

## MINUTES OF THE 515th MEETING OF THE OHIO TURNPIKE COMMISSION

July 18, 2005

Pursuant to the bylaws, the Ohio Turnpike Commission met for a regular meeting at the Commission's Administration Building at 10:10 a.m. on July 18, 2005, with members of the staff: Jerry Pursley, Deputy Executive Director; Dan Castrigano, Chief Engineer, Noelle Tsevdos, General Counsel; Kathleen Weiss, Director of Contracts Administration; James T. Steiner, CFO/Comptroller; W. R. Fleischman, Assistant Chief Engineer, Douglas Hedrick, Staff Construction Engineer; Tim Ujvari, Maintenance Engineer; Stuart May, Mechanical Engineer; Sharon D. Isaac, Director of Toll Operations, Dave Miller, Director of Audit & Internal Controls; Dick Morgan, Director of Information Systems; Richard Lash, Director of Safety Services; Robin Carlin, Director of Human Resources; Andrew Herberger, Customer Services Manager; William Keaton, Telecommunications Manager; Jennifer Diaz, Legal Department, Crickett Jones, Tracy Cowley and Diane Pring.

Vice-Chairman, Joseph Balog called the meeting to order and said, on June 26<sup>th</sup> Governor Bob Taft appointed Ed Kidston of Pioneer, Ohio to the Commission. Ed is not at the meeting today even though he is an official member of the Commission because he had a previous family engagement that he had committed to a long time in advance of his appointment. He is planning on attending our August 15<sup>th</sup> meeting, at which time we will have an election of officers. I'm also happy to announce that on July 15<sup>th</sup> the Governor re-appointed Mr. Regula to the Commission.

Vice-Chairman Balog asked the Assistant Secretary-Treasurer to call the roll.

**Present:** Mr. Balog, Mr. Regula, Deputy Director Mo Darwish, Mr. Dixon (10:16 a.m.), Senator Jeffry Armbruster and Representative Buehrer (10:13 a.m.)

**Absent:** Ed Kidston

Vice-Chairman Balog said, Gordon Proctor was unable to attend today's meeting, however, Deputy Director Mo Darwish is here and is authorized to vote in his place. Mr. Dixon called earlier to say he would be about ten minutes late so I expect he'll be here momentarily.

The Vice-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, Mike Burgess, URS; Stefan Holmes, FirstMerit

Bank; Allan V. Johnson (retired former Executive Director); Ken Olup, Todd Cooper, Dick Corporation; Bob Hagstron, Kathy Fisher, AVI Food Systems; Steve Mayer, Ohio Trucking Association; John Petty, Nat City Investments; Representative Kenny Yuko (member, Ohio Turnpike Oversight Committee); Matt Lawler, HNTB; Frank Lamb, Huntington Bank; Glenn Stevens, Glenn Stevens Associates and Rich Exner (Cleveland) Plain Dealer and Staff Lt. Tom Tornabene, OSHP.

The Vice-Chairman said this is the 515<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 regular 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 Vice-Chairman said, could I have a motion to adopt the minutes of the May 16, 2005 Commission Meeting.

Deputy Director Darwish moved and Commissioner Regula seconded. All other members voted in the affirmative, and the minutes were adopted.

The Vice-Chairman said as you recall, we did not have a June meeting. We'll proceed with the report of the Secretary-Treasurer. Since Mr. Dixon has not arrived as yet, will our Assistant Secretary-Treasurer, Mr. Suhadolnik, give that report?

The following items have been sent to the Members since the last regularly scheduled meeting of the Commission on May 16, 2005:

1. Minutes of the May 16, 2005 Commission Meeting
2. Traffic & Revenue Report, May, 2005
3. Traffic & Revenue Report, June, 2005 (*Revised*) \*
4. Total Revenue by Month and Year, May, 2005
5. Total Revenue by Month and Year, June, 2005
6. Investment Report, May 2005
7. Investment Report, June, 2005
8. Traffic Crash Summary Report for May, 2005
9. Financial Statements, May 31, 2005
10. Financial Statements, June 30, 2005 \*
11. Budget Report, Six Months – 2005 \*
12. Legal Department Report for the First and Second Quarters, 2005
13. Various News Releases

\* in Commission Member's folders

Vice-Chairman Balog asked Director Suhadolnik if he would like to proceed with his report.

Director Suhadolnik said I have no report, Mr. Vice-Chairman.

Vice-Chairman Balog said, thank you let's move on to our Chief Engineer, Dan Castrigano.

Mr. Castrigano said I have four resolutions for your consideration this morning. The first is a resolution awarding Contract No. 59-05-04 which is for shoulder repairs from Milepost 196.2 to 197.9 in Portage County. You may recall in May, Resolution No. 22-2005 was adopted rejecting the previous bids for this contract. The specifications were re-worked and we opened the bids on July 8<sup>th</sup>. We received three bids in response to the contract. The apparent low bid was submitted by Shelly & Sands, Inc. of Akron, Ohio in the amount of \$509,766.50. This bidder has performed work satisfactorily for the Commission in the past. The bid is approximately 8.4% above the engineer's estimate. However, this bidder did lower its bid approximately \$120,000 from the last time this project was bid. This resolution also includes provisions for assigning McCoy Associates of Akron, Ohio to perform construction inspection services and PSI, Inc. of Valley View for materials testing. Both assignments will be in accordance with the 2005-2006 general engineering services agreements. Would General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

“RESOLVED that the bid of **Shelly & Sands, Inc.** of Akron, Ohio, in the amount of **\$509,766.50**, for the performance of Contract No. 59-05-04 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 bidders of their 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 **McCoy Associates, Inc.** of Akron, Ohio, to Contract 59-05-04 for the purpose of performing construction inspection services. Such assignment shall be in accordance with the 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and McCoy Associates, Inc.; and

“FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **PSI, Inc.** of Valley View, Ohio,

to Contract No. 59-05-04 for the purpose of performing materials testing. Such assignment shall be in accordance with the 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and PSI, Inc.; and

“FURTHER RESOLVED that Project No. 59-05-04 is designated a System Project under the Commission’s 1994 Master Trust Agreement.”

