

MINUTES OF THE 530th MEETING OF THE OHIO TURNPIKE COMMISSION
March 19, 2007

Chairman: It's 10:10 a.m. Good morning. The meeting will come to order. Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Here

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Here

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Here

Assistant Secretary-Treasurer: Mr. Beasley

Mr. Beasley: Here

Assistant Secretary-Treasurer: Representative Reinhard is not here and we do not have a Senate representative yet.

Chairman: New ODOT Director, James Beasley, is here attending his first Commission Meeting and welcome Mr. Beasley.

Mr. Beasley: Thank you.

Chairman: We have a number of guests here today and keeping with past practice, I would like everyone to introduce themselves.

Those in attendance: Jerry Pursley, Deputy Executive Director; Dan Castrigano, Chief Engineer; Jim Steiner, CFO/Comptroller, Ohio Turnpike; Eric Erickson, Fifth Third Securities; Bobby Everhart, URS; Heidi Jedel, Ohio Turnpike; Lori Partridge, Ohio Turnpike; Mike Swan, Dick Corporation; Kathy Weiss, Director of Contracts Administration, Ohio Turnpike; David Miller, Director of Audit and IC, Ohio Turnpike; Roger Hannay, Highway Patrol; Rob Fleischman, Assistant Chief Engineer, Ohio Turnpike; Joshua Burks, HNTB; Ginnie Everhart, URS; John Conner, Key Bank; Brett Bailey, Key Bank; Don Glosser, Lichtenstein; Frank Lamb, Huntington Bank; Mark Fisher, A.G. Edwards; John Petty, Nat. City Investments; John Lee, J.P. Morgan; Ron Johnson, Amtek; Glenn Stevens, G. Stevens; Tiffany Lovett, Cabrera Capital; Floyd Jeffries, Ohio Operating Engineers; Don Taggart, Ohio Operating Engineers; Lauren Hakos, Public Affairs Manager, Ohio Turnpike; John Frola, CT Consultants.

Chairman: Thank you. This is the 530th 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 of which draft copies have been previously sent to the members and updated drafts are in the members' folders. The resolutions will be explained during the appropriate reports. Can I have a motion to adopt the minutes of the February 26, 2007 Commission Meeting?

Mr. Kidston: So moved.

Chairman: Is there a second?

Mr. Regula: Second

Chairman: Please call the roll.

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Four yeas and the minutes are adopted as submitted.

Chairman: Thank you. If there are no questions, we will proceed with the report of the Secretary-Treasurer, that would be Mr. Dixon and we will have the Assistant Secretary-Treasurer present that.

Assistant Secretary-Treasurer: Thank you Mr. Chairman. The following items have been sent to the members since the last scheduled meeting of the Commission on February 26, 2007. They are as follows:

- Minutes of the February 26, 2007 Commission Meeting
- Traffic & Revenue Report February 2007

- Total Revenue by Month and Year, February 2007
- Investment Report February 2007
- Financial Statement, February 2007
- Traffic Crash Summary, February 2007
- Various News Releases

Chairman: Does anyone have any questions? Go ahead.

Executive Director: Thank you Mr. Chairman. The only item I have to report is that myself and Kathy Weiss were in Columbus. As required, now we need to discuss our budget before the appropriate legislative committees. We have done that in both the House and the Senate. I think both of those presentations went well. We are seeking some amendments: (1) just to be sure that we have the authority to do electronic toll collection. Also, one of the local legislators is concerned about the use of truck engine brakes or “jakes brakes”, and there is an amendment that has been drafted to give the Commission the authority to regulate that. Again, another local legislator is setting up, at the moment, a Community Resolution Fund, an initial effort at doing some things to address noise issues. I don’t think we are comfortable with the present language. We are trying to get it amended. The electronic toll collection amendment did not make it into the House version of the Transportation Budget, but we are hopeful that the proper amendments will find their way into the Senate where I used to serve and we always have a little better reception over there.

Chairman: Thank you. Any questions for the Executive Director? Moving to the resolutions. Chief Engineer, Dan.

