

**MINUTES OF THE 493rd MEETING OF
THE OHIO TURNPIKE COMMISSION**

July 21, 2003

(NOTE: No Commission Meeting was held in June, 2003 at the Executive Director's request.)

Pursuant to the bylaws, the Ohio Turnpike Commission met for a meeting at the Commission's Administration Building at 10:00 a.m. on July 21, 2003, with members of the staff: Dan Castrigano, Chief Engineer, James Steiner, CFO/Comptroller; Tim Ujvari, Maintenance Engineer; Anne Fornshell, Director of Human Resources; Sharon Isaac, Director of Toll Operations; Dick Morgan, Director of Information Systems; Kathy Weiss, Director of Contracts Administration; Dave Miller, Chief Auditor; William Keaton, Telecommunications Manager; Richard Lash, Director of Safety Services; Lauren Hakos-Dehrmann, Manager, Public Affairs; Heidi Jedel, Nikki Camiola; Crickett Jones, Tracy Cowley and Diane Pring.

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

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

Ayes: Mr. Wilkins, Mr. Noe, Mr. Balog, Mr. Darwish; Mr. Dixon *(arrived 10:08 a.m.)*

Absent: Rep. Buehrer and Senator Schuring

Vice Chairman Wilkins stated that The Ohio Department of Transportation's Director, Gordon Proctor, is not here today but Deputy Director Mo Darwish is here and authorized to vote for him.

Mr. Wilkins advised that Representative Buehrer was unable to attend this morning. I'd like to introduce our two new Commission Members: Mr. Joseph Balog from Independence and Tom Noe from Toledo. Welcome.

Vice Chairman Wilkins stated he would like to hold the election of officers conducted by nomination and voting confirmed by a resolution so that action will appear in the Commission's Journal.

Is there a motion for the office of Chairman? Mr. Darwish moves to nominate Mr. Wilkins and Mr. Balog seconds. Any other nominations? There being none, I declare the nomination closed. Will you call the roll Mr. Assistant Secretary-Treasurer.

Roll: Mr. Darwish-yes; Mr. Balog-yes, Mr. Noe-yes; Mr. Wilkins-yes. (the motion is adopted.)

OK, now I'll accept a nomination for the office of Vice-Chairman. Mr. Balog moves and nominates Thomas Noe and Mr. Darwish seconds. Any other nominations? There being none, I declare the nomination closed. Will you call the roll Mr. Assistant Secretary-Treasurer.

Roll: Mr. Balog-yes; Mr. Darwish-yes; Mr. Wilkins-yes; Mr. Noe-yes.

Chairman Wilkins said OK – congratulations.

I'll accept nominations for the office of Secretary-Treasurer. Mr. Darwish moves and nominates Mr. Dixon and Mr. Noe seconds. Any other nominations? There being none, I declare the nomination closed. Will you call the roll Mr. Assistant Secretary-Treasurer.

Roll: Mr. Darwish-yes; Mr. Noe-yes; Mr. Wilkins-yes; Mr. Balog-yes.

Chairman Wilkins said OK congratulations. The Executive Director said now we need to put that in the form of a resolution so we can adopt it. General Counsel will you read the resolution into the record?

“RESOLVED that the election of **William W. Wilkins**, as chairman of the Ohio Turnpike Commission; **Thomas W. Noe**, as vice-chairman of the Ohio Turnpike Commission and **George F. Dixon**, as secretary-treasurer of the Ohio Turnpike Commission, all, pursuant to Ohio Revised Code Section 5537.02 (C) and Article I of the Commission's Code of Bylaws dated March 17, 2003, to serve until the next election which shall be held at the first meeting of the Commission held after the 30th day of June, 2007 or until their respective successors are elected and qualified, or until such

officers individually shall cease to be members of the Ohio Turnpike Commission, hereby is confirmed as having taken place at this meeting in accordance with law and the Commission's Code of Bylaws dated March 17, 2003, and the assistant secretary-treasurer is directed to enter this resolution in the journal of the Commission as a record thereof.

Is there a motion to adopt this resolution?

Mr. Balog moved and Mr. Noe seconds. There being no discussion, please call the roll?

