

# MINUTES OF THE 481st MEETING OF THE OHIO TURNPIKE COMMISSION

August 12, 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 August 12, 2002, with members of the staff: 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, Gary Cawley, Superintendent 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; Reggie Williams, Community Liaison; William Keaton, Telecommunications Manager; Lauren Dehrmann, Manager, Public Affairs, Joe Disantis, Joe Bernardo, Legal Department, Heidi Jedel, Tracy Cowley and Diane Pring.

The Chairman then called the meeting to order and requested the General Counsel to call the roll

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

Ayes: Mr. Greenwood, Mr. Strnisha, Mr. Dixon, Mr. Wilkins,  
Mr. Proctor

Absent: Senator Armbruster (arrived at 10:10 a.m.); Rep. Buehrer

Greenwood: As far as the roll call goes, I received word that Senator Armbruster would be a little bit late. I talked to Rep. Buehrer this morning and he is on vacation.

The Ohio Department of Transportation Director, Gordon Proctor, is here today. Gordon, nice to have you on board and I'm glad you were able to attend this meeting although you have some tough shoes to fill because Mr. Darwish usually does

an excellent job. Hopefully the boss can do as well as his proxy designee. I'm sure you will.

We have a number of guests today, would you please introduce yourselves as we customarily do. Perhaps, we can start with Mr. Peca.

John Peca, Alan Hirth, Climaco, Lefkowitz; Eric Erickson, Fifth Third Securities; Bobby Everhart, URS; Tony Yacobucci, HNTB; Mo Darwish, ODOT Deputy Director; Jack Marchbanks, ODOT District Six Deputy Director; Jim Drew, The Toledo Blade; Mark Rosburgh, (Cleveland) Plain Dealer; Paul Singer, Associated Press; David Millstone, Squire, Sanders & Dempsey; Frank Lamb, Huntington Bank; Joe Rice, Lt. Tom Derr, OSHP; Steve DeLong, Rino Panzarella; Operating Engineers; Larry Woolum, Ohio Trucking Association; Howard O'Malley, B & T Express; Scott Weber, The Dispatch and Bob Martell, Hardee's Food Systems.

This is the 481st 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 two Commission meetings of June 10 and June 17, 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-yes; Mr. Dixon-yes; Mr. Wilkins-yes;  
Mr. Proctor-yes; Mr. Greenwood-yes.

Nays : None.

The minutes of the June 10 and June 17, 2002 meetings are adopted. Let the record reflect that Senator Armbruster arrived at 10:10 a.m. Welcome to the Commission. You didn't miss a whole lot – the introduction of folks and the roll call.

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.

The next item is my report. I don't think it's any great news that last Thursday (August 8, 2002) I received a letter of resignation from the Executive Director, Gino Zomparelli. There have been many, many good things that have happened here at the Turnpike Commission since I have been on board – going back three years or so. They occurred while Mr. Zomparelli was the Executive Director. I can't even begin to list all of them. I jotted down while coming over this morning some things such as our computer system. I know that when I talk to folks back in my own neck of the woods, I'm always proud to point out that it's the highest rated Turnpike toll agency in the world. The bond rating has been updated four times. I'm very proud of our safety record, service plaza reconstruction – all of which was started before I came on board, but it has gone very smoothly. The over billion dollars in capital improvements that has taken place on time and on or under budget. Those things have happened under Gino's supervision and leadership.

However, I have accepted his resignation, and we do not need to take any action on that, but I just wanted to report that to the Commission Members.

The next item I want to report is that last Tuesday (August 6, 2002) I attended a briefing in Columbus conducted by the Ohio Inspector General and Ohio Ethics Commission. I received the report. Before I get to that though I think, which I'll cover a little later on, in light of Gino's resignation it seems to me that one of the things we need to do is to set up a Search Committee. My recommendation would be a search committee comprised of both voting and non-voting members of the Commission. My recommendation would be Mr. Wilkins, Mr. Strnisha and Senator Armbruster. I talked to them separately. I would, therefore, entertain a motion to set up a search committee that would conduct a nationwide search for a full-time Executive Director. If someone wants to move?

*(NOTE: Formal written resolutions will be prepared to reflect that action took place at this meeting regarding the appointment of a Search Committee, appointment of an Interim Executive Director, appointment of an Ethics Committee and establishment of an Interim OTC Gratuity Policy in order that resolutions will be entered in the Journal of the Commission as a record thereof.)*

Proctor: So moved.

Wilkins: Second.

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

*(NOTE: When the Commission Members returned after Executive Session, Mr. Dixon was also added to the Search Committee by motion following adoption of this initial resolution.)*

Greenwood: It seems to me that before the committee can act and I know that that process may be somewhat lengthy we need to have an Interim Director at the Turnpike Commission. My thoughts on it were that the Interim Director could take charge while the committee is in the process of doing it due diligence in compiling a recommendation for a full-time Director. I think that person should be someone who is not, will not and does not want to be a candidate for the full-time position because in my experience that works better for interim folks than it does any other way. I have discussed this in private previously with Director Proctor. Gordon, do you have any suggestions?

Proctor: Yes, Chairman Greenwood, Members of the Commission, I do. I'd like to suggest the name of our District Deputy Director from Central Ohio – Jack Marchbanks as your Interim Director. Jack has been an excellent District Deputy Director. He has my full confidence. He has the confidence of the Governor. He has overseen our largest, most dynamic and most complex district I think in the last season. We had a construction program of about \$400-M just in that district alone. We have the highest volume of traffic or highest volume of truck traffic in that district and under Jack's leadership the District has improved in virtually every category. I think Jack would make

an excellent interim Director. He has agreed to sacrifice his own personal time and convenience to do so. I would urge the Commission to consider Jack Marchbanks.

