

MINUTES OF THE 479th MEETING OF THE OHIO TURNPIKE COMMISSION

June 10, 2002

Pursuant to the bylaws, the Ohio Turnpike Commission met for a meeting at the Commission's Administration Building at 10:02 a.m. on June 10, 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, Dick Morgan, Manager, Information Systems; Dick Lash, Director of Safety Services; Tim Escola, Asst. Director of Safety Services; Fred McFall, Patron Services Manager, Kerry Ferrier, Traffic Engineer; Lauren Dehrmann, Manager, Public Affairs, 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

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

Ayes: Representative Buehrer; Mr. Proctor; Mr. Dixon;
Mr. Strnisha, Mr. Wilkins, Mr. Greenwood.

Absent: Representative Armbruster

Greenwood: We are glad to have the Ohio Department of Transportation Director, Gordon Proctor, here in person, live and in action today. Mr. Darwish, who for the last year or so has represented ODOT is also here with us today.

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

Alan Hirth, Climaco, Lefkowitz; Eric Erickson, Fifth Third Securities; Dean Berry, Squire, Sanders; Bobby Everhart, Jim Swartz, Mike Burgess, URS; Doug Deal, Deloitte & Touche; Frank Lamb, Huntington Bank; Dan Sokol, Dick Corporation; Tony Yacobucci, HNTB; John Petty, Nat City Investments; Tony Yacobucci, HNTB; Richard Exner, The (Cleveland) Plain Dealer; Howard O'Malley, B & T Express; Tim DeVecchio (retired, OSHP); Tom Travis, HMS Host; Staff Lt. Tom Tornabene, OSHP; Floyd Jeffries, Steve DeLong, Steven Mayor, IUOE #18; Kevin Redden, Gladieux Mark Miller, Apex Pryor Securities, Heidi Jedel, Tracy Cowley and Diane Pring.

This is the 479th 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 "Special" Commission meeting of May 24, 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. Dixon and seconded by Mr. Strnisha. A vote of ayes and nays was taken and all Members present responded to roll call. The vote was as follows:

Ayes: Mr. Dixon-yes; Mr. Strnisha-yes; Mr. Proctor-yes;
 Mr. Wilkins-yes; Mr. Greenwood-yes.

Nays : None.

The minutes of the May 24, 2002 meeting are adopted.

The Chairman stated that various reports will be received and we will act on several resolutions draft copies of which have been previously sent to Members and updated drafts are also in the members' folders. The resolutions will be explained during the appropriate reports. If there are not questions, I'd like to proceed with the report of the Secretary-Treasurer, Mr. Strnisha.

Strnisha: The following items have been sent to the members since the last regularly scheduled meeting of the Commission on May 13, 2002:

1. Draft of Commission Meeting Minutes of April 15, 2002
2. Draft of "Special" Commission Meeting Minutes of May 24, 2002
3. Traffic and Revenue Report, May, 2002 *
4. Total Revenue by Month & Year, May, 2002 *
5. Investment Report, May, 2002 *
6. OTC Financial Statements, April 30, 2002
7. Various News Releases
- 8.

- copy in Members' folders

Greenwood: OK, any questions for our Secretary-Treasurer? Finance and budgetary matters, Mr. Steiner and I think you have a follow-up during your part of the report.

Mr. Chairman, Commission Members, our passenger car traffic during the month of May 2002 totaled 3,369,000 cars exceeding the volume reached last May by 195,000 cars or 6.2% and surpassing the previous record set in May 2000 by 175,000 cars or 5.5%.

Commercial traffic during May totaled 814,000 vehicles exceeding the volume reached last May by 15,000 vehicles or 1.9%, but falling short of the previous record set in 2000 by 9,000 vehicles or 1.1%. Total traffic during May totaled 4,183,000 vehicles exceeding the volume reached last May by 211,000 vehicles or 5.3% and also exceeding the previous record set in May 2000 by 165,000 vehicles or 4.1%.

Passenger car traffic during the first five months of this year totaled 14,142,000 vehicles exceeding the volume reached last year by 682,000 cars or 5.1% and surpassing the prior record set in 2000 by 666,000 vehicles or 4.9%.

Commercial traffic during the first five months of the year totaled 3,602,000 vehicles exceeding the volume reached last year by 8,000 vehicles or 0.2%, but falling short of the prior record set in 2000 by 190,000 vehicles or 5.0%.

Total traffic for the first five months of this year totaled 17,745,000 vehicles exceeding the volume reached last year by 690,000 vehicles or 4.0% and surpassing the prior record set in 2000 by 476,000 vehicles or 2.8%.

Mr. Chairman, I'd like to pause now for any questions before I continue with my report.

Strnisha: Actually, just a quick question, Mr. Steiner. The truck traffic was up last month compared to last May, but the revenue was down. Can you give us a brief explanation of the trucks – are they using smaller trucks?

Steiner: Yes, basically. Also when you talk about commercial vehicles this time of the year it's not just the 18-wheelers. There are a lot of smaller vehicles taking vacation trips. With the economy we have seen some lighter vehicles. So it's a combination of lighter vehicles, people taking vacations with campers, and that type of thing.

Strnisha: Some of the things point to the positive economy but if there are smaller trucks carrying less stuff, you get some softness out of it.

Steiner: Mr. Chairman and Mr. Strnisha that's correct. We are seeing some improvement over last year but we are still far short of the commercial traffic that we saw in 2000. There is some improvement but there is a way to go.

Greenwood: The record should reflect that Senator Armbruster arrived at 10:09 a.m. Any other questions for Mr. Steiner – you also had another introduction, you want to do, Jim?

Steiner: Yes, Mr. Chairman and Commission Members, as I reported previously our auditors from Deloitte & Touche have completed their audit of our financial statements and have issued an unqualified or "clean" opinion on those statements as of and for the year ending December 31, 2001. This morning we have the engagement partner, Mr. Doug Deal, who would like to make a few comments.

Deal: Thank you. We had an exit conference a few weeks ago with management here. I'm not going to repeat pretty much what was said at that exit conference. The audit here went very well. It historically has. We have been involved here – this is the third year of a five-year contract. Our work is subject to the Auditor of State's review. The Auditor of State is actually responsible for the audit of the Turnpike as well as all other public sector organizations in Ohio. However, they do farm out some of the work to independent public accountants like ourselves. That is how we ended up being the auditor of the Turnpike through a competitive bidding process and a three-party contract with the Auditor of State, the Turnpike and us.

As I said we are in the third year of a five-year contract. Our work is subject to the Auditor of State's review. That review is just completed by the end of May and the reports – there are multiple reports we issue were cleared and accepted by the Auditor of State without any exceptions or comments. Those reports are on the Auditor of State's website now along with all other public sector reports.

