

MINUTES OF THE 523rd MEETING OF THE OHIO TURNPIKE COMMISSION

June 26, 2006

Pursuant to the bylaws, the Ohio Turnpike Commission met for a special meeting at the Commission's Administration Building at 10:20 a.m. on June 26, 2006, with members of the staff: Dan Castrigano, Chief Engineer; Noelle Tsevdos, General Counsel; James T. Steiner, CFO/Comptroller; Kathleen Weiss, Director of Contracts Administration; W. R. Fleischman, Assistant Chief Engineer; Tim Ujvari, Maintenance Engineer; Dave Miller, Internal Audit; Joseph Disantis, Right of Way Coordinator/Risk Management Coordinator; Heidi Jedel, Jennifer Diaz and Diane Pring.

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

Present: Mr. Balog, Mr. Regula, Mr. Dixon, Director Proctor and Mr. Kidston

Absent: Senator Armbruster and Representative Buehrer

Chairman: We have a number of guests here today, so I'd like everyone to introduce themselves as we customarily do: Eric Erickson, Fifth Third Bank; Bobby Everhart, URS; Ginnie Everhart; Mo Darwish, ODOT; Jacob Merriman, HNTB; Mike Burgess, URS; Pauline Dill; Frank Lamb, Huntington Bank; Mark Fisher, A. G. Edwards; John Petty, National City Investments; Stephen Szanto; Rhonda Hall, Ciuni & Panichi; Lynn Basconi, Ciuni & Panichi; John Conner, Key Bank; Dave Sabol, PSI; Floyd Jeffries, Ohio Operating Engineers; Lt. Monte Morgan, OSHP; Glen Stephens, Glen Stephens, Inc.; Lt. Colonel Finamore,

OSHP; Captain Roger Hannay, OSHP; Captain Dicken, OSHP; and S./Lt. Rob Jackson, OSHP.

Chairman: This is the 523rd meeting of the Ohio Turnpike Commission, and we are meeting here in the Commission's Headquarters as provided for in the Commission's Code of Bylaws for a special meeting. Various reports will be received, and we will act on several resolutions, draft copies of which have been previously sent to Members and updated drafts are also in the Members' folders. The resolutions will be explained during the appropriate reports.

Chairman: Could I have a motion to adopt the minutes of the April 25, 2006 Commission Meeting?

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

Chairman: We'll proceed with the report of the Secretary-Treasurer, Commissioner Dixon.

Secretary-Treasurer: The following items have been sent to the Members since the last scheduled meeting of the Commission on April 25, 2006:

1. Minutes of the April 25, 2006 Commission Meeting
2. Traffic & Revenue Report, April and May, 2006
3. Total Revenue by Month and Year, April and May, 2006
4. Investment Report, April and May, 2006
5. Financial Statements, April and May, 2006
6. Traffic Crash Summary, April and May, 2006
7. Various News Releases

Chairman: The Executive Director can now give his report.

Executive Director: I have two Resolutions and two notes that I want to indicate: (1) the Legislative Oversight Committee Meeting will be held on the 11th of July at 11:00 a.m. in the Youngstown area; and (2) my Administrative Assistant Diane Pring is retiring on Friday, June 30, 2006, with 27 years of service at the Ohio Turnpike Commission, so today will be her last meeting. Taking her place will be Heidi Jedel and Jennifer Diaz is sitting in to be a back up in case for some reason Heidi cannot make one of the meetings. That concludes the two items I wanted to talk about. I have two resolutions for the Commission.

The first Resolution authorizes the Executive Director to implement temporary flat toll rates in the event of an emergency. I think I have indicated to many of the members that Governor Taft has asked every agency to prepare a contingency plan in the event of an Avian Flu Epidemic that may come to the country. We are hoping it doesn't, but we have to have a plan in place. I am one of those people who believes that if forty percent of our workers can't work, we probably won't have forty percent of the traffic either, but in the event that happens, we will use our normal procedures to have part-timers fill in, have full-timers on overtime, and have other staff fill-in to collect tolls. If for some reason all of that doesn't work and we still need to collect tolls and keep the road running, we thought it would be a good idea to implement the flat rate toll system, similar to what we did in anticipation of a labor dispute about a year or so ago. So, this simply would allow me to implement flat rate tolls in the event that the Governor or the President declares one of those emergencies. I couldn't do it of

just my own choosing, I would have to do it under those emergency circumstances. I do not know if I would ever use this, but I need your authority to have that permission.

Would General Counsel, please read the Resolved?

General Counsel read the Resolved as follows:

RESOLVED, that the Commission hereby authorizes the executive director to issue public notice and hold a public meeting in accordance with the provisions of Ohio Revised Code Section 5537.26(D) regarding its intention to implement a flat toll rate as outlined in the attached proposal in the event an emergency is declared under Ohio Revised Code Section 5502.24 and the implementation of such flat toll rate is necessary to keep the Turnpike System open and operational; and

FURTHER RESOLVED, that the executive director shall prepare a report to the Commission after issuing public notice and holding the public meeting required by law.

Chairman: Is there a motion to adopt?

Commissioner Dixon moved and Commissioner Regula seconded.

Chairman: Are there any questions or a discussion on the motion?

Commissioner Dixon: My only question is whether we want to add a limit to that?

Executive Director: That would be the next resolution.

Chairman: Are there any further questions?

The "Resolution Authorizing the Executive Director to Implement Temporary Flat Toll Rate in the Event of an Emergency" was moved for adoption.

**Resolution Authorizing the Executive Director
To Implement Temporary Flat Toll Rate
in the Event of an Emergency**

WHEREAS, the Commission, by Resolution 38-1955, established a schedule of tolls and classifications of weight which was effective October 1, 1955, which is attached hereto and incorporated herein by reference; and

WHEREAS, the Commission by Resolutions 40-1956, 16-1981, 16-1995, 18-1995, 56-1995, 59-1995, and 40-2003 has adopted several different revisions in the schedules of toll rates which imposed changes in the schedules of toll rates then in effect; and

WHEREAS, the 1994 Master Trust Agreement, as amended and supplemented by fourteen supplemental trust agreements, allows the Commission to make a temporary change to the schedule of tolls that it deems to be necessary and proper, so long as the Comptroller/Chief Financial Officer certifies that the Commission will not fail to comply with the debt service requirements; and

WHEREAS, the Commission has been directed to a prepare a Continuity of Operations Plan pursuant to the Governor's Cabinet Advisory No. 06-235 in order to ensure the continuous provision of essential services by all State Departments, Boards and Commissions in the event an emergency is declared pursuant to the provisions of Ohio Revised Code Section 5502.24; and

WHEREAS, the Commission's staff have prepared a Continuity of Operations Plan that sets forth policies and procedures to be followed in the event an emergency is declared in order to ensure that the Turnpike System is open and operational, and in order to assure the safety and security of customers on the System; and

WHEREAS, the provisions of Ohio Revised Code Section 5537.26(D) permit the Commission to implement a temporary reduction in the schedule of tolls upon issuing a public notice and holding a public meeting regarding its intent to implement a temporary reduction in the toll rate schedule; and

WHEREAS, the executive director has advised the Commission that it may be necessary to implement a flat toll rate in the event of an emergency in order to keep the Turnpike open and operational as outlined in the attached proposal and only for such period of time as may be necessary to resume minimum staffing levels or until the next regular or special meeting of the Commission is held; and

WHEREAS, the Comptroller/Chief Financial Officer has reported that the proposed flat toll rates set forth in the attached proposal represents an overall aggregate decrease in the current toll rates for all classes of vehicles traveling on the Turnpike.

NOW, THEREFORE, BE IT

RESOLVED, that the Commission hereby authorizes the executive director to issue public notice and hold a public meeting in accordance with the provisions of Ohio Revised Code Section 5537.26(D) regarding its intention to implement a flat toll rate as outlined in the attached proposal in the event an emergency is declared under Ohio Revised Code Section 5502.24 and the implementation of such flat toll rate is necessary to keep the Turnpike System open and operational; and

FURTHER RESOLVED, that the executive director shall prepare a report to the Commission after issuing public notice and holding the public meeting required by law.

Ohio Turnpike Commission – Proposed Emergency Flat Rate Plan in the Event of an Emergency

A Continuity of Operations Plan has been developed that will ensure that the Ohio Turnpike remains open and operational in the event of an emergency. In the event of an emergency, the Commission is prepared to implement the following flat toll rates regardless of the distance traveled:

Passenger vehicles (Ready Toll/Charge Cards only)	\$.50
Passenger vehicles (cash)	\$1.00
Single unit trucks and buses	\$5.00
Tractor-trailers and LCV's	\$10.00

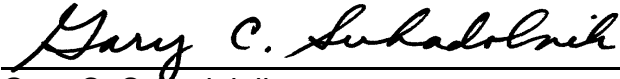
Charge account and Ready Toll customers may continue to use their cards, but will be charged according to the above rates. The detailed report that will accompany the charge account invoice or Ready Toll statement will not indicate the entry point or weight class of the vehicle, but will include the location, date and time of exit, along with the appropriate toll from the categories listed above. Although drivers may still use their charge cards, the Commission prefers that tolls be paid in cash to facilitate the movement of traffic.

If customers experience any difficulty entering or exiting the Turnpike system during an emergency, they should contact the Commission's administrative

offices at (440) 234-2081 for assistance, or the Ohio State Highway Patrol at (440) 234-2096 in the case of an emergency.

I, Gary C. Suhadolnik, Executive Director 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 June 26, 2006, at which a quorum was at all times present and voting.

WITNESS my hand and the seal of the Ohio Turnpike Commission on this 26th day of June, 2006.



Gary C. Suhadolnik
Executive Director

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as 20-2006.

Executive Director: I have a second resolution that is similar. In the case of an emergency, it would allow me to exceed the spending authority that I have in our Bylaws. It is my understanding that if we are in Avian Flu Epidemic situation the governor and/or the president, depending on whether it is nationwide or in certain states, would actually be discouraging public meetings or gatherings to prevent the spread of the flu. This resolution would allow us to continue business and forego having a Commission meeting, or there might be some emergency that would come up. I could envision that, if we have some kind of an epidemic, we might have to have all of our buildings somehow cleaned, or sterilized and that contract might exceed my spending authority. This resolution would allow me to, under those expenditures, keep the Turnpike running in consultation with either the Chairman of the Vice-Chairman, assuming

I could not get a hold of the Chairman or the Vice-Chairman. Commissioner Dixon had suggested that maybe you would want to limit the spending amount, and this resolution would leave it unlimited. Commissioner Dixon suggested that you might want to limit it to one million dollars. That would be fine too. We do have a resolution prepared to include that limitation if that is the wish and desire of the Commission. The Executive Director asked the General Counsel to read the Resolved.

General Counsel read the Resolved as follows:

RESOLVED, the Commission hereby authorizes the Executive Director, in the event an emergency is declared under the provisions of Ohio Revised Code Section 5502.24, to implement the Continuity of Operations Plan and to take such actions or implement such measures as he deems necessary, in consultation with the Chairman or Vice-Chairman, in order to ensure that the Turnpike System is open and operational, and to provide for the safety and security of customers using the Turnpike System; and

FURTHER RESOLVED, the Executive Director shall prepare a report to the Commission at the next regular or special meeting regarding those actions or measures that were taken upon the declaration of the emergency in order to ensure that the Turnpike System was open and operational, and to provide for the safety and security of customers using the Turnpike System.

Chairman: Is there a motion to adopt?

Commissioner Regula moved and Commissioner Kidston seconded.

Chairman: Commissioner Dixon do you have any thoughts?

Commissioner Dixon: It is simple; I do not like blank checks. I just don't like carte blanche and I think a limitation of one million dollars would allow the Executive Director to do anything that any emergency would require. Quite

frankly, if I was the director and I was spending a large sum of money, I would make sure I got in touch with as many Commission Members as I could to cover myself. But it was just a number I arbitrarily threw out there. I just don't like blank checks; that's all. One million dollars gives him a lot of wiggle room.

Chairman: Are there any other comments from the Commission Members? You know he still has to go through the process outlined in the Ohio Revised Code and one million dollars gives him a tremendous amount of wiggle room with hopes that it would be considerably less. The Executive Director would do everything possible to not go over his limitation amount.

Commissioner Dixon: I would like to amend the resolution to put a limitation on the spending authority. What do you other Commissioner Members think?

Commissioner Regula: I would not have a problem with that.

Executive Director: The General Counsel has prepared a modified resolution that places a limitation on the spending authority of one million dollars.

Chairman: Since we have this resolution before us, can we amend the one we have, or do we need to vote this one down and reintroduce the new one?

General Counsel: A motion to amend can be made to include the language in the amended resolution.

Chairman: Is the amendment language pretty clear?