Greenwood: I assume since he is here and you have recommended him that you have talked to him. It's always a good idea before you ask someone to do something if they are willing to do it. That's my only question. The answer is YES, I guess. Any questions from any Commission Members:

Strnisha: Mr. Chairman, I think it's very important that we continue the operations of the Turnpike in a manner that it needs to. It has a great and strong staff, I think to keep it going. It obviously needs that leadership. I thank Director Proctor for suggesting one of his people who sounds like he can be the right fit to meet that challenge. Particularly, the large construction needs that are going on here with the third-lane project. I think with that opportunity and with the strong staff around, the Turnpike shouldn't miss a beat in terms of its operation and serving the public. I thank the Director for putting that forward and obviously there is some sacrifice to ODOT in presenting a person with those kind of qualifications to us to meet this short-term need while we make that search. Thank you, Director Proctor, and I will go on the full confidence of the Director.

Greenwood: Bill Wilkins – any questions or comments?

Wilkins: Only that I think we are fortunate to have someone who can step in on this role immediately and I appreciate the willingness of the Director to give up one of his key people.

Greenwood: Any further discussion on the recommendation of the Director that we hire Mr. Marchbanks as the Interim Director.

Dixon: My only concern is that he is eliminating himself as a candidate for the permanent position given his experience and expertise. Thank you again, Mr. Proctor, for allowing us to raid your staff temporarily.

Proctor: Mr. Chairman, would it be appropriate for Jack to introduce himself?

Greenwood: Sure, Jack is here today. You're on the hot seat. I'm suppose to make it as comfortable as possible. Why don't you tell us a little bit about yourself – family, education, what you have been doing and if you step-in as an Interim Director, what you think you might be able to contribute.

Marchbanks: Thank you Chairman Greenwood. First of all I want to say that it's a privilege to be asked by you the members of the Commission to help this body earn greater public confidence and stewardship of this immensely valuable economically viable highway – the Ohio Turnpike – which is a part of Americana. It creates a specific interstate system. I have always been a fan of the Turnpike as a motorist and an Ohioian.

I'm from central Ohio

Greenwood: That's good because I'm from central Ohio, too. Where did you grow up?

Marchbanks: I grew up in Dayton. I attended the University of Dayton (Dayton Flyers, Dayton Musketeers.) I got my MBA in Finance from Xavier University in Cincinnati. I have a degree in State and Local Government Planning from Atlanta University down south where they really have congestion.

I have worked for ODOT for the past 11-1/2 years. It has been the highlight of my career. I enjoy transportation, transportation planning in providing a valuable resource to the people of Ohio. The Turnpike is one of the most valuable transportation facilities we have.

I am not a permanent candidate. I do not wish to be. I am honored by this opportunity to work with this staff. As I have done some research, I was impressed that the Turnpike has been reliably open and well maintained 24 hours a day, seven days a week since 1955. Who cannot be impressed by that legacy?

Yes, Mr. Chairman, I am willing to serve as Interim Executive Director.

Greenwood: Good, any questions from the Commission? Senator Armbruster, having been in the legislature, I know there is always room for questions.

Armbruster: I probably should not ask this question, Mr. Chairman and Gordon, I am assuming that Jack is actually going to be a full-time Director up here and you have a replacement for him as you say in the largest district in the State of Ohio. And that person is not looking to replace Jack when we send him back home? Is that how it works?

Proctor: We would be appointing an Interim District Deputy Director to fill-in for Jack while Jack is working up here.

Marchbanks: Mr. Chairman, Senator Armbruster, if I may, part of my discussions with Director Proctor was that I would be able to come back to District Six after this tenure is finished. I trust that the Director is a man of his word.

Armbruster: As a comment, if you do that good of a job at the Turnpike, maybe you ought to ask for a promotion? I'll ask for him.

Greenwood: There is a motion on the floor, is there not? No motion yet? I'll entertain a motion. Mr. Wilkins moves and Mr. Strnisha seconds. Any further discussion on the issue of having Jack from the ODOT, step in as an Interim Director at the Turnpike.

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

Greenwood: The other part of my report as I said I went down last week and received a report from the Inspector General's Office. I believe all Commission Members have received a copy of the report. One of the things I note first off - one of the recommendations of that report is that we need to respond to this report within 60 days by statute. Personally, I would like to see us respond to that more quickly. I think the best way to handle the response

and analysis would be to again set up a special committee which I will call for lack of a better word – the Ethics Committee – to study the report, investigate it and report back to the full Commission with a view towards preparing responses for the Inspector General. My suggestion would be to have Director Proctor, who runs an agency himself, and is therefore, familiar with the various ethics requirements in the state agency. I don't think we have to re-invent the wheel to comply with everything on here. Mr. Dixon, I'd also like you to be on this committee and consistent with our appointment of Senator Armbruster to the Search Committee, I'd like to have Representative Buehrer serve on the Ethics Committee. Representative Buehrer is an attorney and an elected official and although non-voting, I think it's important that we involve our legislators who are on the Commission in the process.

With that there can be discussion, but if I could, I'd like to entertain a motion to form an Ethics Committee consisting of Messrs. Proctor, Dixon and Buehrer.

