

MINUTES OF THE 533rd MEETING OF THE OHIO TURNPIKE COMMISSION

June 22, 2007

Chairman: Good morning, it's 9:32 a.m. 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. Dixon

Mr. Dixon: Here

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Here

Assistant Secretary-Treasurer: Mr. Beasley

Mr. Beasley: Here

Assistant Secretary-Treasurer: Representing the Department of Development, Ms. Gibson.

Ms. Gibson: Present

Assistant Secretary Treasurer: Senator Buehrer

Senator Buehrer: Here

Assistant Secretary-Treasurer: We do have a quorum Mr. Chairman.

Chairman: Thank you. We don't believe the Office of Budget and Management will be here and we have not heard from Representative Reinhard.

Assistant Secretary Treasurer: I think OBM may be a little busy today, I don't know what, they are doing something today.

Chairman: We have a number of guests here today and keeping with past practices, I would like to go ahead and have everyone introduce themselves. Dan, would you start?

Those in attendance: Dan Castrigano, Chief Engineer, Ohio Turnpike; Eric Erickson, Fifth Third Securities; Jim Steiner, CFO/Comptroller, Ohio Turnpike; Lynn Basconi, Ciuni & Panichi; Jennifer Carnahan, Ciuni & Panichi; Kathy Weiss, Director of Contracts Administration, Ohio Turnpike; Mike Burgess, URS; Bonnie Teeuwen, ODOT; Mike Cline, Dick Corp.; Heidi Jedel, Ohio Turnpike; Lori Partridge, Ohio Turnpike; Joshua Burks, HNTB; Tony Yacobucci, HNTB; Joe Disantis, Right of Way Coordinator/Risk Manager Coordinator, Ohio Turnpike; Glen Stephens, G. Stephens; John Lee, JP Morgan; John Conner, Key Bank Capital Markets; Floyd Jeffries, Ohio Operating Engineers; Don Taggert, Ohio Operating Engineers; Stephen Szanto, Cabrera Capital; Mark Fisher, A.G. Edwards; Frank Lamb, Huntington Bank; Tim Reidy, Nat City Investments; Lauren Hakos, Public Affairs Manager, Ohio Turnpike.

Chairman: As most people saw Representative Reinhard is with us today, welcome to the meeting. Thank you.

This is the 533rd meeting of the Ohio Turnpike Commission. We are meeting here at the Commission 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 previously been sent out to the Members and updated drafts are in the Members' folders. Resolutions will be explained during the appropriate reports. May I have a motion to adopt the minutes of the May 21, 2007 Commission Meeting?

Mr. Dixon: So moved

Mr. Kidston: Second

Chairman: Roll call please.

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Beasley

Mr. Beasley: On the recommendation of Ms. Teeuwen, I approve.

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Five yeas, the minutes are approved.

Chairman: We will proceed now with the report of the Secretary Treasurer.

Mr. Dixon: Good morning Mr. Chairman, thank you very much. The following items have been sent to the Members since the last scheduled meeting of the Commission on May 21, 2007:

1. Minutes of the May 21, 2007 Commission Meeting
2. Traffic & Revenue Report, May, 2007
3. Total Revenue by Month and Year, May, 2007
4. Investment Report, May, 2007
5. Financial Statement, May, 2007
6. Traffic Crash Summary May, 2007

That concludes my report Mr. Chairman. I will be happy to answer any questions.

Chairman: Are there any questions of Mr. Dixon? Next we have the report of the Executive Director.

Executive Director: Thank you Mr. Chairman. I have one item I was going to report on and I was told that there wouldn't be anyone here from the Highway Patrol, but I see Lt. Tornabene is here. Can I ask him if he is going to give the report?

Lt. Tornabene: Yes, I will.

Executive Director: Then I will now skip that item, thank you. I have a resolution to introduce Mr. Chairman. I have a resolution that authorizes me to enter into an agreement for traffic and revenue forecasting and planning services. As you may be aware, our Master Trust Agreement, which is effectively our loan agreement, requires us to hire an independent traffic consultant. The traffic projections help us assure the bond holders that we will have adequate traffic and revenue to pay the bonds. The traffic and revenue projections form the basis for our budget and help us determine some of our capital needs such as third lane and toll lane capacity at various interchanges. We issued a RFP and we had three respondents. A committee of three independently evaluated the three proposals and gave the highest technical score to URS. After determining that URS had the best proposal, a fee was negotiated of \$13,100.00 per month or \$157,200.00 per year. This would be a three year contract with two one year renewals. Would the General Counsel please read the Resolved?

General Counsel: RESOLVED that the proposal submitted by **URS Corporation** of **Akron, Ohio** is, and is by the Commission determined to be, the best of all proposals received in response to the Commission's RFP for Traffic and Revenue Forecasting and Planning Services and is accepted; and

FURTHER RESOLVED that the executive director and director of contracts administration hereby are authorized to execute an Agreement with **URS Corporation** to furnish Traffic and Revenue Forecasting and Planning Services to the Commission, which shall provide for an initial term of **three (3) years commencing July 1, 2007**, and which further provides for the option to renew the Agreement for two (2) additional one (1) year periods, in the form heretofore prescribed by the Commission pursuant to the aforesaid RFP, and to take any and all action necessary or proper to carry out the terms of said RFP and said Agreement; and

FURTHER RESOLVED that the executive director of the Ohio Turnpike Commission will provide a certified copy of this resolution to the Huntington National Bank, as trustee, and the Commission's bond counsel, Peck Shaffer & Williams L.L.P.

Chairman: Motion to adopt?

Mr. Kidston: So moved

Chairman: Is there a second?

Mr. Regula: Second

Chairman: Questions or discussion on the resolution before the Commission?

Mr. Dixon: Mr. Chairman, this type of service, is there many companies out there doing this type of service?

Executive Director: There are quite a few, yes.

Mr. Dixon: URS did this service for us from a previous contract?

Executive Director: That's correct.

Mr. Dixon: Why don't we get or why do you think we only got three respondents?

Executive Director: I think there are a few that specialize in it and I think that you need some knowledge of the road and the area to make those forecasts. The forecasts aren't just simply looking at the highway, but they look at economic trends in Ohio and business trends that are determined and as we see some difficulties in the automobile and manufacturing industries in this area. Currently our traffic consultant takes that into effect based upon that and employment levels to predict that we aren't going to see that much change in our traffic over the years ahead. So, I suppose that while there are a number who do it, it probably takes some expertise in the area to know the economics of the area.

Mr. Dixon: Can we ask Dan?

Chairman: Sure

Mr. Dixon: Why do you think we had so few respondents to this RFP?

Chief Engineer: Mr. Chairman and Commission Member Dixon, I do know that this was advertised in accordance with our standard procedures along with not only on our website, but also IBTTA's website, the International Bridge Tunnel and Turnpike Association. While this is an engineering service, it's not your typical type of engineering service, it is more specialized with more than just traffic forecasting and revenue forecasting. Firms that would generally respond to this would be more limited to the toll road arena, rather than the general and engineering environment.

Mr. Dixon: Do we have a list of vendors that we sent this out to? I heard you also used the IBTTA website.