Roll: Mr. Balog-yes; Mr. Noe-yes; Mr. Wilkins-yes; Mr. Darwish-yes. (OK it's official.)

We have a number of guests here today, so I'd like everyone to introduce themselves as we customarily do:

Eric Erickson, Fifth Third Securities; Bobby Everhart, Mike Burgess, URS; Tony Yacobucci, HNTB; Susan Nobilis, Nat City Investments; Frank Lamb, Huntington Bank; John Conner, McDonald Investments; Dennis Albrecht, Dan Sokol, Dick Corporation; Lt. Tim Tornabene, OSHP; Brett Neff, Ted Betowski, R. E. Warner; Bob Martell, Trucking Ind.; John Frolo, Dalad Group; Howard O'Malley, B & T Express; David Patch (Toledo) Blade; Larry Wright, WEOL; Bob Martell, Hardee's Food Systems; Steve Mayor, Steve DeLong, Local #18 Operating Engineers; Tom Travis, HMS Host; and State Rep. Dan Sferra, Stefan Holmes, First Merit Bank. (*Governor Taft arrived at 10:30 a.m. with staff member, Sante Ghetti.*)

Chairman Wilkins said OK – welcome.

This is the 493rd 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 for its regular meeting.

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.

Chairman Wilkins said I'd like to entertain a motion to adopt the Minutes of our May 19, 2003 meeting which were previously sent to the Members. Mr.

Darwish moves and Mr. Noe seconds. Mr. Balog inquired if they should abstain since they were not on-board for that meeting. General Counsel said yes. General Counsel suggested waiting until Mr. Dixon arrives.

The Chairman said OK, why don't we proceed with the report of the Secretary-Treasurer? Asst. Secretary-Treasurer said he'd give this report in Mr. Dixon's absence:

The following items have been sent to the members since the last regularly scheduled meeting of the Commission on May 19, 2003: (*Note: No Commission Meeting was held in June, 2003.*)

1. Minutes of the May 19, 2003 Commission Meeting
2. Traffic & Revenue Report, May, 2003
3. Traffic & Revenue Report, June 2003
4. Total Revenue by Month & Year, May, 2003
5. Total Revenue by Month & Year, June, 2003
6. Investment Report, May, 2003
7. Investment Report, June, 2003
8. OTC Financial Statements, May 31, 2003
9. OTC Financial Statements, June 30, 2003
10. OTC Budget Report, Six Months, 2003
11. Legal Department's Quarterly Report and Litigation Report for June, 2003
12. Various News Releases

The Executive Director said as part of my report I'd like to again welcome our two new members. I would mention to the audience and anyone interested that the Oversight Committee will meet on Tuesday, July 29th at 11:00 a.m. at the Toledo-Lucas County Port Authority, One Maritime Plaza. I would also note that we have a guest in the audience, Rep. Dan Sferra who is a recently-appointed member of the Oversight Committee. That's my report.

Chairman Wilkins said thank you. Report on financial and budgetary matters, Mr. Steiner?

Mr. Steiner said he was happy to report this morning that our passenger traffic is running slightly ahead of last year's volumes. We set new all-time records for the month of June, the second quarter of the year and also for the first half of the year. Prepared to the volumes from last year, passenger car traffic was up less than 0.1% for the month of June; 1.7% for the second quarter of the year; and 0.8% for the first half of the year.

Unfortunately, our commercial traffic continues to lag behind volumes reached last year. Our commercial traffic was down 2.5% for the month of June; 2.9% for the second quarter; and 1.1% for the first six months of this year compared to volumes for last year.

Due to the lower commercial traffic volumes our total general fund revenues for the first half of 2003 were approximately 1.4-M or 1.5% less than the amount we had budgeted. The severe winter weather that we experienced this winter caused higher costs for snow and ice removal; overtime, salt, vehicle maintenance, fuel and utilities and consequently our total operating maintenance and administrative expenses for the first half of the year were \$1.4-M or 3% more than the amounts we had budgeted.