General Counsel said she recommended that the first Resolved paragraph of the resolution be amended to authorize the vice-chairperson (instead of chairperson)...

The Vice-Chairman said let the record show that Mr. Dixon has arrived prior to taking any action on this resolution, and asked if there is a motion on the amendment.

Deputy Director Darwish moved and Mr. Regula seconded.

Will the Assistant Secretary-Treasurer please call the roll?

The amendment was adopted with all Members voting in the affirmative.

The Vice-Chairman then asked is there a motion relating to the award of Contract No. 59-05-04 to Shelly & Sands, Inc.?

Deputy Director Darwish moved and Mr. Regula seconded.

Are there any questions? If not, please call the roll.

The “Resolution Awarding Contract No. 59-05-04” was moved for adoption.

**RESOLUTION NO. 26-2005**

WHEREAS, on May 16, 2005, via Resolution No. 22-2005, the Commission rejected bids for Contract No. 59-05-04 because the lowest bid was more than 10% over the engineer’s estimate, and directed the executive director and the director of contracts administration to re-advertise for bids for Contract No. 59-05-04; and

WHEREAS, the Commission has duly re-advertised according to law for bids upon said Contract for shoulder repair and resurfacing from Milepost 196.2 to Milepost 197.9 located in Portage County, Ohio, herein designated Contract No. 59-05-04; and

WHEREAS, the Commission has received bids from three (3) 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, which report is before the Commission; 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 **Shelly & Sands, Inc.** of Akron, Ohio, in the amount of **\$509,766.50** for the performance of Contract No. 59-05-04, 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 Shelly & Sands, Inc.; and

WHEREAS, the Commission's executive director has made his recommendation to the Commission predicated upon the analysis and the reports of the chief engineer and the director of contracts administration.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Shelly & Sands, Inc.** of Akron, Ohio, in the amount of **\$509,766.50**, for the performance of Contract No. 59-05-04 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 vice-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 bidders of their 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 **McCoy Associates, Inc.** of Akron, Ohio, to Contract 59-05-04 for the purpose of performing construction inspection services. Such assignment shall be in accordance with the 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and McCoy Associates, Inc.; and

FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **PSI, Inc.** of Valley View, Ohio, to Contract No. 59-05-04 for the purpose of performing materials testing. Such assignment shall be in accordance with the 2005-2006 General Engineering Services Agreement between the Ohio Turnpike Commission and PSI, Inc.; and

FURTHER RESOLVED that Project No. 59-05-04 is designated a System 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. 26-2005.

Mr. Castrigano said the next resolution I have authorizes the first extension of the contract for Invitation No. 3982 for furnishing gasoline and diesel fuel for the period of one year. On July 19,2004, Resolution No. 35-2004 was adopted authorizing the awards of gasoline and diesel fuel to Petroleum Traders Corporation of Fort Wayne, Indiana for furnishing unleaded gasoline under Groups I and II and to BP Products North America, Cuyahoga Heights, Ohio for furnishing diesel fuel under Groups III and IV. The initial term of this contract was for a 12-month period. The contract also contains provisions for two, one-year renewal periods. This resolution is to authorize the first, one-year renewal period. The estimates for the upcoming year for gasoline under Groups I and II is approximately 294,600 gallons for an approximate value of \$660,000. The estimate for the upcoming year for diesel fuel under Groups III and IV is approximately 310,200 gallons for an approximate value of \$750,000. Would General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

“RESOLVED that the Commission hereby authorizes the executive director and director of contracts administration to execute the one-year contract extension with Petroleum Traders Corporation and BP Products North America, Inc.; pursuant to the same terms and conditions as those set forth in the original bid documents of Invitation No. 3982, and to take any and all action necessary to properly carry out the terms of said contract extension.”

The Vice-Chairman asked, is there a motion?

Deputy Director Darwish moved and Commissioner Regula seconded.

The Vice-Chairman asked, are there any questions? If not please call the roll.

The “Resolution Directing the Executive Director to take Immediate Action Concerning Extension of Contracts for the Purchase of Unleaded Gasoline and Diesel Fuel for a One-Year Period” was moved for adoption.