I would characterize the audit as all of our opinions are clean opinions on the financial statements, the internal control, no material weaknesses, no compliance matters to report of a material nature, etc. The employees and participants from the Turnpike that we dealt with in the course of the audit were very cooperative, open and forthright and very professional in their dealings with us. We had no problems with respect to candidness, integrity or any of those issues.

During the course of the audit there always are items unbooked adjustments for example that come up – very immaterial items were not reflected in the Commission's financial statements for this year. They were viewed as immaterial by us as well as management of the Commission.

As far as the reports we issue, we issue a report on the Comprehensive Annual Financial Reports of the Commission which is a glossy, I assume you have seen it – it's a very nice

looking report. I have had others comment on the professionalism. It looks like an annual report of a public company. I can tell you that a lot of public sector organizations do not have this kind of professionalism in their annual reporting.

So we issued an opinion on the financial statements in here. We also issue an opinion on internal and legal compliance which is a separate report – a one-page report. We issue a report on net system revenues which is a compliance report relative to some of your debt covenants. We issue a separate debt covenant letter on top of that and also we issue a management letter. The items in the management letter are not deemed to be material items. They address things like internal controls, data processing related matters.

Just to summarize the audit I would say all the opinions are clean. The main financial transactions which occurred during the year was some large debt issuances for both capital projects as well as a refunding of previously issued debt. There is a new accounting pronouncement that will kick-in for the Commission next year. It's called GASBY Statement (Governmental Accounting Standard Board Statement #34) which will be a major task for some cities and counties – not so much for the Turnpike Commission because one of the major thrusts of it is to put infrastructure (roads, bridges, streets, sidewalks, etc.) on your books and depreciate those. The Turnpike went to that kind of accounting three or four years ago so you are ahead of the game there. One thing you will have to have in this report next year will be a management discussion and analysis very similar to a public company and that is probably the main impact that this new accounting pronouncement will have.

In summarizing, we appreciate our time here. We were treated very well and I thought the people we dealt with were very professional and forthright.

Greenwood: Any questions from Commission Members for Mr. Deal?

Dixon: Forgive me, but I'm new and I just want to get some things straight in my mind. How often are we required to do an audit?

Deal: Annually.

Dixon: Do we do quarterly reports?

Deal: We do not. You have an internal audit staff that performs certain procedures during the year.

Dixon: Are we required to do a management report?

Deal: I'm not sure what you mean by management report. We issue a management letter and it is available if anyone needs a copy. That's an annual byproduct of the annual audit.

Dixon: These are state requirements, Mr. Director?

Zomparelli: Mr. Chairman, Commission Member Dixon, the requirement on conducting audits, we have two requirements. Under the Master Trust Agreement we have to perform an audit each year dealing with our bond sales and under the Ohio Turnpike enabling statutes the State Auditor of Ohio is required to audit and actually has responsibility and jurisdiction to audit the accounts, records and books of the Commission.

What happens here is the Ohio Turnpike Commission jointly with the State Auditor's Office, issues an RFP for auditing services and jointly we review and select an auditing firm. In this case it's been Mr. Deal's firm, and they have done a very professional job for us. Outside of that years ago, the Commission used to perform audits twice a year and I and Alan Plain recommended doing away with that because it was just an extra cost that we didn't need to incur. The reason why we did it at that time years ago was the fact that the Commission had not been in the bond markets since its inception. We went into the bond market for the first time in 1994. We decided to go with the annual audits.

We will perform our audits anyway. That State Auditor can come in any day, any time to look at our books.

Also Dave Miller, (please stand) is our Chief Auditor (in-house) and he coordinates with Mr. Deal and our outside auditors and audits. He is not only in charge of our toll audit function auditing our toll records, but also from time to time auditing contracts with vendors that we have. For example, food concessionaires, he is involved in auditing their records from time to time, engineering firms. He also audits our inventory. He goes out to our maintenance buildings and determines that we have what we are suppose to have out there – the boots, trucks that they are there and they are accounted for.

Jim Steiner does our monthly financial reporting and we close regularly every month. Those are our financial statements. We get those every month. That's the overall framework of our auditing process.

Dixon: Thank you.

Greenwood: Any other questions from Commission Members? Thanks very much, Mr. Deal. Jim, are you finished with your report? OK. Staff reports, Mr. Zomparelli:

Zomparelli: Thank you Mr. Chairman. Before I get started with my report, Mr. Gordon Proctor and Mr. Darwish have asked to report to the Commission on a project they are working on in Summit County, S.R. 8. I think this would be a good time to make it part of the Executive Director's report to the Commission. As a courtesy to Mr. Proctor.

Darwish: Good Morning and thank you for having us this morning. We are here this morning to give you a brief update on the S. R. 8 project in Summit County. This project is from S. R. 303 to I-271 with the Turnpike gate #12. We'll show you a brief video to show you, and give you a brief history on the project. We also included in your folders a schematic showing the proposed alignment and the percentage split on this project. I also have

Mr. Jim Swartz from URS Consultants here today to talk about the technical approach, the traffic split and the percentages between the Turnpike and ODOT.

We have had several meetings between the Turnpike staff and ODOT concerning this project. We started a few months ago. I can say that the ODOT and the Turnpike staff agreed on the technical approach, on the alignment and on the split. I want to be clear here – the split percentage not the dollar amount. The dollar amount is going to be presented to you as far as if you agree or disagree to be a partner with ODOT on this project. With this, would you please start the video?

A video was shown to the attendees. It referred to the proposed S. R. 8 project as “The Missing Link.” The video presented information regarding the existing conditions, plan improvements, community concerns and benefits.

Darwish: Thank you. Now, I’d like to introduce Mr. Jim Swartz from URS Consultants.

Swartz: Mr. Chairman, Commission Members, as the video indicated this “missing link” is one that daily now has traffic jams, huge back-ups. What we have done through the preliminary development working in conjunction with ODOT and the Summit County Engineer’s Office is develop a means to basically turn Route 8 from an arterial traffic light road into an expressway type of facility. Just by simply removing the traffic signals and replacing them with interchanges more than doubles the capacity of Route 8. The most important aspect of this from your perspective is its interchange with the Turnpike and did require quite a bit of effort to be able to get an interchange which would not only serve your access to and from your toll gate, but also to the local communities and local residents who access Route 8 and the Turnpike.

We were able to accomplish that through the layout that is shown on the hand-outs you have in your folders as well as on the boards we have here this morning. A couple interesting traffic statistics, when we are planning a facility like this we

look ahead about 20 years to the year 2025. In 2025 it is projected with this build-out alternative that there will be over 50,000 cars a day using Route 8. Over a third of those vehicles will be entering or exiting the Turnpike facilities.

Another interesting statistic on the traffic is when we go through this for the preliminary development and the NEPA process we look at the “build” and “no build” alternatives. In the “build” alternative in 2025 we are showing that almost 22,000 cars will be entering and exiting the Turnpike. In the “no-build” that only a little over 15,000. So in other words by building this facility the traffic models are showing there will be over a 40% increase in the volume of vehicles entering and exiting the Turnpike in 2025.