General Counsel: There is a second paragraph in the Resolved paragraph of the amended resolution that qualifies the first paragraph of the original resolution.

Chairman: Commissioner Dixon, I think it would be appropriate if you make the amendment to add the recommended language in the original resolution in the Further Resolved.

Commissioner Dixon: I would like to make a motion to amend the original resolution to include the following additional language in the Resolved clause, Section 5502.24, to limit the emergency expenditure amount of the Executive Director to one million dollars.

General Counsel: The citation is from the Ohio Revised Code. The Resolution can be amended to insert a second paragraph in between the first and last paragraph of the Resolved clause of the Resolution.

Chairman: Would the General Counsel read the Resolved?

FURTHER RESOLVED, that the executive director shall be authorized to enter into contracts, in consultation with the Chairman or Vice-Chairman, that require an expenditure in an amount not to exceed \$1,000,000.00 in value;

Commissioner Dixon: Mr. Chairman, I would like to amend the resolution as stated by the General Counsel.

Chairman: We have a motion made to amend the resolution to include the language that was stated by the General Counsel. We need a second. Commissioner Regula seconded.

Chairman: Are there any more questions? If not, please call the roll. The resolution is now amended and are there any further discussions on the Resolution itself as amended? If not, please call the roll on the amendment.

The amended "Resolution Approving the Implementation of Continuity of Operations Plan in the Event of an Emergency" was moved for adoption.

**Resolution Approving the Implementation of
Continuity of Operations Plan in the
Event of an Emergency**

WHEREAS, the Commission has been directed to prepare a Continuity of Operations Plan pursuant to the Governor's Cabinet Advisory No. 06-235 in order to ensure the continuous provision of essential services by all State Departments, Boards and Commissions in the event an emergency is declared pursuant to the provisions of Ohio Revised Code Section 5502.24; and

WHEREAS, the Commission's staff have prepared a Continuity of Operations Plan that sets forth policies and procedures to be followed in the event an emergency is declared in order to ensure that the Turnpike System is open and operational, and to provide for the safety and security of customers using the Turnpike System; and

WHEREAS, the Commission's Bylaws dated March 17, 2003 provide that the Executive Director is the chief operating administrative officer of the Commission with general control of and responsibility for the construction, operation, maintenance and improvement of projects undertaken by the Commission and has supervisory control over all employees of the Commission; and

WHEREAS, in the event an emergency is declared by the Governor or other Chief Executive pursuant to the provisions of Ohio Revised Code Section 5502.24, it may be necessary for the Executive Director to take such steps or implement such actions that he deems necessary beyond the authority provided to him under Article V, Section 1 of the bylaws dated March 17, 2003, in consultation with the Chairman or Vice Chairman, in order to ensure that the Turnpike System is open and operational, and to provide for the safety and security of customers using the Turnpike System; and

NOW, THEREFORE, BE IT


RESOLVED, the Commission hereby authorizes the Executive Director, in the event an emergency is declared under the provisions of Ohio Revised Code Section 5502.24, to implement the Continuity of Operations Plan and to take such actions or implement such measures as he deems necessary, in consultation with the Chairman or Vice-Chairman, in order to ensure that the Turnpike System is open and operational, and to provide for the safety and security of customers using the Turnpike System; and

FURTHER RESOLVED, that the executive director shall be authorized to enter into contracts, in consultation with the Chairman or Vice-Chairman, that require an expenditure in an amount not to exceed \$1,000,000.00 in value; and,

FURTHER RESOLVED, the Executive Director shall prepare a report to the Commission at the next regular or special meeting regarding those actions or measures that were taken upon the declaration of the emergency in order to ensure that the Turnpike System was open and operational, and to provide for the safety and security of customers using the Turnpike System.

I, Gary C. Suhadolnik, Executive Director 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 June 26, 2006, at which a quorum was at all times present and voting.

WITNESS my hand and the seal of the Ohio Turnpike Commission on this 26th day of June, 2006.



Gary C. Suhadolnik
Executive Director

The amended resolution was adopted with all Members voting in the affirmative. The resolution was identified as 21-2006.

Chairman: We will next go to the Chief Engineer, I believe the first item you have is with the State Highway Patrol and they are not here yet.

Mr. Castrigano: I believe they have arrived so we will stick to the original schedule. I have seven resolutions for your consideration this morning. The first is the resolution authorizing the Implementation of and Administration Maintenance of the Multi-Agency Radio Communications ("MARCS") Systems for use by District 10 of the Ohio State Highway Patrol. As you are aware, we have some representatives from the OSHP: Lt. Colonel Finamore, Captain Dicken, S./Lt. Jackson and Captain Hannay, who have a presentation for us this morning

and I will turn it over to them. After that, we'll have a resolution for your consideration.

Chairman: Are going to explain the resolution?

Mr. Castrigano: They are going to give an overview of the MARCS System and then we will present the resolution.

Lt. Colonel Mike Finamore (OSHP): Thank you for the opportunity, we know you have a busy schedule this morning, so we will attempt to be brief. In the 10 minutes, from my understanding that we are allowed, we would like to have S./Lt. Rob Jackson give a brief overview of the status of the MARCS Radio System and the benefits we think it brings to the Turnpike. We'll also have Captain Hannay discuss some of the critical incidents and needs that we feel are very critical in implementing the MARCS System. We will then discuss the funding options and some of the costs associated with that, and then we will take any questions you may have.

S./Lt. Jackson: I work for the Division Office of Technology and Education Services. We have prepared a PowerPoint to give you some of the highlights to explain the MARCS Systems and its current state. Right now, MARCS is the system that is used by the state agencies you see on the screen. Obviously, the Bureau of Criminal Investigation Identification, OSHP, Ohio Department of Natural Resources, EMA and other departments. The main users on a day-to-day basis with public safety in mind are the Department of Natural Resources and the OSHP. One of the things that MARCS allows us to do in our day-to-day operations is it allows us interoperability. As you see the Sheriff

emblem, every Sheriff in the state, all 88 Sheriffs, have a MARCS base station radio in their communication center and that allows statewide public safety agencies to have interoperability with those departments in direct communication. Also, with some common top groups on the 800 MHz system we have interoperability with federal law enforcement agencies that work within the state and in some cases where the counties have come onto the system. Like Union County, we have direct communication with EMS, Fire and other law enforcement personnel that can respond to scenes. A map is shown regarding the current usage throughout the state. Voice and data are live across the state and we have highlighted the Turnpike where it is not currently in use. Certainly what we are proposing is, that if that turns green, everyone can communicate with people to support back and forth. Turnpike usage benefits the infrastructures that are already in place. All of the towers are up and operational and the central computer equipment is at the State Computer Center. Tower tests have already been completed and there is a 97.5%, or better, coverage in every county. The counties that the Turnpike traverses already has the coverage tests done and the towers are up and the infrastructure is already in place. The only thing missing are the cabs and radios on the Turnpike to use the system. Statewide communication provides clear voice communication with the OSHP Communication Center in Columbus and other resources statewide and by instituting MARCS, it will provide the ability for another highway patrol post to continue communications with Turnpike Troopers in the event that Berea fails, or has to be evacuated for any type of a disaster. Another post along the Turnpike

can sign on the MARCS System and communicate with Troopers working on the Turnpike. It is an 800 MHz digital trunked radio system, which basically is different from a conventional radio system. In a conventional system, the frequencies are loaded on the tower and you have to be in a geographic area where you can reach the tower using the radio frequencies. Once you get too far away, you can't talk to anybody. The Turnpike has a system, which is great for the expanse of the Turnpike where they have eight power sites that operate as high-band repeaters. They are connected to Berea with microwave fiber optics and that allows our post to communicate clearly along the Turnpike. However, once our people leave the Turnpike or people who are coming to support something on the Turnpike, if they are so far away geographically, they cannot communicate necessarily on that system. With the MARCS System, the frequencies are controlled by a computer and all the towers across the state. It does not matter what frequencies are loaded on there because there is a control frequency and if you have a MARCS radio and you push your key to talk, the closet MARCS tower recognizes that and assigns your talk group a frequency that is available, no matter what frequency that is. So, the computer acts as a controller to the pool of frequencies. Computer related dispatch comes along with MARCS. This allows us to communicate with data and voice and also accurately tracks where people are, who is the closest to an event and how we can communicate. The patrol cars have mobile computer terminals in them where our officers can receive important officer safety data such as LEADS, returns and other information that can come directly into the car rather than

waiting for a dispatcher to relay the information. Also, there is an automatic vehicle location which tells our dispatchers who the closest units are to an incident as it is unfolding. Added communication functions, both across the mobile computer terminal and with voice, increases officer safety and provides back-up communications with off-Turnpike posts, if needed. Basically, it comes down to this, OSHP posts off the Turnpike can respond for back-up and emergency response on the Turnpike and can have communication with officers here on the Turnpike and vice versa. If Sheriff officers have to respond for back-up or emergency response, in most cases, dispatch fire and EMS, could have direct communications with officers here and there is an integrated law enforcement emergency network for contact with most area police departments that could be responding to assist. The time involved to complete this and turn it on would mean that the MARCS project office and Motorola would have to configure Zone Controller 2 and the Turnpike sits in Zone 2. The state is divided into four zones for the computer equipment. From the State Computer Center, they have to install consoles, interface electronics and T-1s. Also, we have to order and receive equipment from Motorola. Approximate time to complete that is four to six months and then, once the equipment is in, we have to install, set it up and put in the MCTS and install the radios in the cabs and the facilities. Another approximate time to completion is another four to six months, but the plan is if we have efforts running concurrently, possibly six to eight months total installation time. If there are external variables, whether something is on backorder, or we have problems getting the equipment in, we are looking at an 8-

12 month worse case scenario to have that active. With that, I would like to turn it over to Captain Roger Hannay to talk about some critical needs.

Captain Hannay: First off, interoperability is our key concern, as is officer safety. A couple key points here about the pandemic flu, if this would become a reality here in the United States, particularly in Ohio, we are looking at a 25-40% reduction in workforce. Right now, that is 25-40 Troopers that would not be available to work the Ohio Turnpike. Because of our current system, I could not invite or ask Troopers from rural districts to service the Ohio Turnpike because we have no communication with them, MARCS would take care of this for us. We would very well be able to work rural district as well as those Troopers coming and working the Ohio Turnpike. Another concern is the medication needs that may exist under a pandemic flu. There is going to be a drop off of medication at strategic locations throughout the state and it will be the OSHP's mission to get that medication to the hospitals throughout the state. We are aware that Toledo, Youngstown, Akron, Cleveland can be those drop sites and our Troopers would be charged with getting the medication and delivering them to the hospitals to service the communities. Under the Homeland Security issues are orders and right now under our current system, we have limitations regarding our communications. With MARCS, I can communicate directly and immediately with our central office if we have homeland security issues at one of our borders, east or west. With the 17 arrests that occurred within the last two weeks in Toronto, Canada with connections to Ohio, this could very well be a real threat to the state of Ohio. A couple of key events that have happened recently;

in September 2005, when I was a Staff Lt. in District 4, we had a burglary take place in Mahoning County that ended up with the Township Police Department in pursuit on the Ohio Turnpike. They drove 10 miles in the wrong direction on the Ohio Turnpike, westbound and they ended up with Turnpike units involved, Troopers from Portage County, rural district, I was involved and County Sheriffs were involved. When this ended up in a traffic crash at the service plaza out in Portage County, my problem was trying to set-up a perimeter with multiple agencies with a MARCS radio in my hand sitting in a Turnpike car, working with LEARN, trying to talk to a pilot, MARCS eliminates this. I could have had one radio, the communication would have been bridged and with the touch of a button, I would have had five agencies listening to what I was saying to try and coordinate this. The second incident occurred approximately three to four weeks ago in Fulton County. The Fulton County Sheriff responded to a domestic violence call, a woman had been stabbed with a pitchfork in the abdominal area by her husband. Our Troopers, along with the Toledo post Troopers, responded to back-up the Deputy. When the Deputy arrived, the victim told him that her husband had their two children in the house and was threatening to kill them. The Deputy responded immediately without back up, he took two rounds; he was shot in the shoulder and in the chest. Unbeknownst to the Troopers from the Turnpike responding, because we did not have direct communication with our Toledo counterparts, our Troopers could have very well been involved in a shoot-out with this suspect. He ended up taking his own life and killing his two children.

These are some of the critical needs that MARCS would eliminate with real time communication. With this, I will turn the program over to Captain Dave Dicken.