Chief Engineer: Thank you Mr. Chairman. I have two resolutions for your consideration this morning. The first resolution is for furnishing and applying retro reflective paving markings or line striping along the entire length of the Ohio Turnpike and our interchange ramps. This was advertised pursuant to Invitation No. 4064. We received two bids in response to the subject Invitation. The apparent lowest responsive and responsible bid was submitted by Oglesby Construction, Inc. of Norwalk, Ohio in the total amount of \$727,392.48. The total amount bid is below the engineer’s estimate for this project and this bidder has performed satisfactorily in the past for the Commission. The resolution also contains a provision to assign Quality Control Inspection, Inc. of Bedford, Ohio to the contract for performing inspection services. If the General Counsel would please read the resolved?

General Counsel: RESOLVED that the bid of **Oglesby Construction, Inc.** of Norwalk, Ohio, in the total amount of **\$727,392.48** under Invitation No. 4064 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 the 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 Contract; and

FURTHER RESOLVED that the Commission hereby authorizes and directs the executive director and the chief engineer to assign Quality Control Inspection, Inc. of Bedford, Ohio to the Contract resulting from Invitation No. 4064 for the purpose of performing inspection services. Such assignment shall be in accordance with the 2007-2008 General Engineering Services Agreement between the Ohio Turnpike Commission and Quality Control Inspection, Inc.

Chairman: Motion to adopt?

Mr. Regula: So moved

Chairman: Is there a second?

Mr. Kidston: Second

Chairman: Any questions or discussions on the matter before the Commission? I have one quick question for Dan. You know I certainly appreciate that generally when you have a larger quantity of work that you can get a better unit price. Does that necessarily hold true on a 241 mile project? Do you think we would break that, maybe next year or in a future year, into two parts that we might get better pricing, or someone from the east might be interested and somebody from the west might be interested? What are your thoughts on that?

Chief Engineer: It's possible Mr. Chairman. If the Commission desires, we can split this into two groups, as we have with the herbicide in the past and given them the option to bid on either. To put it into perspective as far as pricing, as a matter of fact, the pricing we received this year was cheaper than the pricing for last year's contract. It is nice to see the price of something coming down.

Chairman: That is probably the only thing we will see. There must not be oil involved in it.

Chief Engineer: Actually it is a water-based paint.

Chairman: Any other thoughts? Please call the roll.

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Four yeas and the resolution is adopted.

RESOLUTION NO. 6-2007

**Resolution Awarding a Contract to Furnish and Apply
Retro-Reflective Pavement Markings on the Ohio Turnpike's
Mainline Roadway and Interchange Ramps**

WHEREAS, the Commission duly advertised according to law for bids under Invitation No. 4064 for furnishing and applying retro-reflective pavement markings on the Ohio Turnpike's mainline roadway and interchange ramps located in Williams, Fulton, Lucas, Wood, Ottawa, Sandusky, Erie, Lorain, Cuyahoga, Summit, Portage, Trumbull and Mahoning Counties, Ohio (*Milepost 0.0 to Milepost 241.2*); and

WHEREAS, the Commission has received bids from two (2) bidders in response to said Invitation; and

WHEREAS, said bids were reviewed and analyzed by the Commission's maintenance engineer, and he has submitted a report concerning said analysis, which report is before the Commission; and

WHEREAS, the maintenance engineer reports that the lowest responsive and responsible bid for the performance of the work under Invitation No. 4064 was submitted by **Oglesby Construction, Inc.** of Norwalk, Ohio, in the total amount of **\$727,392.48**, which bid is below the Commission's estimated expenditure for this Contract and which bid he recommends be accepted by the Commission; and

WHEREAS, the Commission has also been advised by the director of contracts administration that bids for Invitation No. 4064 were solicited on the basis of the same terms and conditions and the same specifications, that the bid of Oglesby Construction, Inc. for Invitation No. 4064 conforms to the requirements of Ohio Revised Code Sections 5537.07, Section 9.312 and Section 153.54, and that a performance bond with good and sufficient surety has been submitted by Oglesby Construction, Inc.; and

WHEREAS, the Commission's executive director has reviewed the reports of the maintenance engineer and the director of contracts administration and, predicated upon such analysis, has made his recommendation to the Commission to award a Contract for Invitation No. 4064 to the lowest responsive and responsible bidder, Oglesby Construction, Inc.; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bid of **Oglesby Construction, Inc.** of Norwalk, Ohio, in the total amount of **\$727,392.48** under Invitation No. 4064 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 the 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 Contract; and

FURTHER RESOLVED that the Commission hereby authorizes and directs the executive director and the chief engineer to assign Quality Control Inspection, Inc. of Bedford, Ohio to the Contract resulting from Invitation No. 4064 for the purpose of performing inspection services. Such assignment shall be in accordance with the 2007-2008 General Engineering Services Agreement between the Ohio Turnpike Commission and Quality Control Inspection, Inc.