The other thing we have done in your handout is put a summary sheet of some of the vital costs that are involved in this project. As was indicated in the video, there is actually Phase I and Phase II to the project. The Phase I is the I-271 area and that’s proposed to be designed and constructed in the year 2007-2008. Phase II which involves the Turnpike is proposed to be constructed in 2009-2010.

The chart in front of you shows the cost summary on Phase II and shows the split between the Turnpike and ODOT. The basis of splitting the money is on the basis of only those ramps and the portions of the interchange that are traveled exclusively by Turnpike traffic and are identified in the Turnpike Cost column. All the other elements – the frontage road, the local ramps to Boston Mills, Hines Hill etc. are identified as ODOT costs. The total cost is projected to be around \$40-M for this Phase II. ODOT is indicating they will pick-up the design costs which I understand they are in the process of selecting consultants to start the design process. The right-of-way acquisition – certain parcels – they will move ahead on an early acquisition as early as 2003-2004. That cost is broken up and we are estimating to be \$1.6-M for ODOT and \$1.14-M for OTC.

The construction is shown in the year 2010. Again, it shows \$23-M for ODOT and \$13-M for OTC. That brings it to a total of \$26.6-M for ODOT and \$14.14-M for the Turnpike.

As I indicated before, the Turnpike cost is based only on those areas, ramps, bridges that have exclusively Turnpike traffic on it and the right-of-way costs are based upon only those parcels that land which is needed to build those ramps that Turnpike traffic travels on. I'd be happy to answer any questions if you have any.

Greenwood: I grew up on a farm in Hillard, Ohio and practice law once in a while, why – by the year 2010 I hope to have both my daughters married and maybe I'll be a Grandpa -- why does it take so long to get these things going?

Proctor: Money. Even when we have our best year of new construction, \$400-M a year, we are able to widen our system at the rate of a 1/3 of a percent on our best year. It's because our system is so vast that 90-95% of what we have is consumed by system maintenance. If someone would like to triple our new construction program, we could do this project in 2005 and get it going. It's just scheduling things out because of cash flow.

Greenwood: So you have the capacity now within the Department to design.

Proctor: We had a \$1.2-billion program last year and hit 93% of all production milestones. It's just a matter of finances. Our tract list is basically scheduled out to 2006 and beyond 2006 we have absolutely no money for "new construction." The reason is this is in the 2010 timeframe because we assume by that time Congress will have acted on the Transportation bill and we will have a better financial picture.

Greenwood: That's interesting, thank you both. Any questions?

Strnisha: A follow-up to our Chairman's question. When you do the estimates, do you escalate those out? About 8 years.

Swartz: Yes, the costs that are shown have been escalated to the particular year that is shown on the chart so they are escalated into that year's anticipated dollars.

Armbruster: Living in a community that had S.R. 83 supposedly going north and south across Lorain County and having one community building in the middle of that right-of-way, what protections does the State and what protections do we have now based on S.R. 8 and the proposed changes.

Proctor: Well, the majority is on existing right-of-way and the only new right-of-way is going to be around the ramps. There is some right of way takes around these proposed interchanges but there is no new alignment for the main corridor that we really have to worry about. That's why they went with the upgrade alternative.

Swartz: In the video we mentioned that we looked at alternative routes and that was, but also ODOT is planning on starting some early right-of-way acquisition to preserve key parcels that are needed for the improvements.

Armbruster: Based on that and why we here because we are the Turnpike, not necessarily, we're setting the transportation down in the Senate – how are we going to make sure what we are purchasing in our portion of this, are we in a position to buy it now? Do we own that? Where are we and how are we going to protect the alignment of this road and can we? I don't think we can if a community wants to set some building or some business in the middle if it's sitting down in 2010 and that's just your best guess.

Proctor: Mr. Chairman and Senator Armbruster, ODOT is selecting the design consultant this year to get the design done so we know exactly what right-of-way we need to take. We are planning to do protective purposes in 2004 to get the right-of-way under control.

Armbruster: Mr. Chairman and Gordon, are the communities participating in this process?

Proctor: Mr. Chairman, this is the #1 project for the Akron area planning agency (AMATS). It's their #1 transportation project. It has come out of the MPO planning process. It's come to TRAC (Transportation Review Advisory Council) as the region's #1 project.

There is some concern through one of the villages there and the County Administrator, Mr. McCarthy who you saw in the video and Mr. Darwish and others have been working with that community on a couple property issues that they are concerned about, but there is generally broad support in the community for the project.

Armbruster: Mr. Chairman, I would only suggest that if we ought to be "pro-active" on our end and not have to buy something that someone has allowed a business to go in or somebody's home and unfortunately when you get into situations like this, living through it as I have and now the whole right of way is just completely gone – I mean the proposed right of way – the previous mayor of the community built his home in the middle of the road. Unfortunately, in that case, I would only suggest that we get to the local communities and get some protections. You can only protect for two years probably in city council, but resolutions being passed that this is where the road is going to go and based on our best guess through 2010, and until you hear differently, let's protect the right of way. In the Planning Commissions and everything else that's out there, we're not being asked in 2010 or 2012 as the State of Ohio – and I won't be there anymore based on the term limitations – and I'm not sure Gordon, who is going to be even sitting here. We get some protections out there from the local communities as best as we can so we don't have someone building a business or home or putting in a road in the middle of our way when we are talking 2010 or 2012 or 2015 for this kind of project.

Greenwood: Good point, I understand what you are talking about. We have a couple in my neck of the woods – the exact same concept.

Strnisha: Mr. Chairman as a follow-up to that, will the Turnpike have to acquire the properties that are coded in yellow?

Darwish: ODOT will acquire those parcels.

Armbruster: Mr. Chairman, based on that answer, would it be appropriate, based on our financial condition, that we could operate a lot faster than ODOT, would it be in our best interests to buy it now and get reimbursed with interest?

Proctor: Mr. Chairman, Senator Armbruster, I appreciate the offer but the rest of the project will be bought with federal dollars and we have to go through the federal right of way acquisition process to process the integrity and environmental document for future federal approval. The reason why we want to get into design so we know exactly what we have to purchase so we can get those purchases made next year and do the very thing that you were suggesting basically do a “protective” purchase.

Buehrer: Director Proctor, where is this project in terms of TRAC approval?

Proctor: It is TRAC approved in Tier #2 for all the stages of development that you see here. Tier #2 means they have funded it as a very promising project for planning, design and environmental purposes but the TRAC has not made a complete construction approval as I recall. I think what we are looking for is if we get Turnpike Commission’s approval, we’d be looking to take it back to the tract to come up with matching funds for this particular phase of construction. Mo, did I get that right?

