

MINUTES OF THE 485th MEETING OF THE OHIO TURNPIKE COMMISSION

November 12, 2002

Pursuant to the bylaws, the Ohio Turnpike Commission met for a meeting at the Commission's Administration Building at 10:18 a.m. on November 12, 2002, with members of the staff: Thomas Amato, General Counsel; James Steiner, CFO/Comptroller; Tim Ujvari, Maintenance Engineer; Kathy Dolbin, Manager, Human Relations; Rob Fleischman, Asst. Chief Engineer, Sharon D. Isaac, Director of Toll Operations; Dick Morgan, Manager, Information Systems; Fred McFall, Patron Services Manager, Kerry Ferrier, Traffic Engineer; William Keaton, Telecommunications Manager; Lauren Dehrmann, Manager, Public Affairs, 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. Strnisha, Mr. Dixon, Mr. Wilkins, Director Proctor and Mr. Greenwood

Absent: Senator Armbruster; Rep. Buehrer

Chairman Greenwood advised that he received phone messages from Senator Armbruster and Representative Buehrer this morning advising they are unable to attend today's meeting as the legislature is in session requiring their attendance in Columbus.

The Ohio Department of Transportation's Director, Gordon Proctor, is here today along with Deputy Director Mo Darwish. I'll accept a motion to adopt the Minutes of the September 9 and September 27, 2002 Commission Meetings.

Mr. Strnisha moved and Mr. Wilkins seconded.

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

We have a number of guests today, would you please introduce yourselves as we customarily do.

John Peca, Climaco, Lefkowitz; Eric Erickson, Fifth Third Securities; Karen Schaefer, WCPS; Mo Darwish, ODOT Deputy Director; John Michels, State Auditor's Office; Matt Lawler, HNTB; Frank Lamb, Huntington Bank; Rich Exner, (Plain Dealer); Jim Drew (Toledo Blade); Bobby Everhart, Mike Burgess URS; Dan Sokol, Dick Corp.; Capt. Bob Ferguson, OSHP; Steve DeLong, Steve Mayor, Operating Engineers; Stefan Holmes, First Merit Bank; Bob Martell, Hardee's Food Systems; Matt Stucynski, Nat City Investments; Tom Travis, HMS Host and Ken Redden, Gladioux Corp.

This is the 485th 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 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 no questions, let's proceed with the report of the Secretary-Treasurer, Mr. Strnisha.

The following items have been sent to the members since the last regularly scheduled meeting of the Commission on September 9, 2002:

1. Draft of Commission Meeting Minutes of September 9, 2002
2. Draft of Commission Special Meeting of September 27, 2002
3. OTC Financial Statements, August 31, 2002
4. OTC Financial Statements, September 30, 2002
5. OTC Budget Report – Nine Month, 2002 *
6. Traffic & Revenue Report, September, 2002
7. Traffic & Revenue Report, October, 2002 *
8. Total Revenue by Month & Year, September, 2002

9. Total Revenue by Month & Year, October, 2002 *
10. Traffic Crash Summary Report, August and September, 2002
11. Investment Report, September, 2002
12. Investment Report, October, 2002 *
13. Various News Releases

** in Commission Members' folders*

Thank you, Mr. Strnisha. Before we proceed with Mr. Steiner's report, I just had a question driving over here and I wanted to ask Mr. Marchbanks, did the Turnpike suffer any property damage as a result of this tornado?

Dan Castrigano responded and said our Maintenance Engineer, Tim Ujvari, is here. I didn't receive any calls over the weekend. Tim said we had a generator failure at Toll Plaza 118, but that was not part of the storm itself.

The Chairman, more important, how about our employees – up and down the line, did we have any reports in on whether any of our employees suffered any casualties or property damages or home loss or anything like that? No one from the Maintenance Department that I am aware of responded Tim.

Sharon, Director of Toll Operations - did you hear anything from our toll collectors? Sharon replied, everything seems to be fine.

The Chairman said that's good, but if something comes in on that, please let the Commission Members know – particularly I'm concerned about our employees because there was a lot of devastation and I would personally like to know if we had any employees suffer any damage, loss or personal injury as a result of that storm.

Mr. Marchbanks stated that he did speak this morning to Norm Reddick who is District #1 Deputy Director over in the west end of the state and ODOT is assisting with the Van Wert clean-up over there. From his understanding it did not touch the Toll Pike – most of the storm damage that hit over the western part of the state.

The Chairman asked Mr. James Steiner for his report on budgetary and financial matters.

Mr. Steiner stated both passenger car and commercial traffic set new all-time records for the month of October. Our passenger car traffic during October totaled 3, 288,000 cars exceeding the previous record set last year by 205,000 cars or 6.7% and this is the 17th consecutive month during which passenger car traffic has set a new all-time record.

Commercial traffic for the month totaled 832,000 vehicles exceeding last year's volume by 46,000 vehicles or 5.8% and exceeding the previous record set in 2000 by approximately 10,000 vehicles or 1.2%.

Total traffic for the month of October totaled 4,120,000 vehicles exceeding the previous record set last year by 251,000 vehicles or 6.5%.

Passenger car traffic for the first ten months of this year totaled 32.6-M vehicles surpassing the prior record established last year by 1.5-M cars or 5%.

Commercial traffic during the first ten months of the year totaled 7.7-M vehicles exceeding last year's volume by 190,000 vehicles or 2.5% but falling short of the previous record set in 2000 by 163,000 vehicles or 2.1%.

Total traffic for the first ten months of this year totaled 40.4-M vehicles exceeding last year's volume by 1.7-M vehicles or 4.5% and exceeding the previous record set in 2000 by 1.6-M vehicles or 4.2%.

Mr. Steiner said he'd also like to take this opportunity to report that as we have had in previous years, we did receive a letter dated October 18, 2002 from the Government Finance Officers Association notifying the Commission that we have been awarded the GFOA certificate of achievement for excellence in financial reporting for our Comprehensive Annual Financial Report for the year ending December 31, 2001. I do have a certificate with me but the official plaque will be mailed next month.

Mr. Chairman, with your permission, I would like to pause for a moment for any questions and then I would like to proceed with the presentation on the 2003 budget. I believe Interim Director, Mr. Marchbanks, has a comment.

Mr. Marchbanks stated Mr. Chairman, Commission Members, Mr. Steiner and I respectfully request an opportunity to present this information to you, but the end game of it is that we are bound by our Master Trust Agreement

to present and adopt a preliminary budget by November 15th. I will be respectfully requesting that the Commission consider this resolution after Mr. Steiner's presentation. Thank you.