*(NOTE: When the Commission Members returned after Executive Session, Mr. Wilkins was also added to the Ethics Committee by motion following adoption of this initial resolution.)*

Mr. Wilkins moved and seconded by Mr. Strnisha. Any further discussion on the appointment of the Ethics Committee? Roll, please.

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

Greenwood: I note that one of the first items on the IG report is that we establish and enforce a policy that prohibits public officials and employees from accepting all but nominal gratuities from entities doing business with the Ohio Turnpike Commission. I think that for the timbering we need to have a policy that kind of puts a time-out on things that we have a policy which essentially would prohibit employees, staff including Commissioners from accepting any gratuity until the Ethics Committee has an opportunity to find out what other agencies



are doing, examine it from a legal standpoint and report back so we can adopt a full written policy.

With that I would entertain a motion that we adopt as a Board an interim policy that would prohibit any of us from taking items, remuneration, whatever until we can get a full report back from the Ethics Committee.

Mr. Proctor moves, Mr. Strnisha seconds. Any further discussion?

Dixon: I think that's a very good idea, but I think we also have to apply common business practices. We don't want to limit or put any barriers into doing normal business. For instance, common sense – I don't want to say not have a business lunch, but we pay for our part of the lunch just so there is no illusion of impropriety. I don't want to handcuff normal business procedures, but I do think that the proposal that you have is very appropriate at this time.

Greenwood: I agree. There may be a different proposal come from the Ethics Committee, I think in the interim, I think it's a wise idea which I would call time-out. Let's just not do anything until we have an opportunity to have a full written policy.

Strnisha: Mr. Chairman, my understanding is also that during that and the work of the committee is to get some guidance from for example, agencies like the Ohio Ethics Committee, etc. I may not have the exact wording, there is an allowance for nominal gratuities things covered by those and one is to get some guidance from them as to what would obviously fit within that definition.

Greenwood: I totally agree with you. I think that is one of the charges I would like to see the Ethics Committee take up is to consult with the Ethics Commission and other agencies and what they do. I was going to cover a couple other things we might want to do, but we do have a motion on the table so call the roll, please.

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

Greenwood: One of those things in following up with what you said, Steve, I would like to see the folks on the Ethics Committee get in touch with the Ethics Commission. I know it's one of the things that is recommended – one of the recommendations is that the OTC staff employees receive regular ethics training. I think we should go ahead and get that started. I'm not telling you what to do but I'm recommending that you look into that as quickly as possible so we can start to work on that.

Another thing that it seems to me that we ought to look into is – I believe we just finished a “full” audit from the State Auditor's Office which is financial stats, etc. I'm not an auditor. But I know that the Auditor's Office does from time to time test other items in connection with its audit. If you don't have any objection, Mr. Proctor, I would recommend that we get in touch with the State Auditor's Office and ask for their assistance and see what they can do to help look into a follow-up on what they have done on finances. See if there is anything else they think they should look into in addition to, the examination of what, if anything, we need to do on this report. Is that consistent?

Proctor: I think it makes a lot of sense. I think we can benefit from their guidance. They can apprise us on the audit that they have already done and if there are other areas they think we should look at or we could ask them to look at. I think that would be a prudent step for us to take.

Greenwood: Anyone on the Commission have a problem with that?

Strnisha: Yes. I think what we would be doing – I have worked with the State Auditor's Office on other matters and they would take note of this and probably come back and cover with some attention to these items. In next year's audit, what I think we are doing, is asking them to come forward and assist, remind them of what they did as part of this audit and then perhaps look at some of those things earlier than they would have otherwise. I think that's timely and appropriate.

Greenwood: Good. OK, that's pretty much all that I have to report. I'd like to turn to 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 June 10, 2002:

1. Draft of Commission Meeting Minutes of June 10, 2002
2. Draft of "Special" Commission Meeting Minutes of June 17, 2002
3. Traffic and Revenue Report, June, 2002
4. Traffic and Revenue Report, July, 2002 \*
5. Traffic Crash Summary Report, June, 2002
6. Total Revenue by Month & Year, June, 2002
7. Total Revenue by Month & Year, July, 2002 \*
8. Investment Report, June, 2002
9. Investment Report, July, 2002 \*
10. OTC Financial Statements, June 30, 2002
11. OTC Budget Report, Six Months, 2002 \*
12. Supplemental Deloitte & Touche Audit Reports for the year ending December 31, 2001
13. Various News Releases

*\* Copy in Commission Member's Folders*

Greenwood: Any questions for Mr. Strnisha on his report? Thank you, Steve. The report of the chief financial officer, Mr. Steiner?

Steiner: Good Morning, Mr. Chairman, Commission Members. I am pleased to report that both passenger car and commercial traffic volumes for the month of July, 2002 set new, all-time records. Passenger car traffic during the month of July totaled 4,038,000 vehicles exceeding the previous record set last year by 146,000 cars or 3.8%. This is the 14<sup>th</sup> consecutive month during which passenger car traffic has established a new, all-time record.

Commercial traffic for July totaled 827,000 exceeding last year's volume by 54,000 or 7.0% and exceeding the previous record set in 1999 by 13,000 vehicles or 1.6%.

Total traffic for July totaled 4,865,000 vehicles exceeding last year's volume by 200,000 vehicles or 4.3% and exceeding the previous record set in 1999 by 190,000 vehicles or 4.1%.

Passenger car traffic during the first seven months of the year totaled 21.8 million surpassing the prior record established last year by more than 1 million cars or 4.8%.