Darwish: Yes, we have to meet the TRAC money for engineering.

Buehrer: Mr. Chairman, Mr. Director, out of the \$26-M that’s ODOT committed, how much of that is real cash today and how much is that speculative federal help?

Proctor: Mr. Chairman, Representative Buehrer, I believe the design money and the right of way has been approved. So the

substantive things that have been happening in 2002 and 2004 are funded to make sure they occur. Then we come back with the construction in the later timeframe. Thank you, Mr. Chairman.

Wilkins: Mr. Chairman, Gino, what would be the process for this Commission to deal with this request?

Zomparelli: Mr. Chairman, Commission Member Wilkins, this is the first time we will be going under a process under our new updated legislation that occurred in 1995 or 1996. The first step of the process was to make a presentation to the Commission Members to understand what the project is. There are a lot of issues that still need to be resolved.

Internally, we have been working with Mr. Darwish and we are studying the project and we are also in contact with our financial advisor to determine what would be the financial implications to the Commission. The process would involve getting Commission approval and then I think we also need to get the approval of the Oversight Committee. The Turnpike Oversight Committee would need to take a look and review this because we are not really sure where this falls under the definition of a "Turnpike project" "another project" or an "ODOT project." We have heard some questions about right of way. I'm not so sure whether a judge might do in a court of law -- seeing what happened at S.R. 250 whether we would even have the right to appropriate the property -- the eminent domain powers here.

That's why we are not sure. The legislation that changed the Turnpike Act limited the Turnpike's toll revenues and bonding to be used only on "Turnpike projects." That's why I'm not sure where this falls under the process of whether this is a "Turnpike" project or not. Certainly, as Director I am very interested in easing congestion on S.R. 8, what role within the boundaries of the Turnpike Act we can work in is another question. I'm not so sure we have agreed on the funding and how much we can participate. We have a long way to go in those regards. We probably want bond counsel to review it and

make sure there isn't an issue. I don't know if an Attorney General's Opinion is appropriate here or not.

I know that Mo and Mr. Proctor have gotten an in-house Assistant Attorney General Opinion for me to look at it, but they have a caveat at the end that "this is not an opinion of the Attorney General", but it's a good start. At least it wasn't killed on that process.

The TRAC (Transportation Review Advisory Council) that is a board set up almost similar to the Ohio Turnpike board that deals with ODOT issues and Mr. Proctor is the Chairman with 9 Board members.

If the Commission were to participate in any funding, that's an additional source of funding for this project and that would help ODOT move this project higher on their tier priority. Any additional funds that are obtained whether from the federal government, the County, or the Turnpike – having this funding would move it up in the priority category. I don't know what priority number this project is right now, -- if I misspeak, please correct me.

The process – the simple answer is it has to be approved by Mr. Proctor, ODOT, it needs to be approved by the OTC and it should be approved by the Oversight Committee and then we can decide where we go. At the same time, our general engineering consultant would need to take a look at it. I'd be very comfortable if I would ask our bond counsel to give us an opinion to make sure that this doesn't affect our bonding or our credit ratings. \$15-M some numbers have been thrown about. We have gone from \$2-1/2-M a couple years ago to \$5-M to \$11-M to about \$13-M now. It is a large percentage of our budget.

So this Commission has a lot of deliberation to do. That's the problem. I don't think we will be raising tolls in the next couple of years and the Commission will have to evaluate internally how this falls in their priority of needs. There is no doubt that S.R. 8 has a congestion problem during their rush hours and

there is no doubt that the Turnpike intersects S.R. 8. We have to get the legal issues addressed and then this Board will have to decide if it's legally permissible when you want to participate and how much you can participate.

S.R. 8 doesn't generate any tolls so we will not receive any additional funding. Eminent domain – that's a guess of what the property values are going to be and the value is determined at the time of the take so I don't know if the take is today or if the take is going to be 8-10 years from now from when this project starts. If you are asking \$1.5-M today, is it going to \$2-M, \$3-M. That's a problem that ODOT as well as the Turnpike is facing. Since they have more projects than we do, it's the timing of the take. The fair market value at the time of the take. That property in that area has been escalating in value because northern Summit County has been improved.

Darwish: That's why we are moving for an early take. Right of way costs when it's delayed over the years. To answer a couple of your questions, it is District #4, No. 1 project on TRAC. It's also Summit and Portage Counties' #1 project. The TRAC funded the engineering right of way for that portion, it will commence construction when funding is available from Washington.

It's no different from any other project when you go through eminent domain or regular right of way acquisition. It will be handled efficiently. This is not the first project we have had on this scale.

Wilkins: Mr. Chairman, Gino, how long do you think realistically it will take us to get comfortable and make a decision?

Zomparelli: I don't know when the Commission will be comfortable because I'm not a voting member, but for us internally to make a review and then make a recommendation, I'll talk to Eric, our financial advisor, Peck, Shaffer, our bond counsel and I think we could make a recommendation to the Commission Members by the end of this year.

If the Commission wants it in two or three months, we can make a review and summarize our review within that time frame. I want to point out that S. R. 8 – how long is that? (4.5 miles). The entire length of S. R. 8 that's going to be affected. So it's just not at the Turnpike interchange and the Turnpike interchange is about in the middle – right?

Swartz: It's more the southern part.

Zomparelli: Well how far from each end – how many miles, if you know.

Swartz: From 303 up to 271 is a total of 5 miles. The improvements themselves is less than five miles. It's basically the cross-roads where we have the traffic lights removed and the interchange is going in at the Turnpike area and the interchange is in the 271 area.

Strnisha: Does that work for ODOT if the Commission deliberates and reaches some assessment later this year?

Armbruster: I'll ask it a different way – when would you like us to act?

Proctor: Mr. Chairman, Senator Armbruster, there's an easy year to make a decision. We are bringing it before the Commission preliminarily. We understand you are working a few years out and the financial folks would have to give the Commission a forecast of whether they could afford this and that's why we are bringing it. If we could get something even within the next year, it would be fine.

Greenwood: Any other questions?

Proctor: We also have the model in case anyone has any questions.

Zomparelli: I have one more question – There are three phases to this project?

Darwish: Two phases.

Zomparelli: Ours is the second phase?

Darwish: Yes.

Greenwood: Good job – thank you. The floor is still yours, Mr. Zomparelli.

Zomparelli: Thank you, Mr. Chairman. The members will find in your packet, three draft resolutions. All three deal with our food concession service plaza program.

The first one is captioned, “Resolution Rescinding the Award of Contract TR-8B (Unit #3) and Authorizing the Executive Director to take further action concerning the operation of the food concession at the Commission’s Great Lakes and Towpath Service Plazas.”

On June 14, 1999 the Commission awarded contracts to Advanced Restaurant Concepts, Inc. (ARCI) of Toledo, Ohio for the operation of food concessions and/or retail gift shops in Units #1, 2, 3 and 5 at the Commission’s Great Lakes and Towpath Service Plazas for an initial term of five years.