Mr. Steiner said I need a little cooperation from the Commission Members. An informational packet entitled, "Ohio Turnpike Commission's Preliminary Budget for 2003" was distributed to the Commission Members.

Mr. Steiner said there is a copy of the slides in your folders if you find it easier to follow along with those. Please don't hesitate to ask questions during the presentation. It's probably easier to address those questions while the slides are up on the screen. Again, as the Interim Director mentioned, we do need a resolution to approve the Preliminary Budget by November 15th and the final by December 31st. This budget was prepared under the direction of the Interim Executive Director and a lot of assistance from our Deputy Executive Director/Chief Engineer, Mr. Dan Castrigano and all the department heads.

Our budget is divided into two categories of funds "pledged and non-pledged" pursuant to the Master Trust Agreement. Pledged funds are pledged for repayment of the Commission's bonds. Pledged funds consist of toll revenues and related investment revenues. The non-pledged revenues consists of concession revenues from the service plazas, fuel tank revenues, related investment income and other miscellaneous revenues. On the right hand column we have grand totals of all the funds.

An overview of our revenue fund reveals that toll revenues represent 91% of total revenues. Concession revenue account for approximately 6% and all other sources account for about 3% of the Commission's revenues. While the Commission receives no federal funds, ODOT is able to utilize the toll revenues that we collect to obtain federal matching dollars for ODOT. Since the toll revenues represent the bulk of the Commission's income, I would like to take a minute to review some of our traffic and revenue statistics in a little more detail.

Looking at our actual car traffic from 1992 through 2001 along with projected traffic for this year shows steady increase in traffic from 1992 through 1995, a slight decline in 1996 and 1997 – this was due to a series of toll increases that we phased in from 1995 through 1999 and then we have had steady growth since 1998. Passenger car traffic has grown from 29.1-M

in 1992 to a projected 39.1-M cars in 2002 that's an increase of 10-M cars or 34%.

Commercial traffic during this period has followed a similar pattern up through – again, a steady increase of traffic from 1992 through 1995, a slight decline in 1996 and 1997, and then increase in traffic from 1998-2000. However, commercial traffic has declined in 2001 as a result of the nation's economic slowdown. Fortunately commercial traffic has been increasing since April of this year and commercial traffic has grown from 7.3-M vehicles in 1992 to a projected 9.3-M vehicles in 2002 – this is an increase of about 2-M vehicles or 28%.

Again, total traffic follows a very similar pattern. It has grown from 36.4-M in 1992 to a projected 48.4-M vehicles in 2002. Much of this growth in traffic can be attributed to the opening of 7 new interchanges during this period as well as the addition of the third lane.

Looking at the revenues for passenger cars, we also see very steady growth throughout this entire period increasing from 33.9-M in 1992 to a projected 78.9-M in 2002.

Toll revenues from commercial vehicles again peaked in 2000 and they declined slightly in 2001 and fortunately, they are beginning to increase again this year. Total toll revenues for commercial vehicles increased from about 49.7-M in 1992 to a projected 103-M this year.

Looking at total toll revenues again, this peak in 2000 and a slight drop-off last year and we are back on an upswing this year. Total toll revenues increased from 83.6-M in 1992 to a projected \$180-M this year.

An analysis that was prepared by our traffic consultant, Bobby Everhart, from URS reveals that 70% of revenues from passenger cars and 90% of revenues from commercial vehicles come from trips that have either an origin or destination or both outside the State of Ohio. When you can have individuals or organizations outside the State helping to pay for the Ohio Turnpike, that's a real benefit to Ohio citizens.

Looking at the 2003 budget proposed for toll revenues, which includes special toll permits, you will see a total of \$183,815,000. This projection was prepared by Bobby Everhart of URS. His traffic and revenue

projections have proven to be very accurate over the years. With the continuing uncertainty about the economy, Mr. Everhart recommends a conservative budget for 2003. The amount budgeted is \$5.4-M or 3% more than the budget for 2002. It's very close to what we expect the actual to be for this year.

Our budget of investment revenues total \$1,980,000 – this is a drop of \$1.6-M or 44% from last year. Our investment revenue has continued to decline in the last couple years. There are two basic reasons for this: First, the amount of money we have to invest has been declining as we pay for our ongoing capital improvement program which includes the addition of the third lane, new interchanges, renovation of older toll plazas and reconstruction of our service plazas. The spike that you see in July 2001 reflects the proceeds of the last bond issue that the Commission currently has planned which totaled \$100-M. Our funds have steadily declined since that bond issue and will continue to do so throughout the next year. The second reason for the decline in investment revenues is the dramatic decline in interest rate that we have seen – the federal funds peaked at 6.5% in May of 2000 and currently stands at 1.25%. We do have a very conservative investment portfolio consisting of U.S. government securities, certificates of deposit, overnight re-purchase agreements, and we invest with Star Ohio.

Our concession revenues continue to grow aided by the increase in traffic and we now have 4 pair of newly reconstructed service plazas open.

The proposed budget of \$12,960,000 is \$1.3-M or 11.2% higher than the budget for 2002.

Mr. Wilkins asked, do you know what the growth would be if you took out the new ones – in other words the same - basically the same store increase.

Mr. Steiner said maybe Fred McFall could address that question. Fred responded he would like to shed a little light on the new plazas opening up and what affect it has when we had to shut-down two plazas. When we had Middle Ridge and Vermilion Valley – the two biggest plazas on the road – shut down, the sales at Commodore Perry and Erie Islands Plazas did \$13.6-M. When we opened up the new plazas, we ended up taking a 25% decrease from the plazas that we opened when the new ones were closed, we ended up with \$21.4-M. So actually the new plazas added an additional

\$7,800,000 in sales having all four of them open versus when they were shut-down.

Mr. Wilkins said I follow your numbers but what I am asking is: how much of the growth in revenue is due to new plazas being opened versus growth in existing plazas? Do you see what I am saying?

Fred said versus the older plazas? I don't have that number. Mr. Steiner said it's a dramatic increase. I think you are seeing sales that are probably doubled from the older plazas, it's probably a good ball park figure.

Mr. Marchbanks said we can break out that data for you. What you want to know is how much are we getting from the new plazas using the baseline of what we were earning before the new plazas came on-line?

