

## MINUTES OF THE 511th MEETING OF THE OHIO TURNPIKE COMMISSION

February 22, 2005

Pursuant to the bylaws, the Ohio Turnpike Commission met for a "Special" meeting at the Commission's Administration Building at 10:07 a.m. on February 22, 2005, with members of the staff: Dan Castrigano, Chief Engineer; Noelle Tsevdos, General Counsel; W. R. Fleischman, Assistant Chief Engineer; Kerry Ferrier, Traffic Engineer; Kathleen Weiss, Director of Contracts Administration; Anne Fornshell, Director of Human Resources; Dave Miller, Director of Audit & Internal Controls; Dick Morgan, Director of Information Systems; Richard Lash, Director of Safety Services; Bob Gahr, Asst. Director of Safety Services; Andrew Herberger, Customer Services Manager; Sharon Isaac, Director of Toll Operations; Kevin Golick, Purchasing Manager; William Keaton, Telecommunications Manager; Lauren Dehrmann, Manager, Public Affairs; Heidi Jedel, Crickett Jones, Tracy Cowley and Diane Pring.

The Chairman called the meeting to order and asked the Assistant Secretary-Treasurer to call the roll.

**Present:** Mr. Noe, Mr. Balog, Mr. Dixon, Mr. Regula and Mo Darwish

**Absent:** Senator Schuring and Representative Buehrer

The Chairman welcomed Mr. Darwish, Deputy Director of ODOT to today's meeting. He said that Mr. Darwish is authorized to vote in Director Proctor's place. He also said it was his understanding that, as of right now, the new President of the Senate and the new Speaker of the House have not made official appointments. We do not know if Senator Schuring and Representative Buehrer will be re-appointed. We'll find out hopefully by next month.

The Chairman said 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, URS Corporation; David Millstone, Squire, Sanders & Dempsey; Stefan Holmes, Fifth Third Bank; Tony Yacobucci, HNTB; Don Glosser, Lichtenstein Investments; Rich Exner (The Plain Dealer); Dennis Albrecht, Dick Corporation; Kevin Redden, Gladieux Food Service; Frank Lamb, Huntington Bank; Diane Viola, Hardee's Foods; Capt. Robert Ferguson; OSHP; Floyd Jeffries, Steve Mayor, Scott Ranfit, Operating Engineers; Jeff Piazza, HMS Host and Glenn Stephens, Glenn Stephens & Associates. The Chairman said this is the 511<sup>th</sup> 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 a "special" meeting. Various reports will be received, and we will act on several resolutions, draft copies of which have been previously sent to Members and updated drafts are also in the Members' folders. The resolutions will be explained during the appropriate reports.

The Chairman asked, could I have a motion to adopt the minutes of the January 10, 2005 Commission Meeting?

Commissioner Dixon moved and Commissioner Balog seconded. All other members voted in the affirmative, and the minutes were adopted.

The Chairman said we'll proceed with the report of the Secretary-Treasurer, Mr. Dixon.

The following items have been sent to the members since the last regularly scheduled meeting of the Commission on January 10, 2005:

1. Minutes of the January 10, 2005 "Special" Commission Meeting
2. Traffic & Revenue Report, December, 2004
3. Traffic & Revenue Report, January, 2005
4. Total Revenue by Month and Year, December, 2004
5. Total Revenue by Month and Year, January, 2005
6. Investment Report, January, 2005
7. OTC Financial Statements dated December 31, 2004
8. OTC Financial Statements dated January 31, 2005
9. OTC Budget Report, Twelve Months, 2004
10. Legal Department's Fourth Quarter Report, 2004
11. Various News Releases

The Chairman said we'll move on to the Executive Director's report.

Executive Director Suhadolnik stated I have two items to report. First, our Deputy Executive Director, Jerry Pursley, has had some surgery and he is doing well and expects to return within two to three weeks. Our chief fiscal officer, Jim Steiner, hurt his back over the weekend so he is not here today. Dave Miller, our Director of Audit, will be giving his report.

I have one resolution this morning. Since the Commission's meeting on January 10, 2005, the Commission's bargaining team continued to negotiate in good faith with representatives of the Teamsters Local Union 436 in an effort to reach terms of a successor agreement. On January 24, 2005, the Union agreed to take the Commission's last settlement offer back to its membership for a vote. On February 9, 2005, we were notified by the Union that the membership did vote to accept the last offer presented by the Commission.