Chief Engineer: Thank you. The final resolution this morning is pertaining to Contract No. 59-07-02. This is for the mainline for Repairs and Resurfacing of the Eastbound and Westbound Roadways from Mileposts 80.5 to 91.2 located in Ottawa and Sandusky Counties, Ohio. We received two bids in response to the subject contract. Unfortunately, the apparent low bid was in excess of 10% above the engineer's estimate and therefore we are not able to proceed with the award of the contract. Our plans, if the Commission agrees with rejecting this contract this morning, are currently on the schedule to re-advertise this project on Wednesday and we would be in a position to re-award at our April meeting. If the General Counsel would please read the resolved.

General Counsel: RESOLVED that the above-mentioned bids heretofore received pursuant to the advertisement for bids upon a Contract for Repairs and Resurfacing of the Eastbound and Westbound Roadways from Milepost 80.5 to 91.2 located in Ottawa and Sandusky Counties, Ohio, herein designated **Contract No. 59-07-02**, be and the same hereby are rejected, and the director of contracts administration is authorized to notify the bidders in writing of said action, and to return to the bidders their bid security; and

FURTHER RESOLVED that the executive director and director of contracts administration hereby are authorized to take any and all action necessary, at the appropriate time, to re-advertise for bids for **Contract No. 59-07-02**, Repairs and Resurfacing of the Eastbound and Westbound Roadways from Milepost 80.5 to 91.2 located in Ottawa and Sandusky Counties, Ohio.

Chairman: Thank you. Motion to adopt?

Mr. Kidston: So moved

Chairman: Is there a second?

Mr. Regula: Second

Chairman: Are there any questions or discussion on the motion? I think I got the information from, I think it was a letter that I received from Kathy, that 68 people were notified about the contract and eight people paid attention to it and secured plans, and specs and discussed it and there were two bidders. So it is just hard to find somebody who will be interested in doing the work in this day and age. Call the roll please.

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Four yeas and the resolution is adopted.

RESOLUTION NO. 7-2007

Resolution Rejecting the Bids Received for Contract No. 59-07-02

WHEREAS, the Commission has duly advertised according to law for bids upon a Contract for Repairs and Resurfacing of the Eastbound and Westbound Roadways from Milepost 80.5 to 91.2 located in Ottawa and Sandusky Counties, Ohio, herein designated **Contract No. 59-07-02**; and

WHEREAS, the Commission received two (2) bids for the performance of said Contract from **Gerken Paving, Inc.** of Napoleon, Ohio and **The Shelly Company** – Findlay Division of Findlay, Ohio; and

WHEREAS, said bids have been reviewed and analyzed by the Commission's chief engineer whose report concerning said analysis is before the Commission; and

WHEREAS, the Commission's chief engineer reports that both bids for Contract No. 59-07-02, were more than ten percent (10%) above the engineer's estimate and, therefore, cannot be considered for award and should be rejected; and

WHEREAS, the Commission's director of contracts administration concurs with the chief engineer's recommendation and has submitted a report advising the Commission that, pursuant to the bidding documents for Contract No. 59-07-02 and Ohio Revised Code Section 5537.07(A), the Commission has expressly reserved the right to reject any and all bids, and that pursuant to Ohio Revised Code Section 153.12, the Commission legally must reject all bids if they are greater than ten percent (10%) above the engineer's estimate; and

WHEREAS, the Commission's executive director has made his recommendation to the Commission to reject both bids received for Contract No. 59-07-02 predicated upon the analysis of the chief engineer and the director of contracts administration; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the above-mentioned bids heretofore received pursuant to the advertisement for bids upon a Contract for Repairs and Resurfacing of the Eastbound and Westbound Roadways from Milepost 80.5 to 91.2 located in Ottawa and Sandusky Counties, Ohio, herein designated **Contract No. 59-07-02**, be and the same hereby are rejected, and the director of contracts administration is authorized to notify the bidders in writing of said action, and to return to the bidders their bid security; and

FURTHER RESOLVED that the executive director and director of contracts administration hereby are authorized to take any and all action necessary, at the appropriate time, to re-advertise for bids for **Contract No. 59-07-02**, Repairs and Resurfacing of the Eastbound and Westbound Roadways from Milepost 80.5 to 91.2 located in Ottawa and Sandusky Counties, Ohio.