Commercial traffic during the first seven months of the year totaled 5.2 million vehicles exceeding last year's volume by 78,000 vehicles or 1.5%, but falling short of the previous record set in 2000 by 161,000 vehicles or 3.0%.

Total traffic for the first seven months of the year totaled 27.1-M vehicles exceeding last year's volume by 1.1-M vehicles or 4.2% and exceeding the previous record set in 2000 by 922,000 or 3.5%.

Mr. Chairman, Commission Members, in your materials this morning is a proposed Resolution concerning the financial condition of the Commission. Section 4.04 of our Master Trust Agreement requires the Commission to perform an annual, mid-year review of our financial condition to certify to our trustee, The Huntington National Bank, that projected pledged revenues will be sufficient to meet our obligations under our Master Trust Agreement.

If you look at the last page of the attachment to the resolution, it shows that actual pledged revenues for the first half of 2002 are \$87.8-M and when added to projected revenues from the second half of the year of \$96.9-M it totals to \$184.7-M projected revenues for the year and up on the top part of the page we have shown last year's data for comparison.

The first page of the attachment to the resolution shows the calculations of the three requirements under Section 4.04 of the Trust Agreement. The first requirement is the Estimated Gross Revenues. You also see that some of our budgeted Operating, Maintenance and Administrative Costs plus the Required Deposit to the Expense Reserve Account. You'll see the Net/System Pledged Revenues exceed this requirement by more than \$3,000,000.

The second requirement is our Estimated Net/System Pledged Revenues exceed some of our Annual Debt Service requirement plus the Renewal & Replacement Requirement and we exceed this requirement by \$43.7-M.

Finally, the third requirement is our Estimated Debt Coverage Ratio equal at least 120%. This ratio is required to be at least 150% in connection with the issuance of additional bonds and the Commission by resolution has established a target ratio of 150% and we project that our coverage ratio for this current year will be 181%.

In summary, our Pledged Revenues for the year 2002 are expected to clearly meet all of our obligations under our Master Trust Agreement and I do recommend adoption of the resolution. I believe our General Counsel will read the Resolved:

“RESOLVED that the Commission having reviewed the analysis prepared by the CFO/Comptroller determines that there will be sufficient Gross Revenues for fiscal year 2002 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement and hereby authorizes and directs the CFO/Comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

“FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee, the rating agencies and shall be available to any interested party.”

Greenwood: Before we have any discussion, I'll entertain a motion to adopt this resolution. Mr. Strnisha moves and Mr. Proctor seconds. Discussion on the resolution and related to that, any questions for Mr. Steiner? Hearing none, please call the roll.

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

Steiner: Mr. Chairman, that completes my report.

Greenwood: Any other questions from the Commission for Jim – other than just the resolution, any more on his report?

Strnisha: Mr. Chairman, just for benefits – I think it's obvious that this resolution – we have things to work on here at the Commission, but obviously the system is in good financial shape as evidenced by the ability to meet bondholder requirements, etc. and I think we all knew that, and it's consistent with all reports that we have heard over the last several years. This confirms that and I think it's a good thing to point out.

Greenwood: I agree with you. There is a lot of work that goes into that.

Strnisha: Yes. Thank you.

Greenwood: Thank you, Jim – good job. Report from the Deputy Executive Director-Chief Engineer, Mr. Castrigano.

Castrigano: Thank you, Mr. Chairman, Commission Members. You will find in your folders, three additional resolutions I'd like to address this morning.

The first one is entitled, Resolution Awarding a Contract for the purchase of unleaded gasoline and diesel fuel for a period of one year. This resolution pertains to Invitation No. 3876 for furnishing gasoline and diesel fuel for Commission-owned vehicles. We received three bids in response to this bid invitation. The low bid for all four groups was submitted by Truck World, Inc. of Hubbard, Ohio. The Maintenance Engineer has reviewed the bids and has recommended award to the lowest, responsive and responsible bidder, Truck World of Ohio. As a matter of point, this is a new bidder. This is the first time he was able to submit a low bid with us. We have checked out his operations. It's included in your packet as

additional information submitted to the Maintenance Engineer. With that, would General Counsel read the Resolved, please?

“RESOLVED that the bid of **Truck World, Inc.** of Hubbard, Ohio, for Groups I, II, III and IV of Invitation No. 3876 is, and is by the Commission deemed to be the lowest responsive and responsible bid received and is accepted and the chairperson and executive director, or either of them, is hereby authorized (1) to execute a contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid invitation; (2) to direct the return to the other bidders of their bid security at such time as Truck World, Inc. has entered into a contract and furnished a performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said contract.”

I would further recommend that the Commission adopt this resolution.

Greenwood: I'll entertain a motion to adopt before we have discussion. Mr. Proctor moves and Mr. Strnisha seconds. Any discussion on the resolution? Any questions for Dan? Hearing none, please call the roll.

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

Dixon: Mr. Proctor, maybe you can answer this - Is gasoline fuel diesel? That's not included in the Ohio Cooperative Buy Program where we you guys seek out the lowest price and other agencies are able to pick up on that?

Proctor: Mr. Chairman, Commission Member Dixon, it is, but distribution costs tend to be the prevailing factor so there is not a lot of benefit to folks piggy-backing on our bidding on fuel. Salt and some other things, we do have some participation, but not too much on gasoline.

Dixon: OK, thank you.