Mr. Wilkins said all I'm saying is that you have growth. A lot of the growth appears to be the opening of the new plazas. What is happening to the existing plazas – in retailing they call it, same store revenue. Growth masks increases or decreases in existing plaza revenue. That's all I was asking.

Mr. Dixon said it went down 25% didn't it? Is that what you are saying? When we opened the new plazas, didn't you say the sales in the old plazas went down 25% but our total sales went up \$7-M?

Fred McFall said what I was saying was when we shut down a set of plazas, the existing plazas versus the brand-new plazas generated \$13.6. When we opened up the other two plazas that means that even though we decreased 25% in the set of the new plazas that was opened we picked up another \$7.8-M in sales. Which means that with the four plazas all opened and the two that were opened during the time the two were closed, we are picking up \$7.8-M in sales. As far as the older plazas, we have picked up more sales in the older plazas especially at Mahoning and Glacier Hills and one of the reasons that they shut-down the plazas coming out of PA. So we have had additional sales in those older plazas. I don't think sales would decrease in the older plazas if they are not going up against the other plazas.

Mr. Strnisha said, Mr. Chairman, on this point it would be so I understand it would be interesting to know how much the growth is due to the new plazas and how much is natural growth. It would also be interesting Mr. Steiner, this is sort of an investment the Turnpike made to borrow money some of

our own money as well. It would be good to overlay on that the cost that it cost to do this – the borrowing cost to do this and I'm asking because I think pretty sure that this was not only good for our customers but it was good for our bottom line in terms of as an investment. We made an investment, borrowed money to do it but the increase – I'd like to see the numbers – but I'm going to guess just from the gross numbers that this would bear out that the investment we made it benefiting our bottom line too from the standpoint of the benefit of revenues versus the cost of servicing the debt that we took out to do these plazas. In doing that analysis which I think we would like to see, if you could add that to it. I think that's a good bottom line story to tell in terms of the financial strength of the Turnpike.

Mr. Steiner said we'll prepare those calculations for you.

The Commission receives 5 cents in fuel tax from each gallon of fuel that is sold at the Commission's 16 service plazas. We traditionally use these funds for connecting state roads and the proposed budget for fuel tax revenue is \$2.6-M and other revenues are generated from leases and licensing, advertising and other miscellaneous sources.

The total proposed 2003 revenue budget is \$202,060.00. This is an increase of \$5.4-M or 2.8% compared to 2002.

Mr. Wilkins said we got \$2.6-M in fuel tax revenue and under transfers we transferred out \$2.7-M. Why do we transfer out more than we got in?

Mr. Steiner replied that the additional \$100,000 represents budgeted investment income on the fuel tax revenues. You'll see up in the non-pledged revenues under investment income you'll see that there is \$100,000 of fuel tax related to investment income included in that – do you want me to go back to that slide?

Mr. Steiner stated that in the non-pledged revenue there is \$325,000 of investment revenue and \$100,000 of this relates to the investment of fuel tax funds.

Mr. Wilkins said you accumulate that money over the year and then you wait to transfer it out at the end of the year and so you are earning \$100,000 on the balance? Mr. Steiner said it's transferred on a monthly basis as the fuel tax revenues come in they are transferred to that fuel tax fund and all of

the investment revenues on those funds stay with the fuel tax fund. So the other portion of the investment revenue, they are non-pledged funds that relate to the concession and the other miscellaneous revenues.

Mr. Wilkins asked what can that money be used for? Mr. Steiner said the fuel tax revenues can, per statute, be used for anything other than new interchanges. Traditionally, we have used those for state-connecting roads and maybe Deputy Director Castrigano can give you some more detailed examples.

Mr. Castrigano said we have limited those projects to state routes either connecting to or passing over the Ohio Turnpike for the fuel tax funds.

Mr. Wilkins then asked the concession revenue, what can it be used for? Mr. Steiner replied that concession revenue can be used for anything that the Commission deems appropriate. You can see what they have been used for is to first pay for the operating and maintenance costs associated with those service plazas which you look down that non-pledged column you see \$1,692,000 in maintenance costs and \$4.4-M in operating costs that includes salaries, utilities and cleaning, etc. relating to the operation of those service plazas. Down at the bottom, you see "System Projects Funds \$7,498,000 Transfer and that is the net revenue generated from the concessions and that money has been used over the past number of years to help pay for the Commission's ongoing capital improvement program. For example, the construction of the new service plazas. We are not only using the toll revenues but we are using the net concession revenues to help fund the Commission's ongoing capital improvement program. The Capital Improvement Program is about a \$1.5-B program and the program was started to fund approximately ½ of the programs from bonds and the other half on a pay-as-you basis and since 1994 we have issued approximately \$100-M worth of bonds and have used those funds and then we generate \$40-50-M from toll revenues and that concession revenues that are also available to help pay for that construction program as a pay-as-you-go basis.

Mr. Wilkins said so we issue a separate capital budget then? Mr. Steiner said yes, all the transfers from the Fuel Tax, the Service Plaza Capital Improvement Reserve, the Renewal & Replacements and the System Projects Fund – all those are transfers to the Capital Project Funds and Deputy Director Castrigano has a detailed Project Plan that shows all the capital projects for those funds and we have those going out to 2010.

Mr. Wilkins said so will we be approving that for 2003? Mr. Steiner said traditionally per the Master Trust Agreement the Commission is required to approve the operating budget and then these transfers go to – the Commission is essentially releasing these funds for expenditure for those projects that the Commission has approved. The individual projects as we decide to open up a new interchange – that sort of thing – those projects are brought to the Commission for approval.

Mr. Wilkins said but this would define the total of that 2003? Mr. Steiner said, right, that's the additional amount that is being added to those funds and available for construction projects and each project is approved individually as the decision is made to go forward with that particular project.

Mr. Wilkins said I think it would be helpful if we could see what looks like at this point in time.

Mr. Castrigano stated I'm planning at the December meeting to provide you with the Preliminary Capital Improvement Budget for 2003 showing where the \$50-M will be allocated.

Mr. Wilkins then asked how do you decide how much concession revenue you are going to use for concessions versus for future construction projects?

Mr. Steiner responded what we have been doing the last few years is using the concession revenues first to pay our operating and maintenance costs associated with those service plazas and then we have been setting aside in the Service Plazas Capital Improvement Reserve \$300,000 which represents a 1% of concession sales that the operators of the new service plazas pay and this money is set aside in that reserve for capital improvement projects related specifically to the service plazas and then the total balance remaining which is this case is \$7,498,000 has been transferred to the System Projects Fund to help pay for capital projects including the reconstruction of those service plazas.