There is a proposed resolution in your materials entitled "Resolution Concerning the Financial Condition of the Commission that I would like to discuss briefly. Our Master Trust Agreement requires that we perform a mid-year review of our financial conditions and to certify to our trustee, The Huntington National Bank, that our projected revenues for the year will be sufficient to meet all of our financial obligations under the Trust Agreement. There are actually three requirements under Section 4.04 of the trust agreement and they are identified on the first page of the attachment to the resolution.

The first requirement is that our estimated Gross Pledged Revenues exceed the sum of our budgeted Operating, Maintenance & Administration Costs plus the required deposit to our Expense Reserve Account. Our actual pledged revenues for the first half of the year are \$85.5-M and I estimate the revenues for the second half of the year to be \$96.3-M. I do have supporting calculations for that estimate on the second page of the attachment to the resolution. That brings the total estimated revenues for the year to \$181.8-M and that exceeds the budgeted Operating, Maintenance & Administration Costs plus the required deposit to the Expense Reserve Account by \$95.1-M so we have met the first requirement.

The second requirement is that our estimated Net System Pledged Revenues exceed the sum of our annual Debt Service Requirement plus the renewal and replacement requirement. Again, we start with the Net System Pledged Revenues of \$95.1-M and subtract the Annual Debt Service of \$55.7-M and

the R & R requirement of \$3-M and that leaves \$36.4-M and thus we have also satisfied the second requirement.

The third and final requirement under the Trust Agreement is that we have a debt coverage ratio of at least 120%. The ratio is required to be at least 150% in connection with the issuance of additional bonds and in addition the Commission, has by resolution, expressed its intent to always maintain a coverage ratio of at least 150%. The ratio is calculated by dividing the Net Systems Pledged Revenue of \$95.1-M by the Net Annual Debt Service Requirement of \$55.7-M and this leaves a projected coverage ratio for this year of 171% and I would now like the General Counsel to please read the proposed resolution. After that I would be happy to respond to any questions.

General Counsel read:

“RESOLVED that the Commission having reviewed the analysis prepared by the CFO/Comptroller determines that there will be sufficient Gross Revenues for fiscal year 2003 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.”

(Mr. Dixon arrived at 10:08 a.m. during Mr. Steiner's report.)

Chairman Wilkins said first we'll take questions on the resolution and then we'll vote. And then we'll take questions on your financial report, OK?

Mo Darwish moved and Tom Noe seconded. Any questions? Please call the roll.

Roll: Mr. Darwish-yes; Mr. Noe-yes; Mr. Balog-yes; Mr. Wilkins-yes; Mr. Dixon-yes. (The resolution is adopted.)

Chairman Wilkins asked if there were any questions on the financial report from Mr. Steiner?

Chairman Wilkins said I have just one question – as far as we had a lot of additional expense for snow and ice removal, is there a plan to try to make up for that excess or what exactly do we plan to do?

Mr. Steiner stated that first of all we are hoping we will have more mild winter season. We are also trying to reduce overtime costs during the summer. Mr. Chairman it is possible that we will have to come back to this Commission probably in the month of October and ask the Commission to consider a revised budget. We did want to wait until the third quarter results are in and at that point we will have a better feel for what the final expenses for the year will be.

Chairman Wilkins asked if there were any other questions? He inquired if we needed to vote on that report? (The Executive Director responded, no.)

Chairman Wilkins asked for the Chief Engineer's Report, Dan.

Mr. Castrigano said he had two resolutions for your consideration this morning. The first one in your packet is to award a contract for the purchase of gasoline and diesel fuel. This is a contract for the Commission's maintenance and OSHV vehicles for the one-year period beginning August 12, 2003. The contract was set up in four separate groups. The contractor could bid on one or more groups. We received three bids in response to the contract. The lowest responsible bid was submitted in response to all four groups by Petroleum Traders Corp. of Fort Wayne, Indiana. This bidder proposes to furnish materials and services in accordance with the specifications and further more has furnished material of this nature in the past to the Commission. If General Counsel would read the Resolved:

“RESOLVED that the bid of Petroleum Traders Corporation of Fort Wayne, Indiana for Groups I, II, III and IV of Invitation No. 3946 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 Petroleum Traders Corporation 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.”

Mr. Castrigano said I would further recommend that the Commission adopt this resolution.