Castrigano: The second resolution is entitled, “Resolution Rejecting Bids for Contract No. 59-02-03.” This contract was for resurfacing

of the Interchange 173, a/k/a Exit 11, ramps connecting the Ohio Turnpike with I-77. You may recall we recently opened the direct connection with Interstate 77. The ramp system from the Turnpike up to the toll booths was the original system. We had intended to perform maintenance resurfacing on these ramps.

We received two bids in response to this bid invitation. The low bid was approximately 21% above the engineer's estimate. Myself, along with the Engineering Department reviewed the two bids we received. I feel it is in the best interests of the Commission to reject the two bids received and we will further review our specifications for possible revisions in both the traffic control techniques and the resurfacing material to be used in overlay. General Counsel, will you read the Resolved, please:

“RESOLVED that the above-mentioned bids, hereto received pursuant to the advertisement for bids upon a contract for repairs and resurfacing of the Interchange 173 ramps, Milepost 173.0 located in Summit County, Ohio, herein designated **Contract No. 59-02-03** be and the same hereby are rejected, and the executive director is authorized to notify the bidders in writing of said action, to return to the bidders the bid security furnished by it and take whatever steps are necessary to re-advertise, forthwith.

Greenwood: Before we have discussion, I'll entertain a motion to adopt the resolution. Mr. Proctor moves and Mr. Wilkins seconds. Any discussion on the resolution rejecting the bids?

Proctor: Dan, do you think you'll be able to re-bid it this year or will you have to wait until next season?

Castrigano: We're going to give it a shot, Director Proctor. If we can't get it out this fall, it won't be a hardship to go first thing in the spring before the traffic picks up.

Greenwood: I think that was more of a timing with the contractors on a particular job. In other words, on a particular job contractors didn't have enough work?



Castrigano: Chairman Greenwood, it was a little surprising we only received two bids on this project at this time. Also, we're going to take a look at the material itself.

Greenwood: Any more questions for Dan? Any other questions on the resolution? If not, please call roll.

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

Castrigano: The final resolution I'd like to address this morning is basically a housekeeping matter – A resolution amending Resolution No. 19-2002. Commission Members may recall on June 10, 2002, the Commission adopted Resolution No. 19-2002 which awarded a contract to Compass Group USA of Charlotte, North Carolina for furnishing restaurant concepts at our Brady's Leap and Portage Service Plazas.

That resolution was for Au Bon Pain Restaurant along with Noble Roman's Pizza for those two facilities. On August 7<sup>th</sup> (last week) representatives from Compass Group came out and reviewed the facilities, met with Commission staff and they were so impressed by the facilities that they wanted to amend the pizza hut that they wanted to place in the facilities. They want to change it to "Mama Leone's" pizza concept which has a little bit more expanded menu. More offerings and I'd like to advise the Commission Members that this does not affect the terms, conditions or rent received by the Commission from Compass Group. Fred McFall, our Patron Services Manager is in the audience. Fred, if you would like to make a couple comments, please.

McFall: Good Morning Mr. Chairman, Commission Members, Mama Leone's Pizza has over 75 years of service in New York. They came out to take a look at our service plaza. I think it's important as we take a look at this that the square footage we have out there with Noble Roman's we are limited as far as the

display goes and with Sbarro's we are able to display different products and if we went with Mama Leone's Pizza we would be able to have lasagna, pasta, variety of salads, etc. and it would fit in very well with that concept.

I would like to share with the Chairman and Commission Members a poster they sent out (*distributed to the Members*). We found that when you sell pizza in the boxes they don't sell as well. With this particular product we would be able to display the product and expect it to sell very well.

Castrigano: Thank you, Fred. General Counsel, would you read the Resolved, please:

“RESOLVED that the Ohio Turnpike Commission hereby amends Resolution No. 19-2002, to list the correct name of the Unit #4 food concept at the Commission's Portage and Brady's Leap Service Plazas located in Portage County from Noble Roman's Pizza to “**Mama Leone's**.”

Greenwood: I'll entertain a motion before we have discussion. I have a couple questions. Motion? Mr. Strnisha moves and Mr. Wilkins seconds.

Dan, as I understand from talking to you, in my words what this means and you already addressed the fact that it does not change the underlying terms and conditions of the contract. Essentially, the folks came to the service plaza where this is going to go in and said that we need to upgrade our presentation because of the quality of the service plaza.

Castrigano: Yes, that's correct Mr. Chairman.

Greenwood: Good news to me. As Fred said, the motorists can choose items in addition to pizza.

McFall: They will and I think displaying the product is so important. With Sbarro's we found that we are able to sell more products than we are even with Pizza Hut. Pizza Hut uses their boxes

and this way we can have the merchandise out and people buy with their eyes and it's a great product.

Greenwood: Is this just one location?

Castrigano: Both plazas – Portage and Brady's Leap.

Strnisha: Mr. Chairman, I'd just add as somebody in vacation with three young children last week traveling on the Ohio Turnpike as well as Indiana Tollway and Illinois Tollway. We made those frequent food stops. Seriously, we show very well by comparison to what they have to offer on theirs. I can say from personal experience and personal "kid" experience I'm sure a lot of people who travel wait while traveling in Indiana to get to the service plazas in Ohio. It's just very obvious. We have newer plazas with the various food concepts are better. This addition goes even further. We show very well in terms of service to our customers particularly with the new service plazas. I had the chance to personally experience that and with customers from the age of 3 to my age, with the competitors to the west. A couple weeks before I was in Pennsylvania. I think it would apply to that as well.