Mr. Wilkins said, but it could also be used to pay for the same things as the fuel tax pays for? Is that right? Mr. Steiner said yes, it could be used for anything the Commission deems appropriate. Mr. Wilkins said OK.

Mr. Steiner then referred to the slide showing an overview of the proposed 2003 budget for expenditures and transfers reveals that the Commission spends only 4% of its budget on Administration and Insurance; 15% on maintenance of the roadway and structures; 21% on the operation of the toll and service plazas; 6% on traffic control, Safety and Patrol and communications; 27% on debt service and 27% on capital projects.

The distribution of expenditures for operating maintenance and administrative costs now reflect the allocation of fringe benefits to each operating unit in proportion to the salaries and wages budgeted in each unit. Historically the Commission has budgeted all fringe benefits in the Human Resources Dept. which is reported in Administration and Insurance. This distorts the actual cost of performing the various functions that are listed there. This was recently highlighted when the Commission and ODOT both received requests for expenditure data from the Legislative Services Commission.

This next table shows the affect of allocating those fringe benefits costs to each department. The light blue or lavender bars on the left represent the 2003 budget operating, maintenance and administrative expenses including the proper allocation of fringe benefits to each department. The burgundy colored bars on the right represent the distribution of the expense budget the way it would have been had the fringe benefits continued to be summarized and included totally within the Human Resources Dept.

Our total proposed budget for operating maintenance and administrative expenses is \$92,575,000 and this is an increase of \$2.9-M or 3.2% compared to the 2002 budget. We are very pleased to have recently completed negotiations and entered into a Collective Bargaining Agreement with the Teamsters Local 436 which represents our toll collectors and maintenance employees. The major increase in our expense is the negotiated 70 cents per hour wage increase for bargaining-unit employees and also a comparable increase for non-bargaining employees.

The other major increase is in health care costs which has sky-rocketed nationwide. To help control these costs we were able to successfully negotiate with the Teamsters for an increase in the employee's co-pay amounts for prescription drugs. In addition, "new" employees will pay 10% of the health care costs and those employees who have medical coverage from a spouse may also opt to receive \$75 per month in lieu of the

Commission's health care coverage. Also effective November 1st of this year, newly hired non-bargaining employees will also share 10% of the health care costs and also have that option to select a \$75 per month if they have health care coverage through a spouse.

Mr. Marchbanks stated that the staff worked very hard and I think very efficiently in getting those savings in regards to health care costs. Our operating maintenance administrative costs would be increasing at even a higher rate had not those negotiated savings been achieved.

Mr. Steiner stated that the Commission currently has bonds outstanding with the par amount of approximately \$770-M. The 2003 debt service payments on these bonds total \$56-M which is approximately the same amount as the 2002. The interest component is slightly lower than 2002 and the principal component is slightly higher. Mr. Frank Lamb who is here this morning representing our trustee, Huntington National Bank, has checked me to make sure I have the proper amounts budgeted for principal and interest.

Mr. Wilkins inquired, what is our average interest rate? Mr. Steiner stated that the average interest rate on all of our outstanding bonds is a fixed rate slightly under 5%. Mr. Wilkins inquired if we have considered refinancing that?

Mr. Erickson replied that the Commission refinanced last year. The IRS allows essentially one refinancing of tax-exempt debt for each issue outstanding.

Mr. Strnisha said except for the new money, right that we sold in 2001? Mr. Steiner said there are selected maturities from some of the previous issues that could possibly still be refunded, but.

Mr. Erickson said that long-term debt is still around 4.90 or real close to where you are.

Mr. Steiner said the total proposed budget for expenditures including our debt service payments total \$148,531,000 which is an increase of \$3.1-M or 2.1% over the 2002 budget. Our Master Trust Agreement requires that we maintain a reserve equal to 1/12 of our annual operating maintenance and administrative expense budget, the transfer of \$203,000 to the Expense

Reserve Account represents the amount that we need to add to this fund to maintain the required balance.

As we discussed a few minutes ago, the remaining transfers that total \$53.3-M represent funds committed for capital projects. With the increase of budget revenues of 2.8% in 2003 combined with an increase in expenditures including debt service of only 2.1%, the budgeted funds of \$53.3-M available for capital projects is \$2.2-M or 4.2% more than the amounts budgeted in 2002 for capital projects.

As we mentioned the fuel tax revenues customarily used for intersecting state roads, the amounts in the Renewal & Replacement Fund are used for vehicles and equipment and also minor capital projects and the System Projects Fund are used for the Commission's ongoing capital improvement program and other major construction projects.

The total proposed budget for transfers is \$53,529,000 and finally the total proposed budget for expenditures and transfers is the same as the income, \$202,060,000.

Mr. Chairman, there is a proposed resolution in your materials, with your permission, I'll ask General Counsel to read the resolution.

Chairman Greenwood said before we do that, do any of the Commission Members have any questions for Mr. Steiner up to this point before we actually present the resolution?

Mr. Proctor inquired if the \$53-M, is it available for projects? Did I understand that correctly? Mr. Steiner said that \$53-M is being added to the capital project funds. Those funds are at this point basically all committed from projects that the Commission has previously authorized. We do have a Capital Project budget that goes out to 2010.

Mr. Proctor said does that \$53-M equate to the size of an annual construction program – is it basically the size of your construction program?

Mr. Castrigano said yes, Mr. Chairman and Director Proctor, next year we will be running about \$50-M. Director Proctor said that includes plazas. Mr. Castrigano said that's correct if we were constructing service plazas

next year, but we currently do not have any service plazas on the 2003 budget. The next set of plazas is scheduled for 2004.

Director Proctor said I guess we'll get a presentation in December, I'm just wondering how much of that is the capacity, how much is maintenance-type projects, sort of the demographics of that construction program.

Mr. Castrigano said that's correct, I'll have that at the December meeting.

Director Proctor said OK.

Mr. Steiner said if I could just add to that comment, we have again sold close to \$800-M worth of bonds since 1994 so our actual construction costs have been far exceeded the \$50-M the last number of years we probably been averaging in the neighborhood of \$150-M, but that has been dropping and I think we are looking at maybe \$75 or 80-M next year and then from 2004 beyond we are going to be in the 45-50-M range.

Director Proctor said maybe I'll wait until December. Mr. Castrigano said I'll have a complete presentation then. Director Proctor said thanks.

Chairman Greenwood asked if there were any other questions? OK, go ahead.