Chief Engineer: Mr. Chairman and Commission Member Dixon, we wouldn't have a list, we didn't specifically send it to individual vendors. Any vendors that would have requested to respond to the LOI would have requested documentation. During the LOI process we would of maintained a list on that and I don't know if we have any data on that here at this time.

Director of Contracts Administration: We do not.

Chairman: Mr. Dixon, I would like to point out that I was contacted by a company that is doing some business in town that my office is located at and they were considering bidding on it and I encouraged them to bid, but they said that after they looked at it they thought it was kind of a specialty of the transportation system and they chose not to make a bid. It was out in the world of the people who, in fact, do that type of work, I think as Dan indicated is pretty limited. Any further questions? Please call the roll.

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Five yeas, the resolution is adopted. That's all I have Mr. Chairman.

RESOLUTION NO. 17-2007

Resolution Authorizing the Executive Director to Enter into an Agreement for Traffic and Revenue Forecasting and Planning Services

WHEREAS, on April 27, 2007, the Commission issued its Request for Proposals (RFP) for Traffic and Revenue Forecasting and Planning Services for an initial Agreement term of three (3) years, which Agreement may be extended for two (2) additional one (1) year periods; and

WHEREAS, on May 21, 2007, three (3) firms submitted proposals to provide the Traffic and Revenue Forecasting and Planning Services to the Commission; and

WHEREAS, an evaluation committee comprised of the director of internal audit, the CFO/comptroller and the chief engineer conducted the technical review of the proposals submitted; and

WHEREAS, the director of contracts administration also reviewed each proposal for compliance with the legal requirements of the RFP; and

WHEREAS, based on the technical review, the evaluation committee awarded the highest technical score to **URS Corporation of Akron, Ohio**, which firm the committee noted has consistently provided excellent services in the form of accurate and complete traffic and revenue forecasting and planning for the Commission over the past eleven (11) years; and

WHEREAS, as contemplated in the RFP, a fee proposal was requested from the top-ranked firm, URS Corporation; and

WHEREAS, URS Corporation's fee proposal of **\$13,100 per month** (or **\$157,200 per year**), exclusive of travel costs, has been deemed reasonable by the Evaluation Committee; and

WHEREAS, as a result of this competitive process, the evaluation committee has concluded that the best proposal was submitted by **URS Corporation** and unanimously recommends that an Agreement be entered into with that firm; and

WHEREAS, the Commission's director of contracts administration has reviewed the evaluation committee's recommendation, as reflected in her written recommendation, which is

before the Commission, and she has communicated her agreement to the executive director and the Commission; and

WHEREAS, the Commission has been further advised by its director of contracts administration that all legal requirements have been performed and that the aforesaid proposals were solicited on the basis of the same terms, conditions and specifications with respect to all respondents; that URS Corporation has provided evidence of its ability to provide all required insurance as set forth in the RFP; and that the Commission may legally enter into an Agreement with URS Corporation; and

WHEREAS, the executive director has made his recommendation to the Commission predicated on the evaluation committee's and the director of contracts administration's recommendations; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the proposal submitted by **URS Corporation of Akron, Ohio** is, and is by the Commission determined to be, the best of all proposals received in response to the Commission's RFP for Traffic and Revenue Forecasting and Planning Services and is accepted; and

FURTHER RESOLVED that the executive director and director of contracts administration hereby are authorized to execute an Agreement with **URS Corporation** to furnish Traffic and Revenue Forecasting and Planning Services to the Commission, which shall provide for an initial term of **three (3) years commencing July 1, 2007**, and which further provides for the option to renew the Agreement for two (2) additional one (1) year periods, in the form heretofore prescribed by the Commission pursuant to the aforesaid RFP, and to take any and all action necessary or proper to carry out the terms of said RFP and said Agreement; and

FURTHER RESOLVED that the executive director of the Ohio Turnpike Commission will provide a certified copy of this resolution to the Huntington National Bank, as trustee, and the Commission's bond counsel, Peck Shaffer & Williams L.L.P.

Chairman: Next we will go to the Chief Engineer, Dan.

Chief Engineer: Thank you. Mr. Chairman I have one resolution for your consideration this morning. It's a resolution awarding a contract for diesel fuel for our eight maintenance facilities across the state for a one year period. This is for our vehicles, our trucks and equipment on the Turnpike. We received two bids in response to the invitation. The apparent low bids are in response to both groups and was submitted by Petroleum Traders Corporation of Fort Wayne, Indiana. This bidder has performed satisfactorily for the Commission in the past. At our current estimate of 422,000 gallons, estimate of expected cost based on today's fuel cost is approximately \$1,121,302.00. We are proposing establishing the contract at \$1,220,000.00 to account for possible future cost escalation. In accordance with the

Commission Bylaws, if our total expenditures exceed 10% of that amount we will then return to the Commission and ask for an amended resolution. The contract also does contain a provision for a one year extension provided satisfactory completion of the first one year term. I'd also like to note that Petroleum Traders Corporation is proposing to use a subcontractor for delivery of the fuel and that subcontractor is an MBE contractor. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the bids of **Petroleum Traders Corporation** for Groups I and II of Invitation No. 4069 are deemed by the Commission 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 Petroleum Traders Corporation in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; 2) to incur expenditures under the Contract in the quantities estimated by the Maintenance Department's staff for the purchase of ultra low sulfur diesel fuel; 3) to direct the return to the other bidder of its bid security at such time as Petroleum Traders Corporation has entered into a Contract; 4) to determine based upon an evaluation of the materials and services provided by Petroleum Traders Corporation whether to exercise the one (1) year renewal option; and 5) to take any and all action necessary to properly carry out the terms of said Contract.

Chairman: Motion to adopt?

Mr. Regula: So moved

Chairman: Is there a second?

Mr. Kidston: Second

Chairman: Questions or discussion about the resolution? Just a point of information, as we talk about the number of bidders and things like that, I see in the information that you provided to us that there were 24 people that were notified and we had two bids turned in.

Chief Engineer: That's correct, in addition to the notification on our website.

Chairman: Call the roll.

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Five yeas, the resolution is adopted.