Dixon: I don't want to rain on your parade, but I – with everything you said it was very positive and I agree with that. I want to make sure that we covered all our bases legally, Tom. Because we awarded a bid for one concept and now in the middle of the road we are changing that concept. As a potential – not myself – but another potential bidder might say – hey, hold your horses. We bid on this concept on this type of restaurant and now you are coming in and saying that we are going to put a sit-down display type of product in here. Have we covered our bases to make sure that we don't have to go out and bid again before we allow Mama Leone's to make adjustments to the resolution to the award of contract.

Amato: Mr. Dixon, Mr. Chairman, each separate unit was able to be bid with the concept that the bidder thought would most likely work in that situation. They are all free to bid. It is not a change from a sit-down to the fast-carry out. It's still a pizza

concept and I don't believe it violates any of the open bidding laws.

Dixon: I have some concerns. We awarded to Noble Roman's and now we are awarding to Mama Leone's.

Amato: The award is to Compass Group.

Dixon: OK Compass Group, does the wording say that Compass Group has the right to change? I think I remember this – Noble Roman's was mentioned on that resolution as being the restaurant they were going to put in. I remember, am I correct?

Amato: Yes.

Dixon: So I think that maybe we need to re-visit this and to make sure and this all sounds good and I'm for it if we can do it. If you feel comfortable with this and advise me as my attorney that we don't have a problem with doing this, I'm all for it because it makes sense. But we better make sure we have covered our bases on the award of the bid so we don't have any violation here.

Greenwood: Well the contract is with the Compass Group and that doesn't change.

Dixon: OK I don't have a problem with that but we awarded to the Compass Group based on them putting in Noble Roman's Pizza and Au Bon Pain. I was very happy with Compass Group. You brought in a great presentation. My only concern is about and I'm happy with this change. My only concern is that it doesn't bite us later.

Greenwood: Well, I think that's why we are doing it by resolution, George. They have come to us to amend the contract and if we agree to that then it's OK. That's how I understand it.

Amato: It's still to the Compass Group and they have the option with the concepts and it's still a pizza concept.

Strnisha: Every bidder has the ability to put forward whatever concepts they wanted.

Castrigano: Commission Chairman and Commission Member Dixon, I believe also the original RFP that went out does permit the substitution of concepts during the term of the contract.

Dixon: That's the only thing that makes me uneasy. If you can find that for me, I'll be happy and I don't have a problem with that. If that's the case and all the other stuff they are saying, I don't agree with it. OK, if you tell me that the Contractor has the right to change the concept, I'll go along with that, OK? I don't agree with you, Tom.

Amato: It does and I'll show you immediately after the meeting.

Dixon: OK, if that's the case then it has my support.

Greenwood: Well, we will call the roll and we'll see. I understand and I think that's a concern.

Dixon: I have just seen it too many times.

Greenwood: Good point, I'm not being a wise-guy. If you don't feel comfortable, we'll bring it up again. Call the roll, please.

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

*(NOTE: When the Commission Members returned after executive session, Mr. Amato showed Mr. Dixon the applicable section of the RFP which allowed the Operator to change concepts. Mr. Dixon stated that he wanted the record to reflect that given the information provided to him in response to his earlier questions, he would vote in the affirmative on this motion.)*

Castrigano: That completes the resolutions but I have some other matters I'd like to address. On June 17, the Ohio Turnpike Oversight Committee met here in the Commission's headquarters in Berea. In attendance as well as the Commission's staff was Commission Member Strnisha. At that meeting, Mr. Darwish

along with representatives from their design consultants presented to the Oversight Committee the project for the S. R. 8 corridor project. If you recall that was the same presentation that was presented to the Commission on June 10<sup>th</sup>. Chairman Damschroder also reported that the next Oversight Meeting is tentatively scheduled in September in the Toledo area.

On July 26, 2002, our second annual Car Care Safety Day was held at the Great Lakes Service Plaza in Cuyahoga County. Lauren Dehrmann, our Public Affairs Manager, do you have a couple comments, please?

Dehrmann: Good Morning, it was a great day, a wonderful event. I have some photos and each of you may take one. The event was actually double the size from last year. We had an additional participant included a Roadway “No Zone” where individuals were able to actually sit in a semi and see what the truckdriver sees and what he doesn’t see with the car right next to the vehicle. That was another educational thing we had. We had several fire and EMS vehicles, the OSHP, Mix 106.5 was out there with their jackpot machine and a number of other things of that nature. It was a very successful event. We had approximately 1,000 people come out to see us.

Greenwood: Any questions for Lauren, thank you.

Castrigano: The next item is on July 22, 2002 the Commission kicked off our “Ready Toll” Program. You’ll recall that’s our prepaid toll card. The program has been well received by our commuter patrons. Dave Miller, our Chief Auditor, will give you a short summary of the program and also provide a status to the Commission Members.

Miller: Good Morning, we initiated the Ready Toll Program for our commuter patrons to be an alternative means for our customer to pay their tolls. To date, we have approximately 150-200 participants. The card basically is a prepaid-based program for our customers via the internet to learn about the program and receive an application, pre-pay their tolls with a major credit card. In return, they receive a credit-card type card which we

produce right here at the Commission. It is sent to them and they can use that when they exit the Turnpike to pay for their tolls in lieu of searching their pockets and car for change. We felt this could possibly be a real convenience to our customers and provide an easier way to pay their tolls. So far it seems to be well received and we are getting ready to roll out some other means of marketing this program. Right now the participants that we have have responded to our website and the media coverage we received when we initially rolled out the program. I'd be happy to respond to any questions about the program.