General Counsel Amato said since it's short, I'll read the Whereas.

“WHEREAS, Section 5.01, Article V of the Commission's 1994 Master Trust Agreement dated February 15, 1994, provides for the preparation of a preliminary budget for the ensuing fiscal year on or before November 15 in each year; and

WHEREAS, the Commission's Interim Executive Director and CFO/Comptroller have prepared the preliminary budget for the year 2003 and have submitted same to the Commission for its review and consideration and have recommended the adoption thereof;

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby adopts the following as its Preliminary Budget for the year 2003:

Chairman Greenwood asked if there is a motion to adopt this resolution. Director Proctor moves and Mr. Strnisha seconds. Any discussion on the motion?

Mr. Dixon asked what does approval of this resolution do as far as our organization? What happens between now and the time that we approve the final budget?

Mr. Steiner responded that pursuant to the Master Trust Agreement we are required to adopt a Preliminary Budget by November 15th of the current year for the succeeding year and I believe the intent is now to give the bondholders, the trustee or anyone else an opportunity to provide any input that they may choose to provide before the Commission at the December meeting would approve the final budget. Traditionally, there have been very few changes, if any, to the final budget unless something dramatic would occur that would change something.

Mr. Strnisha commented I think we are being appropriately conservative particularly on the projection on toll revenues while there are some good signs that based on the economy change in the dip, I think the projection I would feel less comfortable if you were projecting out a higher increase just based on a few months turn-around, there is still a lot of speculation on what's going on in the economy. I think it's a prudent projection. No. 2 I compliment you on the allocation making the change on the benefits – that's traditionally how it's done and it gives a fair representation of the true costs by department as opposed to aiming it all into Administration and I think that's good change from both a policy standpoint and from a presentation standpoint so that those from the outside bond rating agencies, legislators, whoever have a truer picture of where costs lie in running the Turnpike. The last thing I, too, am interested as we get into the review of the capital project budget how those lay out and I think my question also goes beyond next year. I think we may have some challenges as we do run out of bond funds and obviously rely on this self-generated revenue to not only maintain the Turnpike and I know we have been in discussion on other major projects particularly assisting ODOT in conjunction with their projects that we figure out whether it is next year or the year after if we've got some challenges to meeting that essentially out of our own self-generated dollars and I think

those are projects we generally want to do. But we need to figure out how to manage that with just this pot of money.

Director Proctor said I'd ask Mr. Castrigano if it's OK for the December presentation. I'd be very interesting in sort of what's the long-term preventative maintenance strategies for the bridges and pavement on the Turnpike. I know we are starting a very high level of conditioning and as you would understand based on the pavement deterioration curves and others an active preventative maintenance program would allow us to keep those conditions high for a long period of time for the least amount of money. I'd be interesting in establishing some specific goals for bridge and pavement condition so we could report back to the Commission – are we achieving the system conditions that we want? How much leeway do we have to do other projects or make other investments without sacrificing any condition on the system? That would help us define what system conditions we would describe as adequate. Then we could answer these questions, how close are we coming to sustaining the network to the condition we want. I guess I would be interested in that discussion at some point, what pavement condition, what bridge condition, what level of investment does it take to sustain that over time. I think we would be in a very good position to do now since so much of the Turnpike is in such great shape. That putting it on a 10 year, 15-year plan or 20-year plan for maintaining the bridges and pavements. I think this is something we could use as a very important benchmark for the Commission to assure ourselves that we have sustained the level of adequacy. I think it's very much in line with the GASB No. 34 approach. Thank you.

Chairman Greenwood asked if there were any other questions or discussion on the motion. Roll, please.

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

Mr. Castrigano said you may recall on August 28, by resolution, the Commission rejected the bid received in response to this previous Request for Proposals (RFPs). The request was re-advertised as authorized in the resolution and proposals were received on September 20, 2002. Again, we received one bid in response to this proposal. The bid was submitted by HMS Host for the operation of Unit #6. There was no bids in response to Unit #5.

HMS is proposing to provide a UV-3 Accessories retail concept which is the concession for selling sunglasses, leather goods, watches, etc. As a result of the negotiations with HMS Host, they are providing a rent of 8% along with a minimum rent of \$30,000 per unit to be added to their existing minimum rent at these locations. All other contract terms such as the 4% property management fee, the 1% capital improvement fee and the common area maintenance charges.

The Commission Members may recall also that this bidder was the only bidder in August. This is the third time that the Commission has requested proposals for these concessions. In August the vendor was in a position to provide only a 5% minimum rent and was not providing a \$30,000 minimum rent. This is a substantial increase over their previous bid. If General Counsel would read the Resolved please,

“RESOLVED that the above-mentioned proposal submitted by **HMSHost Corporation, Inc.** for the performance of **Contract TR-8D (Unit #6)** is hereby accepted; and

FURTHER RESOLVED that the interim executive director and general counsel hereby are authorized to execute **Contract TR-8D (Unit #6) (Middle Ridge and Vermilion Valley)** Service Plazas, which provides for an initial term of seven (7) years and at the parties’ mutual agreement and written notice to extend for additional five (5) year periods, with **HMSHost Corporation, Inc.** in the form heretofore prescribed by the Commission pursuant to the aforesaid bid, and to take any and all action necessary or proper to carry out the terms of said bid and said contract.

FURTHER RESOLVED that the Commission’s staff will continue to explore interest with our current concessionaires and/or other vendors who have expressed an interest in operating Unit #5 of the Middle Ridge and Vermilion Valley Service Plazas.”

Mr. Castrigano stated he would recommend that the Commission adopt this resolution.

Chairman Greenwood asked if there was a motion to adopt this resolution or any discussion? Mr. Proctor moved and Mr. Wilkins seconds.

Mr. Wilkins asked how does that \$30,000 work out in terms of square foot? Mr. Castrigano said I don’t have the per footage, but it’s approximately 550 square feet this unit. Does that sound right, Fred?

Fred McFall said yes. Mr. Wilkins said that’s about \$7. What’s the expected rent? That’s the minimum. Mr. Castrigano said I believe the concessionaire was projecting approximately \$300,000 worth of sales out of

this unit. I'll have to check that out for you, Mr. Wilkins. I don't have those numbers off the top of my head.

Mr. Strnisha wouldn't they also pay, it would be that minimum plus they have to pay these other items, right? Mr. Castrigano replied yes, they will be paying 8% of their sales along with 4% of their sales to go to the property management fee, 1% of their sales to go to the capital improvement fee which is part of the \$300,000 on the budget. Those are added to the 8%. They also pay in proportion to their square footage the total package of vendors in the service plazas pay 50% of our janitorial services contract and they all chip in in relation to their square footage of their units under the contract.