RESOLUTION NO. 18-2007

**Resolution Awarding a Contract for the Purchase of
Ultra Low Sulfur Diesel Fuel**

WHEREAS, the Commission has advertised for bids for Invitation No. 4069 for the furnishing to the Commission of ultra low sulfur diesel fuel for a twelve (12) month period, with an option to renew for one (1) additional one (1) year period; and

WHEREAS, the expenditures of the Commission for ultra low sulfur diesel fuel under Invitation No. 4069 will exceed \$150,000 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, two (2) bids were received in response to the Invitation; and

WHEREAS, the bids were reviewed by the maintenance engineer who has stated that the lowest responsive and responsible bids for Group I and Group II (West and East Maintenance Divisions) were submitted by **Petroleum Traders Corporation of Fort Wayne, Indiana** and that this bidder proposes to furnish materials and services in accordance with the Commission's specifications; and

WHEREAS, based on the price per gallon set forth in reports provided by the Oil Price Information Service ("OPIS") for Cleveland, Ohio, bidders were asked to state the price differential per gallon that they would charge to cover their processing costs, delivery charges and profit margin, but which differential is exclusive of any fuel taxes and discounts; and

WHEREAS, the maintenance department has estimated the quantities of ultra low sulfur diesel fuel required for the next year (Groups I and II) at **422,000 gallons** and, based on these quantities and current fuel costs, has been able to estimate annual expenditures with Petroleum Traders Corporation in the amount of **\$1,121,302**; and

WHEREAS, to account for the possibility of further price increases in the volatile diesel fuel market, the maintenance engineer has recommended that **\$1,220,000** be allocated for the first year of expenditures under the Contract, which amount will allow for a possible fuel cost increase of up to nine percent (9%); and

WHEREAS, should the quantities of ultra low sulfur diesel fuel purchased exceed the number of gallons estimated by the maintenance staff by more than ten percent (10%), or the cost of the fuel exceeds the \$1,220,000 in expenditures allocated for first year spending under the Contract by more than ten percent (10%), the Commission will be presented with a new resolution to increase said estimated quantities, and;

WHEREAS, prior to recommending renewal of the Contract, the maintenance department shall evaluate the materials and services provided by Petroleum Traders Corporation, and the Commission will be presented with a new resolution should the cost of renewal for the second year exceed the first year's allocation of \$1,220,000 by more than ten percent (10%); and

WHEREAS, the Commission has been advised by the director of contracts administration that all bids for Invitation No. 4069 were solicited on the basis of the same terms and conditions and the same specifications, that the bids of Petroleum Traders Corporation for Group I and Group II of Invitation No. 4069 conform to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond of good and sufficient surety has been submitted by Petroleum Traders Corporation; and

WHEREAS, the 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 the Contract for Invitation No. 4069 to Petroleum Traders Corporation; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bids of **Petroleum Traders Corporation** for Groups I and II of Invitation No. 4069 are deemed by the Commission 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 Petroleum Traders Corporation in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; 2) to incur expenditures under the Contract in the quantities estimated by the Maintenance Department's staff for the purchase of ultra low sulfur diesel fuel; 3) to direct the return to the other bidder of its bid security at such time as Petroleum Traders Corporation has entered into a Contract; 4) to determine based upon an evaluation of the materials and services provided by Petroleum Traders Corporation whether to exercise the one (1) year renewal option; and 5) to take any and all action necessary to properly carry out the terms of said Contract.

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

Chairman: Thank you. General Counsel, Noelle.

General Counsel: Mr. Chairman and Commission Members, as you know the Commission is required to maintain comprehensive casualty general liability and property insurance coverage under the terms of its Master Trust Agreement, its bond agreement. The Commission last went out for an RFP in 2004 and at that time over 20 brokers were notified of the Commission's insurance process seeking proposals. We maintain ten types of insurance coverage under approximately six different policies. Based upon our favorable claim experience in the last two years, we have been able to seek premium proposals and insurance proposals that are flat or represent a decrease from last year's budget. The Risk Management Coordinator and I have worked with our brokers to come up with recommendations for renewals or change of policies to different carriers in order to maintain a lower or flat renewal rate. We have an acceptable proposal from Arthur Gallagher Risk Management Services for renewal of comprehensive general liability, automobile liability, and owners and contractors protective liability insurance policy through Traveler's Insurance Company for an annual premium of \$931,703.00 beginning on July 1, 2007. We also have favorable renewal rates through the Hylant Group for our property insurance program on behalf of Affiliated FM Insurance Company for an annual premium of \$293,990.00 beginning on the same date. Third, is a proposal from Gardiner Allen Insurance Agency on behalf of Chubb Insurance for a renewal at an annual premium of \$42,500.00 for a broad form money and securities/crime insurance policy beginning on the same date. Fourth, is a proposal by Wachovia Insurance Services, formally Palmer and Cay, for public officials errors and omissions insurance coverage, again through American Internationals Specialty Lines, or AIG, for an annual premium of \$71,461.00. Fifth, is a bridge and use and occupancy insurance policy through the Hoffman Group on behalf of the Travelers Insurance Company with an annual premium of \$62,879.00 beginning on July 1, 2007. Lastly, umbrella and excess liability insurance coverage also through Wachovia Insurance Services on behalf of Ace Insurance Company, North River Insurance Company and Great American Insurance Company for an annual premium of \$310,000.00 beginning on July 1, 2007. Overall, our budget would actually decrease from \$979,740.00 to \$972,533.00. All of the insurance policies, the terms and conditions and coverage are outlined and summarized on the schedule that's attached to the resolution and the form of the insurance will remain the same. With your permission, I will read the Resolved.

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 and 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: Motion to adopt?

Mr. Kidston: So moved

Chairman: Is there a second?

Mr. Regula: Second

Chairman: Questions and discussions on the insurance coverage? 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. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Five yeas, the resolution is adopted.

RESOLUTION NO. 19-2007

**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 incur an increase in the cost of its general and automobile liability, and excess liability insurance coverage, and a flat or lower renewal rate for its insurance coverage for Bridge and Use & Occupancy Policy, Multi-Peril Property, Boiler & Machinery, Use & Occupancy, Public

Officials Errors & Omissions, Data Processing, Money & Securities, 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 Travelers Insurance Company for an annual premium of \$191,703 beginning on July 1, 2007;
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 \$293,990 beginning on July 1, 2007;
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 \$42,500 beginning on July 1, 2007;
4. Public Officials Errors and Omissions Insurance proposed by Wachovia Insurance Services, Inc., on behalf of American International Specialty Lines ("AIG") for an annual premium of \$71,461 beginning on July 1, 2007;
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 \$62,879 beginning on July 1, 2007 which represents a slight increase from last year due to the increase in the replacement value of the bridges; 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 \$310,000 beginning on July 1, 2007.

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.

Chairman: The more fun one.

General Counsel: Mr. Chairman and Commission Members, I have a proposed resolution authorizing the filing of the new rule regulating the use of unmuffled engine brakes on the Ohio Turnpike and amending rule 5537-3-01(K) of the Ohio Administrative Code, which are our traffic rules. The first rule is a new rule, it's authorized now under the provisions of Amended House Bill 67, which was passed a few months ago. The legislation authorizes the Commission for the first time to adopt a rule regulating engine brakes. The new language and the new rule are reflected in the red highlighted portion in Exhibit "A", the second page. Subsection "A" of the new rule is actually language that I lifted from the provisions of Ohio Revised Code 4513.22. It requires every motor vehicle and motor cycle with an internal combustion engine to be equipped with a muffler that is in good working order and in constant operation to prevent excessive or unusual noise. The second part of the rule, the new rule would provide that except in case of an emergency or extreme weather conditions no person may operate an unmuffled engine brake on the Turnpike. The second portion of the resolution is a proposed amendment to 5537-3-01 to prohibited users. This change is also highlighted in Subsection K. It is being made at the request of the Ohio State Highway Patrol. As you know, vehicles traveling on the Ohio Turnpike are subject to certain weight limitations. The weight of every vehicle is checked at the toll plaza on our toll equipment and scales. However, the OSHP also has portable scales and utilizes them in order to enforce the weight limits on the Ohio Turnpike and they have requested that we amend the language in the rules, you'll see the highlighted change in red font, it would just provide that the gross weight provided by automatic toll equipment or by portable scales. So that encompasses the proposed changes. With your permission I will read the Resolved.