ARCI has failed to conduct its operation of Unit #3 in accordance with the terms, conditions and provisions of the subject contract and on February 26, 2002, the Commission provided written notice to the Operator advising ARCI to cease operations and vacate the premises not later than 12:01 a.m. on March 11, 2002. The premises were vacated. We went out and issued an RFP on April 24, 2002 for Unit #3. We received bids from five different vendors who submitted various proposals for the operation of Unit #3 food concession. I have attached the bid tab to the back of the resolution so you can see each bidder’s proposal and concept.

The Commission’s Executive Director, Deputy Executive Director-Chief Engineer, General Counsel and our Manager, Patron Services, Fred McFall as well as Dick Lash, Director of Safety Services, have been reviewing the proposals. We are in negotiations and have conducted meetings and telephonic conferences with all the bidders or their representatives. We are close to making an award. I’m asking the Commission for

authority to make an award to any one of the five bidders who submitted their proposals.

HMS Host Toll Road submitted a Burger King concept. Sub Concepts, Inc./Gregg Chemical Corp. submitted a Subway concept. ARCI submitted an Angus Grille concept. Hardee's Food Systems submitted a Star Hardee's concept and Compass Group, USA, Inc. has submitted a Wendy's concept or as an alternative, Pepe's concept.

All these concepts are very good concepts and gives the Commission a lot of choices. We were not ready today to make a recommendation. We are negotiating a percentage bid.

I'll read the Resolved of the resolution:

"FURTHER RESOLVED that the executive director may take such action aforesaid, provided that the general counsel issues an opinion that said bidder complies 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, negotiation and execution of Contract TR-8B (Unit #3) for the operation of the food concession at its Great Lakes and Towpath Service Plazas at Milepost 170.1, located in Cuyahoga County, Ohio, including the award of contract for such invitation, and is further directed to notify the bidders in writing of said action."

I'd recommend that the Commission move to adopt this resolution.

Greenwood: Is there a motion to adopt before we have discussion? Mr. Strnisha moves. Second Mr. Dixon?

Dixon: No second.

Greenwood: Does anyone second? Discussion?

Dixon: The Commission is asking for us to OK the Director to choose between these five companies?

Zomparelli: That's correct.

Dixon: I just have a problem with a resolution like this and I have always had problems with resolutions like this. If we wait another month or two months and you come back and tell us OK, we chose “A” organization because we feel their organization is the way we should go. Then I’ll go with you and vote for that, but I don’t like carte blanc resolutions. You put yourself in a compromising position and I think it’s not the direction that I’d like to go in voting for contracts like this.

At this point, you probably do not have my support in voting on the resolution as it is today.

Zomparelli: Chairman Greenwood, Commission Member Dixon, we have a Burger King, a Subway, etc. – I’m just asking for authority to limit it to the companies that submitted a proposal.

Dixon: I understand, but make a decision and come back and tell me that this is the decision I made and I’ll vote on it. Make the decision. You are asking me to give you the right to make another decision after the fact. I am nervous about giving that authorization.

Zomparelli: Chairman Greenwood, Commission Member Dixon, I’m trying to understand the concern. These are all fast-food concepts. They are all for the same Unit #3. This is not a situation where one company is not as capable as the other. If there is an individual preference that you have and you want to let me or the staff know-fine. What we are doing is trying to find out what each one’s offer is and review it. What was there before was a Wendy’s. That’s one of the proposals is a Wendy’s. Wendy’s, Hardee’s, Burger King, Angus Grille are basically hamburger concepts. The only one that isn’t is Subway or Pepe’s – a pizza/Mexican concept. That’s a little bit different.

What we have there now is a Panera’s at Great Lakes and Towpath in Unit #4. There may be an issue about having two concepts with sandwiches offered. What I’m worried about is if I ask the Commission to give me authority to award let’s say – Red Barn – there used to be a Red Barn concept – and I asked

the Commission to give me authority to award to Red Barn and we weren't ready and I'd have to come back and deal with the other companies again and ask the Commission to see if it's OK to Hamburger King. We are just trying to get a food concession out there as soon as possible. That's the only reason I am asking. Normally, I don't ask for authority because you are right, I don't want to be accused of favoring one concept over the other. Because in this case we have gotten several good proposals, we are working simultaneously to see what would ultimately be the best offer to the Commission and not base it only on who gives us the highest percentage but what would compliment the other food concessions. I understand your concern, but I want you to understand I am trying to operate in the best interests of the Commission. All the other concepts that are there have been done by Commission approval.

We've got a vacancy, we have a problem. We are trying to get another vendor in there as soon as possible. Our concern was we were not going to get any proposals or only one or two. But we got five companies that are vying for the opportunity to be out there. If I do make an award, I definitely would keep the Commission apprised and if you wanted to rescind my action at the next Commission Meeting, you would have that option.

I guess I'm trying to understand your concern. I'm not dealing with any company that has not submitted a bid.

Dixon: My concern and let me say this to you, I think you will make a great decision. My concern is with best practices. I feel that resolutions like this short-stop the authority of the Commission quite frankly. And if it takes another month or two, I understand that you want to hurry up and fill this unit, but I feel if it takes another month for you to do your homework for you to make a decision on this, then I think that work should be done and then it should be presented to the Commission in the form "this is the contract that I want you to vote on." For me to have a laundrysheet in front of me and I have to tell you that I'm bringing baggage from other commissions that I sat on, for me to have a laundrysheet in front of me and open that door and give you some authority which I think you really don't want. If

it's cut and dry and there is one person on there, then we are "on-board" with you and you can never be second-guessed, but when you have a laundrysheet and there is an opportunity for you to make a decision without us being involved in that decision, then I think you open doors to criticism that you don't want. I will have to say quite frankly that I will vote against this.

Strnisha: Mr. Chairman, I was going to ask – first a comment and then a question. I think Mr. Dixon made some very good points. We have done this a couple times as I recall on some construction projects where there was a need to keep the schedule and for the convenience of our customers, etc. to act on things. I think the Executive Director is trying to act in the same way relative to the summer driving season. I also think Mr. Dixon made some good points. The question leading from that is, "when do we, at this point, when do we schedule the next meeting, because I agree ideally to Mr. Dixon's point. We have the ability to come back shortly. I understand that we just opened the bids on May 22nd and it's early June. I know how long it takes to evaluate these proposals.

Ideally, I would say to Mr. Dixon's point, if we could meet again in short order and give you formal approval, that would be a preferable way to do it. It's easy for me to say it up here and I'm prepared to meet and do that. What are we scheduled for right now? When can we schedule a meeting to give you that approval? That is the ideal.

Zomparelli: Chairman Greenwood, Commission Member Strnisha, we have already started to meet with them.