Chairman Wilkins inquired if there was a motion? (Mr. Noe moved and Mr. Darwish seconded.) Any questions on this resolution?

Mr. Noe inquired how long a head do we go out on this bid? How does the process work?

Mr. Castrigano replied this contract is for the one-year term beginning on August 12, 2003. The bids were opened on July 7, 2003 and approximately there is a two-week bidding period prior to July 7th.

Were we satisfied with the number of bidders, the Chairman inquired. Mr. Castrigano said yes we were.

Chairman asked the Asst. Secretary-Treasurer to call the roll.

Roll: Mr. Noe-yes; Mr. Darwish-yes; Mr. Wilkins-yes; Mr. Dixon-yes; Mr. Balog-yes.

Mr. Castrigano said regarding the second resolution this morning, I know it's the middle of summer, but we are thinking about the winter already. This second resolution is for the furnishing of sodium chloride (rock salt) for the winter of 2003/2004. Our estimated quantity for the winter is 55,500 tons.

This contract was set up for 14 individual bidding items for 14 storage locations across the state. We received five bids in response to this invitation. The apparent low bid in response to Items 1,3 and 5 was submitted by The Detroit Salt Co., Detroit, Michigan; the apparent low bids in response to Items 2,4,5 and 7 was submitted by Northern American Salt Co. of Overland Park, Kansas; the apparent low bids in response to Items 8, 9 and 11 was submitted by Cargill, Inc. – Deicing Technology of North Olmsted, Ohio and the apparent low bids in response to Items 10, 12, 13 and 14 was submitted by Morton Salt of Chicago, Illinois. The total aggregate value of this contract is approximately \$1.6-M. All four of these bidders have supplied this material to the Commission in the past.

Would General Counsel please read the Resolved:

“RESOLVED that the bids of the following companies:

<u>Items</u>	<u>Company</u>	<u>Estimated Amount</u>
1,3 and 5	The Detroit Salt Co. Detroit, Michigan	\$120,320.00
2,4,6 and 7	North Amer. Salt Co. Overland Park, Kansas	365,594.00
8,9 and 11	Cargill, Inc. – Deicing Tech. N. Olmsted, OH	461,060.00
10,12,13 and 14	Morton Salt Chicago, IL	<u>649,142.00</u>
	Total Awards	\$1,596,116.00

for Invitation No. 3947 are, and are by the Commission deemed to be the lowest responsive and responsible bids received and are accepted and the chairperson and executive director, or either of them, is hereby authorized (1) to execute a contract with each successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid invitation; and (2) to direct the return to the other bidder of its bid security at such time as The Detroit Salt Company, North American Salt Company, Cargill, Inc. – Deicing Technology and Morton Salt have 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.

Mr. Castrigano said again, I would recommend that the Commission adopt this resolution.

Chairman Wilkins- is there a motion? Mr. Darwish moved and Mr. Balog seconded. Are there any questions?

Mr. Dixon inquired what type of DBE/MBE participation do we have in this contract?

Mr. Castrigano said that is unknown at this time. Again, one of the major items of this contract is freight and it is most likely probable that freight companies may qualify as DBE/MBEs.

Mr. Dixon inquired when will we know? Mr. Castrigano replied that as such time as the contract is executed any subcontractors have to be submitted for approval by the Commission.

Mr. Dixon said you are asking me to approve this contract before I know if there is going to be any minority participation? Don't these companies know which freight company they will be using at this time.

Mr. Castrigano said I'm not sure if they do know at this time.

Mr. Dixon said I'm not sure I'll vote on this resolution. I have asked time and time again and I guess because I don't want to beat anyone on this, but I'm very serious about this? Do we have a list of minority contractors that we do business with? Are we trying to build any type of list so we can make sure we send out bids to these organizations?

Mr. Dixon, yes we do Mr. Castrigano replied.

Mr. Dixon asked how many names are on the list?

Mr. Castrigano said I believe two or three months ago I gave you that book. It was green book about this thick.

Mr. Dixon said how many names?

Mr. Castrigano said depending upon the commodity or supplier, I would say in excess of 100.