Captain Dicken: I am with the OSHP's Office of Finance and Logistic Services. As we look at the various posts involved within District 10, I have broken down the equipment and the costs as well as the user fees. I will run through this very quickly. If we look at Post 89, these are the types of equipment we will need, it will be unique to every post. We have radios for the vehicles, we have portable radios for our officers, and we have a product called VRM (Vehicular Repeater Modem). We have repeaters themselves for the cars; we have GPS, which is global positioning, and a MCT, which is a mobile computer terminal, and one base station at each of the posts. These are the costs for this type of equipment for Swanton Post 89, which will be \$474,000.00. MARCS sets annual user fees from the Department of Administrative Services OIT Section and they are established. Right now for a portable radio it is \$230.00, the mobiles are \$230.00 and the MCTs are \$4,100.00 and so forth. User fees in total for one post, or this particular post, are based on the number of components, officers and vehicles is \$102,000.00 approximately. These figures are for the Milan Post at roughly \$504,000.00. User fees of about \$110,000.00 and the Hiram Post are identical because of the composition of the officers there. Berea is a little different; we have a lot less vehicles. The cost of the equipment would be \$227,000.00. User fees are roughly \$57,000.00. We have to have spare equipment, we need products on the shelf in case there is a component part that breaks down, we need to be prepared to repair the vehicle and get it back into

service quickly. So, we have a set formula for spare parts. Total costs for the first years would be approximately \$1.9 million for implementation and user fees paid to DAS would be about \$418,000.00. We have been fairly successful in the Division of Patrol to obtain some grants and other financing to assist us. We have spent over \$50 million of our money with the build-out of the infrastructure, as well as equipping our officers and posts and control costs with various equipment. We have been looking on your behalf to whether we could obtain some grants over the next several years. Homeland Security dollars appear to be receding a bit, we continue to look into that to see what we can do. We recently found out that we are now eligible to apply for federal fiscal year '06 money on your behalf, so we will be doing so. At this time, I will turn it back over to Colonel Finamore and we can field any questions you may have.

Lt. Colonel Finamore: I know that is a thumbnail sketch of both capabilities and critical needs on the Turnpike and how the Turnpike interrelates with the remainder of the state. I think the one map that Captain Hannay showed up there that the whole state is built out, it really is. As you can see the number of users in those counties and whether you have the OSHP, prisons, hospitals, county sheriffs, we have probably just one instance of where we had to have Troopers come up and assist the Turnpike and probably one instance when the Turnpike units had to come down and assist the counties bordering it. Again, with the Homeland Security needs, we just had a tremor the other day involving one of the power plants. Again, Troopers off of the Turnpike can be called to assist in those general areas. As we stand right now, today, you can see that red

line is the only island left in the state of Ohio and it is very critical that we complete that island from a risk management standpoint. Back in August of 2002, as we attempted to communicate with the Massillon Police Department on a shooting incident and trying to relay information, we had a 27 second gap with our trooper and having to relay that critical information through a dispatcher instead of going car to car. That 27 seconds cost Officer Eric Taylor his life. Those are types of situations in today's society in 2006, as risk managers, we strongly feel that we need to fill this gap. We are also very committed, as Captain Dicken said; we are strongly searching for grant money to help defer the costs. The Ohio Turnpike Commission cannot legally apply for Homeland Security dollars, but we are willing to apply under the name of the Ohio State Highway Patrol. I have been in contact with Director Morckel as late as last week. We are putting a submission in by July 14th for \$1.29 million of this particular project. He thinks he can get us in the area of \$400,000.000 to \$500,000.00 of Homeland Security money. How we roll this out, whether we do it by one post or by quarter, we can do it one post at a time as they said, it is an 8-12 month process. We are very much hoping that between now and the end of that process that we can at least possibly land \$400,000.00 to \$500,000.00 to defer the Turnpike's costs and bringing the total cost down to \$1.2-\$1.4 million. We are committed to do our part, but we also recognize the need is here now to join the Turnpike officers with the rest of the state. With that, I thank you for your time and open it up for any questions.

Commissioner Regula: If we go ahead and approve the \$2 million and you go ahead and apply for the \$400,000.00, do they have the funding in place?

Lt. Colonel Finamore: Absolutely not.

Commissioner Regula: So it will have no bearing.

Lt. Colonel Finamore: Absolutely not, we will do everything we can and again, we are really hoping that we can land money. The opportunity I know of is Director Morckel, who is very committed to interoperability every time he has an opportunity. There are a lot of local counties that have not been able to use their Homeland Security money for one reason or another and he has occasionally given us \$200,000.00, \$300,000.00, or \$400,000.00 when that money becomes available. He is committed to applying that to the MARCS System on the Turnpike. Again, recognizing the need to complete the interoperability in the state of Ohio and the only piece left is the Turnpike. Given BSSA money, there is going to be 11 regional bands around the state, again this solves the interoperability problem. OSHP is committed to solving the data link that the Troopers will be hooked to the OLLEISN (Ohio Law Enforcement Information System Network), which is law enforcement gateway through Attorney General Petro's Office, so everyone is committed to fill this gap.

Commissioner Regula: I know Stark County just got \$8,000,000.00 through Homeland Security to update their system down there. Did all the local counties have to apply for these monies individually, or how did that work? I am surprised that the whole state has this system.

Colonel Finamore: The success Congressman Regula is what got Stark County that particular funding.

Commissioner Regula: How did the other counties come on board funding wise?

Lt. Colonel Finamore: Through their operating funding. I also can tell you this, the user fees as a user, we are not happy with them as well. We are the biggest user in the state, on the MARCS System; we are working strongly with the MARCS steering committee and the MARCS office to bring those costs down. Like cell phones, the more agencies that come on, the more users, and the end user costs-per-unit will come down. So, that is also work in progress, we would like to diminish those and get those down as quickly as we can as more users come on the system.

Commissioner Regula: Does this system have some type of warranty per se of three years, something similar to what the county system has?

Lt. Colonel Finamore: It is warranted, I am not sure on the parts. A representative from OSHP relayed that it is one-year on the parts. We will talk to Mr. Castrigano about some other benefits. I know the contract we have now to service the equipment; we would not have to lean on that contract for a year because the equipment would be brand new. So, there would be some trade-offs and we would be able to defer some of those costs because we would not be spending money elsewhere.

Commissioner Regula: We as the Turnpike would own the equipment?

Lt. Colonel Finamore: You would own the equipment except for anything that we bought under the grant. If we bought it under the grant, then it would have to remain in our inventory.

Commissioner Regula: Right, because you are applying for the grant.

Lt. Colonel Finamore: But it would be used exclusively on the Turnpike and we would be very amenable to looking at a Memorandum of Understanding (“MOU”) if someone is uncomfortable with that. That would be in writing, that the life of the equipment would be used for the Turnpike. We can entertain that if that is a problem.

Commissioner Kidston: I am having a hard time with the \$400,000.00 in user fees; look at our total accident rate on the Turnpike. We count every accident, a fender bender or anything.

Lt. Colonel Finamore: Being the biggest user in the state, we do not like the fees either. How they arrived at this, Captain correct me if I am wrong, it is costing the state of Ohio \$11.2 million to run the MARCS Systems and they have had a finance committee to look at it to see if they can try and get the costs down to the most efficient that we can. Basically, it is simple math. They have taken all the pieces and parts, generally the costs of maintaining those parts, like the data equipment, it is simple math and that is where the user fees, \$11.2 million, comes from. The more people we get on the denominator and numerator and all those mathematical figures should bring the costs per unit down as the counties and cities join the system.

Commissioner Kidston: How confident are you that those user fees are going to go down from \$400,000.00, rather than up?

Lt. Colonel Finamore: That is unknown. I guess it is no different than do we know if they are going to reduce our cell phone bill next month, or increase it? I am sure there are times when Verizon is going to make investments and they can't bring the costs down and times when they can. I imagine that the MARCS office is in the same situation.

Commissioner Kidston: But if they are going to go down through more agencies using it and we are being told here today that we are the last one in the state and that everyone else is using it, correct?

Lt. Colonel Finamore: The state agencies and the counties, yes, it is totally up and running, the 201 towers are in place and anyone can log onto it right now. We just completed our District 9 down in the rougher, hillier parts of the state. That has been the most problematic with towers and that was the last section to get turned on.

Commissioner Kidston: What is the drawback of not incorporating it into every single car?

Lt. Colonel Finamore: The lack of interoperability. We cannot pick and choose which cars are going to be needed in a crisis. We cannot pick and choose what car is going to get off the Turnpike and get involved in a situation.

Commissioner Kidston: What would happen if there is a situation and we had a car that was not equipped? How would they go about that, let's say

five cars at Swanton were equipped and the remaining ones were not and one of the unequipped cars were needed, what process would we have to go through?

Lt. Colonel Finamore: Just relaying the information through Berea and trying to get a hold of the person on the scene that could give updated information and relay it back through multiple voices, repeating the message multiple times, which is the problem right now, just as the Captain said on this last situation. Turnpike units were then going off and they are not even privy to what situation they are going into, which is exactly what happened in Stark County. Our officer saw a gun and by the time that we went through that series of phone calls and relays to get that information to Officer Taylor, he was killed in that 27 seconds because he did not know that the man had the gun that he had and it took 27 seconds to fill that gap and it cost a life.

Commissioner Kidston: Then I would spend the \$400,000.00 in a minute if you could assure me that no officer would get killed, but that is not possible.

Lt. Colonel Finamore: We do our best to minimize that, but we also know that we are in a high-risk business.

Director Proctor: I would speak in favor of this. I know that it is an expensive proposition, but more than a decade ago, the state decided to invest in the MARCS System and the reason it is expensive is because I don't know how many jurisdictions are in Ohio, but there are hundreds, and because they do operate on different systems, there has not been the ability to communicate and the MARCS System built 201 towers across the state to link those together. I

think during the Lucasville prison riot, there was evidence of a lack of ability to call out reinforcements and assistance. I think the events of the power outage in August 2004, all phone lines were out, all cell phone lines were jammed up because everyone was talking. Had it not been for the back-up radio system, there was very little communication because the phone lines were jammed. God forbid, we had something like 9/11 again, this would be the one means you can't count on phones or cell phones then, MARCS does tie all that together. So, if the Turnpike needs assistance from far away, they can get it and if we need to supply assistance to others, we can. I know it is expensive, but that is because of the unique interoperability of the network and having our own towers to rely on. I think the robustness of it is what leads to the operating costs, but at the same time that gives you the reliability in case there is ever an emergency.

Commissioner Regula: This system will work if we went totally black in the state of Ohio, would it still continue to function? Is there generator back up?

Lt. Colonel Finamore: That is correct. There are redundancies that are built into the system.

Chairman Balog: I certainly agree with Director Proctor. You talk about Homeland Security and the potential of violence. I think that we need to go along with the remainder of the state. Candidly, I believe we will probably not be a beneficiary, we will probably end up assisting jurisdictions off of the Turnpike, but I still think that because of that, it is still important. I see in our initial resolution it talks about \$418,000.00 as the annual expense to maintain and \$1.9 million costs versus the \$879,000.00, but I see on the last page that it talks about

personnel requirements that they will need additional people and there is a figure of \$119,500.00 and that is out of the OSHP budget.

Mr. Castrigano: No, I have spoken with Captain Dicken on this, we are not approving the additional funds for the additional technicians. We are going to get this thing up and running and see if they are required or not. If they are required, they will just be amended onto our existing operating contract with the Patrol. We are only authorizing the user fees, not the additional personnel. If I may, can I run through the logistics of the resolution if there are no further questions for the Patrol?

Commissioner Dixon: I want to be clear on something, I have a minimal exposure on Federal grants, are you sure you can apply for money and give it to us? I have never heard of that before. I don't think you can do it.

Captain Dicken: We have recently amended the Master Contract with the Patrol and the Ohio Turnpike Commission, we did this about six to eight months ago, it was better business for you that any capital expenditure of \$1,000.00 or more, the Ohio Turnpike Commission would make that purchase for our equipment needs, whatever that may be. We are doing the same thing on our end with the grants. The grant is nothing more than a contract between the Department of Public Safety, The Division of State Highway Patrol, the granting agency, and Colonel Finamore alluded to this a few minutes ago. If we get a grant for \$300,000.00 to purchase all the portable radios, those radios would remain in our inventory, in our asset management system, and they will be our

property and we will fulfill the requirements of the contract agreement with the grant. That is very proper sir.

Commissioner Dixon: So that is a little different than what we said earlier?

Lt. Colonel Finamore: Maybe I confused the point sir, if I said on your behalf, I did not mean we would secure money from Washington and give it to you, we would act as the agent with those monies and we would purchase the products to augment this program. Generally, what we do now when we buy equipment, we work with Mr. Castrigano's office and then we bill the Turnpike for the equipment that we purchased. In this case, we would just purchase the equipment and not bill you, if we got \$300,000.00 worth; that would be \$300,000.00 that you would not have to use either capital or operating resources for. So, we would just diminish that \$1.8 million as much as we can. Now again, it has to stay in our inventory, but again, if that is a problem, we would be more than willing to sit down and work out an MOU stating that we are going to ensure that those cars have radios and that those grant radios would be used on the Turnpike, during the life of the radio.