Mr. Wilkins said those are add-ons, they are not included in the minimum. That's correct responded Mr. Castrigano. Mr. Wilkins said I was just trying to get a feel on how much rent are they ultimately paying on a per square foot basis. That was all.

Mr. Castrigano said so it's 8 + 4 + 1 plus whatever you relate back there for the common area maintenance fee.

Mr. Wilkins inquired if they operate the concessions themselves or do they hire other people to operate the concession? Mr. Castrigano said HMS will be operating this concession. They are the bidder. Mr. Wilkins asked if they could sub-contract to somebody else? Mr. Castrigano responded that he believes there are provisions in our contract that any subcontract has to be approved by the Commission prior to the sub-letting. Mr. Amato, said correct, subject to our approval, they can sub it out. They are operating other units so they will be there on site-and under their management. This concessionaire is also under contract for I believe Units 1, 2 and 4 of this service plaza.

Chairman Greenwood asked if there were any additional questions?

Mr. Dixon said given the fine report that we were received earlier on the strength and how well our plazas are doing, why was there such a limited response to these RFPs for Units #5 and 6?

Mr. Castrigano stated this is a somewhat of a new concept in a service plaza – a retail operation. That was I believe for the limited response on

these units. Mr. Dixon, to me in my mind, this would seem like an excellent opportunity for a smaller organization to get its foot in the door. It would seem to me there would be some type of response to that. How was this information sent out? Was there an opportunity for organizations to know about this or did we go through our usual channels so that the usual suspects would be the ones that would reply?

Mr. Castrigano responded these were advertised in accordance with the requirements of the RFP. Mr. Amato, maybe you could address that issue?

General Counsel the usual methodology is to advertise in the public news, the Legal News, in Columbus and all the papers that we always generally advertise in. It was open to the public. Anybody who is watching for that type of opportunity would have had a notice that these were available. Also, it was advertised three times; this was the third time that these went out for bid.

Mr. Dixon asked if you could get a list of the publications that we use when we advertise – all of our RFPs and some type of consideration might be given especially for RFPs like this to take that extra step because it would seem to me that we should have received some other responses because this would be golden opportunity I think for someone to get their foot in the door. Something is not right there.

Mr. Amato said certainly. I would also note Mr. Dixon that in addition to the advertising in the general circulation newspapers any person or entity that has contacted the Commission the Turnpike Commission and has expressed an interest in each type of different that they may provide is put on our vendor list and each time an opportunity becomes available it is sent directly to them.

Mr. Dixon asked if we advertise in any minority, Hispanic speaking publications? Mr. Amato said I'm certain that we do and I'll provide that information to you. Thank you.

Chairman Greenwood said any more questions on the motion? Any discussion? If not, call the roll for the resolution awarding a contract for specialty retail concession.

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

Mr. Castrigano presented his construction update report for this month. We are currently wrapping up our construction for the 2002 season. Two of our three third-lane projects scheduled to be completed this year are open to traffic. The third will be opened later this week. With that third project opening, that will bring our total of third-lane completed to 136 miles of the 160. We also, if you recall, awarded the project just outside the Administration Building. Preliminary work will continue throughout the winter and the next project is scheduled for completion next year.

Work continues on the CSX Railroad Bridge just west of the building. The track has been shifted to the temporary alignment. The original structure has been partially demolished and is currently being re-constructed. This project is scheduled for completion next year. We are finishing up the deck replacements on the Prospect Street Bridge right outside east of the building. The bridge over I-76 that we are working with ODOT and also our Lipkey Road structure.

Toll plaza reconstruction continues on three locations: Interchanges 118, 152 and 187. The building at 187 is complete and toll personnel moved into that facility last week. That completes my construction report.

Two other brief items, not to be outdone by the Accounting Department, the Engineering Dept. also won an award recently for our Interchange 77 connection, Project 55-99-01. It was awarded the concrete paving award by the Ohio Concrete Construction Association. Representatives from the Commission and the contractor, Anthony Allega will be attending an awards luncheon in Columbus on November 21st to receive that award.

Also, at the suggestion of Mr. Marchbanks, Commission staff along with our construction manager and project manager attended an Information Sharing Session with ODOT District 4 and 6 on October 30th where we discussed the Commission's Construction management and project management program. There was a lot of good information exchanged that session and I think it was a worthwhile effort. Deputy Director Darwish also attended that session with some of his staff. That completes my report.

Chairman Greenwood inquired if there were any questions for Mr. Castrigano. If not, thank you very much, Dan. Report from our financial advisor, Mr. Erickson.

Eric Erickson stated that while I was sitting there listening to Jim's report and I wanted to respond in a little more detail to Mr. Wilkins' question which I thought was a very good question. For the next meeting which I propose to do is share with the Commission the outstanding debt what has been refunded, potentially what could be refunded and perhaps where we are currently in terms of the economics of an advanced refunding on the existing debt that is outstanding. Some of the Commission Members were not around back when we did a lot of the issues so they may not be aware completely where we are. For the next meeting, I'll prepare that report.

Chairman Greenwood inquired if our trustee, Mr. Frank Lamb, had a report. Mr. Chairman, Commission Members I really wanted to thank Mr. Steiner and his staff for sharing a copy of the preliminary budget with us and soliciting our input as to projected service payments. As well as a rather simple exercise, I think it's worthwhile to make sure that the two sets of books coincide.

Chairman Greenwood stated that in other words you think we are able to pay for it – right? Mr. Lamb said he had no problems. Highway Patrol, is Captain Ferguson here?

Captain Ferguson said Good Morning Mr. Chairman, Members of the Commission, the 139th Academy Class of the Ohio State Highway Patrol graduated last month after completing 26 weeks of training. Two of those graduates have been assigned to our Swanton Post at the west end of the Turnpike and one to the Milan Post. This will allow us to continue our full-strength of 91 officers on the Turnpike in the future and into 2003.

Our Investigation section of the Patrol in Garfield Hts. has been assisting us in several of our criminal investigations on the Turnpike. We had an armed robbery which occurred last July at Towpath Service Plaza in which \$3,000 was taken from a safe. Our investigation section helped us out in that by doing a lot of interviews and a lot of legwork, polygraph work and as a result one adult and two juvenile have been charged with aggravated robbery.