Chief Engineer: That is all I have this morning Mr. Chairman.

Chairman: Do we anticipate having that for the April 9th meeting?

Chief Engineer: That is correct Mr. Chairman.

Chairman: Naturally, I am familiar with Shelly. The other bidder, has he done work for us?

Chief Engineer: Gerken. Yes.

Chairman: Okay. Thank you. Staff reports, Mr. Steiner.

CFO/Comptroller: Good morning Mr. Chairman and Commission Members. I would like to give you a brief update on the traffic and revenue for the first two months of

this year. This first chart shows the passenger cars miles traveled on the Ohio Turnpike over the past two years. Miles traveled by passenger cars in the month of February were 12.5% below the level reached last year. While certainly economic conditions and rising fuel prices are affecting our traffic, the major reason for the decline in February was the severe winter weather. Commercial vehicle miles traveled were 2.2% below the level reached last February. As I mentioned last month, the average weight of the trucks traveling on the turnpike has been declining the last several months and again this is important because our tolls are based on vehicle weight and miles traveled. This chart shows the miles traveled by the lighter commercial vehicles in Classes 4-7, weighing from 23,000 pounds to 65,000 pounds and miles traveled by vehicles in these weight classes were almost the same as they were last February. In contrast, the travel by trucks in Classes 8 through 11, weighing over 65,000 pounds started to slow last summer and really dropped off significantly since last November. This is likely the result of the economy expanding at a slower pace than it did during the first half of 2006, particularly the housing and the auto sectors. Vehicle miles traveled in February were 4.2% below the total for February 2006. The good news is that despite the severe weather in February, the decline in heavy truck traffic seems to be slowing and we've continued to see some improvement in March. Again, mostly due to the weather, the revenues from passenger cars were down 4.3% in February compared to last year. As a result of the recent toll adjustments, the revenues from commercial vehicles were up 6.8% in February compared to last year. The revenues from the lighter commercial vehicles in Weight Classes 4 through 7 were up 11.5% in February compared to last year. Again, in contrast, the revenues from the heavy trucks in Weight Classes 8 through 11 were up just 2.5% in February. The benefit of the toll adjustments implemented at the beginning of this year is that our total year-to-date toll revenues were up \$1.5 million dollars, or 5.8% in comparison to last year. However, this is lower than expected and not enough to fully offset the loss of the \$2.6 million dollars that was received from ODOT during the first two months of last year. This final chart shows total year-to-date revenues from all sources for each year of this decade. Total revenues through the end of February are 3.5% below those from last year and as the Chairman noted at last month's meeting, our revenues are only 3.5% higher than they were during the first two months of calendar year 2000. Meanwhile, the Consumer Price Index has increased by almost 20% since 2000, and it certainly highlights the justification for the modest toll adjustments that were implemented in January. Mr. Chairman that completes my report. I will be happy to answer any questions.

Chairman: Thank you. Any questions? I appreciate it. Thanks Jim. Reports from Financial Advisor, Eric Erickson.

Financial Advisor: No report today.

Chairman: Trustee, Mr. Lamb.

Trustee: No report today.

Chairman: Thank you. General Consultant, Joshua Burks.

General Consultant: No report Mr. Chairman.

Chairman: Ohio State Highway Patrol.

Captain Hannay: Just briefly Mr. Chairman and Commission Members. The traffic crashes in general across the Turnpike in the first two months reflect what the weather has done. More like 2005, we expect that now that the weather has changed we will be back to 2006 numbers and experience the safety that we did last year.

Chairman: Are we still fatality-free?

Captain Hannay: Fatality-free, yes Sir.

Chairman: That is excellent. Any other business to come before the Commission? If there is no further business, I will accept a motion to adjourn to our next scheduled meeting which will be April 9th at 10:00 a.m.

Mr. Kidston: So moved

Chairman: Is there a second to the motion?

Mr. Regula: Second

Chairman: Please call the roll.

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Four yeas and the meeting is adjourned.

Chairman: Thank you.

The meeting adjourned at 10:25 a.m.

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

George F. Dixon, Secretary-Treasurer