Commissioner Dixon: I think we have to do this, but I just wanted to be clear on exactly what is happening here.

Lt. Colonel Finamore: We have researched it over the last year or so and have been trying to get money to do this. We wanted to come to you and say we'd have money to do it, but we have not been able to land it. We think that

we can at least do partial and again Director Morckel is going to do whatever he can to get us at least \$450,000.00 to \$500,000.00.

Commissioner Dixon: How many officers do you have assigned to the Turnpike?

Lt. Colonel Finamore: You have 91 budgeted and that includes Captain Hannay and his administration. There are 91 uniform and 10 non-sworn professional staff. The logic is that we will let the system get up and running. We are under warranty for a year, as we have Transcore contracted to do all of this maintenance and if we think it's more efficient down the road to hire an electronic technician. One thing that this system is going to have that the current system does not have, is the MCT (mobile computer terminal), which needs a lot of network support/computer support. I am not sure if Transcore can handle that, so as we get out of warranty a year from now, it may be cheaper to hire the employee than to contract Transcore and we can mutually make that agreement and decision down the road.

Commissioner Dixon: Is there going to be any savings from our existing system, or do we need both these systems in place? Because if this covers everything, we can back off some of the money we are spending on our existing system. Is that a possibility, or do we need everything we have, plus this in place?

Mr. Castrigano: Probably 99.9% of our costs we will still be incurring. Our system is still going to be used for our personnel in toll maintenance and for DVS, however, as the Colonel just said, we may be able to cut back on our radio

maintenance contract with Transcore depending on how we end up with the final result with the maintenance of the equipment.

Commissioner Dixon: Will our ambulance services be tied into this? Like the Chairman said, we will be helping other communities, we won't be helping ourselves with this, but in the case that we may have a multi-car pile-up and we need assistance from other communities and ambulance, EMS, will our medical people have access to this?

Mr. Castrigano: Commissioner Dixon we are covered, but the local fire department, EMS, I assume, are already tied into the MARCS System. However, I do not believe that all of the private ambulance services are part of the MARCS System. I would think they are not.

Lt. Colonel Finamore: No, some may have systems that are compatible, so it just depends on what jurisdiction it would be going through, again the hospitals have them as well now.

Chairman: Are any questions.

Mr. Castrigano: I would like to introduce the Resolution. The Resolution contains two components; one for the initial cost of implementing the MARCS System, approximately \$1.9 million of that cost will be incurred over 8-12 months. As we have heard, should the OSHP receive any grants, that cost will be reduced. The majority of the \$1.9 million will come out of our capital budget as you have heard. Any piece of equipment in excess of \$1,000.00 is capitalized. However, this project was not on our preliminary budget in December. If you recall we had sufficient uncommitted funds and we still have to

account for this expense. It also contains provisions for \$418,000.00 for annual maintenance and administration costs. One thing that was not really mentioned throughout the presentation and one thing that I was greatly concerned with about the implementation of the system, is this system will in no way affect the communications from our field personnel, our toll personnel, maintenance personnel and our radio room from the Turnpike communication system to the individual patrol vehicles in the field and the patrol radio room. Patrol units will be maintaining the Turnpike radios in their units, so we maintain the cross-communications for that application. With that, will the General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

RESOLVED, that the Commission authorizes the executive director and director of contracts administration to amend the current agreement with the ODPS to provide for the purchase, implementation and maintenance of the MARCS Radio Network for OSHP District 10;

FURTHER RESOLVED, that the Commission hereby authorizes the executive director to procure the necessary equipment and components of the MARCS Radio Network for use by OSHP District 10 in the initial amount of approximately \$1,919,469.16, to pay the necessary annual costs to maintain and administer the system, and to take any and all action necessary and proper to carry out the terms of said agreement.

Chairman: Is there a motion to adopt?

Director Proctor moved and Commissioner Dixon seconded.

Chairman: Are there any questions or discussion on the motion, if not, please call the roll.

The "Resolution Authorizing the Executive Director to Procure, Implement and Maintain Components of MARCS Radio Network" was moved for adoption.

06/26/06

**Resolution Authorizing the Executive Director to Procure,
Implement and Maintain Components of MARCS Radio Network**

WHEREAS, the Ohio Turnpike Commission ("Commission") and the Director of the Department of Public Safety of the State of Ohio ("ODPS") are authorized by law to enter into contracts with respect to the policing of Turnpike projects by the Ohio State Highway Patrol District 10 ("OSHP"); and

WHEREAS, the Commission's current contract with ODPS dated September 1, 2004 as amended by a Letter of Understanding dated December 16, 2005, provides that the Commission will purchase supplies and equipment exceeding a value of one thousand dollars (\$1,000.00) per unit for use by OSHP in the course of policing the Ohio Turnpike; and

WHEREAS, the Commission has received a request from ODPS to purchase, implement and maintain the necessary components and equipment necessary to utilize the MARCS Radio Network in District 10 of the State Highway Patrol which is responsible for policing the Ohio Turnpike, which request is attached hereto; and

WHEREAS, the State Highway Patrol has reported that it is necessary for District 10 to implement and utilize the MARCS Radio Network in order to better ensure the safety of its personnel; and

WHEREAS, the executive director has reported that the Commission will need to expend an initial amount of approximately \$1,919,469.16 to procure the necessary equipment and components of the MARCS Radio Network, and thereafter, the Commission will pay annual maintenance and administration costs currently estimated at \$418,080.00 in order to administer and maintain the system as reflected in the attached proposal; and

WHEREAS, the director of contracts administration has advised that the current agreement with the OSHP does not provide for the Commission to pay for such expenses; and

WHEREAS, the Commission has duly considered such recommendations;

NOW, THEREFORE, BE IT

RESOLVED, that the Commission authorizes the executive director and director of contracts administration to amend the current agreement with the ODPS to provide for the purchase, implementation and maintenance of the MARCS Radio Network for OSHP District 10;

FURTHER RESOLVED, that the Commission hereby authorizes the executive director to procure the necessary equipment and components of the

MARCS Radio Network for use by OSHP District 10 in the initial amount of approximately \$1,919,469.16, to pay the necessary annual costs to maintain and administer the system, and to take any and all action necessary and proper to carry out the terms of said agreement.

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

The resolution was identified as 22-2006.

Mr. Castrigano: Lt. Colonel, if you have another obligation to attend this morning, you are free to leave or you can stay, however, you want to work it.

The second Resolution I have this morning is awarding Contract No. 48-06-01 for renovations of the west wing of the Administration Building here in Berea. This project was on the preliminary budget approved by the Commission in December 2005. The contract was put out to bid, based on the individual four trades and the bidders were also given the option to submit a single bid for the entire project. We received four bids in response to the contract. The lowest bid was submitted in the form of a combination bid by Blaze Building Corporation of Berea in the total amount \$1,554,000.00. The total amount is below the estimated costs and this bidder has performed work similar in this nature for the Commission in the past.

Would General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

RESOLVED that the combination bid of **Blaze Building Corporation** of Berea, Ohio in the amount of **\$1,554,000.00** for the performance of Contract No. 48-06-01 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 DLZ Ohio, Inc., of Cleveland, Ohio, to Contract 48-06-01 for the purpose of performing construction administration services, with such assignment in accordance with the engineering design services contract between the Ohio Turnpike Commission and DLZ Ohio, Inc. that is specific to this Project; and

FURTHER RESOLVED that Project No. 48-06-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chairman: Is there a motion to adopt?

Commissioner Dixon moved and Commissioner Kidston seconded.

Chairman: Are there any questions or discussion on the motion? If not, please call the roll.

Commissioner Dixon: Let's hope that Blaze Corporation does not live up to its name.

The "Resolution Awarding Contract No. 48-06-01" was moved for adoption.

Resolution Awarding Contract No. 48-06-01

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for renovations to the Ohio Turnpike (*Berea*) Administration Building, located at 682 Prospect Street, Berea, Ohio Milepost 159.4 in Cuyahoga County, Ohio, herein designated as **Contract No. 48-06-01**; and

WHEREAS, the subject Contract was divided into the four trades (general trades/sitework, HVAC/mechanical, plumbing/fire protection and electrical) and bidders were given the option to submit a single bid for one trade or a combination bid for all four trades; and

WHEREAS, the Commission has received bids from four (4) 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. 48-06-01 was submitted by **Blaze Building Corporation** of Berea, Ohio in the total amount of **\$1,554,000.00**, whose 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. 48-06-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Blaze Building Corporation for Contract No. 48-06-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312, 153.50 and 153.54, and that a performance bond with good and sufficient surety has been submitted by Blaze Building Corporation; 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. 48-06-01 to the lowest responsive and responsible bidder, Blaze Building Corporation, predicated upon such analyses; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the combination bid of **Blaze Building Corporation** of Berea, Ohio in the amount of **\$1,554,000.00** for the performance of Contract No. 48-06-01 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 DLZ Ohio, Inc., of Cleveland, Ohio, to Contract 48-06-01 for the purpose of performing construction administration services, with such assignment in accordance with the engineering design services contract between the Ohio Turnpike Commission and DLZ Ohio, Inc. that is specific to this Project; and

FURTHER RESOLVED that Project No. 48-06-01 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 23-2006.

Mr. Castrigano: The next resolution is a resolution awarding Contract No. 53-06-01. This contract pertains to the demolition of the Indian Meadows/Tiffin River Service Plazas and closure of the underground storage tanks systems in Williams County. The project also was on the budget approved by the Commission in 2005. We received bids from five bidders in response to this contract. The apparent low bid was submitted by Homrich, Inc. of Carlton, Michigan in the total amount of \$592,650.00. The total amount bid is below the estimate. The Commission has not had experience with this contractor in the past, however, our design engineer on this project, Hull & Associates, has worked with this contractor in the past and has provided a favorable recommendation. This resolution also included provisions to assign Hull & Associates of Toledo, Ohio to the project for purposes of performing construction administration and inspection services.

Would the General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

RESOLVED that the bid of **Homrich, Inc.** of Carleton, Michigan, in the amount of **\$592,650.00**, for the performance of **Contract No. 53-06-01** 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 Hull and Associates, Inc. of

Toledo, Ohio ("Hull") to Contract No. 53-06-01 for the purpose of performing construction administration and inspection services, with such assignment in accordance with the engineering design services contract between the Ohio Turnpike Commission and Hull that is specific to this Project; and

FURTHER RESOLVED that Contract No. 53-06-01 is designated a System Project under the Commission's 1994 Master Trust Agreement.

Chairman: Is there is a motion to adopt?

Commissioner Regula moved and Commissioner Kidston seconded.

Chairman: Are there any questions or discussion on the motion? If not, please call the roll.

Commissioner Kidston: Dan, if in fact, we choose to rebuild at this location, is all of this work still required?

Mr. Castrigano: That's correct, in our typical service plaza rehabilitation, rebuild project costs are typically involved with that project. Anything we do here would be required if we rebuilt on the same site.

Commissioner Dixon: You say we've never done any business with this company?

Mr. Castrigano: That is correct Commissioner Dixon.

Commissioner Dixon: They come in and underbid, by over \$100,000.00, four Ohio Companies.

Mr. Castrigano: That's correct Commissioner Dixon.

Mr. Castrigano: If you look at a Michigan map, I don't have one with me, but the second bidder was from Cleveland, Ohio and this work is being done in Williams County. I would venture to guess that the location of the bidder, Homrich, might be closer to the location than B&B Wrecking, who was the second bidder.

Commissioner Kidston: I can tell you that Gleason is the only Ohio company closer than Homrich.

Commissioner Dixon: Who is?

Commissioner Kidston: Gleason would be the only one closer to this jobsite than Homrich.

Chairman: Anything further Commissioner Dixon?

Commissioner Dixon: That's it.

Commissioner Regula: To tag on to Mr. Kidston's comments, I am assuming that those tanks do not have a more modern, what is the word I want to use, systems for monitoring contamination and stuff, so they would have to all be taken out and start over?

Mr. Castrigano: That's correct, these tanks were installed in 1980. That was one of the reasons that we accelerated the closure of this location because we were either going to have to upgrade the tanks at the cost of over one million dollars.

Commissioner Regula: It was the location of where the tanks were?

Mr. Castrigano: That's right.

The "Resolution Awarding Contract No. 53-06-01" was moved for adoption.