RESOLVED that the Commission hereby authorizes the General Counsel to initiate the process necessary to adopt the attached amended version of Section 5537-3-01(K) of the Ohio Administrative Code in accordance with Sections 111.15 and 119.032 of the Ohio Revised Code.

Chairman: Motion to adopt?

Mr. Dixon: So moved

Chairman: A second?

Mr. Beasley: Second

Chairman: Questions and discussion on the motion to adopt?

Mr. Regula: If I may, Mr. Chairman. As an individual that has driven trucks in my youth for many years and currently has a CDL license, I am steadfastly against a blanket policy

of saying that we truckers cannot use engine brakes on the Ohio Turnpike. I think we have a commercial road here that has been here for 50 years, I think that the individuals who have bought homes or purchased homes close to our road made a conscientious decision to purchase those homes knowing full well that there was a commercial road beside them. I live within 30 yards of a State Route 21, which I'm sure the Director with ODOT would be familiar with. I don't see a state policy where we're restricting truckers from using engine brakes. Obviously, municipalities have initiated this, but without getting into a lengthy discussion as to how engine brakes work on trucks, and some of you may be familiar with it and some of you not. What I would advocate in this particular situation, first of all, I think the portable scales issue is a good idea. I'd like to see these two resolutions split up so that they would be separate from the engine brake issue. And I would ask that the Commission consider tabling the engine brake issue until we have additional information. When I say additional information, I would like the OSHP to weigh in on this, I would like the trucking association to weigh in on it, I also think that if the municipalities are so gung-ho for this issue that we would welcome them to weigh in on it, and I would also like our staff to do a little research as to whether or not any Turnpike in the United States has a blanket policy against engine brakes. I think every one of the Commission Members that sits here wants the safest possible highway we can have and I would advocate that by eliminating engine brakes on our highway, we are not having the safest highway that we can. Engine brakes saves lives and if you got 20 truckers you pulled off this road they would, I think, all give you a story on how an engine brake has saved their life. We put rumble strips on this highway to alert a driver who is fatigued from sliding off of the road to make it shake his truck and create a noise saying you are drifting off of the highway. A jake brake, in essence, does the same thing for a trucker when he lifts that foot off of the accelerator the truck begins to brake, it begins to vibrate and also alerts him to his fatigue. I would also say that the fact that if you eliminate engine brakes you are creating more fatigue in a driver because he is going back and forth from the brake to the accelerator, brake to accelerator, whereas he can slow down by just lifting off of the accelerator. Also, if the trucker has a heart attack normally his foot will come off of the accelerator, which will start braking that truck immediately. I think this is a safety issue and I think it should be looked at more in depth before we create a policy that we may have reservations about later and would ask the Commission to table this until we gather additional information on the subject.

Chairman: Comments from other Members and thoughts?

Senator Buehrer: Couple of questions for Noelle jurisdiction wise. By putting this in the Rule we are in effect, criminalizing the behavior and, if so, who's the enforcement mechanism?

General Counsel: The State Highway Patrol enforces all of our traffic rules and it would be a traffic citation. So the fine would be the same as all other violations of the traffic rules.

Senator Buehrer: Mr. Chairman and Noelle, is there precedent in other places in the rule where the Commission has made criminal law that isn't otherwise state statute?

General Counsel: The Commission, under the provisions of Ohio Revised Code

Section 5537.16, is authorized to adopt traffic rules that deviate or differ from the Ohio Revised Code Traffic Laws subject on all other roads and highways in now five different areas. We are allowed to adopt rules that deviate from the Revised Code for weight, length of vehicles, speed and now the engine brake and there is another one, offhand I can't remember, I apologize, so there is five different areas where we can adopt a rule that deviates or differs from Chapter 45 as it deals with motor vehicle laws. The precedent is with the municipalities. I have not checked, I know that ODOT does not have an engine brake rule because of the provisions of the Noise Control Act of 1972, I have not checked with other toll roads as far as what they've done or regulations that they have adopted. I did research, extensively, some of the local and township ordinances that were adopted and our language that I am proposing in our draft is different from that.

Senator Buehrer: Mr. Chairman, I understand that the municipalities have done whatever they do through elected officials, that is what I am wondering. Has the Commission ever taken the step in any of those topic areas that you just mentioned to adapt standards, criminal standards that are more strict than state or local standards?

General Counsel: I guess I was trying to answer the question by indicating that there are five areas where our traffic rules could.

Senator Buehrer: They could, but have they, that is my question, have they?

Chairman: The speed limit.

General Counsel: Yes. In those five different areas, our rules are different from the state code and it is a misdemeanor.

Senator Buehrer: But more strict? I understand weight is a little different.

General Counsel: Typically, our weight, I will defer to the Chief Engineer, our weight and length of vehicle restrictions mirror the state code, ODOT's regulations, because of the Federal Standards involved.

Chief Engineer: Mr. Chairman, General Counsel, actually our axle gross weight and gross length are in excess of ODOT requirements, we are 21,000 pounds, 90,000 gross, ODOT is 19,000 and 80,000 and we also have our LCV program, which ODOT does not.

Chairman: I guess the answer to your question is in most areas we are not more restrictive, we are more liberal. I think one of the areas that you mentioned also was speed. Our trucks are 65, as Dan just indicated length of trucks are longer and weight per axle.

Mr. Kidston: *--Inaudible comments, cannot hear.--*

Senator Buehrer: That is what I am trying to figure out, is there any rule more strict, any Turnpike code?

Chairman: I personally don't know of any. I don't know if that is necessarily what makes a difference, but I certainly appreciate where you are headed and I appreciate my colleagues comments. Other Commission Members what are your thoughts? Are you comfortable with tabling this for a month and continuing the discussion on it or taking action today? Do we want to try and separate the two or leave it as one item? I mean is Patrol, the portable scale issue.

General Counsel: We can break it up. We can amend the resolution to take out, to split it up and I would recommend that because we have cooperated with the State Highway Patrol and this request, it is an important issue for them.

Mr. Kidston: I would like to split it up then, and table the Jake Brake issue, and I would also, after David's concerns are addressed here, I would also, before this comes back to the table, I would like to look at this, if, in fact, it does come back to the table. I would like to look at it in a more limited version keeping in mind that our highway travels through many different types of areas and out in the rural areas this policy certainly is not needed. I think there is a very limited amount of mileage along the 241 miles that we travel here that wherever this policy really needs to be enforced, and everything west of Toledo, I can tell you, we don't need it.

Ms. Gibson: Mr. Chairman, a couple of questions on this issue. I appreciate your discussion here about how all parts of the road are not necessarily equal as they travel through different parts of the state, you know the railroads for years have had quiet zones that they operate under as well, there might be some lessons to be learned from their history of going through smaller places where it is more urbanized. But my real question is the language says "unmuffled engine brakes", so could someone explain the difference between unmuffled versus muffled, I guess that would be the casing is removed, so those are presumably louder?

