are contemplating in future contracts to eliminate that alternate bid because it has been so long since we awarded to limestone. It may be ignored by the bidders at this point.

Zomparelli: Mr. Chairman and Commission Members, the actual cost difference wasn't large enough between the limestone and the crushed slag, when taking into consideration the safety considerations, not to justify using the crushed slag since the Turnpike has sufficient funding to pay for the crushed slag. Rob used to work for our general consultant before you start working for the Turnpike. I bet in the 80's the price differential was greater but in today's terms and perhaps for the last seven years that we have been bidding that way in the Turnpike, the difference in price between the limestone and the crushed slag hasn't been that great.

Fleischman: Yes, Mr. Zomparelli and Commission Members, we used to see in the late 70's and through the early 80's a significant difference. There were times when it could change the low bidder. That can create a problem, however, in the past several years, prices have been very close for the two course aggregates.

Greenwood: Any other questions or comments from the Commission before we vote on the resolution. If not, please call the roll.

Roll: Mr. Strnisha-yes; Mr. Wilkins-yes; Mr. Darwish-yes; Mr. Dixon-yes and Mr. Greenwood-yes.

The resolution passes awarding Contract No. 77-02-01 to S. J. Johnson Companies, Inc.

Zomparelli: The next draft resolution in your packet is titled, “Resolution Awarding Contract TRM 8D-5 for cleaning and janitorial services at the Commission’s Middle Ridge and Vermilion Valley Service Plazas.”

On February 21, 2002, the Commission issued an RFP for furnishing cleaning and janitorial services at the Commission’s Middle Ridge and Vermilion Valley Service Plazas for an initial term of two years which may be extended at the sole discretion of the Commission for one-year periods.

This RFP was mailed to forty firms who have expressed an interest in the contract. Companies were given the option to submit a single bid for one separate facility or a combination bid for both facilities. Seven companies presented proposals for the Middle Ridge and Vermilion Valley Service Plazas which are located in Lorain County. The proposals were reviewed by the Commission’s staff. The bidder’s qualifications and abilities to perform the contract were given consideration.

The Resolved of the resolution reads:

“RESOLVED that the bid submitted by **OneSource Facility Services, Inc.** of Cleveland, Ohio, which utilizes the following Schedule of Bids:

<u>Service Plaza</u>	<u>Monthly Fee</u>	<u>Hourly Rate</u>	<u>Annual Fee</u>	<u>2-Year Fee</u>
Middle Ridge	\$21,455.00	\$9.06	\$257,460.00	\$514,920.00

Vermilion Valley	\$21,455.00	\$9.06	\$257,460.00	\$514,920.00
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Total Bid \$1,029,840.00

is, and is by the Commission determined to be, the **best** of all bids received for the performance of Contract TRM 8D-5 and is accepted;

FURTHER RESOLVED that the executive director and general counsel hereby are authorized to execute Contract TRM 8D-5 [Middle Ridge and Vermilion Valley] Service Plazas which provides for an initial term of **Two (2) years commencing May 20, 2002**, or on the date the service plazas are opened to the public and further provides, at the Commission’s option, to extend for one (1) year periods, with **OneSource Facility Services, Inc.** in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, and to take any and all action necessary or proper to carry out the terms of said bid and said contract; and

FURTHER RESOLVED that the Commission concurs in the above-mentioned rejection recommendation that all other bids submitted for Contract TRM 8D-5 be rejected;

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

The \$9.06 hourly rate represents the fee that the Commission would have to pay at an hourly rate when they have to increase their staffing due to demands at the service plazas. It’s an agreed amount, an extra charge. I’d recommend that the Commission move to adopt this resolution.

Greenwood: The Executive Director has recommended that the Commission adopt this resolution. Is there a motion before we have a discussion.

Wilkins: I move.

Strnisha: Second.

Greenwood: Any discussion?

Strnisha: There was an issue raised in Tom Amato’s letter on the bid that there was a concern raised about finances of OneSource based on recent financial information on the company. We got as a result of that a corporate guaranty from another a related company – Carlisle Holdings – do we know the financial status

of that company that is guaranteeing. Can you explain a little bit about this issue.

Amato: Mr. Chairman, Mr. Strnisha, the Commission's CFO after having reviewed the financial statement of One Source Facility Services brought it to my attention that its financial statement showed a loss for the year ending March 31, 2001. I contacted the parent company, identified as Carlisle Group and spoke with their Comptroller. As a point of information, One Source Facility Services provides the cleaning services at our Portage County service plazas and we are familiar with the company. They have performed satisfactorily up to this date.