Resolution Awarding Contract No. 53-06-01

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Demolition and Underground Storage Tank ("UST") Closure of the Indian Meadow and Tiffin River Service Plazas, located at Milepost 20.8 in Williams County, Ohio, herein designated as **Contract No. 53-06-01**; and

WHEREAS, the Commission received bids from five (5) 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. 53-06-01 was submitted by **Homrich, Inc.** of Carleton, Michigan in the total amount of **\$592,650.00**, whose 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. 53-06-01 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Homrich, Inc. for Contract No. 53-06-01 conforms to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by Homrich, 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. 53-06-01 to the lowest responsive and responsible bidder, Homrich, Inc., predicated upon such analyses; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Homrich, Inc.** of Carleton, Michigan, in the amount of **\$592,650.00**, for the performance of **Contract No. 53-06-01** 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 Hull and Associates, Inc. of Toledo, Ohio ("Hull") to Contract No. 53-06-01 for the purpose of performing construction administration and inspection services, with such assignment in accordance with the engineering design services contract between the Ohio Turnpike Commission and Hull that is specific to this Project; and

FURTHER RESOLVED that Contract No. 53-06-01 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 24-2006.

Mr. Castrigano: The next resolution is a Resolution awarding Invitation 4040 for purchase of two tractor-trailers and four gooseneck trailers. This Contract was split into two groups. Group I is for furnishing two truck tractors of 58,000 pound vehicle rating and for furnishing four detachable gooseneck trailers and accepting four trailers in trade. The reason we are buying two tractors and four trailers under this contract is we currently have two truck tractors in inventory already and the two other trailers will be used with those existing tractors. We received three bids in response to Group I and four bids in response to Group II. The apparent low bidder in response to Group I, was submitted by Valley Sterling Trucks of Brookpark, Ohio in the total amount \$166,432.00. The total low bid in response in Group II, accounting for trade, was submitted by Southeastern Equipment Company of Brunswick, Ohio in the total net cost of \$138,812.00. This project was also on the preliminary budget that the Commission approved in December.

Would the General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

RESOLVED that the bids under Invitation No. 4040 of **Valley Sterling Trucks** of Brookpark, Ohio for Group I in the total amount of **\$166,432.00**, and of **Southeastern Equipment Co., Inc.**, of Brunswick, Ohio, for Group II in the total net bid amount of **\$138,812.00** are, and are by the Commission deemed to be the lowest responsive and responsible bids received and are accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a Contract with each successful bidder in the form heretofore prescribed

by the Commission pursuant to the aforesaid Invitation; (2) to direct the return to the bidders of their bid securities, when appropriate; and (3) to take any and all action necessary to properly carry out the terms of said Contracts.

Chairman: Is there a motion to adopt?

Commissioner Kidston moved and Commissioner Regula seconded.

Chairman: Are there any questions?

Commissioner Dixon: We had discussed the Ohio Cooperative Program. I have mentioned that program time and time again and we continue to get contracts. I'm assuming they are better than the program by ourselves than going through the program.

Mr. Castrigano: That is not the case just because we put a contract out for bid does not obligate us to award the contract. We received, reviewed and compared them with the state contract and these trucks were substantially below.

Maintenance Engineer (Tim Ujvari): The trailers were below DAS pricing.

Commissioner Dixon: I would like to see, if I may, the bids through the Ohio program for all of the equipment.

Chairman: Commissioner Dixon states that he has some trouble with this, can we table this resolution until the next meeting?

Commissioner Dixon: I don't really want to hold this up, but I am more concerned of taking advantage and using it on a continuous basis and giving me lip service and saying your doing something. If you're comfortable with these prices, than we can move on. I just want to make sure we do it right.

Commissioner Regula: Along with Commissioner Dixon's concern, I would really like to see us get away from trading in used pieces of equipment and I have expressed this before in the past. I don't like this trade-in process. I'm not sure exactly how ODOT gets rid of their equipment and I think there are a lot of other avenues out there from a standpoint to possibly making this equipment available to other municipalities. Either putting it through E-Bay or a yearly auction of this stuff. I think there's too much possibility when we are trading equipment doing it this way for lack of competition for dealers to say this is what we're going to give them. I just don't like it. It's no different than taking your car someplace and trading it in. The trade-in process is where the moneymaking takes place. The other thought of this is, by taking away the hitch-type trailers any of our tandem trucks can pull those trailers if I'm not mistaken. We're taking away the possibility of using that trailer in a multiple task type situation and we're going through four trailers and four trucks that specifically are going to be hauling equipment. Now, I understand from the standpoint of the weight situation that in some cases we are going to be moving towards that, but I have to assume that the hitch-type trailers can handle 80% of our equipment. Now, tell me what we can't put on there.

Mr. Castrigano: These are not our only hitch-type trailers. This equipment is what we call our division assigned equipment and this will handle our large excavators, dozers, pavers and it will even pick up a truck if it breaks down on the road. We also have other hitch type trailers assigned to each section that will haul our equipment, so we are not losing any flexibility on what

we can haul. As a matter of fact, we're gaining it by trading in 20-ton trailers for 35-ton trailers. Now those trailers can haul any piece of equipment we have.

Commissioner Regula: I don't disagree; from the standpoint it's probably handier to do it this way. I'm thinking from the standpoint of us looking at what we're going to do in the future and our budget. Just like a farmer likes to have an additional John Deere tractor sitting around, I don't think this is the time to do this. Here again, I'd like to go about a different process on how to get rid of this equipment and I guess at this point I would be willing to vote no on this issue for the time being and take a closer look, and also, to look into Commissioner Dixon's concerns.

Mr. Castrigano: Just one more comment on the trade-in. I believe these are 12 or 13 year-old trailers and I believe the trade-in is almost 40% of the purchase price.

Commissioner Regula: Being that as it may, the two existing heavy trailers we have, we're trading them for what reason? Is it from the standpoint they can't haul heavy equipment, or because of their age?

Mr. Castrigano: Tim, I believe you had one trailer fail.

Maintenance Engineer: One trailer in Hiram failed with fatigue of the cross members and it is not operable right now. The cost of repairs exceeds the value of the trailer.

Commissioner Regula: And the other one?

Maintenance Engineer: The other one is still operable, but we are concerned about fatigue on that one also.

Commissioner Regula: From a fatigue standpoint, my family being in the trucking business, we've got trucks. I used to drive trailers that hauled bulk milk going over old country roads that are 25 years old. We rebuilt the chassis on it and it's cheaper than buying a whole new tanker. I guess maybe I'm being a little cautious. I think we have to look at being a little tighter with our money over all than what we have been in the past, in order to keep our toll structure approximately where it's at. That's my concern on the issue.

Commissioner Dixon: When we trade them in, we trade to the people we bought the new ones from, is that correct?

Mr. Castrigano: That's correct, we're just talking about the trailers.

Commissioner Dixon: I have to agree with Commissioner Regula on this. It's probably the worst-case scenario to trade-in to the same place you're buying from. Sometimes you have auctions and get rid of them and they have had great success with that process.

Commissioner Regula: Director Proctor, how do you go about getting rid of your equipment?

Director Proctor: We have an auction. The local government, by statute, gets first bid and what they don't buy then goes to the general public.

Commissioner Regula: You've come to the point that you think you get the best dollar returned?

Director Proctor: It may be set in statute as well.

Commissioner Dixon: That is my thinking, we deal with the feds and their guidelines and they give us strict guidelines to go by; how long,

amortization. We don't have to do a lot of thinking, they even tell us how long we have to keep the equipment and this is how much we can get for that equipment. It makes it easy for us. It's a little more loosey-goosey here because you don't have big brother looking over your shoulder. I understand that aspect also.

Commissioner Kidston: If one of the four trailers has failed and the other three are just because of the age, is there a standard evaluation process you go through with all equipment?

Mr. Castrigano: That's correct, the third and fourth trailers, we were changing those from pintle hitch, to fifth wheel and increasing the size.

Commissioner Dixon: Will it cause you great hardship if we don't pass this today, maybe table this today for further consideration, do you have a time table?

Mr. Castrigano: I don't know when the bids were open and when the next Commission meeting is and where this falls in line for the 60 days.

Director of Contracts Administration (Kathy Weiss): This bid opened in May and is only valid for 60 days. I believe the Commission has already decided to meet towards the end of July, so action needs to be taken today. The resolution can't be tabled, there needs to be some form of action.

Commissioner Dixon: There needs to be some action today.

Chairman: The bids were opened on May 2nd, so we are out of time at the end of this week. Could we not request an extension by the bidders?

Director of Contracts Administration: We can certainly attempt to make a quick call to the bidders however; the bidding documents specifically state that

the bids are valid for 60 days, so to get them all to agree would require some quick communication and I'm not sure we can get them all to agree on that.

Commissioner Dixon: I will criticize the process, but I don't want to hold up the process. We have people out there that did what we asked them to do, under those parameters. My suggestion to my fellow board Members is to pass this, but I think we sent the message clearly on what we expect and how we expect things to be done and pass this with the knowledge that we are going to be looking at this in the future and the next one we will hold up. I think today that would be the best course of action.

Commissioner Regula: I would agree with Commissioner Dixon if it had taken place this time, but these same objections we had the last go around with skids and we're back to the same process. From the standpoint of the dealers making bids on this, I don't think it's an elaborate process where we're going to affect our relationship with them. They just made a bid on the procedure. I think to make a point on the way the things are being done and to change the procedure; I would still be in agreement to reject the resolution.

Chairman: My suggestion is to make the motion to table it and see if Kathy can go back and ask the bidders to extend those for an additional 60-day period of time and then Dan can come back with the information Commissioner Dixon has requested.

Commissioner Kidston: We may be disappointed in the procedure, but then it has to be re-bid anyway, is that a correct statement?

Chairman: That's correct. We have two separate issues we're dealing with and one is the State Purchasing provision. I think they would be able to provide us with that, yes. The numbers are reasonable, or lower than the ones we received. Kathy, can we buy the equipment without accepting the trade-in?

Director of Contracts Administration: The concern there is that the pricing that was submitted by Southeastern Trailer, could have been affected by the trade-in offer and may affect the price they quoted for the trailers. I would like to have time to look at that.

Chairman: The bottom line is this isn't a bid where someone spent hours and hours on it like a third lane project costing \$35 million, they had probably a few hours in it.

Mr. Castrigano: I would like to make a suggestion here. Are we concerned with the trade-in on the trailers? These truck tractors, I think we agree with the need for the equipment, but not the trade-in method. I believe very shortly the truck production will go into the next year with the emissions on them and I believe that will be a significant increase in the cost. We may save some money by buying them now, if we don't, we may be kicked into the next model.

Maintenance Engineer: That is correct. The ultra low sulfur diesel that EPA is mandating has a cut-off date for this contract and, if we go beyond that, we will have to go to the new emissions regulation, with which we will encounter significant price increases.

Commissioner Regula: That's provided there are no trucks on the lots available to us. Specifically these two cabs have a 58,000 lb gross vehicle weight on them, but no bells and whistles.

Maintenance Engineer: That is correct; there is a stipulated gross vehicle weight rating.

Chairman: If we throw the trailers out of this equation and re-bid just the trailers then the cost is going to be different?

Mr. Castrigano: That's not correct, the tractors and trailers are two completely different contracts, they have no interaction at all. The delivery time for the tractors is much greater than the trailers, even though this is a fairly simple vehicle. They are not getting them off the lot. They are going to manufacture them. The trailers, on the other hand, delivery time on a trailer is much quicker. If you awarded the tractors, you could re-bid the trailers and still probably get the equipment at the same time.

Director of Contracts Administration: That's correct, you can award Group I and re-bid Group II.

Chairman: Any further comments?

Director Proctor: Not really, obviously there are some concerns here and I haven't been at meetings in a while, but I can understand their concerns. Does the Turnpike have an Equipment Management System; do we have a cost per mile, per hour for all the equipment? Has that been looked at and do we know all that information for this equipment?

Mr. Castrigano: Yes, but I don't have that information at this time.

Director Proctor: We could get some assurances then as to what the cost of the fleet is and how that may compare to industry standards.

Chairman: Is there a consensus of the Members? We have a resolution and the staff is recommending that we move forward due to the potential higher cost at a later date for these tractors and the timeline indicates if we purchase now, we could come back and purchase the trailers at a later date and still have the delivery date of both the units together. Commissioner Dixon's question was whether State Purchasing indicated cheaper rates for the tractors and/or trailers. We're mixed, darned if we do and darned if we don't.

Commissioner Kidston: I have learned some information here today that couldn't be put into the packets, but I agree totally with the concerns that David is registering and want the procedure to be changed from this point forward. Specifically changed so that we don't accept trade-ins on purchases, but under the circumstances we have one trailer broken down at the present time and the bids have been taken therefore, I would be in favor of this motion as it stands.

The "Resolution Awarding Contracts for the Purchase of Two (2) Truck Tractors and Four (4) Detachable Gooseneck Trailers under Invitation No. 4040" was moved for adoption.