Strnisha: When could we meet next that would fit the timing.

Zomparelli: We have a proposal now with a couple of companies that we are evaluating and this puts me and our staff in a difficult position because a couple of the companies on the bid tab have never bid on the Turnpike before for food concessions. Subway did but has never been a food vendor. And Compass Group has not been a vendor I don't think ever. They submitted a concept

called Wendy's and we are looking at Wendy's replacing an existing Wendy's that we closed down.

It certainly makes a lot of sense and argument that says we should go ahead and award to Wendy's because that's the operation that was there before.

Strnisha: When are we scheduled to meet next and when would you think you would be prepared after these negotiations with the various vendors?

Zomparelli: I hope to have it done this week. We have met with a couple of the companies and talked on the telephone with a couple of the other ones. Fred, you met with Subway, Compass, HMS – those are the only ones we met with personally at the Turnpike.

McFall: We have a meeting set with Hardee's this week.

Zomparelli: What ultimately is going to come back is we'll make a recommendation for one of these concepts anyways back to the Commission. What the authority you would give me is the same recommendation that I would make a month from now pursuant to what happens at this meeting. I don't own any stock in Burger King, Subway.

Strnisha: That's not the point. The point is when would you be prepared so the Commission could formally approve your recommendation?

Zomparelli: A week from now.

Strnisha: I'm certainly able to meet on short order. I can't speak for the other Commission Members. I agree with Mr. Dixon's point. I think that is preferable if it can be accomplished.

Zomparelli: It's easier for me as well, I don't want to be in that position and I appreciate Mr. Dixon protecting me, but I understand I am the Executive Director and when it comes to making a responsible decision I shouldn't be intimidated with what someone might

say in the media or another company might accuse us of. I'd rather have the Commission approve it any day.

That's the whole reason why we have a meeting. This is not a contract, it's not an expenditure of the Commission. It is not a contract that goes to the lowest bid and you do not necessarily want to make an award of contract to the highest bid. There is a Burger King at the next two plazas. Does it make sense to have three Burger Kings in a row? I don't know. Angus Grille is by the operator who had to cease operations.

Strnisha: Sounds like we could have a meeting a week or two from now.

Greenwood: I can meet next Monday (June 17th.)

Dixon: Monday – yes.

Strnisha: Yes.

Wilkins: I can't.

Greenwood: Would you be offended if we met without you?

Wilkins: Oh no.

Greenwood: Why don't you withdraw your motion?

Strnisha: I was going to.

Greenwood: We can take up the issue of – if everyone can, with the exception of Mr. Wilkins, who understands the circumstances can meet next Monday, I don't know whether I can or not, but I'll make time available. All we need is a 24 hours for a "special" meeting, right? We have to notify the media who contacted us for notification. I don't see it as an emergency, we have time. We'll call a Special Meeting of the Turnpike for next Monday, June 17th for the purpose of addressing this contract and I think there was another one - this was the only one you needed authority to negotiate – the others are a different type? I guess it doesn't need to be in the form of a

motion, but simply a nod of heads if everyone with the exception of Mr. Wilkins can be here next Monday.

The motion has been withdrawn and we can go on with the agenda and at the end of the meeting establish the meeting for next Monday and put it on the agenda. Any more discussion on the resolution of the issue?

Dixon: That's fine with me, but my question is: when is our next regularly scheduled meeting?

Greenwood: July – the second Monday. (July 10th.)

Dixon: What would it do if we wait until then. The last thing I want to do is cause us to attend an extra meeting for us to run out here and say "Aye" or "Nay" for just one item. If this thing waited until July, what would it do to your timetable?

Zomparelli: Mr. Chairman and Commission Member Dixon, it's not my timetable. It's just for our patrons. A new operator will have to come in here, we have to review their plans for architecture. This has been a long process.

Strnisha: It's at least three extra weeks in the summer without having an additional concession.

Dixon: Let me ask you this. You alluded to this, but I want say this publicly – I trust your decision. I think you are going to make the right decision so once you make that decision what stops you from going in and talking to the person that you are going to choose to have them come out to look at the facility, etc. and do all those things and then us coming back and you present us with that person that you have chosen and then we vote on it.

Zomparelli: Chairman Greenwood, Commission Member Dixon, the Commission will be represented in those negotiations through our General Counsel. General Counsel can report to the Commission. This is the authority for me and General Counsel to enter into negotiations. This has been approved all by General Counsel. We are going to try and work out the terms

of the contract with them who we ultimately decide to recommend to work with. General Counsel will be presenting the Commission in the negotiations. He will signing off on the contract. We hope to have the contract signed by the next meeting but the Commission will have representation throughout this process to make sure that the legal requirements are being met.

I should point that out in the Resolved - General Counsel has to issue an opinion that the bidder complies with the statutory requirements of Ohio. If he feels something is not being done properly or he may advise me we might want to hold off and report to the Commission at the next meeting, we can still do that. What this will do is: it's alright for me to make the award, we will submit our terms of the contract, they will review it with their lawyers and they can sign it if there are not any problems and then we execute it. So the Commission will always have representation throughout this process. The only issue is and to take the easy way out – Yeah, I'd rather have the Commission vote on it and whichever vendor we ultimately vote on – that's fine.

Wilkins: Mr. Chairman, Gino, I think the issue is: Is it appropriate for the Commission to basically give blanket delegation to management to negotiate with vendors and potentially award to other than the highest bid in this case because the highest bid means that's the maximum dollars coming back to us. It's not pick the concept for the food vendor. I don't think the Commission is capable of doing that, but I think it's an improper delegation of authority for the Commission to say: Go ahead and negotiate and sign a contract with whoever you decide. I think those terms and conditions ought to come to the Commission. Read today's Dispatch editorial – I mean it's right on this point – where the School Building Commission delegated to the Executive Director the right to negotiate and sign a contract.

Zomparelli: OK, while we are here, let's talk about it then. There's a Burger King at Erie Islands/Commodore Perry – two plazas down the road.

Dixon: Trust me on this, Mr. Chairman – we are not here to micro-manage. I don't think any of us want that. I run a restaurant but I don't run this Commission. I'm not interested in the contract, OK? You are missing the point.

Zomparelli: I understand, but I need to finish my comment. What I am saying we are not always going to make the recommendation for the highest bid. If the Commission wants me to award it to the one who will give us the highest bid, then I need to know that in these negotiations. If that's the case, this is new to me.

Wilkins: That's why you need the Commission to approve it. To basically bless awarding to other than the highest bidder. For good business reasons. It's not a legal matter. It's not something that counsel can represent us. It's a business matter and that is the selection of a vendor that's going to pay us less than the maximum potential from these five bids. Isn't it?

Zomparelli: Right. That's what I am saying. For me that's the easy way.

Wilkins: I think that's the easy and proper way.