Carlisle Group's Comptroller described to me their accounting process. After about two minutes, my legal mind stopped listening and she was into the accounting arena which justified them showing a loss at that point in time. She verbally told me that Carlisle would stand before the performance of One Source and we do have a performance bond in place. However, I said to her a verbal is fine, but I'd like to see it in writing. We have done this in the past as an additional safeguard if we deem it warranted. They did not hesitate to provide a written guaranty by Carlisle of the performance of One Source Facility Services.

Strnisha: Do we have anything on Carlisle, do we know if their guaranty means something?

Amato: Carlisle is a very large corporation – it may be a \$500-M corporation that is doing very well.

Greenwood: Any other questions or comments?

Darwish: Is the bidder, "Any Domestic Work, Inc." – are they a disadvantaged business or MBE?

Amato: Actually, I do not believe they are. ADW, Inc. is the provider of services at the Great Lakes and Towpath Service Plazas.

Greenwood: Any other questions or comments, please call the roll on the motion to adopt this resolution.

Roll: Mr. Wilkins-yes; Mr. Strnisha-yes; Mr. Darwish-yes; Mr. Dixon-yes; Mr. Greenwood-yes.

The resolution passes awarding Contract TRM 8D-5.

Zomparelli: Mr. Chairman, Commission Members, I'd like to report on some administrative matters at this time. I want to remind the Commission Members that today is the deadline for filing their state forms.

We were going to have a presentation this morning on our website. Safety came first and our Safety Director has our projector. We'll have to work on obtaining a second projector. At this time, I'm going to ask our Manager of Public Affairs, Lauren Dehrmann, to tell the Commission Members a little bit about our website and how many hits we get and a little background on what we have accomplished in the last couple years. We'll have the presentation for you at our May meeting.

Dehrmann: Actually, I thought I was getting out of it because we were not having the presentation this morning. We will have it available for our next Commission Meeting. We have found that the number of people visiting our site has actually doubled since this time last year. One of the main goals of our website is to provide information first and also make it visually appealing so much so that anyone with any average computer skills can use our website. We definitely accomplished that. We have a page for questions and comments and I actually receive those. I probably receive 5-10 per day. People inquiring about directions, commuter cards, restaurant services, etc. Our website certainly has advanced. We are continually making improvements – adding information that we frequently get questions for and it shows that more people are using the internet and it's also a nice way to provide the information.

We'll have more information at our next Commission meeting. Does anyone have any questions?

Zomparelli: What's our internet address?

Dehrmann: It's: www.ohioturnpike.org and all your pictures are up there. Thank you.

Zomparelli: Thank you, Lauren. I'd also like to make the Commission Members aware that the Commission has been on a run of awards lately. On the Builders Exchange and their 44th Craftsman Award Program on January 25, 2002, recognized Jance & Company, and all the fine craftsman for the Ohio Turnpike Commission.

Greenwood: What is this organization, Gino?

Zomparelli: It's an organization of contractors and builders in the area. Founded in 1988 and incorporated in 1992, the Exchange is a non-profit trade association formed to foster growth and progress in northern Ohio. They have been around for a long time, but they recognized the Portage and Brady's Leap Service Plazas in particular, the terrazzo that we put down on the floor. The terrazzo contractor's name was Youngstown Tile & Terrazzo Co., Inc. The architects were GSI Architects and the general contractor for that project was Jance & Company. We hope we are as successful in the plazas we open in Lorain. I expect we'll receive some award for those structures as well.

On March 20th, I met Commission Member Darwish in Columbus. The Governor and Director of ODOT, Gordon Proctor, made a presentation outlining Ohio's agenda regarding proposed 2003 federal transportation budget reduction and the upcoming federal transportation funding reauthorization bill. Maybe at the next meeting, we'll try to get some materials for you and we'll have Mr. Darwish speak a little about the challenges that the State of Ohio is facing on being the contributor state on fuel tax. It was enlightening for me when I attending this meeting to see the challenges that Ohio is up against and in particular ODOT how they will be forced to do more with less – not by choice.

The Commission's employees at each toll plaza, maintenance building and Administration Bldg. Participated in the annual

“Feed the Hungry” campaign by collecting food for the less fortunate. Our Community Liaison, Reggie Williams, coordinated that effort. On April 3 the Commission delivered donations to the Cleveland Foodbank on Euclid Avenue weighing 1,072 pounds of canned goods and nonperishable foods. Again, these were all donations by our employees. I wanted to thank them on behalf of the Commission for participating in such a worthy cause.

The toll ticket coupon program has been successful. I know our Manager of Public Affairs has received many inquiries about how do we participate on putting our coupon on a toll ticket receipt? Our newest coupon primarily benefits the trucking industry is from Speedco Truck Lube of Seville, Perrysburg and Girard, Ohio. It’s a revenue-raising feature that helps puts pressure off the tolls.

