

MINUTES OF THE 520th MEETING OF THE OHIO TURNPIKE COMMISSION

February 23, 2006

Pursuant to the bylaws, the Ohio Turnpike Commission met for a special meeting at the Commission's Administration Building at 10:00 a.m. on February 23, 2006, with members of the staff: 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; Tim Ujvari, Maintenance Engineer; Dave Miller, Director of Audit & Internal Controls; Dick Morgan, Director of Information Systems; Andrew Herberger, Director of Service Plaza Operations; Lauren Hakos, Manager, Public Affairs; Jennifer Diaz, and Tracy Cowley.

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

Present: Mr. Balog, Mr. Regula, Mr. Kidston, Deputy Director Mo Darwish and Senator Armbruster.

Absent: George Dixon and Representative Buehrer.

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. The Chairman called the meeting to order.

The Chairman said we have a number of guests here today, so I'd like everyone to introduce themselves as we customarily do: Bobby Everhart, URS; Eric Erickson, Fifth Third Bank; Tony Yacobucci, Jacob Merriman, HNTB; Mike Swan, Dick Olup, Todd Cooper, Dick Corporation; Frank Lamb, Huntington National Bank; Mark Fisher, A. G. Edwards; Jim Kelly, Bob Walsh, John Lee, J. P. Morgan; Donald Bank, Butler, Wick & Co.; Glenn Stephens, G. Stevens, Inc.; Bob Hagstrom, AVI Food Systems; Tom Travis, Michael Jones, HMS Host and Jim Ewinger, The Plain Dealer.

The Chairman said this is the 520th 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 as we observed Presidents' Day this past Monday, February 20th. 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 said could I have a motion to adopt the minutes of the December 19, 2005 Commission Meeting?

Deputy Director Darwish moved and Commissioner Regula 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. As Commissioner Dixon is absent, Director Suhadolnik will present his report.

Assistant Secretary-Treasurer Suhadolnik said, the following items have been sent to the Members since the last regularly scheduled meeting of the Commission on December 19, 2005:

1. Minutes of the December 19, 2005 Commission Meeting
2. Traffic & Revenue Report, December, 2005
3. Traffic & Revenue Report, January, 2006
4. Total Revenue by Month and Year, December, 2005
5. Total Revenue by Month and Year, January, 2006
6. Investment Report, December, 2005
7. Investment Report, January, 2006
8. Financial Statements, December 31, 2005
9. Financial Statements, January 31, 2006
10. Traffic Accident Summary Report - 2005
11. Budget Report – Twelve Months – 2005*
12. Legal Department Litigation Report, February, 2006
13. Various News Releases

* in Commission Member's folders

The Chairman asked Director Suhadolnik for his report.

Director Suhadolnik said I will give the Executive Director as well as the Deputy Executive Director's Report since Mr. Pursley is ill today.

Director Suhadolnik said, I'd like to point out to the Commission Members that there is a draft report to the General Assembly in your folders. It is entitled, ***"Impact of Trial Commercial Toll Reduction on Traffic, Revenue and Debt Service of the Ohio Turnpike."*** We are required, as a result of the temporary toll decrease, to provide a report to the General Assembly by **March 6th**. I think the Chairman, Vice-Chairman and Director Proctor has seen a copy of it. I think they are generally in agreement with it. The other Members can look at it. We will be mailing copies of this report to the required appropriate people by March 6th.

I also want to advise the Commission Members that I will be on vacation starting February 24th for one week and will be returning to the office on Monday, March 6th. I have issued a letter designating Deputy Director Pursley to act on

my behalf. Should he be absent, General Counsel Noelle Tsevdos will be in charge during my absence.

In addition, I have another draft report I want to distribute to Members of the Commission. This report is entitled, ***“Ohio Turnpike Safety Report – Impact of the 65 mph Truck Speed Limit.”*** We put together a document which is still in draft form, which talks about the accidents on the Turnpike since the speed limit was increased. This Report notes that when the Ohio State Highway Patrol (OSHP) issued its report, it compared the average of the previous three (3) years of statistics to the twelve (12) months after the speed limit was increased. Ironically, the OSHP went back to September 8, 2001 – just a few days before September 11th. So, the OSHP compared a three-year period of time, when our economy was in recession and truck traffic was dramatically down, to a one (1) year period when we were experiencing record levels of truck traffic. The Draft Report shows accident statistics for 2005 that are very similar to other years that we have experienced. When you look at the overall picture, there was not this big change as implied by the OSHP Report. I thought it was a document that the Commission Members should see before we release it to the public.