Mr. Dixon said you do a good job, Dan. This organization is run very well and when I look at these contracts, I look them over and I look at the bids and the numbers that we get and I don't have any problem with that. But I do have a problem and I want to be sure in my heart that we are making that effort to do business with a wide variety of organizations and businesses and quite frankly I think that is my responsibility sitting on this Commission – one of my responsibilities. If not I – who? I don't want to seem like I'm sitting on a soapbox when I come here, Mr. Chair when I bring these discussions up but I think it's a discussion that maybe we need to set some time aside and have serious talk about it. I really do – thank you.

Chairman Wilkins any other questions?

Mr. Darwish said your prices compared to last year, is it 1% less?

Mr. Castrigano said that's right, I believe four or five pages into the packet there is a comparison of the prices. Actually, if you compare our quantity of salt this year with the like quantity last year, the price has actually decreased about 1% for the material cost.

Mr. Darwish said that's good to me because I haven't put our salt bids out yet.

Mr. Castrigano said hopefully that trend will continue for you or maybe you can buy off our contract.

Mo said we used 175,000 tons in District 4 alone. That's a lot.

Chairman Wilkins said how does the quantity compare to what you bought a year ago?

Mr. Castrigano said Tim Ujvari, our Maintenance Engineer, is in the audience. Tim, I don't know what our final number was last year. That quantity is also indicated on the bottom of that sheet that we referred to. It was approximately 8400 tons more than we estimated last year.

Chairman Wilkins did you take into account Mr. Steiner's prediction that we'd have a mild winter? Mr. Ujvari said I have my fingers crossed. Mr. Castrigano said – no, we didn't.

Chairman Wilkins said we'll call the roll and Mr. Dixon, we will talk about an agenda item regarding the MBE/DBEs for a future meeting. Mr. Dixon said I appreciate it – thank you. Roll, please?

Roll: Mr. Darwish-yes; Mr. Balog-yes; Mr. Noe-yes; Mr. Wilkins-yes; (based on the Chairman's comment, we will address this matter in the future – Yes.)

Mr. Castrigano said the last thing I have this morning, it's in your folders, I also included the Construction Update for this month, I won't read the entire document but I will give hit some of the highlights.

The third lane project outside the building is moving along and bear with us and by the middle of November we'll get this project completed and restore access to the Ad Bldg. off the mainline.

Cuyahoga River Bridge is moving along very well. As a matter of fact, we are currently ahead of schedule. We are anticipating a bridge deck opening of the westbound structure in September of 2003.

Also, Commission Members, you may recall earlier this spring we awarded a contract for the new interchange ramps at S. R. 58 in Lorain County. Work is currently progressing on this and I believe we are scheduled for a contract award at the October Commission meeting for the toll plaza facilities. This project is scheduled for completion in 2004.

Unless you have any questions on the Construction Update, that completes my report.

Mr. Darwish asked Mr. Castrigano how he was doing with scheduled construction with the wet weather we have been having? Are you expecting any delays?

Mr. Castrigano replied although we have had an inordinate amount of rain this spring, we are doing pretty good. Our three resurfacing projects were opened on time by the end of June in accordance with the contract requirements. We have been hit with some wet weather but we are still on schedule for the November opening.

Mr. Wilkins asked if there were any other questions. He said he'd like to go back to the Minutes. We had a motion for adoption but did not have a quorum on the May 19th Minutes. Mr. Dixon we need you. Mr. Darwish moves and Mr. Dixon seconds, is that correct.

Roll: Mr. Darwish-yes; Mr. Dixon-yes; Mr. Wilkins-yes; Mr. Noe-abstain; Mr. Balog-abstain.

Chairman Wilkins extended his congratulations to Mr. Dixon, you have been elected Secretary-Treasurer.

Mr. Dixon, oh wow – thank you. Chairman Wilkins said that's what happens when you are late to a meeting.

Chairman Wilkins asked if there were any reports from our financial advisor, Eric Erickson. Mr. Erickson said, No report.

General Consultant, - Tony Yacobucci said no report.

Trustee – Mr. Frank Lamb – no report.

OSHP?