I also want to mention that we participated in the Northern Ohio Live “Best Driving Vacations”, 5th Annual, 2002 Edition magazine. We’re on the back cover, and I’ll pass it around to the Commission Members. They made a mistake at the very bottom “*world world.*” We’ll be looking to see what we can get for that mistake. This is to promote the Ohio Turnpike for safe travel in the State of Ohio and encourage more traffic on our road as well as help the State of Ohio with tourism.

I have nothing further to report, but I’ll be happy to answer any questions the Commission Members might have at this time.

Greenwood: Senator Armbruster?

Armbruster: Mr. Chairman, Commission Members and Gino, - the negotiations with Consolidated Partners, I guess that has not gone anywhere with the Amherst – S.R. 58. You kind of see it in the newspaper back and forth. What’s the status?

Zomparelli: Mr. Chairman, Commission Members and Senator Armbruster, I’ll ask General Counsel, have you had any contact regarding their appraisal lately?

Amato: We have had no contact. We are hearing and reading in the papers like everyone else that they are in the process of having their property appraised. They have not contacted us.

Amrbruster: The reason I ask the question is Travel and Tourism in Lorain County is building out there and they are concerned if there is not going to be an interchange, why are they building a building?

Zomparelli: We have been patiently awaiting their appraisal. According to what we have read in the paper, someone from the Consolidated Investor Group was quoted by saying that their appraisal will be done soon – maybe in a couple weeks. I'll let you know as soon as I hear something in that regard so you can report back to your constituents what the progress is there.

Our appraisal and offer still stands if they want to accept it.

Armbruster: May I assume then if it does come in within the next month that some time in 2003, would that be a good estimate as to when this would start or would it be beyond that? Depending on their appraisal and I know there are some other things, too.

Zomparelli: Well, there is another property owner that we have to work with also with the orchards. I think his name is Mr. Grove, represent the two large parcels, but there are still some small parcels that we need to acquire which I wouldn't anticipate would be a problem – just for right -of-way. We would proceed immediately if we were able to negotiate an agreement with those and report back to the Commission on what the status is, what their offer is, where our offer stands.

What we heard today is that we're going to have to monitor is what's happening with the trend in commercial traffic and where this would fall in the budgeting process. Again, Mr. Steiner, our CFO is reporting and I think Eric would report as well that we need to keep an eye on the economy and our revenue flow. Although we are rated #1 by the credit rating agencies, we still don't have the projected revenue that we projected when we had our last bond issue. It could possibly

delay that project. I don't want to say Yes or No and I don't want to represent that we could start right away. I want to make sure I'm very forthcoming in that regard.

We also have another request on the table for the Commission on S.R. 8. Your funding is down the line for S.R. 8, but these are things that are questioning our revenue flow.

(Can we second the motion?) We still need the money. "Show me the money" as they say. We heard good over the last five years how our traffic keeps going up and up and how our revenue keep rising, too, but our commercial traffic is not going up right now. Our passenger cars are increasing but it takes a lot of cars to make up commercial traffic and the downturn is just not on the Turnpike but all the roads in Ohio. That means less fuel tax.

What I'll say is once we get the appraisal, we'll bring it back to the Commission for discussion. We'll find out where we are, where we stand what the costs of the projects are and revise our estimates. We are using estimates back from the 90's on this construction project. We started working on this back in 1993 believe it or not.

Armbruster: Is it a logical assumption, Mr. Chairman that if in fact there is an agreement on the gathering of the land that that in itself could be done and at least get that part of it done? Is that not the way the process works?

Zomparelli; I'm sorry, we are trying to acquire the land before we proceed.

Armbruster: You acquire the land and if the project is going to put off, you put it off until later on and if sometime later.

Zomparelli: I don't know if it will be put off. All I'm saying is the Commission needs to give due deliberation once we get to that point. We are not in the same position today that we were six months ago. "9/11" has affected us. It doesn't mean we'll be in the same position three months from now – or five or six

months. I just think a prudent review needs to be done at the time when we know where we stand on the property.

Greenwood: What I think he's saying is: Regardless of our financial condition, do we go forward with the acquisition of the land or do we have to wait and analyze our financial condition before we proceed with the land acquisition. I think your answer is, NO, we're going.