The Executive Director said, the first resolution I’d like to present is a resolution to provide for continuation of the temporary toll reduction for an additional six (6) months. We had the required public hearing on January 10, 2006. As summarized in my report that is attached to the draft resolution, three (3) trucking companies appeared. They were in favor of continuing the lower tolls. Chairman Balog was also in attendance. One of the trucking companies reminded us how much they pay in fuel taxes. I had to gently explain that I understood their situation, but that money does not benefit the Ohio Turnpike. With that, would our General Counsel please read the Resolved?

The General Counsel read the Resolved as follows:

“RESOLVED, that the Commission hereby authorizes the executive director, or his designee, to implement the attached temporary changes to the schedule of toll rates for classes 2 through 9 for the period of **July 1, 2006 through December 31, 2006.**”

The Chairman said, is there a motion to adopt?

Commissioner Kidston moved and Commissioner Regula seconded.

The Chairman said, is there any discussion or questions? Please call the roll.

The “Resolution Authorizing the Executive Director to Implement Temporary Schedule of Tolls for Classes 2 thru 9 from July 1, 2006 through December 31, 2006” was moved for adoption.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 2-2006.

The Executive Director said, I'll continue with the Deputy Executive Director's report. The next resolution to present is a resolution to approve contract modifications to our agreements with HMS Host, one of our vendors for a number of service plaza locations along the Turnpike. This resolution authorizes me to proceed with modifications to three (3) of the Commission's existing contracts with HMS Host involving the **Erie Islands/Commodore Perry** Service Plazas and the **Portage/Brady's Leap** Service Plazas. The modifications stem from HMS Host's proposal to the Commission to make approximately \$1.175 million in capital improvements at three (3) different sets of service plazas. The changes proposed will enhance and improve the offerings and profitability of these service plazas and also make the contracts fairer for both parties.

At **Oak Openings/Fallen Timbers**, the first service plazas that a Turnpike traveler encounters driving east on the Ohio Turnpike since the closure in January, 2006 of the old Williams County (*Indian Meadow/Tiffin River*) Service Plazas, HMS Host has already expanded its Travel Mart there to feature offerings from **Great American Bagel** and **Pizzeria Uno**.

At **Erie Islands/Commodore Perry** Service Plazas, the Max & Erma's sit-down style restaurant concept has not borne fruit. After six years, both HMS Host and the OTC staff have concluded there is insufficient patronage to support maintaining Max & Erma's. The parties have agreed that faster-service offerings such as **Einstein Brother's Bagels** will be much more successful. In addition, HMS Host proposes to re-image the **Sbarro's** restaurant and add a **Carvel's Ice Cream** store at these plazas.

Two contracts with HMS Host exist at these service plazas. To make the rent arrangement fairer for both parties, an agreement has been reached to make the rent for all units at Erie Islands/Commodore Perry 12.8%. The parties have also agreed to make the two aforementioned contracts "coterminous." This will help the Commission move towards the goal of having one Operator handle all retail and food offerings at one set of service plazas and will enable the Commission to bid the plazas that way in the future.

At **Portage and Brady's Leap** Service Plazas, the existing **Travel Mart** unit will be merged into the **Ohio Marketplace**. The old **Travel Mart** space, which is adjacent to Starbuck's, will be converted into Starbuck's soft seating and retail. Because HMS Host will maintain and clean this new soft seating area on its own, it has requested Common Area Maintenance (CAM) relief. In keeping with past practice, the Commission has agreed to provide 50% CAM relief for that area.

The last fairness modification involves changing the current method of setting the Guaranteed Minimum Rents (GMRs) for the various restaurant and retail units across the Turnpike so that instead of being based on the square footage occupied, they relate to each unit's rent production capabilities.

Would the General Counsel please read the Resolved?

General Counsel read the Resolved:

"RESOLVED that the Commission hereby concurs with the recommendations regarding the requested contract modifications by HMS Host pertaining to the contracts with HMS Host at the Erie Islands/Commodore Perry and the Portage/Brady's Leap Service Plazas, and to further improve the offerings and incremental sales at said Service Plazas, authorizes the executive director and the director of contracts administration to execute contract addenda incorporating the requested modifications to the various contracts with HMS Host (Contract TR-8A, *Units 1, 2, 3, 4, and 6*; Contract TR-8A, *Unit 5*; and Contract TR-8C, *Units 1, 2 and 5*), all in accordance with the terms and conditions of the Commission's original Requests for Proposals, HMS Host's responses thereto and the contracts awarded therefrom."

The Chairman said, is there a motion?

Commissioner Kidston moved and Commissioner Regula seconded.

The Chairman said, is there any discussion or questions on the motion?

The Chairman said, I think, naturally whenever you're amending contracts, you can always say, we should have done this or done that. When you look at the relationship, and this is a partnership between us and the vendors, and you look at the numbers and the guaranteed minimum rent that we have received compared as to what was pledged, I think this makes all the sense in the world for us to make these changes. It also doesn't make much sense for the Commission to receive a 5% rental at a sit-down restaurant when sit-down restaurants are just not popular for the travelers who are using the Turnpike. When you're on the Turnpike, traditionally, people are not looking for fine dining and spending hours at our facilities. I think these proposed modifications make sense, and I feel the staff has done a good job putting this all together and making it clear for us.