#### **RESOLUTION NO. 27-2005**

WHEREAS, pursuant to Resolution No. 35-2004 adopted on July 19, 2004, the Commission's executive director was authorized to award two (2) contracts to **Petroleum Traders Corporation** (Groups I and II) and to **BP**

**Products North America, Inc.** (Groups III and IV) for the furnishing to the Commission of unleaded gasoline and diesel fuel at its maintenance buildings for a twelve (12) month period, pursuant to the terms and conditions set forth under Invitation No. 3982; and

WHEREAS, the subject contracts contain an option to renew for two (2) additional one (1) year periods and, pursuant to Resolution No. 35-2004, the Commission is being apprised as to the renewal terms; and

WHEREAS, the Commission's maintenance engineer, in his memorandum dated May 16, 2005, indicated that he has been satisfied with the services and pricing from the above-mentioned suppliers over the past year, and has recommended that the Commission exercise its option to renew the subject contracts; and

WHEREAS, the maintenance engineer has estimated the quantities of unleaded gasoline required for the next year (Groups I and II) at **294,600 gallons**, and diesel fuel required for the next year (Groups III and IV) at **310,200 gallons**, and, based on these quantities has been able to estimate expenditures with both Petroleum Traders in the amount of **\$660,000.00** and BP Products North America in the amount of **\$750,000.00**, which estimates take into consideration the possibility of further price increases in the volatile gasoline/diesel fuel market; and

WHEREAS, by letter dated June 7, 2005, the executive director advised the above-mentioned suppliers of the Commission's intention to exercise its option to renew the suppliers' contracts, pursuant to the same terms and conditions as those set forth in the original bid documents; and

WHEREAS, both BP Products North America and Petroleum Traders have formally acknowledged their acceptance of the Commission's intention to exercise its option to renew the suppliers' contracts, and

WHEREAS, the director of contracts administration has reviewed the pertinent documents received and the actions taken by the Commission's administrative staff with respect to the exercising its option to renew the subject contracts pursuant to the same terms and conditions as set forth in the original bid documents, and has advised the executive director that the Commission has full legal authority to enter into the proposed one-year contract extension with Petroleum Traders Corporation and BP Products North America; and

WHEREAS, based on the recommendations of the maintenance engineer and the director of contracts administration, the executive director requests Commission approval to exercise the option to renew the subject contracts for an additional one-year period, pursuant to the same terms and conditions under Contract No. 3982; and

WHEREAS, should the quantities of unleaded gasoline and diesel fuel purchased under its option exceed the number of gallons estimated by the maintenance staff by more than ten (10%) percent, the Commission will be presented with a new resolution to increase said estimated quantities.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the executive director and director of contracts administration to execute the one-year contract extension with Petroleum Traders Corporation and BP Products North America, Inc.; pursuant to the same terms and conditions as those set forth in the original bid documents of Invitation No. 3982, and to take any and all action necessary to properly carry out the terms of said contract extension.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 27-2005.

The third resolution for your consideration is to award a contract for engineering design consulting services pursuant to Project No. 71-05-01. This project is for the design of the bridge decks over the Meander Reservoir located at Milepost 221.3 in Mahoning County. The Ohio Turnpike passes over the Meander Reservoir on two bridges. It should also be known that the Meander Reservoir is the drinking water supply for the Youngstown area and vicinity. On December 24, 2004 the Commission issued a Request for Proposals (RFP) pursuant to this project. We received twenty-three letters of interest requesting to be considered for the project. After review of the letters of interest, five firms were invited to submit detailed responses to the RFP. The RFP responses were reviewed by the Engineering staff and it was determined that **URS Corporation** of Akron, Ohio was the most qualified to perform the services. On March 21, 2005 and May 25, 2005, URS submitted two fee proposals – one for initial design services and the second for the complete design for the project in a total, “not-to-exceed” amount of **\$173,716.00**.

Would General Counsel please read the Resolved?

“RESOLVED that the Commission hereby selects **URS Corporation** as most qualified to perform the services required under the above-mentioned RFP, and authorizes the executive director and the director of contracts administration to execute the engineering services agreement with URS Corporation, all in accordance with the terms and conditions of the Commission’s Request for Proposals and its responses thereto.”

The Vice-Chairman asked, is there a motion?

Deputy Director Darwish moved and Commissioner Dixon seconded.



The Vice-Chairman said, is there any discussion?

Deputy Director Darwish asked are you containing the run-off?

Mr. Castrigano said Mr. Darwish asked since this structure does pass over the Meander Reservoir, the area is sensitive. Therefore, we are containing all the run-off and storm water off the structure is going into a spill-containment basin which will be maintained by the Sewer District. If there is an accident on the bridge, there won't be any effluent into the reservoir.

The Vice-Chairman said, please call the roll.

The "Resolution Awarding a Contract for Engineering and Consulting Services to URS Corporation (Project No. 71-05-01)" was moved for adoption.

### **RESOLUTION 28-2005**

WHEREAS, on December 28, 2004, the Commission advertised its Request for Proposals (RFP) for (Project 71-05-01), for engineering, design and construction administration and inspection services relating to the bridge deck replacements/structure rehabilitation of the Ohio Turnpike bridges over Meander Reservoir located at Milepost 221.3 in Mahoning County; and

WHEREAS, on January 14, 2005, Letters of Interest were received from twenty-three (23) firms confirming their interest in serving as the Commission's Engineering Design Consultant, of which five (5) were deemed most qualified and invited to submit proposals in response to the RFP; and

WHEREAS, the Commission's chief engineer, assistant chief engineer and staff construction engineer have reviewed the proposals submitted and concluded, on the basis of the proposals, that URS Corporation of Akron, Ohio was most qualified to perform the above-mentioned services; and