Zomparelli: We are still interested in doing the interchange. These are all new Commission Members now and I think it's beneficial to bring them up to speed on the S.R. 58 Lorain County – right near where we are building the service plazas (Middle Ridge/Vermilion Valley) that you'll pass going west. It was identified as a desirable location for an interchange in Lorain County. A lot of things are changing. I think we are in a position to go forward, but there are things that have changed since the Commission made a decision to go forward years ago. I feel more comfortable if this Commission would address those issues. Because not one member who is sitting on the Commission was here when that started.

Armbruster: I guess to Chairman Greenwood's question, what I was trying to say is: it is the common way of doing this – common is to do the whole project – but can it be to buy the land and get that acquisition done and then at some time later on you would – ODOT does that all the time – acquire land and then they come back and do it. Is that how it operates?

Zomparelli: Senator Armbruster, what we have been doing is we are evaluating this basically every day. Our traffic consultant, Bobby Everhart, is not here, but Mike Burgess is present from URS. What we do, this is a project still on the list of projects to be completed, but we match up projects with our revenue stream and our revenue stream is based on traffic. I think this is something that will not present a problem, but if traffic keeps going down 10% or 5%, the Commission has to make a decision as to whether to go out for additional bonds, the timing of the project. It's not going to be done from our current stream of tolls because the money is being used up for other projects

and because we are not bringing in as much from commercial traffic as we projected a year ago. Bobby has re-adjusted our traffic revenue streams. One project he identified is the S.R. 58 interchange as something to keep an eye on. Because our review is it is our intention to go forward with the interchange. We don't want to do that unless I advise the Commission or our CFO and financial advisor advises that we have money to go forward with it.

When will be that timing, but yes, we'll continue to try to acquire the land. We have already acquired some land years ago from the Rural Water Authority in Lorain. This is the next step. If their appraisal comes back at \$5-M. That's a decision the Commission will have to make because our appraisal is nowhere near that amount. They disagree with our appraisal, but that's an extra cost for the interchange. Construction costs are also higher than they were two or three years ago. Once we identify the right of way costs, I'll ask Engineering to give us a good estimate for construction costs, lay it out for the Commission and then we make a decision on when to start and let out that project for construction. If that's what the Commission still desires.

Darwish: Who is the lead on this project – the Turnpike or ODOT?

Zomparelli: The Turnpike – it's a new Turnpike interchange.

Darwish: What is the total estimated cost? Any partnering?

Zomparelli: I don't have that with me. That's a moving target. You know that. No partnering, 100% Ohio Turnpike.

Darwish: If the ODOT fund is involved and you don't have money, ODOT funds wouldn't be available at the earliest until 2008. I just wanted to make sure and clarify who is involved.

Zomparelli: We have taken great pains to try to make it work; we reached an agreement with the Railroad Association. There has been a lot of work and effort taken by the Commission. This group holding us up is increasing the costs.

Armbruster: Mr. Chairman, Gino, let me ask it a different way. Since we have so much money involved in this interchange already and have some land we have already acquired, is it logical to assume from the Commission's standpoint, that you would continue – depending upon if they come back and say their property is worth \$10-M – I would assume the next step is to go to Common Pleas or some kind of court process where you negotiate the price. Is that correct?

Zomparelli: There would be a trial and the jury would award damages for the right of way.

Armbruster: I guess what I'm looking for from that standpoint – in the first place you have a willing appraiser that's going to come in at a price that's astronomical based on results that we don't know. Is it the intent of this Commission and I guess what I'm asking for and you can't do it now, is the intent of this Commission to give some thought process here to move forward in negotiating for this land knowing that you already have x-amount of dollars invested in it today, to purchase the land and waiting for sometime later on if it's 10, 20 or 30 years from now – that there would be an interchange there and that would be a priority based on who is on the Commission at that time. At least we will have the land involved so we won't have to go and do that.

Zomparelli: Mr. Chairman, Senator Armbruster, we paid for engineering out there already. That money is gone. It would have been nice to have the use of that money. If we knew we were not going to start this interchange for five years - we have spent – do you remember the amount, Rob, on engineering?

Fleischman: It's approaching \$1-M.

Zomparelli: We have had our appraisal done a long time ago, We spent money to the Rural Water Authority. We probably have \$1-M invested in there already and the Commission has been patient on this project. That's money we have not had the use of all these years. Not to mention the work and effort trying to let the local issues resolve itself so the Commission is not put in a bad

light. It's a project that the former Commission Members were in support of. Steve, you came on board in the middle of it on part of it. In all fairness, Mr. Dixon or Mr. Wilkins are not familiar with the project at all.

I would love nothing more than to have the appraisal done by that group. I think I asked them three years to do an appraisal. When I was General Counsel and now Tom is General Counsel, we have actually made them offers to purchase it. They have said No. They told us they were going to give us an appraisal, but we haven't gotten one. Now we read in the paper they are close to getting one. I don't know, maybe they had two or three and never got the numbers they wanted. I don't know where they stand, but I just want this Commission to know what the costs that we have expended so far and what the costs will be for this interchange. I don't know what else to say but we are interested in negotiating for that land.