The "Resolution Authorizing the Executive Director to Approve Modifications to HMS Host Agreements" was moved for adoption.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 2-2006.

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

Mr. Castrigano said I have five resolutions to present this morning. The first resolution deals with the award of Contract No. 43-05-03 for replacement of Turnpike bridge decks over the Meander Reservoir at Milepost 221.3 in Mahoning County. If you recall, we rejected this contract in December, 2005. We re-worked the specifications and received three (3) bids. In response to this invitation, the apparent low bid was submitted by **J. D. Williamson Construction, Inc.** of Tallmadge in the total amount of \$3,562,189.08. The total amount bid is within 1.8% of the engineer's estimate, and this bidder has successfully worked for the Commission in the past.

This resolution also includes provisions for the assignment of URS Corporation to perform construction inspection in accordance with its engineering services agreement that the Commission awarded last year specific to this Project. It also assigns ACA Engineering, Inc. of Youngstown, Ohio to perform materials testing in accordance with its 2005-2006 engineering services agreement.

Would General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

"RESOLVED that the bid of **J. D. Williamson Construction Co., Inc.** of Tallmadge, Ohio, in the amount of **\$3,562,189.08**, for the performance of **Contract No. 43-05-03** 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 **URS Corporation** of Akron, Ohio, to Contract No. 43-05-03 for the purpose of performing construction inspection. Such assignment shall be in accordance with their engineering services agreement specific to this project; and

"FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **ACA Engineering, Inc.** of Youngstown, Ohio, to Contract 43-05-03 for the purpose of performing materials testing and inspection. Such assignment shall be in accordance with the 2005-2006 Engineering Services Agreement between the Ohio Turnpike Commission and ACA Engineering, Inc.; and

"FURTHER RESOLVED that Project No. 43-05-03 is designated a System Project under the Commission's 1994 Master Trust Agreement."

The Chairman said, is there a motion to adopt?

Deputy Director Darwish moved and Commissioner Kidston seconded.

The Chairman said, are there any questions?

Commissioner Kidston asked, how long a project is this, Dan?

Mr. Castrigano said, this is a two (2) year project. We'll begin it this year and finish it next year.

Deputy Director Darwish asked, are there any lane closures?

Mr. Castrigano said, we're going to run a bi-directional over one bridge deck as we replace the other one and then flip it the following year.

Deputy Director Darwish said, the reason I'm asking is the ODOT Meander job will also be under construction this year. It's going to be a two-year job, and I don't know if there will be any impact.

Mr. Castrigano said, we are not anticipating any shutdown of traffic on the mainline.

Deputy Director Darwish asked, are you building spill containment?

Mr. Castrigano said, yes.

Deputy Director Darwish said, good luck.

The "Resolution Awarding Contract No. 43-05-03" was moved for adoption.

WHEREAS, the Commission has duly re-advertised according to law for bids upon a Contract for reconstruction of Ohio Turnpike bridges over Meander Reservoir at Milepost 221.3 located in Mahoning County, Ohio, which contract is designated **Contract No. 43-05-03:**

WHEREAS, the Commission has received bids from three (3) bidders for the performance of said Contract,

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, the chief engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 43-05-03 was submitted by **J. D. Williamson Construction Co., Inc.** of Tallmadge, Ohio in the total amount

of **\$3,562,189.08**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the director of contracts administration that all bids for Contract No. 43-05-03 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of J. D. Williamson Construction Co., Inc. for Contract No. 43-05-03 conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Ohio Revised Code and that a performance bond with good and sufficient surety has been submitted by J. D. Williamson Construction Co., Inc.; and

WHEREAS, the Commission's executive director has reviewed the reports of the chief engineer and the director of contracts administration and has made his recommendation to the Commission to award Contract No. 43-05-03 to J. D. Williamson Construction Co., Inc. predicated upon such analyses; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **J. D. Williamson Construction Co., Inc.** of Tallmadge, Ohio, in the amount of **\$3,562,189.08**, for the performance of **Contract No. 43-05-03** 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 **URS Corporation** of Akron, Ohio, to Contract No. 43-05-03 for the purpose of performing construction inspection. Such assignment shall be in accordance with their engineering services agreement specific to this project; and

FURTHER RESOLVED that the Commission hereby authorizes the executive director and the chief engineer to assign **ACA Engineering, Inc.** of Youngstown, Ohio, to Contract 43-05-03 for the purpose of performing materials testing and inspection. Such assignment shall be in accordance with the 2005-2006 Engineering Services Agreement between the Ohio Turnpike Commission and ACA Engineering, Inc.; and

FURTHER RESOLVED that Project No. 43-05-03 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. 3-2006.