WHEREAS, on March 21, 2005 and May 25, 2005, URS Corporation submitted its Fee Proposals for preliminary design services and complete plan development, respectively, in the total "not-to-exceed" amount of **\$173,716.00**, which proposals have been deemed appropriate and reasonable by the chief engineer who, therefore, recommends that a contract awarded to URS Corporation; and

WHEREAS, the Commission has been advised by its director of contracts administration that said RFP selection process and the selection of URS Corporation conforms with the requirements of Ohio Revised Code Sections 153.65 to 153.71; and

WHEREAS, the executive director has also reviewed the recommendation submitted by the chief engineer and concurs that a contract be awarded to URS Corporation on the basis of its superior technical rating and favorable negotiated fees; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby selects **URS Corporation** as most qualified to perform the services required under the above-mentioned RFP, and authorizes the executive director and the director of contracts administration to execute the engineering services agreement with URS Corporation, all in accordance with the terms and conditions of the Commission's Request for Proposals and its responses thereto.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 28-2005.

Mr. Castrigano said the final resolution I have this morning is a resolution modifying the current contract we have with Trafficwerks Systems, Inc. You may recall on July 19, 2004, the Commission adopted Resolution No. 36-2004 authorizing an agreement with Trafficwerks Systems, Inc. of Newport Beach, California in the amount of \$164,000 to manufacture and test two (2) Automated Toll Payment Machines (ATPMs.) The machines that we purchased have the capability of processing both passenger car and commercial vehicle transactions. However, during the initial phase of the program, we installed only the passenger vehicle hardware in order to determine if it was a viable project. The first machine was installed at our new Interchange No. 140 in Lorain County in April. Since that time, the reliability, operation, and the acceptance of the machines have progressed to a point where it is desirable to install the upper section that would process commercial transactions in this equipment, as well. Trafficwerks has submitted a quotation in the amount of \$74,368.00 to modify the machine currently installed at Interchange 140, and also the second machine which is still at its Newport Beach facility. We kept it there for the debugging processes. Once this is completed, Trafficwerks will ship the second machine and install that at Interchange 161 (Strongsville-Cleveland), where we get high amounts of commercial vehicle traffic, to test the viability of this program with commercial trucks.

Assuming that the second phase of the program is successful, that will complete the Pilot Program and the purchase of any additional ATPMs will be put out to bid. Would General Counsel, please read the Resolved?

General Counsel read the Resolved as follows:

“RESOLVED that the executive director and the director of contracts administration are granted authority to prepare an Addendum in the amount of **\$74,368.00** to the **Trafficwerks’** Contract, which Addendum will authorize Trafficwerks to proceed with the installation of the commercial vehicle hardware on the two ATPM machines previously purchased pursuant to the terms and conditions of the Contract awarded on July 19, 2004, as modified by the quotation for the commercial vehicle retrofits submitted by Trafficwerks; and

FURTHER RESOLVED that, when the ATPM testing is completed, a report will be issued to the Commission concerning its viability and demonstrated compatibility with the Turnpike’s Toll Collection System.”

The Vice-Chairman asked, is there a motion?

Commissioner Dixon moved and Commissioner Regula seconded.

The Vice-Chairman asked, are there any questions?

Commissioner Regula asked how do these machines work?

Mr. Castrigano said basically there is no change when you enter the Turnpike; you still receive a toll ticket. When you exit the Turnpike at an interchange with an ATPM, you pull up to the machine and insert your ticket. It displays the fare due. You have the choice of paying cash, using the Turnpike’s Ready Toll card (our commuter program) or a Turnpike commercial credit card. After payment is processed, you have the option of pushing a button to receive a receipt. We have installed a barrier gate past the machine. After the toll is paid, the gate will open, and you leave.

We have been watching the transactions on this machine. The first time someone approaches it, they look at it to see what they have to do. Once, somebody goes through it the first time, we have a lot of repeat customers. It is becoming very well accepted and the speed at which some of our customers are going through, especially with our Ready Toll and commercial credit cards, is really quick. It’s taking on average 15-20 seconds per transaction. The ATPM will take \$5, 10, 20-dollar bills. It will take up to a \$100 bill. It will give you change. It will accept pennies and dollar coins. It will also dispense paper currency as change.

Commissioner Regula asked, so you do get paper currency back versus the dollars you get at the post office.

Mr. Castrigano said yes.

Commissioner Regula asked, does the machine work more efficiently?

Mr. Castrigano said right now, it's too early to tell. The slowest part of the transaction is giving paper currency back as change. There is one carriage with a stacked currency dispenser. So the carriage will pick out a \$10, \$5, some singles, etc. It's not a lot of time, but if you roll this out into a large program, it will all add up.

Commissioner Regula asked at some point can it go to straight credit cards?

Mr. Castrigano said yes. We are in preliminary talks with various credit card companies through Trafficwerks. Hopefully, we will be able to put out a pilot credit card program by September.

Vice-Chairman Balog asked Mr. Castrigano if he had an idea of what the credit card cost would be? I've heard some of the smaller merchants talk about the high cost of offering a credit card. Mr. Castrigano said that the high transaction fee was the initial stopping point regarding credit card transactions, especially when you're talking about \$.50 or \$1.00 tolls. The person we are talking to now is only going to charge 5% for the transaction without the "per transaction" set amount. As an example, 5% of a \$.50 toll would only be 2-1/2 cents.

Vice-Chairman Balog asked what percentage of people are using the machine?