**Resolution Awarding Contracts for the Purchase of
Two (2) Truck Tractors and Four (4) Detachable Gooseneck
Trailers under Invitation No. 4040**

WHEREAS, the Commission has advertised for bids for Invitation No. 4040 for the furnishing of two (2) truck tractors (58,000-lb. gross vehicle weight rating) *Group I*; and for the furnishing of four (4) detachable gooseneck trailers

(35-ton minimum) and accepting in-trade four (4) used Trail-Eze trailers *Group II*; and

WHEREAS, the expenditures of the Commission for the above-described truck tractors and detachable gooseneck trailers under Invitation No. 4040 will exceed \$150,000.00, and, 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, three (3) companies submitted bids in response to the Invitation under Group I, and four (4) companies submitted bids in response to Group II, and said bids have been reviewed and analyzed by the Commission's maintenance engineer, whose report concerning such analysis is before the Commission; and

WHEREAS, the maintenance engineer states that the lowest responsive and responsible bid for **Group I** was submitted by **Valley Sterling Trucks** of Brookpark, Ohio, in the total amount of \$166,432.00 for two (2) 2007 Sterling LT9513 Truck Tractors including two (2) full part manuals, and that the lowest responsive and responsible bid for **Group II** was submitted by **Southeastern Equipment Co., Inc.**, of Brunswick, Ohio, for four (4) 2006 Eager Beaver 35GSLPT detachable gooseneck trailers in the total net amount of \$138,812.00 (\$170,812.00 minus the quoted \$32,000.00 Group II trade-in allowance for four (4) Trail-Eze trailers), and these bidders propose to furnish equipment and services in accordance with the Commission's specifications; and

WHEREAS, the Commission has also been advised by the director of contracts administration that all bids for Invitation No. 4040 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Valley Sterling Trucks for Group I and Southeastern Equipment Co., Inc. for Group II conform to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by both bidders; and

WHEREAS, the executive director has reviewed the reports of the maintenance engineer and the director of contracts administration and has made his recommendations to the Commission that the Contracts be awarded to the lowest responsive and responsible bidders, Valley Sterling Trucks and Southeastern Equipment Co., Inc., predicated upon such analysis; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bids under Invitation No. 4040 of **Valley Sterling Trucks** of Brookpark, Ohio for Group I in the total amount of **\$166,432.00**, and of **Southeastern Equipment Co., Inc.**, of Brunswick, Ohio, for Group II in the total

net bid amount of **\$138,812.00** are, and are by the Commission deemed to be the lowest responsive and responsible bids received and are accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a Contract with each successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to direct the return to the bidders of their bid securities, when appropriate; and (3) to take any and all action necessary to properly carry out the terms of said Contracts.

The resolution was adopted with all Members voting in the affirmative, with the exception of Commissioner Regula who voted no. The resolution was identified as 25-2006.

Mr. Castrigano: The next Resolution is the extension of the contract for furnishing propane for heating purposes at nine of our locations across the Turnpike. On August 15, 2005, the Commission awarded a contract for furnishing propane to AmeriGas of Swanton, Ohio the subject contract contains provisions for options to extend for two additional one-year periods. The contractor AmeriGas has been satisfactorily performing in accordance with the contract and has agreed to the first of the two one-year contract extensions at the same pricing terms and conditions. The resolution also contains provisions that, should the contractor continue to perform satisfactorily, the Executive Director may award the second one-year extension at the same pricing terms and conditions.

Would the 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 an extension of Contract No. 4028 for the first of two (2) possible one-year extensions in the blanket amount of **\$190,000.00** with **AmeriGas** of Swanton, Ohio, pursuant to the same pricing, terms and conditions as those set forth in the original bidding documents for

Invitation No. 4028, and to take any and all action necessary to properly carry out the terms of said Contract extension; and

FURTHER RESOLVED that the Commission authorizes the executive director and director of contracts administration to execute the second possible one-year Contract extension if AmeriGas continues to perform satisfactorily and continues to honor the pricing quoted for Invitation No. 4028.

Chairman: Is there a motion to adopt?

Commissioner Dixon moved and Commissioner Kidston seconded.

The “Resolution Directing the Executive Director to Take Immediate Action Concerning Extension of Contract for the Furnishing and Propane-Liquefied Petroleum Gas Fuel” was moved for adoption.

**Resolution Directing the Executive Director to Take Immediate Action
Concerning Extension of Contract for the Furnishing and
Propane-Liquefied Petroleum Gas Fuel**

WHEREAS, on August 15, 2005, via Resolution No. 37-2005, the Commission awarded a Contract to **AmeriGas** of Swanton, Ohio in the total blanket amount of \$148,000.00 for the furnishing of propane-liquefied petroleum gas fuel for nine (9) locations under Invitation No. 4028; and

WHEREAS, the subject Contract award made to AmeriGas contains an option to extend the Contract for two (2) additional one-year periods; and

WHEREAS, the Commission’s maintenance engineer, in his memorandum dated May 22, 2006, has indicated that AmeriGas has satisfactorily performed in accordance with the Contract requirements, and he has recommended that the Commission exercise its option to extend the subject Contract for the first of its two (2) possible one-year extensions in the blanket amount of \$190,000.00, which amount accounts for current estimated usage and fuel price increases; and

WHEREAS, by letter dated June 14, 2006, AmeriGas has agreed to the first of two (2) one-year Contract extensions pursuant to the same pricing, terms and conditions; and

WHEREAS, pursuant to the Commission’s bylaws, additional purchases procured beyond ten percent (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 or would unduly delay the completion of [a] project;” and

WHEREAS, the director of contracts administration, in her report to the Commission, has indicated that she has reviewed the pertinent documents received and the actions taken by the Commission’s administrative staff with respect to the option to extend the subject Contract pursuant to the same pricing, terms and conditions as set forth in the original bidding documents, and has advised the Commission that it has full legal authority to enter into the proposed Contract extension with AmeriGas; 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 extend the subject Contract for the first of two (2) possible one-year extensions in the blanket amount of \$190,000.00, pursuant to the same pricing, terms and conditions set forth under Contract No. 4028; and

WHEREAS, the executive director further requests Commission approval to exercise the second one-year option to extend the Contract with AmeriGas next year if the vendor continues to perform satisfactorily and continues to honor the pricing quoted for Invitation No. 4028; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the executive director and director of contracts administration to execute an extension of Contract No. 4028 for the first of two (2) possible one-year extensions in the blanket amount of **\$190,000.00** with **AmeriGas** of Swanton, Ohio, pursuant to the same pricing, terms and conditions as those set forth in the original bidding documents for Invitation No. 4028, and to take any and all action necessary to properly carry out the terms of said Contract extension; and

FURTHER RESOLVED that the Commission authorizes the executive director and director of contracts administration to execute the second possible one-year Contract extension if AmeriGas continues to perform satisfactorily and continues to honor the pricing quoted for Invitation No. 4028.

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

The resolution was identified as 26-2006.

Mr. Castrigano: The next two Resolutions refer back to the same original contract. On July 19, 2004, the Commission passed Resolution 35-2004 for the award of contracts to Petroleum Traders Corporation for furnishing gasoline and BP Products for furnishing of diesel fuel. This is the second renewal period BP Products of North America has agreed to extend. The contractor is maintaining the originally priced differential based on the OPIS pricing weekly averages through March 1, 2007. They are agreeing to go to March 1, 2007 due to the implementation of the ultra low sulfur diesel fuel and reassess at that time and advise if they'll continue for the entire year. However, they are maintaining existing pricing and OPIS price differentials through this time period. This bidder has performed satisfactorily. The estimated quantities are 420,000 gallons of diesel fuel at an estimated price of \$1.5 million, which takes into consideration future price increases for the fuel.

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 **BP Products North America, Inc.** in the amount of **\$1,500,000.00** pursuant to the same pricing, terms and conditions as those set forth in the original bid documents for Invitation No. 3982, Groups III and IV, as modified to accommodate the volatility of diesel fuel pricing, and to take any and all action necessary to properly carry out the terms of said Contract extension.

Chairman: I think you said \$1,005,000.00 instead of \$1,500,000.00.

General Counsel: Yes, it should be \$1,500,000.00, that's a typo.

Chairman: Can I have a motion to adopt?

Commissioner Regula moved and Commissioner Dixon seconded.

The “Resolution Directing the Executive Director to Take Immediate Action Concerning Extension of Contract for the Purchase of Diesel Fuel for a One-Year Period” was moved for adoption.

**Resolution Directing the Executive Director to
Take Immediate Action Concerning Extension of
Contract for the Purchase of Diesel Fuel for a
One-Year Period**

WHEREAS, via 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 extend for two (2) additional one-year periods, the first of which was authorized pursuant to Resolution No. 27-2005, for both gasoline and diesel fuel; and

WHEREAS, only the diesel fuel provider, **BP Products North America, Inc. (“BP Products”)**, has agreed to maintain the originally quoted pricing differential as based on the Oil Price Information Service (“OPIS”) weekly average through March 1, 2007, and possibly for the entire one-year extension period; and

WHEREAS, the Commission’s maintenance engineer, in his memorandum dated June 8, 2006, indicated that he has been satisfied with the services and pricing from BP Products over the past year, and has recommended that the Commission exercise its option to extend the subject Contract; and

WHEREAS, the maintenance engineer has estimated the quantities of diesel fuel required for the next year at **420,000 gallons**, and, based on these quantities, has been able to estimate expenditures with BP Products in the amount of **\$1,500,000.00**, which estimates take into consideration the possibility of further price increases in the volatile diesel fuel market; and

WHEREAS, by letter dated June 14, 2006, the director of contracts administration advised BP Products of the Commission’s intention to exercise the option to extend the Contract for its second and final one-year term pursuant to

the same pricing, terms and conditions as those set forth in the original bid documents, with the exception that BP Products will notify the Commission not later than December 31, 2006 if it can no longer maintain the pricing beyond March 1, 2007, as a result of the volatility of diesel fuel prices; 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 exercising the option to extend the subject Contract with BP Products, and has advised the executive director that the Commission has full legal authority to enter into the proposed one-year contract extension pursuant to the same pricing, terms and conditions, as modified to accommodate the volatility of diesel fuel pricing; 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 extend Contract No. 3982, Groups III and IV, with BP Products for the second and final one-year period; and

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

WHEREAS, the Commission has duly considered such recommendations.

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 **BP Products North America, Inc.** in the amount of **\$1,500,000.00** pursuant to the same pricing, terms and conditions as those set forth in the original bid documents for Invitation No. 3982, Groups III and IV, as modified to accommodate the volatility of diesel fuel pricing, 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. 27-2006.

Mr. Castrigano: The final Resolution pertains to the unleaded gasoline portion of that original contract. Our existing supplier did not wish to extend under the same terms and conditions. We re-advertised the contract for unleaded gasoline and received three bids.

The low bid in response to both Groups, the eastern and western portions, of the contract was submitted by Petroleum Traders Corporation of Fort Wayne, Indiana who just happens to hold the current contract. The estimate for the upcoming year is for 388,000 gallons and the total estimated cost of \$1.1 million, which again takes into account future escalations.

Would the General Counsel please read the Resolved?

General Counsel read the Resolved as follows:

RESOLVED that the bids under Invitation No. 4049 of **Petroleum Traders Corporation** of Fort Wayne, Indiana, for both Group I and Group II, are and are by the Commission deemed to be the lowest responsive and responsible bids received and are accepted, and the chairperson and executive director, or either of them, is hereby authorized: (1) to execute a single Contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to expend the **\$1,100,000.00** estimated by the maintenance engineer; (3) to direct the return to the bidders of their bid securities, when appropriate; (4) to take any and all action necessary to properly carry out the terms of said Contract; and (5) to determine whether the Contract should be extended pursuant to the two (2), one-year options set forth therein.

Chairman: Is there a motion to adopt?

Commissioner Dixon moved, Director Proctor seconded.

The "Resolution Awarding a Contract for the Purchase of Unleaded Gasoline for a One-Year Period" was moved for adoption.