Armbruster: So if I'm going from one end to the other and I only have \$5.00 left on my credit card, how does the card work?

Miller: The way the card works at that point, it will accept that toll and when the card is updated that evening in our systems here it will automatically go out and replenish that card against the credit card on file.

Armbruster: So I'm not really giving the credit card company, Mr. Chairman, I am authorizing any charges on my toll card to go against a specific credit card. So it's not like I'm grasping \$10 of credits to that card, I'm actually using my card against my credit card? Is that correct?

Miller: Partially correct. The initial charge against the credit card is a \$100 accruing of pre-paid tolls on the card. The program is designed so that when that prepaid balance meets or drops below \$25, it is flagged in our systems here at the Commission and we go out with our systems and go to that credit card and replenish an amount to cover future tolls. There is not a direct charge against your credit card every time the prepaid toll card is used – just to clarify that.

Armbruster: Mr. Chairman, I guess with that money that is there – let's assume you have 100 customers now. With \$25 each, that's \$2500. So what do you do with the \$25? Are you then arbitraging that money against. Who in fact takes that money in and how do you earmark that in the financial?

Miller: It's a liability until it is used.

Armbruster: But the \$25.00 in fact if it is \$25.00, \$25.00 has to be there some place. Does it draw interest?

Miller: It would draw interest, that's correct. Our chief financial officer has just advised me that it does offset the credit card fees that are incurred as the merchant so to speak that we pick up.

Strnisha: Yes, I just wanted to ask – how does this compare – having traveled recently – the other programs in the other states such as EZ-Pass. Is this comparable to the other program, different?

Miller: This particular program was selected as an intermediate step perhaps to a more – what we refer to as “Electronic Toll Collection (ETC). We prided ourselves in developing this program because it did not involve an acquisition of any additional new equipment. We are using existing equipment in the lanes. It was designed to keep the procedures as similar to things that the collectors see every day today. It is very similar to the program we have had for many years involving the commercial charge account program. It's a very simple extension of that program designed to offer our customer an easier way to pay their tolls. It does not involve transponder devices. It is safer because it is a pre-payment as opposed to something like having to add additional systems and staff to be able to collect the toll. It's a very simple program that we thought would be our first step in evaluating other ways of doing electronic toll collection as the technology becomes more readily available.

Greenwood: Any more questions for Dave? Thank you, Dave.

Castrigano: Mr. Chairman, the last item on my report is our monthly construction update. The dry weather has helped our projects along. We are ahead of schedule on many of them.

All three of our third-lane projects which total 9 miles are on schedule and will open in November, 2002.



Overhead Bridge Projects: The CSX Railway Bridge just west of the building, we are currently shifting the tracks to the temporary alignment to permit modifications to the existing structure. That project is scheduled to be completed in 2003.

Reconstruction of Lipkey Road Bridge in Mahoning County, is progressing well and is scheduled to be completed in November, 2002.

We have three bridge deck replacement projects ongoing: Prospect Street (east of the building); Ramp over I-71 at our Exit 10 and Ramp over I-76 at Milepost 219. All three of those projects will be completed this year also.

Our largest construction project is progressing well – the Cuyahoga River Bridge reconstruction. The contractor is beginning to place the girders from the west end of the bridge and he anticipates all the girders will be placed by the end of this year. That project is ahead of schedule also.

Work continues at three toll plazas upgrading Interchanges 118, 152 and 187.

Finally, our bridge repainting project has been completed and that project was wrapped up last month. That completes my report, Mr. Chairman.

Greenwood: Any questions from the Board for Dan? Thank you. Report of the consulting engineer?

Yacobucci: Mr. Chairman, Commission Members, we have completed all the bridge, roadway, culvert and facility inspections with the exception of those in ongoing construction areas. The bridge culverts that remain will be inspected towards the end of this year. The reports for the bridges, roadway and culverts was submitted last month. The facilities inspections will be submitted by the end of this month. HNTB's annual inspection report is being compiled as we speak and that will be submitted at the end of September. That completes my report. Any questions?

Greenwood: Any questions from the Board for Mr. Yacobucci. Thanks. Trustee's report?

Lamb: No report, Mr. Chairman.

Greenwood: OSHP?

Lt. Derr: Good Morning. First of all I'd like to thank the Turnpike Commission and Lauren's office for the Safety Days – that was quite successful. Our message is always to increase the safety on the Turnpike. I want to thank them for all the hard work they put into that and we really appreciate that.

Each year we establish a set of goals which we want to accomplish during the year's time period. One of our major goals is to reduce the amount of fatalities on the Ohio Turnpike. Thus far, this year, we have had 4 fatalities which is 2 less for the same time period in 2001. We are track with that. We also like to enforce the safety belt law which helps in the reduction of fatal accidents. Our current compliance rate on the Turnpike is 92% - which is one of the highest I know of in the State of Ohio.

We are still trying to maintain at least a 91% compliance rate. We vigorously enforce the seat belt laws and also child restraining laws. Thus far this year we have had approximately 5,000 arrests in that category.

Another area that we strictly enforce is the DUIs (Driving Under the Influence of Alcohol) Thus far, we have removed over 200 people driving on the Ohio Turnpike.

One other concern we have is the "sleepy drivers." That has always been a part of the fatalities on the Turnpike. Thus far, we have removed approximately 370 this year.

We are having a safe year on the Turnpike and we appreciate the cooperation from the Turnpike Commission and their

efforts in assisting us in keeping it a safe roadway for the motoring public.