Mr. Castrigano said my next resolution relates to the award of Contract No. 59-06-01 for resurfacing of the westbound and eastbound lanes of the Turnpike at Milepost 144.40 to 153.50 in Lorain and Cuyahoga Counties. We also received three (3) bids in response to this Contract. The apparent low bid was submitted by **Kokosing Construction Company** of Fredericktown, Ohio in the amount of \$6,046,571.50. The total amount bid is within 5% of the engineer's estimate, and this Contractor has worked successfully in the past on this type of project for the Commission. Also, this resolution includes provisions to assign McCoy Associates, Inc. of Akron, Ohio to perform construction inspection and Solar Testing Labs of Cleveland for performing materials testing, both in accordance with their respective general engineering services agreements.

Would General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

"RESOLVED that the bid of **Kokosing Construction Company, Inc.** of Fredericktown, Ohio, in the amount of **\$6,046,571.50**, for the performance of Contract No. 59-06-01 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 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 59-06-01 for the purpose of performing construction inspection. 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 **Solar Testing Laboratories, Inc.** of Cleveland, Ohio, to Contract No. 59-06-01 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 Solar Testing Laboratories, Inc.; and

"FURTHER RESOLVED that Project No. 59-06-01 is designated a Fuel Tax Project under the Commission's 1994 Master Trust Agreement."

The Chairman said, is there a motion to adopt?

Commissioner Kidston moved and Commissioner Regula seconded.

The Chairman said, Dan, what other areas are we resurfacing this summer?

Mr. Castrigano said we are resurfacing Exit 161 in Cuyahoga County, plus a short piece of one-half mile of roadway in Sandusky County from Milepost 111.2 to 111.7. We also have a longer piece of the eastbound roadway around Milepost 190 to 205 in Portage County.

Chairman Balog asked, how long will it take for this particular Contract which is about 6-7 miles in length.

Mr. Castrigano said, we expect to be done prior to July 4th.

The Chairman asked, are there any other questions?

Commissioner Regula asked, what percentage of increase have we seen on asphalt overall for the year?

Mr. Castrigano said, we did a review on that and compared to see where the bids came in higher and a lot of it was in the asphalt prices. To give you an idea, from our estimate to the actual bid prices on two of the larger asphalt items, one of them was 22% above our estimate and the other one was 14%. So, prices are going up on asphalt.

Commissioner Regula said, surprisingly the successful bidder, based on our bids of last year, Shelly Company was the one to beat, but they're not the low bidder on this one.

Mr. Castrigano said, that's correct. This is the first resurfacing job that Kokosing had with us in a few years.

The Chairman said, if there are not other questions, please call the roll.

The "Resolution Awarding Contract No. 59-06-01" was moved for adoption.

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for reconstruction and resurfacing of the westbound and eastbound lanes of the Ohio Turnpike from Milepost 144.40 to Milepost 153.50 in Lorain and Cuyahoga Counties, Ohio, herein designated **Contract No. 59-06-01**; 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, the chief engineer reports that the lowest responsive and responsible bid for the performance of Contract No. 59-06-01 was received from **Kokosing Construction Company, Inc.** of Fredericktown, Ohio, in the amount of **\$6,046,571.50**, which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the director of contracts administration that all bids for Contract No. 59-06-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Kokosing Construction Company, Inc. for Contract No. 59-06-01 conforms to the requirements of Section 5537.07, Section 9.312 and Section 153.54, all of the Ohio Revised Code and that a performance bond with good and sufficient surety has been submitted by Kokosing Construction Company, Inc.; and

WHEREAS, the Commission's executive director has reviewed the reports of the chief engineer and the director of contracts administration and has made his recommendation to the Commission to award Contract No. 59-06-01 to Kokosing Construction Company, Inc. predicated upon such analyses; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Kokosing Construction Company, Inc.** of Fredericktown, Ohio, in the amount of **\$6,046,571.50**, for the performance of Contract No. 59-06-01 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 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 59-06-01 for the purpose of performing construction inspection. 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 **Solar Testing Laboratories, Inc.** of Cleveland, Ohio, to Contract No. 59-06-01 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 Solar Testing Laboratories, Inc.; and

FURTHER RESOLVED that Project No. 59-06-01 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 numbered No. 4-2006.

Mr. Castrigano said, my next resolution relates to awarding a contract for the purchase of magnetic toll tickets under Invitation No. 4035. This is for the purchase of our toll tickets for a one-year period. The contract also contains two (2), one (1) year options to renew. We only received one bid in response to this Invitation. It was submitted by **Magnetic Ticket & Label Corporation** of Dallas, Texas in the amount of \$398,240.00.