Zomparelli: The decision with concepts - this is a process that we have been working on since 1995 with these food concessions and these issues and it's a difficult issue. How do you compare if Burger King bids 10% and McDonalds bids 8% and Hardee's bids 6%. You are always going to be comparing apples. That's the only point I am making. I am not asking for authority. I don't want authority given right now. I think that's the appropriate conduct - for me to come back. I absolutely want to do that now given the deliberations. That's 100% I think we should approach it. I'm just pointing out for the next meeting that not very much is going to change in the issues of the selection. That's what I want to make the Members aware of – that I'm working with the staff in the same way that the Commission is working with me and given the discussions right now, I think it's important for us to come back and have a formal award to one of the companies. Let's do that.

Greenwood: OK. The floor is still yours,

Zomparelli: The next resolution is entitled, “Resolution rescinding Award of Contract No. TR-8C, Unit #4 (sit-down, family-style restaurant) concerning the operation of the food concession at the Commission’s Portage/Brady’s Leap Service Plazas.”

Mr. Hero’s was the concept submitted by Restaurant Developers Corp. for the operation of Unit #4 in Portage County at Milepost 197.0. We had agreed to terms and forwarded the contract for execution. This is the vendor that the Commission will recall had a problem with the financing – the bank that they had been dealing with had been purchased by another bank. The Commission had awarded Contract TR-8C (Unit #4) to this vendor. They are not able to go forward so I am asking the Commission for a resolution to rescind that award. The Resolved reads:

“RESOLVED that the Commission hereby rescinds the award of Contract No. TR-8C (Unit #4) to Restaurant Developers for the operation of a “Mr. Hero” concept at Unit #4 at the Commission’s Portage and Brady’s Leap Service Plazas located at Milepost 197.0 of the Ohio Turnpike in Portage County, Ohio.”

I’d recommend that the Commission move to adopt this resolution.

Dixon: I move.

Wilkins: Second.

Greenwood: Discussion, any questions, please call roll, please.

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

Zomparelli: The next resolution is for the same Unit #4. On June 10, 2002, today, we rescinded the award with Restaurant Developers Corp. for the operation of a “Mr. Hero” concept at the Commission’s Unit #4 at the Portage/Brady’s Leap Service Plazas. The Commission explored interest with other current concessionaires and other vendors who expressed an interest in

operating Unit #4. In May 2002 representatives from the Compass Group USA Inc. of Charlotte, North Carolina presented a proposal for the operation of food concession at the Commission's Portage and Brady's Leap Service Plazas.

Members of our staff including our Deputy Executive Director-Chief Engineer, Patron Services Manager reviewed the proposals and worked with the proposal submitted by Compass Group USA Inc. They proposed the following food concepts for Unit #4:

AuBon Pain and Noble Roman's Pizza – both concepts in the same unit #4 with the percentage return as follows:

For net sales 0 - \$3,000,000	8%
3,000,001 – 4, 500,000	10%
4,500,001 and above	12%

The bid has been reviewed by the General Counsel. The General Counsel says it conforms to the requirements of the applicable state statutes and terms and conditions set forth.

The Resolved of the resolution reads:

RESOLVED that the above-mentioned proposal submitted by **Compass Group USA, Inc.** for the performance of **Contract TR-8C (Unit #4)** is hereby accepted; and

FURTHER RESOLVED that the executive director and general counsel hereby are authorized to execute **Contract TR-8C (Unit #4) (Portage and Brady's Leap)** Service Plazas, which provides for an initial term of ten (10) years and at the parties' mutual agreement and written notice to extend for additional seven (7) year periods, with Compass Group 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.

General Counsel has attached a memo and Compass Group's letter with their percentage return is also attached. I'd recommend that the Commission move to adopt this resolution.

Greenwood: Does anyone move before we have a discussion to award the contract for the food concession at Portage and Brady's Leap Service Plaza.

Dixon: So moved.

Wilkins: Second.

Greenwood: Question on the motion? Any questions from any of the Members.

Strnisha: Maybe the Executive Director can talk about Compass and the memorandum is very helpful to remind us as to what has happened in the past and the difficulty with this particular unit. Would you please tell us about the Compass Group – who they are and our experience with them. How they were approached? And if any others were approached and made aware of the opportunity. So we can know a little more about how they were solicited and what went into this consideration?

Zomparelli: Chairman Greenwood, Commission Member Strnisha – I'll ask Mr. Fred McFall, Manager of Patron Services to comment and give you a little background information regarding the Compass Group.

McFall: Good Morning – Just some information about the Compass Group. They are a very large company. They have over \$13-billion in sales and have over 300,000 employees. They have branded concepts they work with – Crispy Crème, Noble Roman's Pizza, Wendy's and Burger King. They also have locations right here in Cleveland. They have an Au Bon Pain at the Charter Bank Building downtown. We met with them quite a few times. They have flown in from New York to take a look at the facilities. I'd also like to add that the percent that they are giving us is a considerably higher than the amount we accepted with Mr. Hero. They also are entertaining the fact of putting in a "Crispy Crème" also at that location.

They have tremendous knowledge in the catering business, full-service restaurant business, fast-food business and is looking to

get into the Turnpike restaurants. They are presently into catering, bank buildings, universities and also into airports. The area which they want to expand into is the Ohio Turnpike's service plazas.

Zomparelli: Fred, why don't you tell them where you first made contact with them?

McFall: I first made contact with them at an IBTTA meeting in New Orleans. I had a chance to sit and talk to them about their company. They, in turn, brought me up to date about the different locations they have and their desire to expand into the Turnpike locations.

Zomparelli: IBTTA is our turnpike-toll association and our food concession committee. I asked Fred to attend. I had tried to pursue Restaurant Associates and Compass Group in the past. They are a large operator in 90 countries. They really haven't expanded out this way west - this is an excellent opportunity for the Commission to have a new food vendor out here. It increases competition. We were concerned about filling that sit-down site. This has not been an easy task. Middle Ridge/Vermilion Valley are the 7th and 8th buildings that we have been working and trying to get food concepts and we re-invented the wheel on how we handled food concessions at the Turnpike at our service plazas. This has taken an awful lot of time and effort but basically Patron Services is a very small department (Dick Lash, Fred and Judy) who worked with Dan, General Counsel and myself.

The payback for the Commission has been huge. We have increased the amount of revenue we are received now from our food concession operations. This is a "new player" and going back to Unit #3 at Great Lakes and Towpath – they have also submitted a "Wendy's" concept.

Strnisha: Can you comment on how we solicited previously and hadn't gotten any response. Had anybody else at this point expressed an interest?

McFall: We had one other operator that came out and took a look at it – Alfonso's. They are located on Lorain Road and they also just put in a concept at Six Flags.

Strnisha: I think I understand the reason, but the judgment why this is the preferable choice at this point than the other vendor.