General Counsel: Correct.

Ms. Gibson: So if it is a muffled engine brake we are not regulating it, is that the intent of this?

General Counsel: Mr. Chairman and Commission Members, that is correct. The Federal Noise Control Act from 1972 requires the manufacturers of vehicles to manufacture mufflers and install mufflers on every vehicle sold to comply with Federal Noise Standards, so it is my understanding from the industry information I was able to gather in the last two months, that some truckers, and I'll defer to Commission Member Regula, will alter the equipment so that it is not muffled. So as it comes from the factory it is supposed to comply with Federal Noise Standards that was the intent of the language "unmuffled".

Ms. Gibson: Thank you Mr. Chairman.

Chairman: I get a sense from the Commission Members that whether we think this is correct or incorrect that there is at least a desire to have some further investigation. So do we want to propose an amendment and have her possibly, David do you want to deal with Noelle and have her work on that?

Mr. Regula: I would be glad to do that.

General Counsel: Mr. Chairman and Commission Members, the resolution can be amended to take out the second and third paragraphs and the seventh paragraph starting down on the fifth line to redact to eliminate the language “adopt a new rule regulating the use of unmuffled engine brakes on the Turnpike except in cases of an emergency or extreme weather conditions as reflected in the attached drafted new rule Exhibit “A” deleting Exhibit “A” and then in the last paragraph of the resolution starting with the word, on the second line “adopt the attached new rule regulating the use of unmuffled engine brakes on the Ohio Turnpike except in cases of an emergency or extreme weather conditions and” keeping the remaining language. With the modified resolution that would be appropriate to accomplish your purposes.

Chairman: Deleting paragraph two, the second “whereas” and deleting paragraph three, the third “whereas” in the, I believe you said, the last “whereas” which is paragraph seven, where are you commencing?

General Counsel: The fifth line down, at the end of that line process to and beginning with, striking starting with the word “adopt a new rule regulating the use of unmuffled engine brakes on the Turnpike except in cases of an emergency or extreme weather conditions as reflected in the attached drafted new rule Exhibit ‘A’” and striking Exhibit “A”.

Chairman: You would be striking the word “and” also after that.

General Counsel: Correct.

Chairman: Then in the last.

Mr. Regula: Would we still be including this?

General Counsel: No, that’s Exhibit “A”, so that would be stricken.

Chairman: Then in the last resolved, last paragraph resolved starting with the word “adopt” striking through the word “and”.

General Counsel: Correct.

Chairman: I think we need the word “adopt” over here on this last one. We need a motion to amend the resolution that is before the Commission.

Mr. Regula: I would make a motion that we amend the resolution before the Commission.

Chairman: Strike paragraph two, striking three, and making the changes in paragraph seven deleting from the word on the fifth line from the word “adopt” up to and including the eighth line including the word “and”, then in the last paragraph of the second line deleting

starting after the word “adopt” starting with the “attached” and going to the fourth line deleting the three words in the fourth line which end with the word “and”. Do we have a second for that motion?

Executive Director: Mr. Kidston seconded.

Chairman: Noelle do you want to read the resolved for us then?

General Counsel: RESOLVED that the Commission hereby authorizes the General Counsel to initiate the process necessary to adopt the attached amended version of Section 5537-3-01(K) of the Ohio Administrative Code in accordance with Sections 111.15 and 119.032 of the Ohio Revised Code.

Chairman: And we are not changing the Exhibit, we are striking Exhibit “A”, but we are not changing the reference to Exhibit “B”, so our documents will have one attachment which will be Exhibit “B”.

General Counsel: We are striking Exhibit “A”.

Chairman: So that motion to amend has been introduced and seconded. Any questions on the amendment? Call the roll on the amendment.

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Five yeas and the amendment is adopted.

Chairman: We now have the resolution before us as amended. Does anybody have any further questions or discussion on the new resolution? Please call the roll.

Mr. Regula: The amended resolution.

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Five yeas and the amended resolution is adopted.

RESOLUTION NO. 20-2007

**Resolution Authorizing the Filing of Amended Rule 5537-3-01(K) of
the Ohio Administrative Code**

WHEREAS, the Commission has adopted traffic rules for the control and regulation of traffic, for the protection and preservation of property under its jurisdiction and/or for the maintenance and preservation of good order within the property under its control in accordance with the authority granted to it under Ohio Revised Code Section 5537.16 as promulgated in the provisions of Ohio Administrative Code Sections 5537-1-01 through 5537-7-01; and

WHEREAS, the Commission has also received a request from the State Highway Patrol regarding the current provisions of Section 5537-3-01(K) of the Commission's traffic rules which restricts the allowable axle load or gross weight of vehicles using the Turnpike; and

WHEREAS, the Ohio State Highway Patrol has requested that the Commission amend the provisions of Section 5537-3-01(K) of the Ohio Administrative Code to also expand the determination of allowable axle load or gross weight by the use of portable weight scales in its enforcement of this traffic rule; and

WHEREAS, the Commission desires to cooperate with the Ohio State Highway Patrol in its enforcement of Section 5537-3-01(K) of the Ohio Administrative Code based upon the reports it has received of drivers of overweight vehicles attempting to use the Turnpike in violation of its rules for the control and regulation of traffic; and

WHEREAS, in accordance with applicable statutory provisions, including Sections 111.15 and 119.032 of the Ohio Revised Code, the Commission must file with the Joint Committee on Agency Rule Review, the Legislative Service Commission and the Secretary of State any new rule or amended rule in accordance with the procedures set forth in the statutes and the Commission wishes to begin the process to amend the provisions of Section 5537-03-01(K) as reflected in the attached drafted amended rule (Exhibit B); and

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the General Counsel to initiate the process necessary to adopt the attached amended version of Section 5537-3-01(K) of the Ohio Administrative Code in accordance with Sections 111.15 and 119.032 of the Ohio Revised Code.

EXHIBIT B

Chapter 5537-3 Prohibited Uses

5537-3-01 Prohibited users.

The following shall not be permitted to travel on the turnpike:

- (A) Pedestrians.
- (B) Bicycles.
- (C) Vehicles drawn by animals.
- (D) Animals led, ridden, or driven on the hoof.
- (E) Vehicles transporting animals or poultry not properly secured or confined.
- (F) Self-propelled or towed construction, agricultural, or other similar equipment not designed for or employed in general highway transportation.
- (G) Vehicles with improperly secured loads.
- (H) Vehicles with metal tires, solid tires, or deflated pneumatic tires and vehicles with caterpillar treads, except by special permit issued by the commission.

(I) Such vehicles as, in the opinion of a commission toll collector or collectors or any police officer, are deemed to be unsafe or to be such as to create a hazard upon the turnpike. The burden of proof of the safe condition of such vehicles shall be upon the operators of such vehicles.