Lt. Tom Tornabene said he had a short report. I just wanted to report that we did have a successful Independence holiday weekend on the Turnpike. We had a very limited number of crashes, and a limited number of injury crashes. Our officers were highly visible in the Operation Safe Stop at the travel centers. Although there were five fatal crashes state-wide, and all of those are tragedies I'm happy to report that none of them occurred on the Ohio Turnpike.

We did have an incident where a woman who was kidnapped in Indiana jumped out of the car at Exit 110, reported that she had been kidnapped. The kidnapper became very nervous, made a U-turn went west on the Turnpike and our officers were able to apprehend him. He is waiting extradition by the FBI. This is important because the toll plaza collectors worked to slow down transactions so our officers could get into the area. We worked together with the toll plaza collectors and the officers were able to apprehend this wanted felon out of Pennsylvania. That's all I have. Any questions?

Report from General Counsel, Noelle Tsevdos?

General Counsel said I have two resolutions for the Commission's consideration. The first relates to the Commission's participation in the reconstruction at S.R. 8 interchange 180 in Summit County. ODOT Director Gordon Proctor had previously made a presentation to the Commission regarding the Commission's participation in this project. It is an existing interchange, it is just a reconstruction of the existing interchange. If permitted, I'd like to read the resolution:

“RESOLVED that the Executive Director and General Counsel are hereby authorized to enter into an agreement with the Ohio Department of Transportation for the purpose of said right-of-way acquisition for ODOT Project No. 24508 SUM 8, herein designated OTC Project No. 74-

03-01, at a total cost to the Commission not to exceed **\$1,146,000.00** for Phase I of the project.”

I’d just like to add that this project has been reviewed by bond counsel and also the Atty. General’s Office to ensure that we are meeting our statutory requirements and our requirements under the Master Trust Agreement for participation in this project.

Chairman Wilkins said OK – do we have a motion? (Mr. Balog moved and Mr. Darwish seconds.) Any questions? Roll, please.

Roll: Mr. Balog-yes; Mr. Darwish-yes; Mr. Dixon-yes; Mr. Noe-yes; Mr. Wilkins-yes.

General Counsel said the second resolution I have for the Commission’s consideration is a resolution authorizing the Ohio Turnpike Commission, through the Executive Director, to participate in the State of Ohio, Department of Administrative Services Purchasing Program. The purchasing program and the co-op allows local municipalities, townships and state agencies to participate in ODAS Purchasing Program. A review of the program and prior contracts reflects that the Commission can save a considerable amount of money participating in the program. So I drafted this resolution authorizing the Executive Director to participate in the state purchasing program. If permitted, I’ll read the resolution:

“RESOLVED that the Executive Director shall be authorized to participate in state contracts which the Department of Administrative Services, Office of State Purchasing has entered into and the Office of Cooperative Purchasing has distributed for the purchase of supplies, services, equipment and other materials pursuant to Ohio Revised Code Section 125.04; and

RESOLVED that the Executive Director is authorized to agree in the name of the Ohio Turnpike Commission to be bound by all contract terms and conditions as the Department of Administrative Services, Office of Cooperative Purchasing prescribes, subject to the limitations set forth in Ohio Revised Code Chapter 5537 and the Commission's Bylaws. Such terms and conditions may include a reasonable annual membership fee to cover administrative costs which the Department of Administrative Services incurs as a result of the Ohio Turnpike Commission's participation in the contract. Further, that the Ohio Turnpike Commission does hereby agree to be bound by all such terms and conditions and to not cause or assist in any way in the misuse of such contracts or make contract disclosures to non-members of the Cooperative for the purpose of avoiding the requirements established by Ohio Revised Code Section 125.04; and

RESOLVED, that the Executive Director is authorized to agree in the name of the Ohio Turnpike Commission to directly pay the vendor, under each contract in which it participates for items it receives pursuant to the contract, and the Ohio Turnpike Commission agrees to directly pay the vendor.”

Chairman Wilkins said thank you, would you repeat that please?

Mr. Dixon said first of all it saves us a lot of time and it saves us a lot of money. We use it extensively at RTA and it’s a great deal. How much is the fee?

General Counsel said approximately \$163 per year.