Mr. Castrigano said our Toll Operations Department is working on the answer to that question. On Friday, July 15<sup>th</sup>, I asked them to give me the percentage of vehicles that are using the machines, and what percentage of those people are Ready Toll or commercial charge customers versus cash customers, and also the percentage of people who are getting paper currency back as change. I should have those answers by our next meeting.

The Vice-Chairman asked, will the next machine be installed at Interchange 161 where it intersects with I-71?

Mr. Castrigano said yes, that's what we are hoping for.

Commissioner Regula said could you comment on the time factor versus the traditional toll collector?

Mr. Castrigano said, right now, what I am seeing is that once people are familiar with the machine and are using their plastic cards, it is quicker than going through the toll collector. If you are unfamiliar with the machine, it takes longer. For example, I sat out there and saw a guy study the machine and put 75 pennies in the machine – one at a time. It depends on the type of transaction.

Vice-Chairman Balog said any other questions? If not, please call the roll.

The "Resolution Directing the Executive Director to Modify the Contract with Trafficwerks Systems, Inc." was moved for adoption.

**RESOLUTION NO. 29-2005**

WHEREAS, pursuant to Resolution No. 36-2004 adopted on July 19, 2004, the Commission's executive director was authorized by the Commission to enter into a contract with **Trafficwerks Systems, Inc.** ("Trafficwerks") of Newport Beach, California, for the initiation of a "Pilot Program" in the amount of \$164,000.00 to manufacture and test two (2) automated toll payment machines ("ATPMs") designed for use at any of the Commission's thirty-one (31) interchanges; and

WHEREAS, the purpose of the Pilot Program was to see whether the ATPMs could successfully be integrated into the Commission's Toll Collection Systems; and

WHEREAS, although the ATPMs manufactured by Trafficwerks were designed for both passenger and commercial-vehicle operation, the initial phase of the Pilot Program included the installation of only the passenger-vehicle hardware; and

WHEREAS, testing has been ongoing with one of the ATPMs currently in service at Interchange 140 in Lorain County; and

WHEREAS, by memorandum dated July 12, 2005, the Commission's chief engineer advises that the reliability and operation of the ATPM has improved to the point that he now recommends proceeding with the installation of the commercial vehicle hardware on the two machines previously purchased; and

WHEREAS, Trafficwerks has submitted a quotation in the amount of **\$74,368.00** for completing the retrofits, which quotation has been deemed appropriate and reasonable by the chief engineer who, therefore, recommends that Trafficwerks proceed with the above-mentioned commercial vehicle hardware installations; and

WHEREAS, pursuant to the Commission's bylaws, additional purchases procured beyond 10% of the original purchasing authority granted by the Commission to the executive director require Commission approval unless, among other exceptions, the increase is a result of "circumstances that would create a life, safety or health-threatening situation;" and

WHEREAS, as indicated in the director of contracts administration's memoranda to the Commission regarding the Pilot Program, dated July 19, 2004

and July 14, 2005, the magnitude of the expenditure that would be incurred with bidding an ATPM system for the entire Turnpike Toll Operation justifies testing its viability first and, given the initial success of the ATPM Pilot Program with passenger vehicles and the desire to test whether the same success can be achieved with commercial vehicles, the additional recommended expenditures are appropriate and reasonable; and

WHEREAS, the executive director has also reviewed the recommendations submitted by the chief engineer and director of contracts administration and concurs in their recommendations; and

WHEREAS, the Commission has duly considered such recommendations and desires to delegate authority to the executive director to take action on behalf of the Commission to continue with the Pilot Program by paying for the installation of the commercial vehicle hardware on the two ATPMs previously purchased.

NOW, THEREFORE, BE IT

RESOLVED that the executive director and the director of contracts administration are granted authority to prepare an Addendum in the amount of **\$74,368.00** to the **Trafficwerks'** Contract, which Addendum will authorize Trafficwerks to proceed with the installation of the commercial vehicle hardware on the two ATPM machines previously purchased pursuant to the terms and conditions of the Contract awarded on July 19, 2004, as modified by the quotation for the commercial vehicle retrofits submitted by Trafficwerks; and

FURTHER RESOLVED that, when the ATPM testing is completed, a report will be issued to the Commission concerning its viability and demonstrated compatibility with the Turnpike's Toll Collection System.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 29-2005.

Mr. Castrigano said that completes my report, Mr. Vice-Chairman.

Vice-Chairman Balog asked Jim Steiner, CFO for his report.

Mr. Steiner said I'd like to give you a brief update on our traffic and revenues through the month of June. The first chart shows the passenger car miles traveled on the Ohio Turnpike over the past two years. While we have seen a slight decline in our passenger car miles traveled this year compared to last year, there has been some improvement in the last two months. Miles traveled were down to 0.4% in the month of May and June compared to the corresponding months in 2004. With the improved economy, the increase in the speed limit and the temporary reduction in toll rates, the miles traveled by

commercial vehicles during the last twelve months continue to exceed those from the prior year. Commercial traffic was up 18.4% for the month of June.