(J) Vehicles, including any loads thereon, which exceed the following maximum dimensions:

Width-8'-6", Height-13'-6", Length-40'-0" for single units except passenger bus with three or more axles, Length-45'-0" for passenger bus with three or more axles, Length-75'-0" for commercial tractor and semi-trailer combinations (the length does not include safety devices or bumpers attached to the front or rear of such combinations. The length does include Overhang, except that automobile Transporters may have up to 4' Overhang in the rear and 3' overhang In the front of the vehicle (for a Total maximum length of 82').

Length-90'-0" for any long combination vehicles (length does not include safety devices or bumpers attached to the front or rear of such combinations), provided, however, that the operator or operators of any such vehicle or vehicles may make written application to the commission for a permit to enter and travel upon the turnpike and the commission may, in its discretion, grant such permit, in writing, upon such terms as it may prescribe; provided further that busses and fire trucks in course of delivery shall be exempt from length limitation.

(K) Vehicles exceeding allowable axle load or gross weight as determined by automatic toll equipment or portable scales as follows:

(1) Maximum axle load-21,000 lbs.,

(2) Maximum combined axle load of any two successive axles, spaced four feet or less apart-24,000 lbs.,

(3) Maximum combined axle load of any two successive axles, spaced more than four feet apart but less than eight feet apart – 34,000 lbs.,

(4) Maximum gross weight-90,000 lbs., provided, however, that the operator or operators of any such vehicle or vehicles may make written application to the commission a permit to enter and travel upon the turnpike and the commission may, in its discretion, grant such permit, in writing, upon such terms as it may prescribe.

(L) Vehicles transporting explosives of such kind or in the quantity for which federal regulations or the statutes of the state of Ohio prescribes that there be displayed by said vehicles or the operators thereof warning or identifying flags and signs such as "Explosives," "Danger," or like sign, provided, however, that the operator or operators of any such vehicle or vehicles may make written application to the commission for a permit to enter and travel upon the turnpike and the commission may, in its discretion, grant such, permit in writing, upon such terms as it may prescribe.

(M) During high winds or during the prevalence of other adverse weather conditions, motorcycles, house trailers, horse trailers, boat trailers, long combination vehicles, utility trailers and all passenger vehicle-drawn trailers.

(N) Vehicles that are not capable of maintaining a speed of at least 40 miles per hour on level grade.

(O) Vehicles in tow by a rope, chain or other non-rigid connection.

(P) Disabled vehicles in tow except under the following conditions:

(1) Passenger vehicles which become disabled and must be removed by towing or pushing, shall be removed by being towed or pushed to the nearest exit by a service vehicle from an official turnpike contract garage.

(2) Trucking and bus company vehicles, which become disabled and must be removed by towing or pushing, shall be removed only by being towed or pushed to the nearest exit by a service vehicle from: an official turnpike contract garage, a company owned and operated service unit, or an agency operating under contract with the subject company whose vehicle is disabled.

(3) Passengers are prohibited from riding in any vehicle being towed or pushed on the turnpike.

Chairman: And what is our plan for the Jake brake issue because as I certainly sympathize and understand your position, I have also been at the public meetings where the residents of the area talked about the truckers that use the Jake brake at four o'clock in the morning by the service plazas, coming into a service plaza and have complained about it and that is what really started it, their discussion with the legislature and ourselves. So I think we need some relief. As Mr. Kidston indicated that west of Toledo is not a big issue, but there are urban areas that the Turnpike does go through.

Mr. Regula: I think we need the information on it.

Chairman: And as you indicated, there are quiet zones that are created in the railroad industry that we need to look at. So maybe we don't want total prohibition, but maybe the right to establish those.

Mr. Kidston: And have some quiet zones.

Mr. Regula: I think we also have to determine what's unmuffled versus muffled, if a tractor comes from the manufacturer with all standard equipment, along with an engine brake, is that going to be acceptable? I think the problem in this particular case is really the alteration that some of the truckers use because they like the roar of the engine, I frankly like the roar of the engines myself, but I have a little bit of gasoline flowing through my blood, and so we are going to have to make a determination, I don't want to put our State Highway Patrol in a position of them having to determine on a regular basis, crawl underneath a truck to determine whether the muffler system is legal or whether it is not. So we have to determine that and I would also like to

notify all of the individuals that this is going to be affecting, like Patrol, the Trucking Association and at least gather some information so that we can talk about it intelligently about this subject, because there is much. Actually, when the jake brake originally came out on the trucks it was the greatest innovation in safety that the trucking industry had seen in a decade, and I still think it is a great innovation and therefore, we just need to gather some additional information.

Chairman: Being an advocate of the trucking industry and more of the advocate of the people who live along the turnpike and the good neighbors, can you look into that and get back to us at the next meeting?

General Counsel: I will do that. I will definitely look into the railroad quiet zones.

Chairman: Any further comments?

Ms. Gibson: Mr. Chairman, one other comment regarding this issue. Are we also going to clarify whether it is primary enforcement versus like a seatbelt law or is it going to be just a ticket if we already pulled you over for something else or are we going to be looking for that specifically? So, I guess that would be a Highway Patrol enforcement issue, just like the seatbelt laws.

Chairman: I assume it is primary.

General Counsel: I assume that it is primary.

Ms. Gibson: I would assume it is primary, so you can pull them over under suspicion of that offense, is that right?

General Counsel: I will defer to the State Highway Patrol. I would assume that they are not going to pull someone over unless they hear a loud noise.

Ms. Gibson: Exactly, the suspicion of.

General Counsel: It is problematic to enforce. But those are issues we can address. I am not sure the Commission, under its traffic rules, has the authority to designate it a primary or secondary offense.

Chairman: So we will continue that and you will have something for us at the next meeting. At least a continuation of the discussion. Thank you. Anything further Noelle?

General Counsel: No. Thank you.

Chairman: Staff Reports. Mr. Steiner.

CFO/Comptroller: Good morning Mr. Chairman and Commission Members. I do have a brief update this morning on our traffic and revenue for the first five months of the year.

This first chart shows the passenger car miles traveled on the Ohio Turnpike over the past two years. Miles traveled by passenger cars in the month of May were 1.5% below the level reached last year and as I have reported in the past, the economic conditions and the high fuel prices are likely the major reasons for this decline. Commercial vehicle miles traveled were just .8% below the level reached last May. This graph which was prepared by our Traffic Consultant, Bobby Everhart of URS, depicts the density of commercial traffic in the month of May during the last two years and as we saw last month, traffic on the eastern half of the Turnpike was slightly higher than last year; while the traffic on the western half of the Turnpike has dropped and this is most likely the continued impact of the April 1st, increase in truck toll rates on the Indiana toll road that averaged approximately 25%. Despite the decline in traffic, our revenues from passenger cars were up 8.2% in May compared to last year as a result of the January 1st adjustment in toll rates. Likewise, our revenue from commercial vehicles were up 8.7% in May compared to last year. Total year-to-date toll revenues were up \$4.8 million dollars, or 6.8% in comparison to last year. However, this is lower than we had expected and it is not enough to fully offset the loss of the \$6.5 million dollars that we received from ODOT during the first five months of last year. This final chart shows total year-to-date revenue from all sources for each year of this decade and total revenues as of the end of May were \$1.4 million dollars, or 1.5% below those from last year, and again fortunately, we do have some expense savings that are helping to offset this shortfall.