McFall: I think the real reason we want to look at this is because it's 4400 square feet and taking that size of building, we can put in three different concepts. Plus, I think Compass is familiar with airport business, catering and working with universities so they have a lot more variety to offer. Also, they have a lot more experience in different concepts.

Zomparelli: Chairman Greenwood, Commission Member Strnisha, the resources that they bring are tremendous. We don't want to discourage other bidders at the same time, but we are excited with the opportunity of having a new vendor on the Turnpike.

Greenwood: Thanks – any more questions? No, then call the roll, please.

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

The resolution passes.

Zomparelli: I'd just like to report to the Commission that as you heard earlier, our auditors completed their audit. We had the meeting on May 15th.

Collective bargaining negotiations have started with the Teamsters. We had our first negotiating session last week.

An Oversight Meeting is scheduled for the Commission on Monday, June 17th at 2:30 p.m. If we are going to be here anyway, we might as well stick around for the Oversight Meeting.

I think the Oversight members likes to see a Commission Member attend. That was an issue early-on. We'll ask Mr.

Darwish if that works for you to return on Monday to give a presentation on S. R. 8.

Darwish: We'll return then, but since Mr. Proctor will be unable to attend the Monday meeting, with your permission, perhaps we can schedule the Commission Meeting just before the Oversight Meeting. Thank you.

Greenwood: You want to leave your model on S. R. 8 here, then?

Darwish: Sure.

Greenwood: That's OK for you guys, Gino?

Zomparelli: I think it's a good idea. Can we charge some rent? The last item I'd like to report is we received a letter from "Harvest for Hunger" signed by the new Mayor of Cleveland, Jane Campbell, and Clinton A. Sampson, President of Bank One Cleveland thanking the Commission for its participation in the Harvest for Hunger 2002 campaign. The Commission employees out of their own pocket donated food items. I'd like to make the Commission aware that we are socially responsible as well. That concludes my report.

Greenwood: Any questions for our Executive Director? Reports – Mr. Erickson? I'm sorry, Mr. Castrigano first. Sorry, Eric.

Castrigano: Thank you Mr. Chairman, Commission Members. I'll keep it brief. Our report on our construction projects. All three of our third-lane projects representing an additional 9 miles are currently in Phase II which means they are working in the median on the third lane. They are scheduled to be completed in November.

Our two resurfacing projects (Williams and Sandusky Counties) are nearing completion. They will be completed within the next two weeks.

The overhead bridge projects – we are currently working on

S. R. 795 in Wood County. That project is scheduled to be completed this Friday. I'm happy to report that's approximately 5 months ahead of schedule.

Work continues on the CSX Railroad Bridge just west of the building. The temporary structure steel has been erected. We are currently working on shifting the tract into the temporary alignment.

Work is also continuing on the Cuyahoga River Bridge. The contractor is currently working on the sub-structure for the new bridge and also the third-lane portions east and west of the bridge.

I'm also happy to report that the Vermilion Valley and Middle Ridge Service Plazas opened on May 30 and 31st respectively. Currently, we are working with temporary food service. The permanent food vendors will begin to open in approximately three weeks and continue through the summer.

Also, work continues on three of our toll plazas, three maintenance buildings and our bridge painting projects which will all be completed this season. That completes my report.

Greenwood: Mr. Erickson, our financial advisor, any report?

Erickson: Just a brief report, Mr. Chairman. I'd just like to echo on the Executive Director's comments relative to this S.R. 8 project which is the first time I have heard about it. As you are probably aware, the rating agencies are aware all your future capital projects out for 7-8 years so at some point in the near future we ought to at least let them know that you are looking at this potential project. I just wanted to make sure you are of that. Sometimes, we need to inform them of this – the costs and implications, etc.

Greenwood: Questions – thank you. Frank our trustee?

Lamb: No report, Mr. Chairman.

Greenwood: Highway Patrol?

Tornabene: Thank you Mr. Chairman. Just a short report. Specifically targeting the Memorial weekend, the 4-day weekend, Friday through Monday. The OSHP had contact with approximately 4,000 patrons during that four-day period in one form or the other. We targeted a program where we have an “Operation Safe Stop” where we assign officers to the service plazas to have high-visibility and to have personal contact with the patrons on a non-enforcement type basis. We contacted approximately 1,200 persons in that four-day period at the service plazas.

I am happy to report that the traffic crashes were down 11% from last year’s numbers over that four-day period. We feel that was very successful in visibility and the contact with the patrons over the Memorial Day weekend. Plus – no fatalities.

Greenwood: Just one question, if we go with Krispy Crème, is that going to enhance the number of patrons? Are they going to be as enthusiastic as Mr. Dixon is?

Tornabene: We’ll have to figure out how to get the officers out of that unit.

Greenwood: Good, I’m glad we had a good holiday weekend. Thank you. Mr. Yacobucci?

Yacobucci: Thank you Mr. Chairman, Commission Members – bridges and culverts inspections, we are basically complete with the exception of third-lane widenings, the resurfacing projects and deck replacements. We will pick those up towards the end of the year. Pavement conditions ratings are complete. Reports on those will be submitted towards the end of July. The facilities inspection is scheduled for July with that report being due at the end of August. The final total inspection report will be submitted the end of September. That’s all I have to report.

Greenwood: Any questions? Thank you. General Counsel, Mr. Amato.

Amato: Mr. Chairman, Committee Members, as the Director stated, we completed our first negotiation session this week. We have two scheduled for this week. In that regard, I request that we meet in executive session to discuss matters in that regard. Also, we would like to give a brief update on the Inspector General's investigation.

Strnisha: Mr. Chairman, I move we adjourn this meeting to hold an executive session to, as General Counsel stated, to discuss collective bargaining issues and the Inspector General's investigation. At the end of that executive session, the Commission shall reconvene.

Greenwood: Is there a second? Discussion – real quickly, when we come back we won't have any more business. But we will meet next week, did I understand, you all want to try and schedule the Commission Meeting to precede the Oversight Committee – that will facilitate. What time? Does the Commission want to meet at 1:00 p.m.? Does that work? OK. Just for the general public, we will have a Special Meeting next Monday, June 17th at 1:00 p.m. and then Oversight Committee follows at 2:00 p.m.

Back on the motion to go into executive session, please call roll.

Roll: Mr. Strnisha-yes; Mr. Dixon-yes; Mr. Proctor-yes; Mr. Wilkins-yes and Mr. Greenwood-yes. *(Time: 11:46 a.m.)*

Greenwood: I'd like to accept a motion to adjourn until our Special Meeting a week from today, June 17th at 1:00 p.m. Mr. Dixon moves, Mr. Wilkins seconds.

Roll: Mr. Dixon-yes; Mr. Wilkins-yes; Mr. Proctor-yes; Mr. Strnisha-yes; Mr. Greenwood-yes. We adjourn. *(Time: 12:12 p.m.)*

/dsp