Armbruster: Mr. Chairman and I guess from the S.R. 8 – can I switch gears – how far is S.R. 8 from ODOT's calendar?

Darwish: Construction-wise, we are looking at 2009 and 2010, but it's the same scenario where we have right of way, design will start this year. So we are going to need and I still need to talk to Gino about it, but we still need the Turnpike to share in engineering and right-of-way so we don't have to wait until later on. Because the longer you wait, the right of way will go higher and higher. We are looking to ask at a later date for the Commission fiscally in 2003 which is July 2002 to see if they can share the cost with us. Total project cost is around \$13-M, but the construction will not be needed until 2009 or 2010.

Armbruster: Mr. Chairman, Commission Members, and Gino the reason I ask that question is that, being Chairman of the Transportation Committee in the Senate, I know our finances are severely embarrassed – is that a good term – and we have had many conversations in the three years and this is the fourth year that I have been on this Commission, as a non-voting member. We have many discussions regarding the expansion of the Turnpike and what that means to the State of Ohio. I guess where I'm

headed now is I would suggest – as we have a full Commission now, if we firmly believe that you are ready, willing and would like to look at that option for the ODOT for the rest of us in the State of Ohio, I would also as your Commission Member sitting here and also a member of the State Senate concurrently introduce legislation or a resolution at the same time for expansion of this type of road on the Turnpike throughout the State of Ohio.

You see other states doing it – Florida, Georgia, Texas. The only way we are going to have major construction is for people to pay to drive. Not that I suggest that. That's an alternative where we are not looking – everyone is looking for interchanges on interstates or in the case of Cleveland, they don't even want I-77 to be expanded. That was recently in the newspaper – when I ride through Slovak Village – they don't want it to get any larger than what it is today. They are saying our road is big enough and we don't want suburbanites to come into the city. Right or wrong and I'm not getting into that today, but the debate I am involved in is that we've got to take a stand, and I will support that – one way or the other – and get off my high horse when it comes down to the Senate if in fact that you vote you don't think we should expand.

If we work together on this resolution, we might have an opportunity based on where ODOT is, to maybe have some meaningful discussion with regards to the expansion of the Turnpike within the State and ODOT on a combination thereof of how we get through that. So I guess I'm officially asking the Commission to maybe discuss it internally and come up with some resolution that we, in turn, can do the same thing in the Senate and possibly in the House.

Darwish: Senator, maybe we should wait until the Gas Tax Task Force – the one assigned by the Governor – and the State Senators and the County Engineers are working on it and other legislative officials to find out what is the solution for funding transportation projects. The Committee is working on it. They meet on a monthly basis to try to find a solution for this funding. I think the Governor has said he will make a decision

by the end of the year. They are trying to find out what is the answer to this problem and we'll go from there.

Greenwood: My only comment on that is somewhat off the record, although it is on the record - having been in the legislature myself and now the Commission Chairman, I understand what you are saying and it sounds very commendable. There is nobody needs to tell me what we need to do to fund highway construction in Ohio and one more study is not going to it. You either need people to vote for taxes to pay for them or we will build them with tolls. You can hire all the consultants you want to and talk about it in all kinds of lofty words.

Darwish: I don't think it's a matter of consultants, it's a matter of how we

Greenwood: It's a political decision. The Governor has to be put in a position where he.

Darwish: Gino was at a meeting and part of my next presentation is to show you how the Governor working with the Ohio delegation in Congress and trying to bring the money back to Ohio. Ohio is a donor state. We are getting back only \$.89 or \$.90 back on the dollar. What the Governor is working on is to give us \$.95 back plus we are losing on the ethanol. He is working very hard to bring another \$400-M back to Ohio. Before you talk about taxing, there is money out there that should come back to Ohio. The federal cut was around \$300-M but the Governor worked very hard with the Ohio delegation to try and bring back at least half of that money back to Ohio. We are hoping to get another \$120-M back out of the \$300-M. We may lose based on Washington not Columbus.

Armbruster: Mr. Chairman, it's not going against the request, but suggesting that it will take a little bit of time based on some research that we need to do legislatively to come up with something crafted that is palatable to the entire state. I would suggest that we work through this process not only with my legislative staff, myself in this Commission, as well as there will be a change in transportation next year, but working with the Transportation Committee in the House knowing what we're going to find is

that there will be additional tax that is going to be needed, what is another alternative to this. I know they are studying – I will assume they are not studying the expansion of the Turnpike – is that true?