Although we received only one bid, this bidder happens to be the current provider under contract with the Commission. Their total bid was below the engineer's estimate and I believe, more importantly, when you look at having received only one bid, the unit cost bid on this contract is 5.7% below the unit cost bid by this same company on the past contract. As I said, this contract also includes provisions for two (2), one-year options to renew.

Would General Counsel please read the Resolved?

"RESOLVED that the bid of **Magnetic Ticket & Label Corporation** of Dallas, Texas, in the total amount of **\$398,240.00** under Invitation No. 4035 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 for a one (1) year period with two (2), one-year renewal options in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to direct the return to the bidder of its bid security at such time as Magnetic Ticket & Label Corporation of Dallas, Texas has entered into a Contract and furnished the performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said Contract."

The Chairman said, is there a motion?

Commissioner Kidston moved and Commissioner Regula seconded.

The Chairman said, are there any questions or discussion on the motion?

Commissioner Kidston asked, do we get these on a monthly basis or how do we purchase these?

Mr. Castrigano said, orders for toll tickets are issued under a delivery request, as needed.

Commissioner Kidston said, so we estimate how many tickets we will need throughout the year and modify it, when needed?

Mr. Castrigano said, yes.

The Chairman said, please call the roll.

The "Resolution Awarding a Contract for the Purchase of Magnetic Toll Tickets under Invitation No. 4035" was moved for adoption.

WHEREAS, the Commission duly advertised for bids to furnish the Commission with its requirements for cut and rolled magnetic toll tickets for a one (1) year period under Invitation No. 4035; and

WHEREAS, it is anticipated that the expenditures by the Commission for the above-described magnetic tickets under Invitation No. 4035 will exceed \$150,000, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such Contract; and

WHEREAS, only one bid was received in response to the Invitation, and said bid was reviewed by the Commission's toll operations department, which also had the sample tickets provided by the bidder field-tested for compliance with specifications and requirements set forth in the Commission's Bid Invitation; and

WHEREAS, the director of toll operations has advised that the sample tickets submitted by Magnetic Ticket & Label Corporation of Dallas, Texas meet the specifications and requirements set forth in the Commission's Bid Invitation; and

WHEREAS, the director of toll operations has, therefore, advised that the lowest responsive and responsible bid was submitted by **Magnetic Ticket & Label Corporation** of Dallas, Texas, in the amount of \$398,240.00, which amount is below the Commission's estimated expenditure for this Contract; and

WHEREAS, the chief engineer has, therefore, recommended that a Contract be awarded to Magnetic Ticket & Label Corporation.

WHEREAS, the Commission has also been advised by the director of contracts administration that bids for Contract No. 4035 were solicited on the basis of the same terms and conditions and the same specifications, and that the procedures followed by the Commission's officials in advertising and reviewing bids received for Invitation No. 4035 were conducted in accordance with Section 5537.07 and Section 9.312 of the Revised Code of Ohio; and

WHEREAS, the Commission's director of contracts administration has further advised that the Commission may legally enter into a contract with Magnetic Ticket & Label Corporation of Dallas, Texas as the lowest responsive and responsible bidder proposing to furnish the Commission with its requirements for cut and rolled magnetic toll tickets, for a one (1) year period with two (2), one-year options to renew under Invitation No. 4035; and

WHEREAS, the executive director has reviewed the reports of the director of toll operations, the chief engineer and the director of contracts administration and has made his recommendation to the Commission that Contract No. 4035 be awarded to the lowest responsive and responsible bidder, Magnetic Ticket & Label Corporation of Dallas, Texas predicated upon such analyses; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Magnetic Ticket & Label Corporation** of Dallas, Texas, in the total amount of **\$398,240.00** under Invitation No. 4035 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 for a one (1) year period with two (2), one-year renewal options in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to direct the return to the bidder of its bid security at such time as Magnetic Ticket & Label Corporation of Dallas, Texas has entered into a Contract and furnished the performance bond required thereby; and (3) to take any and all action necessary to properly carry out the terms of said Contract.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 5-2006.

The Chairman said, I believe Director Suhadolnik, you have another resolution?

The Executive Director said, yes, I'd like to present a resolution authorizing the purchase of thirty (30) Exit Toll Ticket Transports from ACS. We issued an RFP and determined that ACS was the most qualified supplier of the toll ticket transports. This is the equipment that reads the tickets when you exit the Turnpike and determines how much you are to pay. We have approximately 150 of these ticket toll transports along the Ohio Turnpike. Many of them have out-lived their usefulness so we are purchasing some as replacement units. Some of the ticket toll transports will also be used as part of the manufacturing of Automatic Toll Payment Machines (ATPMs) we have purchased. Our budget reflected the purchase of a large number of machines, but we held back and are only purchasing a minimum number to use as immediate replacements. As you know, we are undergoing a toll collection study. Depending upon those

recommendations, we may or may not replace the Toll Collection System with an entirely new System. So, rather than buy them all now, we are purchasing the number of units that we think will allow us to replace them, as needed, to continue operating throughout the year until we decide what we are going to do with our Toll Collection System.