Mr. Steiner said the second bar chart shows year-to-date miles traveled. The passenger car miles traveled during the first half of 2005 were down 1.6% from last year, while miles traveled by commercial vehicles were up 17.7%. Like the miles traveled, the toll revenues from passenger cars have been lagging behind the revenues from last year, however, the revenues were down just 0.2% in the month of May and June compared to the corresponding month from last year. Despite the growth in our commercial traffic, our 2005 toll revenues from commercial vehicles have fallen well below those from last year due to the temporary toll reduction which became effective January 1<sup>st</sup>. June revenues from commercial vehicles were down 4.6% from last year.

Mr. Steiner said, the third chart shows our year-to-date toll revenues through the month of June for each of the last six years. Revenues from passenger cars during the first half of this year were down 1.5% from last year while revenues from commercial vehicles were down 6.2%. Total toll revenues during the first six months of this year were down 4.3% compared to last year and were down 0.9% from calendar year 2000.

Mr. Steiner said, the fourth chart shows our total revenues through the month of June for the last six years including the subsidy of \$7.8 million from ODOT, and our total revenues are 5.1% higher than those from last year. Without the subsidy, total revenues would be 2.8% lower than those from last year and 6.5% lower than the revenues from the first half of calendar year 2000.

Our Master Trust Agreement requires that we perform a mid-year review of our financial condition and certify to our trustee, The Huntington National Bank, that projected revenues for the year will be sufficient to meet our obligations under the Trust Agreement. Our 2004 pledged revenues are shown at the top of this fifth slide. The data at the bottom of the slide shows the actual pledged revenues of \$101 million for the first half of this year. Based on last year's results and Bobby Everhart's gross toll revenue projections, I have estimated that pledged revenues for the second half of 2005 will be \$112.7 million. This yields estimated gross pledged revenue for calendar year 2005 of \$213.7 million.

Calculations on this slide demonstrate that, based on our estimated pledged revenues for 2005, we will meet all three requirements under Section 4.04 of the Trust Agreement. The first requirement is that our estimated Gross Pledged Revenues exceed the sum of our budgeted Operating Maintenance and Administrative Costs plus the required deposit to our Expense Reserve Account. The second requirement is that our estimated Net/Systems Pledged Revenues exceed the sum of our Annual Debt Service Requirement plus the Renewal & Replacement requirement. The third requirement is that our estimated Debt

Coverage Ratio equal at least 120%. This ratio is required to be at least 150% in connection with the issuance of additional bonds or in the event of a toll reduction. The Commission has, by resolution established its intent to always maintain a ratio of at least 150%. Our projected coverage ratio of 202% satisfies this requirement.

There is a draft resolution in your folders entitled, "Resolution Concerning the Financial Condition of the Commission." With your permission, I'd like to ask our General Counsel to read the Resolved:

"RESOLVED that the Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2005 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."

The Vice-Chairman asked, is there a motion?

Commissioner Dixon moved and Commissioner Regula seconded.

The Vice-Chairman asked if there is any discussion.

Commissioner Dixon said break this down for me, Jim. We have fewer passenger cars traveling less miles and we are making less money. Correct?

Mr. Steiner said, that's correct.

Commissioner Dixon said on the commercial side, we have more trucks, more miles but less money, but with the ODOT subsidy, our total revenue is still higher than it was last year.

Mr. Steiner said, that's correct, Mr. Dixon. Our total revenues are up 5.1% for the first six months of this year when you factor in the \$7.8 million ODOT subsidy. The subsidy will end on June 30, 2006. We receive \$1.3 million per month for the 18-month period that started January 1, 2005 and runs through June 30, 2006.

If there are no other questions, please call the roll.

The "Resolution Concerning the Financial Condition of the Commission" was moved for adoption.



**RESOLUTION NO. 30-2005**

WHEREAS, §4.04(a) of the Master Trust Agreement (“Trust Agreement”) between the Commission and The Huntington National Bank, as trustee, dated February 15, 1994, requires that on or before July 31 of each year, the Commission shall complete a review of its financial condition for the purpose of estimating whether the Gross Revenues for such Fiscal Year will be sufficient to provide, together with Series Payments, Additional System Payments and Supplemental Payments, the amounts specified in §4.04(a) of the Trust Agreement;

WHEREAS, the Commission’s CFO/Comptroller has analyzed the Commission’s financial condition and has advised the Commission that, on the basis of his analysis, the Commission’s revenues for fiscal year 2005 will be sufficient to meet the requirements of §4.04(a) of the Trust Agreement and he has set forth a detailed statement of the actual and estimated Gross Revenues, Series Payments, Additional System Payments and Supplemental Payments; and

WHEREAS, a certification of same is before the Commission.

NOW, THEREFORE, BE IT

RESOLVED that the Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2005 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.

I, Gary C. Suhadolnik, Assistant Secretary-Treasurer of the Ohio Turnpike Commission, do hereby certify that the above is a true copy of the aforesaid resolution which was duly adopted at a meeting of the Commission, duly called for and convened and held on July 18, 2005, at which a quorum was at all times present and voting.

WITNESS my hand and the seal of the Ohio Turnpike Commission on this 18<sup>th</sup> day of July, 2005.

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Gary C. Suhadolnik  
Assistant Secretary-Treasurer



The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 30-2005.

Mr. Steiner said that completes my report, Mr. Vice-Chairman.

Vice-Chairman Balog asked Noelle Tsevdos, General Counsel for her report.