The Commission's last offer incorporated the recommendations of the fact-finder as it related to the health care plans offered by the Commission, wage increases and the scheduling provisions of the contract for full-time toll collectors.

In addition, the last offer of the Commission incorporated the following additional terms: (1) Caps on the amounts that bargaining unit employees will have to contribute to participate in "Plan A" of the health care plan over the three years of the contract and (2) An additional wage increase of 5 cents per hour for part-time toll collectors. The third change incorporated into the Commission's last settlement offer provides for a modified scheduling proposal for part-time toll collectors which the Commission believes will help the Toll Department to more efficiently manage the scheduling of the part-time work force.

Based upon the Union membership's vote to accept the Commission's January 24<sup>th</sup> settlement offer, I am submitting a resolution for your approval, which authorizes either the Chairman or myself, with the advice of the General Counsel and outside labor counsel, to execute a new agreement with the Teamsters Local Union 436 retroactive to January 1, 2005 through December 31, 2007.

The resolution also authorizes either the Chairman or myself to implement the terms of the new agreement including the pertinent wage increases for the bargaining-unit employees, and to implement a comparable wage increase for non-bargaining unit employees.

With your permission, I'll have our General Counsel read the resolution.

General Counsel read the Resolved paragraph of the resolution as follows:

"RESOLVED that the Commission hereby approves a Collective Bargaining Agreement with representatives of certain regular, full-time, non-supervisory field employees in the Toll Operations and Maintenance Departments (*although not including section clerks, chief mechanics and sign shop clerks*); as well as representatives of all part-time employees in the Toll Operations Department, hereinafter collectively referred to as "Bargaining Unit Employees"; represented by the Union and authorizes the chairman and/or executive director, with advice of labor counsel and general counsel, to execute the agreement with the above-mentioned Bargaining Unit Employees, and to take any other action necessary to carry out the terms and provisions thereof; and

"FURTHER RESOLVED that the Commission authorizes the chairman and/or executive director to take those actions necessary to implement the terms of the new Collective Bargaining Agreement, including the pertinent wage increases for the Bargaining Unit Employees, and a comparable wage increase retroactive to January 1, 2005, for non-bargaining unit employees of the Commission."

The Chairman asked, is there a motion or any discussion?

Commissioner Balog moved and Commissioner Dixon seconded.

Commissioner Dixon said I'd just like to congratulate both sides for coming together and putting this agreement together. It's not a "them and us" or "win-lose" situation. We all work for the Turnpike and our ultimate goal is to render service. We want our employees to have a great quality of life, and we want to make that possible the best way we can within the fiscal restraints of which we work. I want to thank our employees, as well as our staff, for working together. I'm very happy that we came to this end without any sort of work stoppage.

Commissioner Balog said I have similar comments that the Turnpike has been here for almost fifty years without a work stoppage. I'm glad we weren't on the watch when we had our first one. I'm glad it got done.

The Chairman asked, are there any other questions or comments? If not, please call the roll.

The "Resolution Authorizing Execution of the Collective Bargaining Agreement for Certain Full-time Employees in the Toll Operations and Maintenance Departments and Part-time Employees in the Toll Operations Department" was moved for adoption as follows:

#### **RESOLUTION NO. 7-2005**

WHEREAS, negotiations have taken place between representatives of the Commission and Teamsters Local Union No. 436, affiliated with the International Brotherhood of Teamsters, ("Union"), as representatives of certain regular, full-time, non-supervisory field employees in the Toll Operations and Maintenance Departments as well as representatives of all part-time employees in the Toll Operations Department, hereinafter collectively referred to as "**Bargaining Unit Employees**"; and

WHEREAS, on March 28, 2002 the Union was certified by the State Employee Relations Board as the exclusive bargaining representative of the regular, full-time, non-supervisory field employees in the Toll Operations and Maintenance Departments; and

WHEREAS, on March 28, 2002 the Union was certified by the State Employee Relations Board as the exclusive bargaining representative of all part-time employees in the Toll Operations Department; and

WHEREAS, the Collective Bargaining Agreement between the Commission and the Union, as representatives of the Bargaining Unit Employees expired on December 31, 2004, but was extended to January 17, 2005 by agreement of the parties; and

WHEREAS, after lengthy and intense negotiations, the parties have reached an agreement with the Bargaining Unit Employees, which agreement is now before the Commission; and

WHEREAS, a summary of the proposed agreement has been mailed to the Bargaining Unit Employees for ratification and has been approved by a majority vote of the membership

WHEREAS, the collective bargaining agreement between the parties shall be in full force and effect for the period from **January 1, 2005 through December 31, 2007**; and