Chairman: Jim, before you shift off of that chart, I want to point out that as you look at the year 2000 and you look at the revenue and you look at the 2007 you can see through May 31st our revenue is not that much greater than we were in the year 2000, but yet we have gone through approximately seven years of inflation from a standpoint of wages and costs of all the goods and things like that, so it's just kind of an editorial, we are trying to go ahead and to operate the road as efficiently as possible. I think everybody needs to look at that and be aware of that. Please continue, I'm sorry.

CFO/Comptroller: That is the end of the traffic and revenue report Mr. Chairman unless there are any questions. With your permission I do have a report on our 2006 audit financial statements. There is, included in your materials, a copy of our comprehensive annual financial report for the year ended December 31, 2006. I would like to take just a brief minute or two to highlight a few pages that may be of particular interest to you. I certainly want to point out the Chairman's Letter on page 6 and the Executive Director's Year in Review, which starts on page 7 and together these reports provide an excellent overview of the year's significant events that impacted our operations and our finances and they also include a look ahead at the major projects we have planned over the next few years. If you can skip to page 16, there you will find the Certificate of Achievement for Excellence in Financial Reporting that we received from the Government Finance Officers Association for our 2005 Annual Report and I have already submitted the 2006 report to the GFOA to be considered for another certificate. On page 22, you will find the opinion of our independent auditors, Ciuni & Panichi, and once again we received an unqualified or clean audit opinion and we do have a representative from Ciuni & Panichi here this morning who will discuss this more fully in just a minute. The actual financial statements are on pages 28-30 and they include the Balance Sheet, the Statement of Revenue and Expenses and Changes in Net Assets, as well as the Statement of Cash Flows. The Notes to the Financial Statements begin on page 31 and starting at the bottom of the page you will see that

during 2006 the Commission implemented several new accounting rules that were issued by the Governmental Accounting Standards Board. Most of these new pronouncements had no impact on the Commission's statements or disclosures. However, there is one exception, which is discussed on the top of page 32 and that is GASB Statement No. 44 and that statement greatly expanded the required disclosures that are included in the statistical section of the report, which does begin on page 45. We are now required to disclose our net assets for each of the last ten years, which are included as part of the Balance Sheets, which are presented on pages 46 and 47 and we anticipated this requirement and we have been including this information in our Annual Report since 2004. Also, we are required to present our Statement of Revenues Expenses and Changes in Net Assets for each of the last ten years and we have included those on pages 48 and 49. Again, we have been presenting this information in our Annual Reports for several years. Pages 52 and 53 is also a new required schedule that shows our vehicle miles traveled and toll rates per mile by weight class for each of the last ten years and as is noted in the Executive Director's Year in Review our toll rates are among the lowest in the nation. On top of pages 58 and 59 are some new required debt ratios and at the bottom of the page is the calculation of the revenue bond coverage that we have traditionally included in our reports each year. Another new requirement to disclose is our Principal Toll Revenue Payers for the current year and for nine years ago, as well as the Principal Ohio Employers and we've included this information on pages 60 and 61 and yet another new requirement is to report the number of Ohio Turnpike employees for each of the last ten years along with employment demographic and economic data for the State of Ohio and we have included this data on pages 62 and 63. We are also required to report our traffic accident statistics for each of the last ten years, again this is something we've already been doing for many years. This information is included on pages 64 and 65 and as the Executive Director also noted in his report that 2006 was one of the safest years in the history of the Ohio Turnpike. The last new schedule is a ten year listing of selected Capital Asset Statistics and this is on pages 66 and 67 and this is the same information that we had included in previous Annual Reports. The only difference is that we historically reported this data for just the current year, but now we are required to display it for the last ten years. That is kind of a quick run through of the Annual Report Mr. Chairman and Commission Members. I would happy to answer any questions and then if not, with your permission, I would like to introduce Lynn Basconi, who is the Senior Manager of Ciuni & Panichi, and she would like to make a brief presentation.

Chairman: Before that, does anyone have any questions or comments for Jim?

Mr. Dixon: Mr. Chairman, do we have the racial breakdown for the employees, do we have the different categories here? Do we keep that information?

CFO/Comptroller: Mr. Chairman and Commission Member Dixon that is not a required disclosure, so we did not report it. I do not have that information, but I am sure our Human Resources Department can provide that information for you.

Mr. Dixon: But do we have it? Do we have it Mr. Suhadolnik?

Executive Director: I honestly cannot answer that question Mr. Dixon. I do not know if we have that or not. I mean since we obviously try to practice fair hiring, I do not know if we

have that.

Mr. Dixon: But if you had the numbers I can see if you succeeded.

Executive Director: I will ask our Human Resources Department. I honestly don't know if they have that breakdown.

Mr. Dixon: Could you get somebody to get that information to me please?

Executive Director: If we have it I will get it to you.

Mr. Dixon: Just an answer to the question.

Chairman: The answer is yes. You will get it for him.

Mr. Dixon: Thank you Mr. Chairman.

Chairman: Continue.

Lynn Basconi: Good morning. I would like to thank Jim for reviewing the Annual Report. That was certainly the harder part of the presentation. But one item I would like to cover that is in the Annual Report is our Independent Auditor's Report. Based on the procedures performed under government auditing standards, we have issued a clean opinion or an unqualified opinion on the financial statements on a whole, which means basically that the financial statements present fairly the financial position of the Commission as of December 31, 2006. We have also submitted the CAFR, the Annual Report to the Auditor of the State of Ohio and on May 21, 2007 they issued a letter to us accepting the report with no modifications. In addition, I would like to mention that during the Fall of 2006 the Auditor of State came to our office to do an onsite review of our December 31, 2005 audit work papers and again they had no findings, or no modifications to our procedures that we perform and performed during this current year's audit as well. Now I would like to review the set of reports that you received, they are bound up with our Ciuni & Panichi cover on them, and they are a set of special reports. If you turn to the first report, which is the third page entitled "Report on Internal Control over Financial Reporting, etc." Government auditing standards require us to test and report on internal control over financial reporting and also on compliance with laws such as the Ohio Revised Code Regulations and Contracts, in addition to our separate auditor's report included in the Annual Report. So this report basically states that we did not identify any deficiencies in internal control over financial reporting and also there were no instances of non-compliance with the laws and regulations and contracts, etc. that the Commission has. The next report which is two more pages back titled "Independent Auditor's Report". This report is on the Commission's compliance with the covenants provisions and conditions in relation to Article IV of the Master Trust Agreement and basically this report is just stating that there were not areas of non-compliance with the Master Trust Agreement that came to our attention. The next report which is also titled "Independent Auditor's Report" is another report that relates to the Master Trust Agreement, but more specifically the schedule of net system pledge revenues, which that schedule is the next page in and it's a calculation of the net system pledge revenues. Basically,

this calculation accomplishes a few things. The top half of the calculation is the net system pledge revenues, which is basically certain gross revenues that are pledged less operating expenses to come to this net system pledge revenue amount of \$103,348,000.00. Then we calculate the annual debt service requirements. The first test we have to do is to make sure that your revenues exceed your debt service for this year and obviously it did. Then we have to calculate at the bottom of the page the net system pledge revenues as a percentage of the annual debt service and currently the Commission adopted in 2004 that they want that percentage to be 200% and obviously we met the 200% mark. The next few pages are just definitions and explanations coming out of the Master Trust Agreement. Were there any questions about any of these reports?