We have had another investigation centered around several incidents of stolen wallets from the cabs of truck drivers at Fallen Timbers plaza and several of the other plazas out in the west and west-central area. The suspects subsequently used the credit cards from those wallets fraudulently to gain more assets. Again, our investigation section helped us out on that. An adult female from Toledo area was part of a criminal ring working that type theft not only on the Turnpike but the surrounding area. She has been charged with that crime. We ended up solving several other related crimes for other law enforcement agencies in the area.

They are currently helping us out in an investigation theft of money from pop machines, coin changers out in Mahoning Valley plaza. So we use them quite a bit particularly in case investigations where we have to do a lot of leg work, interviews, polygraphs, etc.

The Milan Post investigated a fatal crash on Sunday, October 20th at 3:50 p.m. in Erie County at MP 120.5 (westbound). This crash killed a 28-year old man from California. He had been working at a veterinary clinic in Michigan, was driving a Mercedes SUV and it was traveling in the middle of the three lanes, attempted to change to the left lane and struck the side of a van that was traveling in the left lane. The Mercedes then lost control, traveled off the right side of the road, struck the ditch embankment and overturned, came to final rest back in the right lane. He was not wearing a safety belt, he was ejected and was killed. There were no injuries with the occupants of the other vehicle. This was our 6th fatal crash this year – our 6th fatality for 2002 and compares to this time last year 12 fatal crashes with 13 people being killed through the month of October.

We will continue to gear our enforcement efforts towards crash causing violations and particularly in safety belt compliance to continue the success that we have had this year in reducing crashes. That concludes my report, Mr. Chairman. I'll be happy to answer any questions that you might have.

The Chairman thanked Capt. Ferguson and asked if Mr. Lawler who was here in place of Mr. Yacobucci from HNTB – our general consultant. Our inspection is complete with all the bridges, culverts on the Turnpike with the exception of one section in the third lane widening area in Amherst.

We have about 20 bridges and 5 culverts left and are working on them right now. That's all I have to report.

The Chairman asked if there were any questions and thanked Mr. Lawler. The Chairman asked Mr. Marchbanks if had a report.

Mr. Marchbanks thanked the members for the privilege of presenting my report. The staff and I, as well as Chairman Greenwood, attended an legislative Oversight Meeting at the Toledo Express Airport on September 30th. There will be a subsequent meeting scheduled, but the staff has yet to find out the date of that particular meeting. Mr. Castrigano and Mr. Steiner presented information on the Turnpike's staff to the members of the Oversight Committee.

On Saturday, November 2, Lauren Dehrmann and some of our staff members attended an Open House reception at the Commission's Middle Ridge Service Plaza from 10:00 a.m. to noon. Many of our neighbors and friends from the City of Amherst attended and spoke to our staff members as part of our approach to using our facilities for communities that are nearby. The Middle Ridge has a very large and well-appointed "community room."

On Monday November 4th Jim Steiner and I met with Eric Erickson, our Fifth Third financial advisor and Mary Sullivan, our Commission bond counsel to discuss our budget and other financial matters in front of the Turnpike Commission.

On Wednesday, November 6th the Commission staff members and I met with Betsy Bashore of the Auditor of State, Jim Petro's office, for a status report on the performance audit. The scope of services included a review of the Ohio Turnpike's human resource processes and our procurement and contracting processes. We expect a final draft report in front of us by November 25th. These findings will be presented by me not only to the Commission but to the incoming permanent Director as a part of getting that permanent Executive Director off to a good start in terms in recommending process improvements and internal controls of the Ohio Turnpike Commission.

On Thursday, November 14th Mr. David Freel of the Ohio Ethics Commission will present a 2-hour ethics training session here at the Ohio Turnpike headquarters. This session will be video-taped and the Ohio

Turnpike employees will be viewing this training session in the Commission room as well as three of our conference rooms. Arrangements are being made to have the video viewed by our field personnel in the Toll and Maintenance Department areas subsequently after the November 14th presentation by Mr. Freel.

Finally, Dan Castrigano and I attended the Ohio Ethics Commission meeting in Columbus a few weeks ago. The Committee reviewed our draft policy and incorporated additions and revisions to the submitted policy. In addition, they provided us with a brief model policy which they wanted the Ohio Turnpike Commission to consider in lieu of our draft. There is a resolution in front of the Commission Members, Mr. Chairman, and I recommend that the model policy as proposed by the Ohio Ethics Commission be adopted by the Ohio Turnpike Commission.

I have one further comment, but I will hold that until after we take action on the resolution.

Chairman Greenwood said there is a resolution in your packets. Would anyone care to move to adopt the resolution?

Mr. Wilkins moved and Mr. Proctor seconded. Chairman Greenwood asked if there was any discussion.

Mr. Wilkins inquired if we should reference in this policy the action that we took a couple months and say that this policy now supersedes that. Didn't we adopt a zero tolerance policy two months ago? I think it would be helpful to clarify to employees that OK that was the standard but now this is the standard and it replaces that initial policy.

General Counsel Tom Amato stated that it would be proper and we will add it to the Resolved paragraph and will state it today on the final resolution that is signed off, we will include that statement – that it will be rescinded – the zero tolerance policy. Mr. Wilkins said that in addition to making this generally available to employees and I understand that we will ask them to sign an acknowledgement confirming they received a copy of the policy and will follow it. I think they need to understand it. I think it takes more than just getting a copy of it. I think we need to give people a chance to ask questions and I would suggest that the form say: “I received a copy of it and I understand it and I agree to follow it.” Because there is a

little bit of legalese in this document and I know I support, but I think we need to explain to people what greater than deminimus or normal means, or they will have it but they will not understand it.

Mr. Amato responded and said Mr. Wilkins, Commission Members, I'm jumping ahead to my report but I have put together some compliance rules for the ethics enforcement and I'm working with the Auditor of State in this regard. Part of what I have envisioned is that the new employees will be encouraged to review the policy in the presence of the Commission's Human Resources staff and address questions, if necessary. In addition to the policy, they will also by then – a new employee will receive the policy when they are hired – a current employee will receive when they have the ethics training the materials from the Ethics Commission itself which includes Mr. Freel's powerpoint presentation and also questions that are often asked of the Ethics Commission. We will do all that we can to explain what these sentences mean so that they have some understanding. Also, with regard to adopting the model policy, adopting the model policy created a compliance challenge because they took out a lot of the specifics. What I envision is after the policy is adopted then we will have an executive order from the current Executive Director explaining exactly what deminimus means for Ohio Turnpike Commission employees so that everyone will have a clear understanding – Commission Members and Turnpike employees correct.