WHEREAS, the approval of the agreement has been recommended by the Commission's executive director, members of the Ohio Turnpike Commission bargaining team, labor counsel and general counsel.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby approves a Collective Bargaining Agreement with representatives of certain regular, full-time, non-supervisory field employees in the Toll Operations and Maintenance Departments (*although not including section clerks, chief mechanics and sign shop clerks*); as well as representatives of all part-time employees in the Toll Operations Department, hereinafter collectively referred to as "Bargaining Unit Employees"; represented by the Union and authorizes the chairman and/or executive director, with advice of labor counsel and general counsel, to execute the agreement with the above-mentioned Bargaining Unit Employees, and to take any other action necessary to carry out the terms and provisions thereof; and

FURTHER RESOLVED that the Commission authorizes the chairman and/or executive director to take those actions necessary to implement the terms of the new Collective Bargaining Agreement, including the pertinent wage increases for the Bargaining Unit Employees, and a comparable wage increase retroactive to January 1, 2005, for non-bargaining unit employees of the Commission.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 7-2005.

The Executive Director said that concludes my report, Mr. Chairman.

The Chairman said that was a great job, Gary, along with your staff, as we said earlier.

The Chairman asked Dan Castrigano, Chief Engineer, for his report.

Mr. Castrigano said I have one resolution for your consideration this morning. It is a "Resolution awarding Contract No. 59-05-01." This contract is for the resurfacing and reconstruction of the interchange ramps located at

Interchange 59 in Lucas County, Ohio. This project was on the Capital Plan that I presented at the December Commission Meeting. We received two bids in response to the bid invitation. The apparent lowest responsive, responsible bidder was The Shelly Company of Findlay, Ohio in the total amount of \$954,710.90. The bid was below the engineer's estimate, and this bidder has performed work of this nature satisfactorily for the Commission in the past.

As in the past, this resolution also contains provisions to assign Proudfoot Associates, Inc. of Toledo, Ohio to perform construction inspection and TTL Associates of Toledo to perform material testing. Would General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

"RESOLVED that the bid of **The Shelly Company** of Findlay, Ohio, in the amount of **\$954,710.90**, for the performance of Contract No. 59-05-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized: (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidder of its bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **Proudfoot Associates, Inc.** of Toledo, Ohio, to Contract 59-05-01 for the purpose of performing construction inspection. Such assignment shall be in accordance with the new 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and Proudfoot Associates, Inc.; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **TTL Associates, Inc.** of Toledo, Ohio, to Contract 59-05-01 for the purpose of performing materials testing. Such assignment shall be in accordance with the new 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and TTL Associates, Inc.; and

"FURTHER RESOLVED that Project No. 59-05-01 is designated a Fuel Tax Project under the Commission's 1994 Master Trust Agreement."

Mr. Castrigano said he wanted to point out that the referenced Agreements with Proudfoot Associates and TTL Associates are the new 2005-2006 Agreements, as the Commission just went out for our annual Request for Proposals (RFP) and executed new contracts. I would recommend that the Commission adopt this resolution.

The Chairman asked, is there a motion?

Commissioner Balog moved and Commissioner Dixon seconded.

The "Resolution Awarding Contract No. 59-05-01" was moved for adoption as follows:

## RESOLUTION NO. 8-2005

WHEREAS, the Commission has duly advertised according to law for bids upon a contract for reconstruction and resurfacing of Ohio Turnpike Interchange 59 ramps located at Milepost 59.5 in Lucas County, Ohio, herein designated Contract No. 59-05-01; and

WHEREAS, the Commission has received bids from two bidders for the performance of said contract; and

WHEREAS, said bids have been reviewed and analyzed by the Commission's chief engineer, and he has submitted a report concerning such analysis and his report is before the Commission, and the Commission's executive director has made his recommendation to the Commission predicated upon such analysis; and

WHEREAS, all bids for said contract were solicited on the basis of the same terms and conditions and the same specifications, and the bid of The Shelly Company of Findlay, Ohio, in the amount of \$954,710.90 for the performance of Contract No. 59-05-01, has been determined by the Commission to be the lowest responsive and responsible bid received; and