Darwish: I'm not on the committee, but I can find out who is on the committee. I thought you were on the committee because it is strictly by the Senate and the House. I could be wrong.

Greenwood: What committee are we talking about?

Armbruster: Motor Vehicle Gas Tax Task Force.

Greenwood: Oh that one.

Zomparelli: We invited them to meet here.

Armbruster: Mr. Chairman, I think I can answer the Deputy Director. Since I am so involved with gas taxes myself as a person or a company, they didn't put me on that committee for conflict of interest. That was the reason. I know a lot about it.

To my knowledge and I guess what I'm looking for is some support. If there is support here from the standpoint of the Ohio Turnpike Commission and we now have a member from down south you might say – I want us to take a pro-active approach and I will take a pro-active approach myself to this process. I think it will time to get this discussion started and maybe this will be reported out of this Commission Meeting. I don't know. We need to start looking at other alternatives rather than just raising taxes.

Zomparelli: Mr. Chairman, Senator Armbruster, just for a point of education, for the Commission Members, the Ohio Revised Code permits the Ohio Turnpike Commission to run all Turnpike projects in the state. A project would have to designated a "Turnpike Project" and it would become part of our Turnpike system. This Commission would already have the framework to build, construct and maintain another project.

The only limitation that was passed in our legislation by a bill sponsored by Sally Perz was that we couldn't take any of the toll revenue off of this Turnpike project as we know it – this road that goes east to west – or any bonding from the revenue generated from this project to fund another Turnpike project.

If you were looking for the Commission to be involved in another project and use any of its bonding capabilities from this project or from this revenue source or stream of toll from this project, there would have to be legislative language that would change that and also new Turnpike projects would have to be reviewed by the Oversight Committee. The Commission would probably have to approve it, the Governor would have to agree to have another project designated a Turnpike project as well as the Director from ODOT. If that language is not changed regarding our revenue and bonding, that project would have to be evaluated on its own merits as a stand-alone project whether the traffic flow would generate enough traffic to pay for its construction or payback from the bonds to finance that project.

When the Ohio Turnpike Commission was enacted by the state legislature in 1949 there were five Turnpike contemplated – this was only the first. Most of 71 was Project #2 and we were three months away from selling the bonds and the Federal Highway Act was passed. It went from toll financing to financing from the federal government and state fuel tax. The thing about tolls is we are not a donor state. It's a user fee, regardless of what state you live in or what state you are driving through and what state you are coming from, you are charged a fee. I think that states like Florida and Texas have recognized that this is a way to finance and maintain new projects – they are also donor states.

Armbruster: Mr. Chairman and Gino, am I to assume that the infrastructure that we have here – the operations – could it be used to run a new Turnpike or do we have to have a whole new Turnpike Commission?

Zomparelli: We do not need a “new” Ohio Turnpike Commission because the Ohio Turnpike Act is already written to permit the OTC to

construct, maintain and operate all Turnpike projects that are part of the Turnpike system, however, we cannot use the existing toll revenue or bond revenue from the Turnpike projects as we know it to fund other Turnpike projects in the system. The Turnpike is Project #1 that runs from east to west.

Armbruster: Based on that - let's take a look at this and come up with some resolutions and work together to get this process started. I feel long term we will have to pay to drive. The State of Ohio is not going to be able to continue repairing these roads and put in interchanges and do things necessary.

Just recently I was at another meeting on Route 254 on Route 2 and I-90 and the need for what was considered fixing the on and off ramp. Coming out of ODOT was we are not going to improve roads based on retail. Quite honestly, I don't disagree with that, but if we don't improve roads based on retail, we'll have quagmires and stoppages all across the State of Ohio.

What generates us and when you move to suburbia, you move to get on and off an interchange and when that traffic is beyond belief and we fix roads for industry, but we will not fix roads for Walmart, Sam's, Giant Eagle or anybody else. Something is wrong there based on where people have to travel. Jobs are jobs so we need to take a look at that from ODOT's side as to what we are really doing out there. I think the Turnpike, quite honestly, if you pay to drive – gives us another alternative to the expansion of roads and maybe to Route 8 and move that project up to where it is in 2008 or 2009. I doubt based on the economy where we are now whether it will be in 2009 myself.

Darwish: I agree with you.

Zomparelli: The question with S.R. 8 is whether it that another Turnpike project or that part of this project?

Armbruster: I might suggest it is to get it done because I think 2009 is just an absolute gift if it is done then.

Zomparelli: There may be some legal issues.