**Resolution Awarding a Contract for the Purchase of
Unleaded Gasoline for a One-Year Period**

WHEREAS, the Commission has advertised for bids for Invitation No. 4049 (Group I and Group II), for the furnishing and delivery to the Commission's eight (8) maintenance buildings of regular, unleaded gasoline for a twelve (12) month period, with an option to extend the ensuing Contract for two (2) additional one-year periods; and

WHEREAS, the expenditures of the Commission for unleaded gasoline under Invitation No. 4049 will exceed \$150,000.00 and, 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, bidders were asked to state the price differential per gallon that they would charge from the Oil Price Information Service (“OPIS”); and

WHEREAS, the three (3) bids received in response to the Invitation were reviewed by the maintenance engineer who has stated that the lowest responsive and responsible bids for both Group I (Maintenance Buildings west) and Group II (Maintenance Buildings east) were submitted by **Petroleum Traders Corporation** of Fort Wayne, Indiana (“Petroleum Traders”), and this bidder proposes to furnish materials and services in accordance with the Commission's specifications; and

WHEREAS, the maintenance engineer has estimated the quantities of unleaded gasoline required during the next year for Group I and Group II combined at **388,000 gallons**, and, based on these quantities, has been able to estimate expenditures with Petroleum Traders in the amount of **\$1,100,000.00**, which estimates take into consideration the possibility of further price increases in the volatile unleaded gasoline market; and

WHEREAS, the Commission has also been advised by the director of contracts administration that all bids for Invitation No. 4049 were solicited on the basis of the same terms and conditions and the same specifications, that the bids of Petroleum Traders for both Group I and Group II conform to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond with good and sufficient surety has been submitted by said bidder; and

WHEREAS, the executive director has reviewed the reports of the maintenance engineer and the director of contracts administration and has made his recommendation to the Commission that one (1) Contract be awarded to the lowest responsive and responsible bidder for both Group I and Group II, Petroleum Traders Corporation, predicated upon such analysis; and

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

WHEREAS, the Commission has duly considered such recommendation.

NOW, THEREFORE, BE IT

RESOLVED that the bids under Invitation No. 4049 of **Petroleum Traders Corporation** of Fort Wayne, Indiana, for both Group I and Group II, are and are by the Commission deemed to be the lowest responsive and responsible bids received and are accepted, and the chairperson and executive director, or either

of them, is hereby authorized: (1) to execute a single Contract with the successful bidder in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; (2) to expend the **\$1,100,000.00** estimated by the maintenance engineer; (3) to direct the return to the bidders of their bid securities, when appropriate; (4) to take any and all action necessary to properly carry out the terms of said Contract; and (5) to determine whether the Contract should be extended pursuant to the two (2), one-year options set forth therein.

The resolution was adopted with all Members voting in the affirmative. The resolution was identified as No. 28-2006.

Mr. Castrigano: That concludes my report.

Chairman: The discussion we had today was important and I think the couple of issues we have with one being State Purchasing. When we get our package it has the engineering bid, why don't we have DAS pricing included in there too and look at that in advance and not have to ask "what is the State Purchasing cost for this vehicle or item." Then, if there is a substantial difference in specifications at State Purchasing, include that information also. You ought to establish and come back at the next meeting with some type of process. I think we all feel the same way about trade-ins. I think quite often the dealers are making money. As Kathy indicated, we couldn't go ahead and accept just the items to purchase, the trade-in was part of the bid and for us to compare apples to apples and oranges to oranges, that trade-in throws it off. I think we need to establish a plan or a program and there is no reason why we can't hold an auction for disposal similar to ODOT for disposing of excess equipment. It doesn't make much difference for it to sit on our property for an extra four months to accumulate to make a worthwhile amount or to team up with ODOT. I think that might be something to really consider. And as Commissioner Regula stated,

we need to investigate this and let's not pay lip service and decide how we want to move forward with that.

Mr. Castrigano: We will work with General Counsel before the next meeting and come up with some guidelines prior to that.

Chairman: General Counsel do you have a report?

General Counsel: Included in your packet is a proposed Resolution, which would authorize the Executive Director and myself to renew the insurance policies maintained in the comprehensive general casualty and property insurance program. As you are aware, the Commission is required under the 1994 Master Trust Agreement Article 5, Section 5.05, to maintain this comprehensive insurance program. We are proposing to renew all of the insurance policies that were awarded in 2004 and renewed last year, with the exception of the insurance carrier providing one of the layers of the excess liability coverage. You'll see attached is the memorandum from the Risk Management Coordinator. There was an issue regarding one of the excess umbrella insurance carriers that wanted to pass along a 4% increase in their premium for the same insurance coverage. Arthur J. Gallagher was able to shop around and get us a better opportunity with a company that is offering us a decrease for one of the layers of excess insurance coverage. We are proposing to maintain the general liability, automobile liability owners and contractors liability insurance through Arthur J. Gallagher Risk Management Services on behalf of Axis Plus Lines for a premium of \$211,000.00. This represents a slight increase from last year's premium, which was \$210,448.00. The second item is

the multi-peril property insurance coverage proposed by the Hyland Group on behalf of Affiliated FM Insurance Company for an annual premium of \$312,952.00. This is a very slight increase that's due to the increase in value of properties and assets held by the Commission. Number three, Broad Form Money and Securities Crime Insurance proposed by the Gardiner Allen Insurance Agency on behalf of Chubb Insurance Company for an annual premium of \$50,000.00 beginning on July 1, 2006, which represents a decrease from last year's premium which was \$54,500.00. Number four, Public Officials Errors and Omissions Insurance proposed by Wachovia Insurance services which was formally known as Palmer & Cay of Ohio on behalf of National Union Fire Insurance Company for an annual premium of \$71,000.00. Our premium last year was \$75,223.00 for the same insurance coverage. Number five, Bridge and Use and Occupancy Insurance including terrorism coverage proposed by the Hoffman Group on behalf of Travelers Insurance Company for an annual premium of \$63,527.00. Our insurance premium last year for the same coverage was \$60,491.00, but we have had an increase in value. Number six, Umbrella Excess Liability Coverage including terrorism coverage proposed by Wachovia Insurance Service on behalf of Ace Insurance Company, North River Insurance, Great American Insurance Company for an annual premium of \$302,700.00, which represents a decrease of approximately \$18,000.00 from last year. All of these companies are rated "A-" to "A++". There is actually only one carrier that is rated "A-". "A-" is actually rated excellent under Best Key Rating Service. "A+" and "A++" are considered superior, so all of the insurance carriers are in

conformity with the requirements of the Master Trust Agreement. With your permission I will read the Resolved.

General Counsel read the Resolved as follows:

RESOLVED that the Commission has duly considered such recommendations of its general counsel and risk management coordinator, and hereby selects and authorizes the executive director and general counsel to purchase the above-specified insurance policies through Arthur J. Gallagher Risk Management Services, Inc. for comprehensive general, automobile liability and owner's & contractors insurance, The Hylant Group for multi-peril/property insurance, The Gardiner Allen Insurance Agency for broad form money and securities/crime insurance, Hoffman Group for bridge use and occupancy insurance, and Wachovia Insurance Services, Inc. for public officials/errors and omissions and umbrella/excess liability insurance in accordance with the terms and conditions set forth in the proposals and at the premiums quoted by the respective agent brokerage firms.

Chairman: Is there a motion to adopt?

Commissioner Regula moved and Commissioner Kidston seconded.

Chairman: Please call the roll.

The "Resolution Authorizing the Renewal of Insurance Policies for the Commission's Comprehensive Casualty and Property Insurance Program" was moved for adoption.

**Resolution Authorizing the Renewal of Insurance Policies for the
Commission's Comprehensive Casualty and Property
Insurance Program**

WHEREAS, the Commission is required to maintain comprehensive casualty and property insurance coverage in accordance with Article 5, Section 5.05 of the 1994 Master Trust Agreement;

WHEREAS, the Commission has received proposals for the renewal of those insurance policies identified in the attached schedule of insurance coverage whereby the Commission will not incur an increase in the cost of such insurance coverage compared to the cost paid for the same insurance coverage during the last one year period;

WHEREAS, the general counsel and the risk management coordinator have recommended that the Commission accept the proposals received for the renewal of said insurance policies by the following agent/brokerage firms on behalf of insurance carriers at the corresponding premium quotes;

1. Comprehensive General Liability, Automobile Liability, and Owner's & Contractors Protective Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc. on behalf of Axis Surplus Lines/Underwriters at Lloyd's for an annual premium of \$211,000 beginning on July 1, 2006;
2. Multi-Peril/Property Insurance, including terrorism coverage, proposed by The Hylant Group on behalf of Affiliated F.M. Insurance Company for an annual premium of \$312,952 beginning on July 1, 2006;
3. Broad Form Money and Securities/Crime Insurance proposed by The Gardiner Allen Insurance Agency on behalf of Chubb Insurance Company for an annual premium of \$50,000 beginning on July 1, 2006;
4. Public Officials Errors and Omissions Insurance proposed by Wachovia Insurance Services, Inc., formerly Palmer & Cay of Ohio, on behalf of National Union Fire Insurance Company for an annual premium of \$71,000 beginning on July 1, 2006;
5. Bridge and Use and Occupancy Insurance, including terrorism coverage, proposed by The Hoffman Group on behalf of Travelers Insurance Company for an annual premium of \$63,527 beginning on July 1, 2006; and
6. Umbrella/Excess Liability Insurance Coverage, including terrorism coverage, proposed by Wachovia Insurance Services, Inc., formerly Palmer Cay of Ohio, on behalf of Ace Insurance Company, North River Insurance Company and Great American Insurance Company for an annual premium of \$302,700 beginning on July 1, 2006.

NOW, THEREFORE, BE IT

RESOLVED that the Commission has duly considered such recommendations of its general counsel and risk management coordinator, and hereby selects and authorizes the executive director and general counsel to purchase the above-specified insurance policies through Arthur J. Gallagher Risk Management Services, Inc. for comprehensive general, automobile liability and

owner's & contractors insurance, The Hylant Group for multi-peril/property insurance, The Gardiner Allen Insurance Agency for broad form money and securities/crime insurance, Hoffman Group for bridge use and occupancy insurance, and Wachovia Insurance Services, Inc. for public officials/errors and omissions and umbrella/excess liability insurance in accordance with the terms and conditions set forth in the proposals and at the premiums quoted by the respective agent brokerage firms.

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

The resolution was identified as 29-2006

Chairman: Next will be Mr. Steiner.

Mr. Steiner: I'd like to give you a brief update on our traffic and revenue for the first five months of this year. This first chart shows the passenger car miles traveled on the Ohio Turnpike over the past two (2) years. Our passenger car miles traveled in 2005 were 2.8% below the level reached in 2004, while we have seen some improvement over the first four months of this year, our passenger car traffic dropped precipitously in May. Passenger car miles traveled in the month of May were 4.8% below the level reached last year, 5.2% below the level reached in 2004, 6% lower than in May 2003 and 3.9% lower than in May 2002. Unfortunately, this trend has continued into the month of June. This decline is probably due in large part to the high fuel prices. The price of a gallon of gasoline is currently about \$.65 higher than it was a year ago. Thankfully, the continued strength of the national economy helped increase May commercial vehicle miles traveled 9% above the level reached last year. This bar chart shows year-to-date miles traveled. With a drop in traffic in the month of May, our passenger car miles traveled during the first five months of 2006 were up just .9% compared to last year and we are 1.1% lower than in 2004. Miles traveled

by commercial vehicles were up 8.2% during this period. Revenues from passenger cars were down 5.1% in May compared to 2005, down 5.3% from May 2004, down 5.8% from May 2003 and down 3.8% from May 2002. As I mentioned, this downward trend has continued into the first few weeks of June. Revenues from commercial vehicles were up 9.4% in May in comparison to last year. This chart shows year-to date toll revenues through the month of May for each year of this decade. The toll revenues from passenger cars during the first five months of 2006 were up just .7% from last year, but down 1.1% from 2004. Revenues from commercial vehicles were up 8.4% from the first five months of last year. Total year-to-date toll revenues were up 5.3% through May 31, 2006 in comparison to last year.

This last chart shows our total revenues from all sources through the month of May for the last seven (7) years, including ODOT's Purchase of Excess Capacity amounting to \$1.3 million dollars per month. Our total revenues for the first five (5) months of 2006 were \$4.9 million, or 6.0% higher than those from last year. Without the Excess Capacity Purchase from ODOT, total revenues would have been \$849,000.00 or 1.0% lower than those of the first five (5) months of calendar year 2000. Mr. Chairman, I would be happy to answer any questions and then with your permission I would like to introduce representatives from our independent public accountants, Ciuni and Panichi, who are here to give a brief report on the audit of our 2005 financial statements.

Chairman: Anyone have any questions?

Mr. Steiner: I would like to introduce the Engagement Partner, Rhonda Hall and the Manager, Lynn Basconi from Ciuni & Panichi.