Would General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

“RESOLVED that the executive director and its director of contracts administration are hereby authorized and directed to enter into a Contract with ACS State and Local Solutions, Inc. of Edison, New Jersey, for the acquisition of thirty (30) Exit Toll Ticket Transports for integration into, and use as a part of the Ohio Turnpike Commission’s Toll Collection System and the required spare parts base, and any additional options deemed necessary, all in accordance with the terms and conditions of the Commission’s Request for Proposals and ACS State and Local Solutions, Inc.’s response thereto.”

The Chairman said, is there a motion?

Deputy Director Darwish moved and Commissioner Regula seconded.

The Chairman said if there are no questions or comments, please call the roll.

The “Resolution Authorizing the Executive Director to Enter into a Contract Regarding the Acquisition of Exit Toll Ticket Transports” was moved for adoption.

The resolution was adopted with all members voting in the affirmative. The resolution was identified as No. 6-2006.

Director Suhadolnik said that completes my report, Mr. Chairman.

The Chairman said, Dan, I believe you have a couple more resolutions to present?

Mr. Castrigano said, that's correct, Mr. Chairman. My next resolution pertains to executing a contract extension under Invitation No. 4012 for the purchase of reflective and non-reflective sheeting and electronic cuttable overlay film. This is a fancy way of saying reflective film for the roadway signs. The Contract was awarded on March 28, 2005 to Avery-Dennison of Niles, Illinois in the amount of \$100,000. The original Contract has a one-year expiration date with options to renew for two (2) additional, one-year periods. The current vendor has been satisfactorily performing the services. To date, the original Contract was awarded by the Executive Director under his spending authority. The renewal terms will bring the total expenditures in excess of \$150,000. That is why we are seeking Commission approval for this Resolution.

Again, this is for a one (1) year period through March 27, 2007 and further authorizing the extension of the contract again in 2007 in the same blanket amount in the event the unit pricing remains the same and the vendor continues to satisfactorily perform.

Would General Counsel please read the Resolved?

General Counsel Tsevdos said, Dan, would you clarify the referenced resolution date of March 27, 2008?

Mr. Castrigano said that would be the second, one (1) year extension. The first extension is through 2007 and the second is through 2008.

General Counsel read the Resolved paragraphs as follows:

“RESOLVED that the Commission hereby authorizes the executive director and director of contracts administration to execute an extension of the blanket Contract for one (1) year in the established amount of \$100,000.00 with **Avery Dennison** of Niles, Illinois, pursuant to the same terms and conditions as those set forth in the original bid documents of Invitation No. 4012, and to take any and all action necessary to properly carry out the terms of said Contract extension; and further authorizes the executive director and the director of contracts administration to exercise the option to extend the

Contract for its last one (1) year extension through March 27, 2008, if it is determined that the unit pricing is still reasonable and the maintenance engineer continues to be satisfied with the performance of the contractor.”

The Chairman said, is there a motion?

Deputy Director Darwish moved and Commissioner Regula seconded.

The Chairman said, are there any questions or comments on the motion?

Mr. Castrigano pointed out that the Avery Dennison address listed in the first paragraph of the resolution should be Niles, Illinois (*not Niles, Ohio*) as noted on the draft Resolution.

General Counsel Tsevdos said, this typographical error will be corrected on the Resolution.

The Chairman said, fine. We will vote with the understanding that the General Counsel will have the proper address of Niles, Illinois inserted in the final Resolution.

The Chairman said, motion for adoption has been completed, so would the Assistant Secretary-Treasurer please call the roll.

The “Resolution Directing the Executive Director to Take Immediate Action Concerning Extension of Contract for the Purchase of Reflective and Non-Reflective Sheeting and Electronic Cuttable Overlay Film.”

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 7-2008.

Mr. Castrigano said the final resolution I have to present pertains to the purchase of sixteen (16) quick attach tailgate assemblies under Invitation No. 4032. On November 14, 2005, under Resolution No. 48-2005, the Commission awarded a contract for the purchase of sixteen (16) truck-mounted attenuators (TMAs) to Baldwin-Sours, Inc. of Columbus, Ohio. The contract documents also contained provisions for optional pricing for the Commission to purchase tailgate quick attach assemblies in the amount of \$2,100 each. The Commission's Maintenance staff has determined that the tailgate assemblies are desirable due to the ease of speed in mounting and dismounting the equipment to and from the Commission's trucks. Furthermore, upon inspection of the hitch assemblies, it has been determined that it more cost effective to purchase the units in lieu of fabrication by Commission forces.