Greenwood: One thing I can say is I understand and I think privately Senator you and I have certainly discussed this topic, due to the fact that we have Sunshine Law issues with this Commission and some others, what I will say is I will discuss with legal counsel and the Executive Director how we can properly represent the Turnpike in what you are talking about. Perhaps, it means that we form a sub-committee of the Commission who can get together and consult with you, discuss with you. I don't know yet but I totally agree with what you are saying and I think I understand your request and will have an answer for you by the next Turnpike Commission Meeting as to how to properly/legally become more involved in the process.

Armbruster: The only thing I can offer if it does get to this point is we'll get LSC involved and if there needs to be legislation we can get them engaged in the conversation as to how we can make these tweaks and obviously, we are not going to do this and I will inform the Governor's Office exactly what our direction is so that they are not blindsided. I don't think they should be. This is a topic of conversation that we have had. I know Chairman Greenwood since he's been here, we have had these discussions and I know Gino since you have been here, we have talked about this. I think based on where we are going highway dollars wise, and whatever the taxes come back, there will be an increase. You have the OSHP that wants to hire 100 patrolmen. That's being paid for out of fuel tax. I don't know how you are going to add to them without getting some additional money some place else.

I think it's extremely important that we move forward on this project.

Greenwood: I totally agree with you. I don't know what the other Commission Members' reactions are. It's duly noted.

Zomparelli: Mr. Chairman, Commission Members and Senator Armbruster, I do want to point out that Governor Taft has been at this Commission Meeting and he sat in that chair and he recognizes the role that the Ohio Turnpike Commission plays in the state

and how we contribute to transportation. He is well aware of the issues, and I'm sure he is looking at ways for us to address the transportation needs of Ohio even if it is to offer advice or expertise on how to handle those things.

Greenwood: OK, where were we on the agenda? I encourage that and I'm glad you brought the topic up. How about the report from our Deputy Executive Director. Mr. Fleischman is here today for Mr. Castrigano. I think he'll report on the status of construction projects, service plazas, etc.

Fleischman: Mr. Chairman, Commission Members, I'll report very briefly that this is the week that probably will see more projects get going in any other week of the year. Our two resurfacing jobs will start tomorrow. You'll see at the west end of the turnpike a bi-directional zone between the Indiana line and 6 miles into Ohio while we resurface out there.

We are also resurfacing a third lane portion between MP 92 and 101 – there will always be two lanes open by shifting traffic onto our wide inside berm and using the third lane while we resurface the other two lanes. During the day at night we will shut down to one lane while we resurface the center lane in that area. Those start tomorrow.

The third lane projects you may have noticed if you were on the Turnpike this morning – we have shifted traffic on one of those projects just last week to the outside berm and the outside lane to allow the contractor to place barrier and isolate the median area to construct a third lane. The other third lane project in Cuyahoga County will be doing the same thing within the next couple of weeks.

One good thing to report on overhead bridges, S.R. 795 project in the Toledo area – was originally scheduled to complete in October 2002 because of the favorable winter, the contractor worked through the winter, we poured the deck last week. That project should be completed by the end of May. We'll get out of there and open both bridges for 795 traffic again.

The Cuyahoga River Bridge continues to progress well. We now completed 4 piers of the 17. We have also shifted the traffic to the outside berm and outside lane to facilitate the third lane construction of both ends of the bridge where it ties into the existing third lane sections so that when the bridges are done we'll have three lanes not only on the bridge but on both ends of it.

Service Plazas – Mr. Castrigano and I went out to the service plazas in Amherst last Thursday (April 11th) to look at the progress. They continue to progress with an anticipated opening date of mid to late May. We had some paving problems last week because of the weather but it looks like we have a pretty good forecast coming up this week so we hope to get the outside work completed within the next two to three weeks.

There are three toll plaza projects starting up this week as well as Exits 118 (Sandusky); Exit 152 (North Olmsted/North Ridgeville) and Exit 187 (Streetsboro) area. Those are all toll plaza reconstructions and traffic is maintained. We built temporary lanes to maintain traffic while we go in and reconstruct the existing lanes.

Three maintenance building expansions are also starting this week at Kunkle, Swanton and Canfield. This is a renovation and slight expansion of those facilities. It has already been accomplished at the other five buildings.

In addition to all those reconstruction or construction projects, we will also be starting mainline re-striping, re-delineation of the road – weather permitting this week. We'll stripe the entire 241 mile corridor of the Turnpike within the next 6-8 weeks.

If there are no questions, that concludes my report.

Greenwood: Any questions for Mr. Fleischman from the Commission?
Thank You, Rob.