Rhonda Hall: My name is Rhonda Hall and you should have received two financial statements in your packages. The first thing the CAFR (Comprehensive Annual Financial Report), Ciuni and Panichi performed the audit of the Commission and on Page 27 of the Comprehensive Annual Financial Report you will find our independent auditor's report. In the fourth paragraph of that report, we stated that the Commission has implemented GASB Statements 40 and 42. GASB No. 40 has to do with the "Deposit Investment Risk Disclosures," which can be found in footnote two, which is on Page 40 of this report. The second one is GASB Statement No. 42, which has to do with the "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries." GASB Statement No. 40, you changed the footnote disclosure, and GASB Statement No. 42 there is no financial impact. A couple of highlights on Page 34 of the report, the Ohio Turnpike Commission received \$15.6 million dollars from ODOT for the Purchase of Excess Capacity, that revenue is being deferred and recognized over an 18-month period. On Page 44 of the report, it is noted in the financial statements for the long-term debt that the Ohio Turnpike Commission paid off their 1994 Series "A" Bond issue. The second report that you received is a bound financial report. In tab "A" you will see the report on internal control over financial reporting and compliance on other matters. We have to audit the Ohio Turnpike Commission in lieu of the State Auditor's Office and in doing so we are required to look at your internal

controls and also the compliance with the Ohio Revised Code. In this report in both paragraphs, we noted no material weaknesses for internal controls and we also noted no instances of non-compliance. If we had, we would have submitted a separate report, a letter to the management of the Turnpike. Lynn Basconi is going to talk about the next two tabs for the Master Trust Agreement.

Lynn Basconi: Also in this bound report that we have under Sections “B” and “C”, we have two separate independent auditor’s reports that we prepared that relate to the Master Trust Agreement with Huntington National Bank. The first report under tab “B” basically states that were found no instances where the Commission did not comply with the Master Trust Agreements especially Article IV of the Master Trust Agreement. Under tab “C” we have another separate independent auditor report and accompanying schedule that is on Page 2 where the net system pledged revenues have been calculated under the provisions of the Master Trust Agreement. Basically, what it is showing is that the Commission pledging enough revenue to achieve a 200% net system pledge revenues as a percentage of the annual debt service requirement shown at the very bottom. The rest of the pages are definitions under the Master Trust Agreement. Does anyone have any questions?

Chairman: It is nice to get a clean report. Thank you very much. Anything further Mr. Steiner?

Chairman: I have a couple of issues for new business, but let’s check to see if there are any other reports.

Financial Advisor: No report.

Chairman: General Consultant?

General Consultant: We have completed all of the annual inspections of the Turnpike facilities and have no significant findings to report. The field notes of the reports are on schedule and will be submitted in accordance with the Master Trust Agreement. That is all I have to report.

Chairman: Mr. Lamb.

Mr. Lamb: No report.

Chairman: I have one issue I would like to talk about. At the last meeting we had some very preliminary discussions about the Route 8 Interchange. I have looked at that and I think we are all aware of the revenue issues that we have at the Turnpike. As Mr. Steiner pointed out, we are going to have less revenue in 2006 than we had in 2000 and 1999 but for the fact of the State Purchase of Excess Capacity. I think we are all aware that we have two important events this Friday: (1) Diane is retiring, and (2) the State's Purchase of Excess Capacity expired on June 30, 2006, they have paid us \$15.6 million dollars. If we don't go ahead and take any action on tolls, effective January 1st the Class 8 commercial vehicles will go back up to where they were previously, which was \$42.45 for a truck traveling across the state and go back to that \$.176 per mile that they were previously paying. Right now, they are paying \$31.00 to go all the way across the state. We are having continuing additional expenses without additional revenue. A perfect example is the presentation that was heard today from the State Highway Patrol with the MARCS System. We are going to spend approximately two million dollars on that particular system and

approaching another half a million dollars per year for the maintenance and operation of that system. I have asked Mr. Steiner to put together some numbers for me and we need to look at what is going to happen as of the first of the year and we need to be budgeting. This is a sheet that talks about adjusting the toll rates for 2007 and making the temporary truck decrease that is presently in place until December 31, 2006 to make that a permanent decrease with some slight adjustments. What we have before you is a sheet explaining the proposal for 2007 that I asked Mr. Steiner to put together. Presently a car is paying approximately \$.037 per mile, if we would increase that particular rate by a $\frac{1}{2}$ ¢ per mile it would take it up to about \$.042 per mile. Then down in Class 8, let's look at that one also. I asked Mr. Steiner to look at what would happen in the event that we went ahead and took back 1¢ of the present decrease that we have in place. Right now, if we take no action as of December 31, 2006, on January 1, 2007 trucks go back up to \$.176 per mile. We are presently charging a truck \$.128 and if we go ahead and add 1¢ to that and make that \$.138, that would still be a substantial reduction to where they were previously two years ago. But it would be, I think, enough incentive along with the increased speed limit to keep the trucks on the toll road. That would mean the truck going all of the way across the state of Ohio would have approximately a \$2.40 increase. A car going all the way across the state of Ohio would have an increase of approximately \$1.20. I also asked Mr. Steiner to outline some capital expenditures for the next four to five years. I have that list also. As you can see on the sheet I am passing out, we have the construction going from Interchanges

59-64, we have showed that in 2009 and 2010. When I spoke with Mr. Everhart earlier about that particular matter, he indicated that he expected that with the number of trucks using the road, that service would be at an "E" level over many days this summer. Also, one of the items on this sheet is a projection for the construction of the State Route 8 Interchange, which you can see that we have proposed funding in 2009 and 2010 to the tune of approximately fourteen million dollars, which would go ahead and let us do the improvements to the Route 8 Interchange in conjunction with ODOT's improvements to Route 8. Approximately half of that money we should spend even if they didn't do the Route 8 Interchange because this allows the ramps to be more easily maneuvered for trucks and will be a much more efficient use of that interchange. Also on that sheet, is an item called Toll Systems. We have put a plug number in there for approximately thirty million dollars. We are going to need to spend money in the future for electronic tolling. If you look at the newspaper and if you talk to people about the Turnpike that seems to be the one item that is problematic for people that continually use the road and who want some form of electronic tolling whether it is an EZ Pass or another system. But something of this nature is going to ultimately need to be worked out and we need to go ahead and start thinking about that and planning for that. Mr. Steiner has allocated thirty million dollars for that cost and we don't know if that is realistic number, it is probably low, but at least we have something that we are in the process of working towards. We have a continuation of our resurfacing programs. If you go up and look at 2007-2011, you will see that 2011 has taken a drastic increase

from the normal eleven million dollars increasing with inflation, 11.4 up to 12 in 2001 just on this kind of abstract chart, just projections, we talk about that being a 22 million dollar number. We have a 50+ year concrete roadway that is underneath the original portion of the Turnpike, so we have 241 lane miles, 2 lanes of existing concrete road that is +50 years old and someplace in the foreseeable future we are ultimately going to be needing to go ahead and work on that. Expenditures on that could be a million and half dollars per mile based on today's costs, which would take that cost to about three hundred sixty million dollars. So, I think we need to look at what we have accomplished by reducing the truck tolls, what we have accomplished by bringing the trucks back and in effect, saving ODOT some expense for additional expenditures on parallel roads. But we need to be very aware that the trucks are price sensitive in this day and age and we need to keep the trucks and the commercial vehicles on the road. So what I am suggesting, I would like the Commission Members to look at these items and think about it, is that we would plan to go ahead and adjust the rates commencing January 1, 2007, so that the automotive traffic would go from approximately \$.037 up to the \$.042 and the truck traffic, which is set to go to \$.176 effective January 1st of this year, would be reduced to \$.138 per mile. I think we would be able to maintain the existing momentum and keep the trucks on the road. To be able to go ahead and talk about it and have a rate system in effect and that we are in good shape for the next five, six, seven, maybe ten to fifteen years out and not have to go ahead and be faced with the problems that would be associated if we let the trucks rates go back to \$.176 per mile and

causing problems on the parallel roads and towns close to the Turnpike and likewise be in a situation that we can continue to afford the maintenance that we are doing and continue to afford to do the required capital improvements that we are going to need to do over the next five to six years. One other sheet that I passed out is dear and near to Mr. Steiner in the financial world, that is our debt service coverage. As you can see, we will be under budget this year at 184, but with this adjustment to the rates we will be in the position where we will be at about a coverage of two (2) for the next five to six years, which is the position where I think we would like to be from a standpoint of financing. This allows us to do the capital improvement; this allows us to honor the previous commitment that has been made to ODOT for Route 8, and allows us to keep the trucks in place. I realize that I have passed out a fair amount of information. I know there has been some discussion among the Members about the truck rates and automotive rates, it is just unrealistic for us to think that we are going to be able to go ahead to continue to have a rate increase for employees in hourly wages, annual wages, that we are going to spend for things as we did today, two million dollars for the MARCS System that I think is critical and to spend the almost half a million dollars per year to have that system implemented, and continue to keep the trucks and commercial vehicles on the road. We need to go ahead and look at the rates. This is my thought, I think this does a good job for us for the next five, six, seven years, and I think it puts us in good shape financially. We'll be able to complete the third lane construction, and I also think we will be in a good

situation for operating costs. Are there any comments or thoughts from any of the other Members?

Director Proctor: I guess I commend you for taking a long view here and I do think the truck rate, while it does go up a bit, it is still substantially below where it was and I commend you for that and I commend the staff for looking at that. I think it will certainly take more discussion and perhaps modeling to tell us, but my initial thought is an increase of that amount probably wouldn't be enough to divert a lot of truck traffic off the Turnpike and I think the 18-month experiment here by bringing, by my calculation, about a 36%-37% increase in Class 8 trucks since the experiment began, having that kind increase in base volume does allow a smaller increase in price to generate more revenue, while still keeping the truck rates substantially below where they were. I take it from this they would still be well below Pennsylvania. How would they compare to what Indiana proposed? Do we know?

Executive Director: Director Proctor, just as of July 1st Indiana charges by axles, so it is not exactly apples to oranges, but obviously a five-axle vehicle would be one of our 80,000 lb. fully loaded 18-wheelers. They are currently charging \$.114 per mile in Indiana for a five-axle vehicle, of course that means full or empty. Next July 1st it goes to \$.144 per mile, so if this proposal were to become reality for six months on a five axle, we would be higher, but as of July 1st 2007, we would be lower. The following year it goes to \$.174 in Indiana and the following year it goes to \$.204 in Indiana. So we would be a little bit less next July 1st, we would be a lot less in future years.

Chairman: Automotive traffic with the privatization of the Indiana road is going to \$.05 per mile once they install the EZ Pass System, so we would still be down about 16% less than that once the EZ Pass system goes into place. Two other things that we have kind of kicked around, we have a packet that shows all of the rates. Mr. Steiner please pass those out for us to take home and look at, this shows all of the rates between the different exits. One of the things that we currently do is, if there is an exit that says "8 miles away from another exit" that may be used by a commuter, that rate is presently \$.50. Even if you did the calculations at \$.037 that would only be about \$.30, the actual cost, but we have rounded everything up to \$.50, which is the minimum charge. As we go ahead and adjust the rates in that particular situation, we go up the ½¢ per mile for the car, that commuter wouldn't have any increase. So the commuter that goes from one exit to the next every morning and uses the Turnpike as a commuter road would be presently be paying \$.50 and will still continue to pay \$.50, so there won't be any increase for a commuter.

Executive Director: You are very close. When a calculation of the rates was done, we rounded it to \$.25 and so very few of the \$.50 went to \$.75. Most of them were \$.60 or \$.61, meaning they rounded down to \$.50. There are a couple slight instances, but the overwhelming majority of the commuters who are going one interchange would stay at \$.50. There are some isolated cases.

Chairman: If we take no action and talk about how much money we are going to raise with the adjustment to the rates and the traffic stays the way it is, then we would raise twelve million dollars more than if we go ahead and put this

plan in place. So, I think it is a conservative look at it. I think we have the ability to go ahead and continue the work to keep the road in the best shape possible, and so that a person driving on the road can look at it and say it is efficient use. I think Director Proctor's comments are correct, a truck going all the way across the state of Ohio would be paying \$2.41 more than what he is paying presently. I don't think we are going to lose the traffic over the \$2.41. We have excellent condition of the roadway with no stops on the road and you will also be in a situation that you will have 65 mph versus the 55 mph on the parallel road. I think the trucks will look at that and say that we still need to stay on the Turnpike. I would like to move it along and look at the numbers and things, I would like to set up at the July meeting, have the Executive Director come back with a schedule and a plan. As you know, anything we do for changing toll rates, we require public hearings and about a 90 day period to go through that process.

Executive Director: Three public hearings.

Chairman: Even after three public hearings, we can still change our minds. This is just a process we need to go through and again, if we don't do something on January 1, trucks are going to be paying \$0.176 a mile and the people who live in those parallel towns are going to be pretty upset with us.

The next meeting is set for July 31st.

Chairman: Is there a motion to adjourn please?

Commissioner Regula moved, Commissioner Kidston seconded.

The meeting was adjourned at 12:26 p.m.

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

George F. Dixon, Secretary-Treasurer