WHEREAS, the Commission has been advised by its director of contracts administration that said bid conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Revised Code of Ohio, and that a performance bond with good and sufficient surety has been submitted by The Shelly Company.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **The Shelly Company** of Findlay, Ohio, in the amount of **\$954,710.90**, for the performance of Contract No. 59-05-01 is, and is by the Commission, determined to be the lowest responsive and responsible bid received for the performance of said contract, and is accepted, and that the chairperson and executive director, or either of them, hereby is authorized: (1) to execute a contract with said successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid bid; (2) to direct the return to the other bidder of its bid security, when appropriate, and (3) to take any and all action necessary or proper to carry out the terms of said bid and of said contract; and

FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **Proudfoot Associates, Inc.** of Toledo, Ohio, to Contract 59-05-01 for the purpose of performing construction inspection. Such assignment shall be in accordance with the new 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and Proudfoot Associates, Inc.; and

FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **TTL Associates, Inc.** of Toledo, Ohio, to Contract 59-05-01 for the purpose of performing materials testing. Such assignment shall be in accordance with the new 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and TTL Associates, Inc.; and

FURTHER RESOLVED that Project No. 59-05-01 is designated a Fuel Tax Project under the Commission's 1994 Master Trust Agreement.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 8-2005.

Mr. Castrigano said I have one other item, Mr. Chairman. Article V, Section 1.00 of the Commission's Bylaws that were revised in March, 2003, require that all Change Orders or Extra Work Orders on any completed construction contracts following the revision shall be reported to the Commission upon completion of the construction project. I have included in the Member's folders a Summary of seven construction projects. The report is dated February 22, 2005. These projects have been completed since my last report given in May 2004. These seven projects represent a total contract award amount of a little over \$14.5 million. These seven contracts in the aggregate amount were completed for approximately \$14.1 million, resulting in a savings of approximately \$450,000 over the contract award amount. I'd be happy to answer any questions and that concludes my report.

The Chairman asked if anyone had any questions for Dan. He said thank you.

The Chairman asked Dave Miller to present Mr. Steiner's report.

Mr. Miller said, throughout the last year, passenger car miles traveled on the Ohio Turnpike have been relatively flat compared to the prior twelve months. Due to a combination of improved economy, the increase in speed limit and the temporary reduction in toll rates, the miles traveled by commercial vehicles during the last year have been well above the levels from the prior twelve months.



Passenger car miles traveled during January 2005 were down 1% from January 2004. In contrast, the miles traveled by commercial vehicles were up 17.8% compared to last January. With little change in the vehicle miles traveled by passenger cars over the last two years, it is no surprise that toll revenues from passenger cars over the last year have tracked very closely the revenues from the prior twelve months. Up until January, the growth in commercial traffic over the last year had generated corresponding increases in toll revenues. However, as expected, the increased commercial traffic only partially offset the temporary toll reductions that were implemented on January 1<sup>st</sup> of this year.

January toll revenues from passenger cars were down 0.7% from last year while revenues from commercial vehicles were down 7.1% compared to January of 2004. That completes my report. I'd be happy to respond to any questions.

The Chairman said the toll reduction went into effect on January 1, 2005, correct?

The Executive Director said yes.

The Chairman said obviously one month will not be enough to get a feel for what's going to happen. We appreciate these numbers, but I think we need to look at six to twelve months to get a good comparison of where we are. While driving to the meeting this morning, if that is any indication, there are definitely more trucks on the Turnpike and luckily, there are three lanes.

The Chairman asked if there were any questions for Dave. Thank you, Dave. Noelle, do you have a report?

General Counsel Tsevdos said no report, Mr. Chairman.

The Chairman said I see Dave Millstone in the audience. I want to especially thank you for all your wonderful counsel over the last few months. Obviously, the staff did a great job, but you have been a great person to work with, and we appreciate all your advice and counsel. It was well done.

The Chairman asked Eric Erickson, our financial advisor, if he had a report.

Mr. Erickson said no report, Mr. Chairman.

The Chairman asked Tony Yacobucci from HNTB, our general consultant, if he had a report.

Mr. Yacobucci said no report, Mr. Chairman.

The Chairman asked Frank Lamb, trustee, from Huntington Bank, if he had a report.

Mr. Lamb said no report, Mr. Chairman.

The Chairman asked Capt. Ferguson from OSHP if he had a report.

Capt. Ferguson said no report, Mr. Chairman.

The Chairman asked if there was anything else for the good of the order. There being none, I'll accept a motion to adjourn.

Commissioner Balog moved and Commissioner Dixon seconded. All Members voted in the affirmative to adjourn. Time of adjournment was 10:18 a.m.

Approved as a correct transcript of the  
proceedings of the Ohio Turnpike Commission

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George F. Dixon, Secretary-Treasurer