Zomparelli: Mr. Chairman, I'd like to point out, the bridge project that we received an award – Maumee River Bridge – we talked today about estimates and I want to talk about what happens at the end of a contract. This was a \$20-M bridge contract. We just got our final costs to close it out. We were only 0.7% above contract award for that project. More important than the estimate is how we manage the project after the contract is awarded. It is a testament to our staff and our team out there – keeping construction costs down. As Mr. Darwish pointed out, that's a tremendous accomplishment. Out of a \$20-M project to be below 1% of award. That's one of the things to help us be highly rated by the bond rating firms.

Greenwood: Any report from Eric, our financial advisor?

Erickson: Thank you Mr. Chairman and Members of the Commission, I just want to remind you both that every year the Commission sends a delegation to New York City to meet with the rating agencies. It's approximately time for that annual meeting. It has been almost a year. I guess I would suggest that there are a couple issues hanging out there that we need to bring closure to - the investigation as well as the potential labor negotiations. Once those are concluded, I would recommend that we go up there and meet with members of the rating community and bring them up to date on some things that happened over the past year at the Commission. Any questions from the Commission Members?

Zomparelli: Are bond prices going up or down?

Erickson: Actually, interest rates have gone down slightly for the past couple weeks. Prices have gone up. It's still not a bad market. The average interest rate for the long 25-year bonds are running 5-1/4%. You are still below that on your bonds. You can take some comfort in that.

Greenwood: No more questions, thank you, Eric. Mr. Lamb?

Lamb: No report, Mr. Chairman.

Greenwood: Captain Ferguson, OSHP?

Ferguson: Good Morning Mr. Chairman, members of the Commission. Usually I come up here on fatal crashes to give you the details of what has occurred since the last meeting. I am pleased to report this morning that we have been fatal-free for almost two months. We are doing everything in our power to try and continue that trend. On April 26th, the 138th Academy class will culminate their training and graduate with 48 new troopers. We will receive 5 of those new troopers at our Turnpike. Four will be assigned to Swanton and one will be assigned to Milan Post. That will bring us up to 90 sworn officers on the Ohio Turnpike which is a little below our contractual allotment. One personnel change since our last meeting, Sergeant Chuck Veppert transferred to our district staff at Berea from the Hiram Post and has taken over our commercial enforcement coordinating management program. That concludes my report. Are there any questions?

Greenwood: Any questions for Capt. Ferguson? Thank you. We appreciate your work on the safety side. That's always good news. I personally keep my fingers crossed when we have the construction going on and I always worry about people working out there and motorists who slip every once in a while. We'll do all we can. General Consultant? Mr. Lawler for Mr. Yacobucci.

Lawler: Mr. Chairman, Commission Members, HNTB has started its annual inspection of the bridges and culverts the beginning of April. We anticipate the roadway and facility inspections to take place in the month of June. The inspections will be completed by the end of June and the annual inspection report will be submitted by the end of July.

Greenwood: Any questions for our general consultant? Thank you very much. Mr. Amato, General Counsel.

Amato: Thank you Mr. Chairman, Commission Members, I have no report today. The International Brotherhood of Teamsters was officially certified on March 28, 2002. I request an executive

session to talk about our strategy moving into negotiations with that group. There is also one pending legal matter I'd like to discuss and I'd also like to discuss the current status of the Inspector General's investigation.

Wilkins: I move we adjourn this meeting to hold an executive session in order to discuss pending legal actions, collective bargaining issues and to confer and discuss the Inspector General's investigation. At the end of such executive session, the Commission Meeting will re-convene.

Darwish: Second. Are we done with the agenda so we won't have anyone waiting.

Greenwood: That is correct. That's my hope if we vote to go into executive session. I was going to announce that we have nothing else left on our agenda. Is there something you'd like to bring up before we go into executive session because when we come back we'll just officially adjourn the meeting. Is there anything anyone wants to bring up in the open meeting before we vote on going into executive session?

There is a motion and a second to go into executive session. Roll, please.

Roll: Mr. Wilkins-yes; Mr. Darwish-yes; Mr. Strnisha-yes; Mr. Dixon-yes; Mr. Greenwood-yes.

Greenwood: As I indicated previously, I don't know how long we'll be in executive session, but there is nothing left on the agenda for the Commission to take action following the conclusion of the executive session. Therefore, you're free to do what you'd like and you won't miss anything if you wait until we come back. We will adjourn until our next Commission Meeting on May 13th. Thank you. *(time: 11:45 a.m.)*

Dixon: *(Time: 12:59 p.m.)* I move we adjourn this meeting until our next meeting on May 13, 2002.

Wilkins: Second.

Roll: Mr. Dixon-yes; Mr. Wilkins-yes; Mr. Greenwood-yes.

/dsp