Ms. Tsevdos said I have a draft resolution for your consideration. It relates to property owned by the Commission which is currently part of the Towpath Service Plaza complex. The Commission has an access road leading to the Towpath Service Plaza which is used by vendors and maintenance personnel of the Commission to service the facility. In 1989 the Commission passed Resolution No. 4-1989 to convey a portion of this property adjacent to the facilities to the State of Ohio in order to grant the City of Broadview Heights a perpetual easement of the property to use as a dedicated public road. This conveyance permitted access in the development of property surrounding the Towpath Service Plaza. The Commission was recently approached by one of the neighboring property owners to request that the Commission grant a similar conveyance of an easement through the State of Ohio to grant the City of Broadview Heights a perpetual easement to use an extended portion of that access service road as a public road. The Legal Department has been working in conjunction with the City of Broadview Heights to facilitate this request. It has also been in contact with ODOT.

The draft resolution authorizes the Executive Director to convey an easement of the property that is identified in the legal description attached to the resolution. There is also a survey attached to the resolution. We would be granting the City of Broadview Heights another perpetual easement to extend that dedicated public road thereby allowing the development of property adjacent to the Turnpike's property. This request will be conditioned on the City's agreement that the property will always be used exclusively as a dedicated public road and the Turnpike Commission will not be restricted in any way of entering the public road for access into Towpath Service Plaza. The Commission would maintain the ownership interest in the property, but in order to facilitate this request, the Commission is required to convey the Director's Deed back to the Ohio Department of Transportation for the Director to execute an easement to the City of Broadview Heights.

Attached to the resolution is a memorandum from the Chief Engineer and the consulting engineer stating their opinion that the property is no longer needed for the exclusive maintenance and operation of the Ohio Turnpike. With your permission, I will read the Resolved paragraph:

"RESOLVED, that the executive director and general counsel shall take any and all action necessary on behalf of the Commission or by or through the

appropriate officers of the State of Ohio to convey an easement in the real estate on which the aforesaid service road is constructed, so as to permit access to said service road from abutting properties and access therefrom to Broadview Road, provided that such action shall reserve to the Commission the fee simple interest in said real estate and free and complete use of the service road for access to and from the Towpath Service Plaza; and

“FURTHER RESOLVED that the authority hereby granted to the executive director and general counsel shall include authority if deemed appropriate, to execute an interagency transfer of the Commission’s jurisdiction to the Director of the Ohio Department of Transportation for subsequent transfer to the City of Broadview Heights, as permitted by statute.”

The Vice-Chairman asked, is there a motion?

Commissioner Dixon moved and Deputy Director Darwish seconded.

The Vice-Chairman said, I have one question. The only piece we are transferring at this time is 135’ x 180’ (approximately ½ acre)? That’s basically behind the service plaza. That’s the easterly part of the piece that we previously gave to them?

Ms. Tsevdos said, that’s correct.

Vice-Chairman Balog indicated he had talked with the Mayor of Broadview Heights. He said, back in 1989, the people who wanted this piece didn’t own the piece that was, in effect, back behind it. That was owned by the utility company. That now has been sold to a private owner. As Broadview Heights has an ordinance requiring dedication on a public right-of-way in order to go ahead and construct any type of industrial building, the new private owner wants to have the additional access so that piece may be developed. This land is all zoned E-2 (light industrial,) and Broadview Heights is anxious for the development dollars in the area.

Vice-Chairman Balog asked, are there any additional questions?

Senator Armbruster said, did you say the Turnpike still owns the property?

Ms. Tsevdos said, correct. Property owned by the Turnpike Commission is held in the name of the State of Ohio, but for the use and benefit of the Turnpike Commission. The square that is identified in the survey and the legal description is currently owned by the Commission, but in order to execute a conveyance of an easement, we have to convey our property interest back to the State of Ohio for the Director of Transportation to issue a modified deed and easement for the City of Broadview Heights. We cannot execute a deed on our own.

Senator Armbruster said, so when it's all said and done, the property then becomes the property of Broadview Heights? Is that correct?

Ms. Tsevdos said no. We will still maintain ownership of the property, but a new deed will be recorded granting the City of Broadview Heights an easement for use as a dedicated public road.

Senator Armbruster said, based on that deed, notwithstanding an accident that happens on that piece of property, whose responsibility is it?

Ms. Tsevdos said we will be executing an agreement with the City of Broadview Heights regarding maintenance of that road similar to the one that was entered into in 1989.

Vice-Chairman Balog said Broadview Heights had previously gone ahead and curbed this roadway and has substantially upgraded it, so the Commission is able to use it for our vehicles for access into the service plaza. Those were good questions.

Vice-Chairman Balog said if there are no further questions, please call the roll.

The "Resolution Authorizing Interagency Transfer of an Easement" was moved for adoption.