One other thing – in recent weeks – we have had two shootings in the area that involved OSHP officers – not on the Turnpike, but in northeastern Ohio. It is an ever increasing dangerous job. One officer (Officer Eric Taylor) was killed Friday evening in Massillon after one of our officers initiated a pursuit into that city. We'd like to commend the officer for giving his life to protect the other people's lives. That's a never ending thing that seems to be coming up and seems to be increasing in northeastern Ohio for some reason. Our prayers go out to his family and friends to those officers who have been killed and shot recently.

Greenwood: Any questions for Lt. Derr? This was one of your patrolmen – where did this occur?

Derr: The officer was out of Wooster.

Greenwood: Had he ever worked on the Turnpike?

Derr: No. But that plays a part on our officers' operations every day to be more alert to the possibility of getting hurt or injured on the roadways.

Greenwood: The reason I asked is that perhaps he had served at one time and there were folks here at the Turnpike that may have known him.

Derr: Many times you do know the officers involved and their families. It plays on us and our operations and being more alert and more aware that every traffic stop is different. Every person that you have in that car is a different person and you don't know how they will react or what their reaction will be once we initiate some type of arrest.

Greenwood: Senator, you had a question?

Armbruster: The Turnpike is different from a normal interstate. What is the pursuit policy on the Ohio Turnpike? Is it different than the rest of the state?

Derr: No sir. Our pursuit policy is uniform as far as the OSHP across the state. If we get into a situation if we believe there is a danger for the officer or the person being pursued or the general public, we can stop that pursuit. That's an officer's call. He's the one who initiated the pursuit; he's the one who sees the conditions and the traffic flow at that particular time. They can stop the pursuit if they think there is danger to themselves, the person being pursued or the motoring public.

Armbruster: I guess my question, Mr. Chairman, on I-71, two weeks I missed it because I was going south, but both sides were blocked at that point. They didn't allow any traffic going north or south on I-71. Based on the control access that we have on the Turnpike, would that be a necessity to do that at that point? Would you do it at entrances or exits?

Derr: Again, that depends on the circumstances. If you have an armed suspect and they decide they want to be involved in a shooting incident with us, to protect the motoring public going by in either direction, that may be a distinct possibility that we may do that until we can take control of that situation.

Greenwood: One thing, Jack, you might look into as Interim Director, I don't think it would require a resolution, but I think Mr. Dixon brought it to my attention and I concur, perhaps we ought to send a letter over your signature over mine or both and we do have a very good close working relationship with OSHP and I'm sure the folks here at the Commission as well as the staff, would like to send our condolences to the officer that fell in the line of duty.

Derr: That was a Massillon officer.  
Family of Officer Eric Taylor, c/o Massillon Police  
Department  
2 James Duncan Plaza  
Massillon, OH 44646

Greenwood: General Counsel, Mr. Amato, do you have a report?

Amato: Thank you Mr. Chairman, Commission Members, two items to report today. The members of the Consolidated Investors Group which own the property surrounding S. R. 58 interchange have contacted us and let me know that they have had their land appraised and they are ready to come in and talk about their demand for payment or some type of settlement that we can reach for their land. They are scheduled to come in this week and I will report to the Commission what is anticipated to be their demand at that time.

Secondly, after 3-1/2 months of negotiations with the newly elected Collective Bargaining Representative – The Teamsters, Local 436 – I am happy to announce that we have reached a tentative agreement. That occurred late last Friday night (August 9, 2002.) Mr. Dave Millstone from Squire, Sanders & Dempsey is here. He will review the highlights of the tentative agreement. I'd like to do that in executive session. I request that we adjourn to executive session for that purpose.

Wilkins: Mr. Chairman, I move that we adjourn this meeting to hold an executive session in order to discuss union negotiations. At the end of such executive session, the Commission meeting shall reconvene.

Proctor: Second.

Greenwood: Is there any discussion on the motion? Call the roll, please.

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

Greenwood: For the folks in the audience, I would point out that we will adjourn for executive session. I don't think there is anything else on the agenda following that. I would like to take a 15-minute break before we actually go in. We have had a long meeting today, but let's try to get back together at 11:30 a.m. to begin the executive session. So adjourned (11:15 a.m.)

*(Commission Members returned from Executive Session at 12:30 p.m.)*

Greenwood: There is one additional item before we adjourn. I think with respect to the committees that we created earlier today, it would be a good idea to enlarge the committee for a host of reasons not the least of which is on the Search Committee, I'd like to add Mr. Dixon and also on the Ethics Committee, Mr. Wilkins.

One of the main reasons and I apologize for my oversight, on the Search Committee, I think it's important that we have Mr. Dixon on that committee so we can have his input as a person who is born of people with a race who are not in the majority as I am. I think that would be very helpful in the search process.

I would entertain a motion to enlarge the Search Committee to include Mr. Dixon and enlarge the Ethics Committee to include Mr. Wilkins. Is there a motion?

Proctor: I move

Strnisha: Second.

Greenwood: Any discussion on that motion? Roll, please.

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

Dixon: A short comment, Mr. Chairman. As to Amending Resolution 19-2002, I don't want to re-open it, but let the record reflect that the chief legal counsel has given me the information as to my question and if it was re-opened, I would vote in the affirmative on this resolution. Thank you.

Greenwood: We'll enter that into the record. If there is no further business, I appreciate your attendance and cooperation and efforts, we stand adjourned. Motion? Mr. Strnisha moves and Director Proctor seconds. Roll, please.

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

*Time: 12:32 p.m.*

/dsp