Although the additional expenditure in the total amount of \$33,600.00 is well within the Executive Director's authority, the total amount expended exceeds 10% of the original Contract. Therefore, we are bringing this matter to the Commission for approval.

Would General Counsel please read the Resolved?

"RESOLVED that the authority originally granted to the executive director and director of contracts administration under Resolution No. 48-2005 shall include authority, as deemed appropriate, to purchase sixteen (16) tailgate quick attach assemblies for the new truck-mounted attenuators, which expenditure exceeds the originally approved Contract amount by greater than 10%, and that such purchase shall be made pursuant to the option to purchase under the terms and conditions of the existing Contract with **Baldwin & Sours, Inc.** under Invitation No. 4032 in the total estimated amount of **\$33,600.00** (\$2,100.00 x 16)."

The Chairman said, is there a motion?

Commissioner Kidston moved and Commissioner Regula seconded.

The Chairman said, if there are no questions or comments, please call the roll.

The "Resolution to Purchase Sixteen (16) Tailgate Quick Attach Assemblies under Invitation No. 4032" was moved for adoption as continued on the next two (2) pages.

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

The Chairman said, Kathy, do you have the information concerning the correct address on the prior resolution?

Kathy Weiss, Director of Contracts Administration, said yes, it is Niles, Illinois so the Resolved paragraph is correct, but there is a typographical error in the first paragraph of the resolution which led to the confusion.

The Chairman said Dan, are you done?

Mr. Castrigano said, no, Mr. Chairman, I have one additional item. Included in your folders is a document entitled, "Construction Contract Summary" dated today. In accordance with the Commission's Bylaws, I periodically give this report. This package details six (6) contracts that were completed recently in a total award amount of \$11,088,000. The total in-place costs for these contracts was just over \$11 million resulting in contract savings of approximately \$82,000. That completes my report, Mr. Chairman.

The Chairman said General Counsel, do you have a report?

General Counsel Tsevdos said, yes, Mr. Chairman. In your packet, you'll find a proposed Resolution No. 9-2006 as it relates to the continuing disclosure commitment entered into by the Commission on behalf of and for the benefit of its bondholders that was entered into on May 1, 1996. Under the terms of the continuing disclosure commitment, the Commission agreed that it would provide a financial and audited financial statement each year on or before **April 1st**. As you may be aware, Section 5537.17 of the Ohio Revised Code was amended in 2005 to permit the Commission to submit a financial statement or report to the Governor and the General Assembly by **July 1st** following the end of each fiscal year.

The amendment corresponds to the change in our governing statute which permits us to submit one (1) audited financial statement to all the respective parties, i.e., the Governor, the General Assembly, the trustee on July 1st of each year. With your permission, I'll read the Resolved.

General Counsel read the Resolved as follows:

"NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE OHIO TURNPIKE COMMISSION:

Section 1. First Amendment to Continuing Disclosure Commitment. The Chairman and Executive Director are each alone, or together, hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Commission the First Amendment to Continuing Disclosure Commitment, the form of which has been presented at this meeting, with such changes or revisions therein not inconsistent with the Revised Code and not substantially

adverse to the Commission as may be permitted by the Revised Code and approved, upon advice of counsel to the Commission and Bond Counsel, by the Executive Director and the officers executing the same. The approval of such changes and insertions by such officers, and that such changes are not substantially adverse to the Commission, shall be conclusively evidenced by the execution of the Continuing Disclosure Commitment.

Section 2. Execution of Additional Documents. The Chairman and Executive Director are each alone, or together, hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Commission, such additional documents and instruments as may be necessary to effectuate the delivery of the First Amendment to Continuing Disclosure Commitment.

Section 3. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

Section 4. Compliance With Sunshine Law. It is hereby determined that all formal actions of the Commission relating to the adoption of this Resolution were taken in an open meeting, and that all deliberations of the Commission and of its committees, if any, which resulted in formal action were in meetings open to the public, in full compliance with Section 121.22 of the Ohio Revised Code.”

The Chairman said, is there a motion to adopt?

Deputy Director Darwish moved and Commissioner Kidston seconded.

The Chairman said if there are no questions or discussion on the motion, please call the roll.

The “Resolution Authorizing the Execution of the First Amendment to the Continuing Disclosure Commitment” was moved for adoption.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 9-2006.

The Chairman asked General Counsel if she had an additional report.

General Counsel responded, No, Mr. Chairman.

The Chairman asked Jim Steiner, CFO for his report.