#### **RESOLUTION NO. 31-2005**

WHEREAS, the Commission purchased in the name of the State of Ohio, a fee simple interest in a parcel of real estate designated Turnpike Parcel 139 F-3, said real estate being used for the construction of a service road from Broadview Road, Broadview Heights, Ohio, to the Commission's Towpath Service Plaza; and

WHEREAS, a portion of the service road constructed thereon remains a private road maintained and used only for access to the service plaza, and the adjoining property does not have access to said road, and

WHEREAS, there is substantial acreage abutting the aforesaid service road which does not have economically practical access to the service road, unless said access is provided over the service road, and

WHEREAS, representatives of the property owners abutting the service road and the City of Broadview Heights have requested that the Commission take action to permit access to the service road from abutting properties and to permit the use of the service road for access, and

WHEREAS, the consulting engineers by letter dated June 1, 2005 have advised that provided the Commission retains full and complete use of the service road, that exclusive use of the service road is no longer needed for the construction and operation of the Turnpike, and

WHEREAS, the chief engineer by letter dated June 3, 2005 has advised that provided the Commission retains full and complete use of the service road, that exclusive use of the service road is no longer needed for the construction and operation of the Turnpike; and

WHEREAS, the Commission has determined, based on the recommendations of the consulting engineer and the chief engineer and on the condition that the Commission retain the fee simple interest in said real estate and free and uninterrupted access to and from the Towpath Service Plaza to Broadview Road for types of vehicles including, but not limited to, gasoline tank trucks, that permitting access to the service road from abutting land and the use of the said service road by the general public for access to Broadview Road, by easement, would not interfere with the construction, operation and maintenance of the Ohio Turnpike.

NOW THEREFORE, BE IT

RESOLVED, that the executive director and general counsel shall take any and all action necessary on behalf of the Commission or by or through the appropriate officers of the State of Ohio to convey an easement in the real estate on which the aforesaid service road is constructed, so as to permit access to said service road from abutting properties and access therefrom to Broadview Road, provided that such action shall reserve to the Commission the fee simple interest in said real estate and free and complete use of the service road for access to and from the Towpath Service Plaza; and

FURTHER RESOLVED that the authority hereby granted to the executive director and general counsel shall include authority if deemed appropriate, to execute an interagency transfer of the Commission's jurisdiction to the Director of the Ohio Department of Transportation for subsequent transfer to the City of Broadview Heights, as permitted by statute.

I, Gary C. Suhadolnik, Assistant Secretary-Treasurer of the Ohio Turnpike Commission, do hereby certify that the above is a true copy of the aforesaid resolution which was duly adopted at a meeting of the Commission, duly called for and convened and held on July 18, 2005, at which a quorum was at all times present and voting.

WITNESS my hand and the seal of the Ohio Turnpike Commission on this 18<sup>th</sup> day of July, 2005.

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Gary C. Suhadolnik  
Assistant Secretary-Treasurer

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 31-2005.

The Vice-Chairman asked Mr. Eric Erickson, our financial adviser, if he had a report.

Mr. Erickson said, no report Mr. Vice-Chairman.

The Vice-Chairman asked Matt Lawler from HNTB, our general consultant, if he had a report.

Mr. Lawler said we are 95% complete with the bridge and culvert inspections. We plan to submit our report next week. The remaining bridges and culverts will be inspected in the fall. Those are the ones in the work zones. Two major bridges inspections are complete, and those reports will be submitted, along with the building reports, by the end of August. That concludes my report.

The Vice-Chairman asked Mr. Frank Lamb, trustee, if he had a report.

Mr. Lamb said no report, Mr. Vice-Chairman.

The Vice-Chairman asked Lt. Tom Tornabene, of behalf of Captain Ferguson of the OSHP, if he had a report.

Lt. Tornabene said unfortunately I have to report on two fatal accidents which occurred since our last meeting. One occurred on May 30 at Milepost 180. Both of these crashes were one-vehicle crashes. This subject went off the road, struck the guardrail, came back across the road. He succumbed to his injuries about eight hours later in an Akron Hospital. He was the only person in the vehicle. Reports reflect that he apparently fell asleep. The vehicle drifted off the road and struck the guardrail.

The other crash occurred on June 12<sup>th</sup>. This accident was a little different than the May 30<sup>th</sup> crash. The subject swerved to miss a deer in the roadway. He lost control of the vehicle, overturned and the driver was killed in the crash. He was pinned in the vehicle in a drainage ditch where it appears he actually drowned. His family was in the vehicle with him. His two children were injured, however, none serious. It was just a strange accident the way it occurred.

The July 4<sup>th</sup> holiday weekend went very well. A lot of traffic but things seemed to work very smoothly and we didn't have very many crashes and there were no fatal crashes.

As you recall, Dr. Gulam Moonda was robbed and murdered while traveling on the Ohio Turnpike on May 13, 2005. This murder investigation continues. We are still waiting for evidence to be returned to us from BCI. Hopefully, when that evidence is returned, we should be able to link it to people who are involved in that investigation right now.

That concludes my report, Mr. Vice-Chairman.

Vice-Chairman said, if there is no further business, I'll entertain a motion to adjourn until **Monday August 15<sup>th</sup> at 10:00 a.m.**

Deputy Director Darwish moved and Commissioner Dixon seconded.

Before we call the roll, should we mention the upcoming fall meeting?

The Executive Director said that it is likely we will **not** have the September 19<sup>th</sup> meeting because of the IBTTA (International Bridge, Tunnel & Turnpike Association) meeting. The Ohio Turnpike Commission is the host chapter for this annual meeting. Monday, September 19<sup>th</sup> is the opening day for this three-day meeting. Depending upon our level of business, we may schedule a meeting a different day or perhaps, we can put things off until our October meeting. We will see how our needs arise between now and that time as to whether we will try to re-schedule the meeting, and will be in contact with our Commission Members to find an appropriate day if we need to schedule a "special" meeting.

The Vice-Chairman said, please call the roll.

All members voted in the affirmative to adjourn.

Time of adjournment was 10:51 a.m.

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

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George F. Dixon, Secretary-Treasurer