Mr. Dixon said such a deal –

Chairman Wilkins said is there a motion? (Mr. Balog moved and Mr. Noe seconded.) Roll, please.

Roll: Mr. Balog-yes; Mr. Noe-yes; Mr. Wilkins-yes; Mr. Dixon-yes; Mr. Darwish-yes.

Chairman Wilkins said OK, the motion carries. At this point, it is my privilege to introduce the Governor of the State of Ohio, Bob Taft. Why don’t you come up here and take my seat. *(Governor Taft arrived at 10:30 a.m.)*

Governor Taft said no thank you, I’ll use the podium so I can see everyone as I’m talking. Thank you very much Mr. Chairman and good morning. Ladies and Gentlemen, this is my second visit to the Turnpike Commission and I’m looking forward to touring the central operations here and also the Strongsville toll plaza. At the outset, I wanted to be here to thank all of the Commissioners for your service. I want to welcome Commissioners Noe and Balog to the Commission. Thank you both for joining the Commission. I’d also like to congratulate your new officers: Chairman Wilkins; Vice-Chairman Noe and George Dixon, your Secretary-Treasurer. I appreciate very much your service and I appreciate how much all of the Commissioners – new and old – are working together on the Turnpike.

Because of your dedication and leadership, I am confident that the Turnpike has already become a much better and more accountable organization. I think you all should be very proud that you worked so hard to make very

significant and important changes in policies and procedures over recent months.

I especially want to commend Director Suhadolnik, a former member of my cabinet, who did a great job at the Dept. of Commerce incidentally. I want to thank you Director Suhadolnik for your strong leadership of the Commission's staff.

As you all know Director Suhadolnik has reorganized the Commission into two main divisions. He has appointed highly qualified, senior-level managers, in positions of Deputy Executive Director; General Counsel, Director of Human Resources, and Director of Contracts Administration and Government Affairs. I am also very pleased that already some 75% of the Auditor of State's recommendations have been implemented – for example, the Attorney General now approves the selection of outside counsel and is consulted regarding outside counsel assignments. All staff has undergone ethics training and that's extremely important. I know the top management will undergo continuous ethics training during the year and you have also established a formal Ethics Committee. The Human Resources functions including hiring, labor relations have been centralized. All employee policies have been consolidated and a new Employee Manual has been developed. Contract Administration has been centralized with the hiring of a Contract Administrator and a formal vendor-monitoring program is being finalized.

The Executive Director's contracting authority under the Bylaws has been amended to align with the authority of the ODOT Director and also reporting obligations of the ODOT Director. A chief inspector has been hired and as a result of the resolution that you have just adopted, you'll be joining the Dept. of Administrative Services' Purchasing Program.

All of these changes will enable the Commission to better serve the traveling public and the Ohio economy. I know you would all agree with me that Ohio's greatest economic development asset is our central location and of course, the Turnpike is a primary artery that supports job creation and Ohio employers as well as the traveling public. It is also a part of a broader statewide transportation network and I encourage you to continue to work closely with ODOT to make certain that we have a well-integrated coordinated system for the movement of people and goods in our state. In conclusion I just want to thank you all for your hard work on behalf of the

people of Ohio, I know that with your leadership the Ohio Turnpike will continue to become a better and better managed, more accountable organization. Thank you all for your service, we really appreciate it.

Chairman Wilkins said thank you Governor for taking the time to come up. I know you are very busy. We are very proud of the Turnpike. In just a couple of minutes, we want to show you a little bit of the operation.

Governor Taft this is an extremely important organization obviously to the people of the State of Ohio. It needs to be well run, well managed and that's what you are all about. We're just very grateful for your service, your leadership and especially the job that Director Suhadolnik is doing. Thanks, Gary.

Chairman Wilkins said our next meeting is Monday, August 18th. I'll entertain a motion to adjourn. Mr. Dixon moved and Mr. Balog seconds. Roll, please.

Roll: Mr. Dixon-yes; Mr. Balog-yes; Mr. Darwish-yes; Mr. Wilkins-yes; Mr. Noe. *(Meeting adjourned at 10:40 a.m.)*

/dsp