Mr. Steiner said I'm happy to report that the strong economy and the mild winter weather have had positive impacts on our traffic and toll revenue at the start of this year. This chart shows the passenger miles traveled on the Ohio Turnpike over the last two (2) years. For most of 2005 the passenger car traffic trailed the numbers from 2004 due in large part to the record-high fuel prices. The mild weather helped to reverse this trend, and in January 2006, the passenger car miles were up 5.2% compared to last year. The strong economy and the mild winter weather helped boost January commercial vehicle miles traveled to 12.4% above the level from last year. Total vehicle miles were up 8.0% in January compared to last year. Like the miles traveled, the revenues from passenger car miles were up 4.9% in January compared to 2005. Despite the growth in commercial traffic, 2005 toll revenues from commercial vehicles were \$8.5 million below those from 2004 due to the temporary reduction in toll rates which became effective January 1, 2005.

With toll rates in 2006 being the same as they were in 2005, the revenues were up 13.1% in January in comparison to last year. Total toll revenues in January were up \$1.2 million or 9.9% in comparison to last year. The preliminary data from the first eighteen (18) days in February indicate that toll revenues are up approximately 5% compared to the first eighteen (18) days in February 2005.

This chart shows the Commission's total revenues from all sources in the month of January for each year of this decade. Our investment income has benefited from rising interest rates and our concession revenues have been helped by the increased traffic as well as the re-opening of the **Blue Heron/Wyandot Service Plazas** last May. Including ODOT's purchase of excess Turnpike capacity, which amounts to \$1.3 million, our total January 2006 revenues are \$1.5 million or 9.9% higher than those from last year. Without the capacity purchase from ODOT, our total revenues would be only \$53,000 or 0.4% higher than those from January, 2000.

Mr. Steiner said, that completes my report, Mr. Chairman. I'd be happy to answer any questions.

The Chairman said thanks, Jim. Any questions for our CFO?

The Chairman said any report from our financial advisor, Eric Erickson?

Mr. Erickson said, I'd just like to have it noted in the record that we have sent to the rating agencies, Standard & Poor's, Moody's and Fitch, copies of the Efficiency Study along with Traffic and Revenue Reports, and the Operating and Capital Budgets for 2006. We have suggested to them if they have questions or concerns to get back to us so we can address them. We have not heard from them as yet.

The Chairman said, any report from our general consultant?

Mr. Yacobucci said, no report Mr. Chairman.

The Chairman said, any report from our Trustee, Mr. Lamb?

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

The Chairman said, Captain Hannay from the OSHP?

Captain Hannay said I'm pleased to report, in 2005, we experienced one (1) less fatal crash than in 2004. There were also three (3) less persons killed in 2005 as compared to 2004. It was a safer year and that trend has continued into 2006. We have not experienced any fatal crashes to date in 2006.

There have been some other trends that we have experienced so far this year. Our officers have come across six (6) significantly overloaded vehicles using the Ohio Turnpike. One (1) was as heavy as 164,150 pounds. That vehicle had a Class 9 ticket and entered at Gate 173. I cannot explain how it got on. It was a heavy snow day that day, and we apprehended that vehicle at Interstate 75 (westbound). It carried a load of steel enroute to Indiana. Our troopers have taken an aggressive stand on overloaded vehicles, and we'll get them off the highway and do everything we can to keep them off the highway.

Nine (9) drug-related seizures year to date in 2006 resulted in nearly \$81,000 in cash, sixty-two (62) pounds in marijuana, four and one half (4½) pounds of crack cocaine, eleven (11) pounds of cocaine and two (2) weapons – again, an aggressive stance on drug-related activity as it uses the Ohio Turnpike.

Captain Hannay said that completes my report, and I'll answer any questions.

Chairman Balog said, in the past you have always provided information on the average truck speeds that gather information about the truckers. Are you still finding speeds very close to that 65 mph number?

Captain Hannay said, yes sir. We are very pleased to report that the average speeds are still 67 mph or less across the Ohio Turnpike.

Commissioner Regula asked, what prompted the stop on the overload?

Captain Hannay said, the trooper that stopped the 165,000-pound overload recognized the tire deflection on the vehicle as it was traveling and stopped it based upon what he saw.

Commissioner Regula asked, did this truck have five (5) sets of axles or six (6)?

Captain Hannay said, I don't have the particulars. I know it was a load of steel on a single unit, had obscured registration, bulging tires and it was enroute to Aurora, Illinois.

Chairman Balog said I appreciate your good work, Captain. Thank you.

The Chairman said if there are no other questions or comments from the Commission Members, I'll entertain a motion to adjourn.

Deputy Director Darwish moved to adjourn and Commissioner Kidston seconded.

The Chairman said, please call the roll.

All Members voted in the affirmative.

The Chairman said, our next regularly scheduled meeting will be held on **Monday, March 20th at 10:00 a.m.**

Time of adjournment was 10:46 a.m.

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

George F. Dixon, Secretary-Treasurer