Mr. Wilkins said so we'll all have to understand it too. Good.

Chairman Greenwood said I'm not sure I would ask anyone to "understand" what's in the policy because it may be a virtual impossibility.

Mr. Amato said let me take this opportunity – I have put together some rules for compliance which include the rules that will follow for supervisors, staff or Commission Members and employees. Also for vendors doing business with the Commission.

Mr. Marchbanks stated as chief counsel, Mr. Amato noted, we did take a lot of that specific direction that was included or recommended in the Ohio Inspector General's Report and we have put it into these rules for compliance as Mr. Amato stated, we intend to disseminate this document too. We are working with the Auditor of State and within our own counsel to make sure that everyone understands what the Turnpike Commission's specific rules are of compliance.

Mr. Wilkins stated he'd like to make another suggestion - I think it would be better if the document to employees came from the Interim Executive Director than from General Counsel. Because I see this more than a legal matter, I see this as a top-level cultural matter and legal compliance – we are looking for more than that. That's just a symbolic thing. That's my suggestion, people might not agree. But to me it's a top-level leadership issue.

Mr. Marchbanks replied, “that can be done.”

Mr. Strnisha said I would just piggy-back on what Mr. Wilkins said. First off I think everything that we tried to do particularly since the Inspector General's report has been an absolute and sincere attempt to try to try put together a set of rules that were appropriate. Obviously, per state law and per the highest standards. Unfortunately, it's been kind of confusing getting there in part. That's unfortunate and I'm not – we are where we are – we passed a policy that I think a lot of people spent time on working on and now we are changing or adopting a new policy – what we want to avoid – that's just the way it is. I think what we want to avoid to this point is to get all the employees to understand it so that they feel comfortable that they are following it. I don't think anyone here whether it's the Ohio Ethics Commission or certainly ourselves or anybody wants to get into a situation where you are talking about “we have a gottcha -- that somebody didn't understand something. The point is they have a policy that meets the guidelines and the highest standards, but as part of that is one that everyone can understand and follow and know what they are doing and whether that's appropriate. So I think there is some confusion and I'm taking it that I think some of the guidance that we are proposing to put forward I think appropriate from the highest person within the organization – the Interim Executive Director means to get at that and I think we just need to be cognizant that there probably is some confusion because of the different efforts that have been made to sincerely put forth the best policy and now we have to focus on the understanding of that so that we can be assured that the compliance will be as strong as possible. I presume that if it's understood that we are going to have strong compliance from everybody affected. But that seems to be our challenge right now to move this forward and move forward to get a complete understanding so people feel comfortable they are following it obviously and not doing anything inadvertent to be outside the policy. I think this is a good first step, and I encourage us to do whatever is

necessary to make sure everybody feels they understand what the standard is going forward because I think we have been really trying to do that and we ought to follow through to its logical conclusion which is everybody understands what they need to do.

Chairman Greenwood asked if there was any more discussion on the motion.

Mr. Dixon said I'd like to thank Director Proctor for the time that he spent on the no-tolerance document that we had put together and I can assume by his seconding of the motion that he agrees that we should adopt the new document, but he did put a lot of work and time as well as Mr. Peca, so I'd like to thank them and show appreciation for the time they spent on guiding us through this ethics maze that we have been going through lately. Secondly, I think as a matter of procedure, if we are to vote on this document we must first rescind the document that's on the floor – the previous document – and then put into motion and pass this document as the standing document so we would probably have to remove the motion, rescind the “no tolerance” document if in fact – I don't remember – but you guys said it was – if it was voted on we have to rescind that document and then vote on this document.

Mr. Amato stated, that's correct but since I don't have a copy of that resolution with me, if Mrs. Pring .

Mr. Dixon said I don't think we need a copy of it we can just refer to it as the “no tolerance” document. We can refer to it as that as I think that would be acceptable.

Mr. Amato said OK, let my try my hand at a resolution here before we hear a motion on it. That would be: “Resolved that the Commission's previous resolution requiring an absolute prohibition concerning the acceptance of gratuities is hereby rescinded.”

Mr. Dixon said that works. First you have to ask Director Proctor to take the first motion off the table. Chairman Greenwood said we could also include it in this resolution, but. Mr. Greenwood said there is a motion to amend the resolution to include the -- I would accept a motion to amend the motion to include the statement given by Mr. Amato which will include rescission of the prior ethics policy. Who moved this?

Mr. Wilkins said I did. What do you want me to do?

Chairman Greenwood said move to amend the motion to include the statement in the resolution that Mr. Amato just gave which would rescind the former ethics policy.

Mr. Wilkins said I move.

Chairman Greenwood said is there a second? The question is shall the resolution be amended? Please call the roll unless there is further discussion.

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

Chairman Greenwood said the resolution has been amended. The question is shall the resolution, as amended, be adopted? Any further discussion? You understand we have included there the decision of the former policy. If not, please call the roll.

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

Chairman Greenwood said back to you, Mr. Marchbanks.

Mr. Marchbanks said with deference to Chief Counsel Amato because he still may have a report to deliver, I have several employment issues that I request the Commission discuss in executive session later.

Mr. Strnisha said he moved that we adjourn this meeting to hold an executive session in order to discuss those general employment matters as well as the purchase of property.

Mr. Amato said OK, but I'll skip ahead to my report. It's only a brief statement and that is that my Right of Way Coordinator has been working with regard to two interchanges where we are evaluating property in preparation for the purchase of that property for our 2003 projects. In that regard I'd like to request executive session to talk about the purchase of that property.

Chairman Greenwood said is there a second on the motion to adjourn to executive session? Mr. Dixon seconds. Roll, please.

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

Chairman Greenwood said I note we started right around 10:00 a.m. and there was a previous Search Committee Meeting. I'd like to take a couple minutes break. Why don't we plan on noon for executive session in the caucus room? OK? *(Time: 11:48 a.m.)*

The Chairman said the record will reflect that it is 1:37 p.m. We have concluded our executive session and we are back in regular meeting. If there is no further business, I'll entertain a motion to adjourn.

Director Proctor moved and Mr. Wilkins seconds. Please call the roll to adjourn.

Roll: Director Proctor-yes; Mr. Wilkins-yes; Mr. Strnisha-yes; Mr. Dixon-yes; Chairman Greenwood-yes. Thank you very much.

/dsp