Mr. Dixon: I just want be clear. So basically, this report is saying that in all those areas required, you found no findings?

Lynn Basconi: Correct.

Mr. Dixon: That's very good.

Lynn Basconi: Very good.

Mr. Dixon: That's very good.

Lynn Basconi: Lastly, I just wanted to report that we have also met separately with the Audit Committee of the Commission, which is comprised of Mr. Kidston and Mr. Regula and we meet with them two times during the audit process. We met with them in the planning stages to discuss any concerns or areas that they might want us to focus on and then we met with them at the close of the audit to review our findings and our reports. So in closing, I just wanted to thank Jim Steiner and Dave Miller and their staff for a very smooth audit and their fieldwork went along timely.

Chairman: Thank you.

CFO/Comptroller: That completes my report Mr. Chairman.

Chairman: Any further questions?

Mr. Dixon: Just to say again, I mean we kind of mundanely accept these, but to go through an audit an organization of this size dealing with all of the categories that we do, to have no findings, I think that's just excellent and your staff and this organization should be applauded for that.

Chairman: It's Jim and Dave Miller.

Mr. Dixon: Good job. Job well done.

CFO/Comptroller: Thank you very much. We appreciate that.

Chairman: Thank you. Mr. Dixon's comments naturally represent the entire Commission that's for sure. Anything further from the Commission Members? We'll move on to the financial advisor.

Financial Advisor: No report today.

Chairman: Thank you. Trustee, Mr. Lamb?

Trustee: No report Mr. Chairman.

Chairman: General Consultant.

General Consultant: Sorry I couldn't keep up that streak. Mr. Chairman and Commission Members, we have completed 100% of the facility and building inspections. We've completed 85% of the roadway bridge, culvert and sign inspections. Actually, the 85% will be complete at the end of next week. At which time we will be removing our people from the Turnpike. The remaining 15% will be completed in the Fall. There are actually construction zones where we choose not to do those inspections until the construction zones are down. The reports are underway and they are on schedule and we don't have any significant findings to report. That completes my report. Any questions?

Chairman: Any questions? Thank you very much. Ohio State Highway Patrol.

St./Lt. Tornabene: Thank you Chairman Balog and Commission Members. Unfortunately, I have two reports of two fatal crashes that have occurred since the last Commission Meeting. On June 4th we had a single motorcycle fatal. Both of these fatal crashes occurred during periods of heavy rain. The motorcycle lost control, was not traveling at a high rate of speed, but lost control in the rain and went off the road and struck the guardrail. There was one person, the driver, killed in that crash. On June 19th we had a double fatality out at the 171 Milepost involving a Honda Accord and a semi tractor trailer. That was also in the heavy rain. The Honda Accord lost control went off the road, struck a guardrail, bounced back into the traffic lanes and was struck in the passenger's door by the semi tractor trailer. The commercial driver was taking evasive action, and just could not get out of the way, slow it down or moved over enough to avoid striking the Honda Accord. We also had a natural death out at Toll Plaza 110. Unfortunately, people traveling, a driver felt fatigued or ill and changed drivers. He went in the back of the van and laid down and when they were unable to rouse him, they pulled over at Toll Plaza 110 and he had expired in the back of the van. I am sure that was very traumatic for the family having him expire in the back of the vehicle such as that. That's all the bad news.

I would like to thank you for the change in the regulations for weighing commercial vehicles. It has been a big problem for us and we have had trouble with many of the courts because of the language in the Turnpike rules and regulations. We had also asked for a change in the fine structure because currently it is a \$100.00 fine to run overweight and for some commercial drivers that is not enough of a detriment to take a \$100.00 fine. They can load another coil of steel on there and make much more money than that. However, we can get them to make the vehicles legal before they travel again under the current structure, so I thank you for

that. It is a bigger and bigger problem because of the economic times, I'm sure, but we will continue to work on that. It will be much easier to work under the new regulations. Do you know when those take effect?

General Counsel: We are working on that. We have to file it with JCARR.

St./Lt. Tornabene: Very good. That is all I have to report. If you have any questions, I will be willing to answer them.

Chairman: Any questions?

Executive Director: Lt. Tornabene the natural death, while that is tragic, that does not count towards our statistics for the year, is that correct?

St./Lt. Tornabene: That is not considered a traffic fatality. So it will not go against statistics for fatal crashes or fatalities on the Ohio Turnpike.

Executive Director: And the second thing on that, with that crash with the truck and the Honda, was that one fatality or two fatalities?

St./Lt. Tornabene: Both persons in the Honda were killed.

Executive Director: There were a total of three unfortunately. Two in that crash and the one with the motorcycle.

St./Lt. Tornabene: That's correct. Two fatal crashes and three fatalities.

Mr. Dixon: Mr. Chairman.

Mr. Chairman: Mr. Dixon.

Mr. Dixon: You said that when you were discussing the motorcycle, you said the driver was killed. Were there two people on the motorcycle?

St./Lt. Tornabene: No, he was alone.

Mr. Dixon: Thank you.

Chairman: Out of curiosity, was he wearing a helmet?

St./Lt. Tornabene: Yes he was. Unfortunately, when he lost control of the vehicle and it overturned he struck his head on a guardrail pillar post and that helmet was not enough to save him.

Mr. Regula: Mr. Chairman and Lieutenant, one question on our crash reports, which I get, I request and I do get and do read, and forgive me, do we have a check box for whether they

had their jake brakes on at the time of the crash and/or is it something we can add? Is it a standard crash report that we use for the state or is it one that we developed for the Turnpike.

St./Lt. Tornabene: It is a standardized crash report that's used for the state. There is no current check box for jake brake whether it was included or not during the time when the crash occurred. I suppose it is something we can ask, but it would be difficult to track because it would be on the addendum to the traffic crash report. It would not be something that we could statistically pull out of the report.

Mr. Regula: Because of the fact of the way the filing system works?

St./Lt. Tornabene: Exactly.

Mr. Regula: Thank you.

Chairman: Thank you.

Mr. Kidston: Just for clarification, do we not weigh each truck as it comes on to the Turnpike across the scale?

Executive Director: Yes we do. A couple of things happen, sometimes they try to cheat by shifting their load with the air brakes and so they can somehow come up with a false reading. There are also times when they will just not take a ticket, they will just go through the interchange and we are not able to apprehend them and then when they appear at the booth to pay the toll they will say "oh, I've lost my ticket", so we will charge them the high Class 8 rate, but they are really far in excess of that.

Mr. Kidston: And how bad a problem is this as far as heavy or overweight trucks?

St./Lt. Tornabene: Obviously, this is a safety concern. These trucks are not made for their braking systems, etc. are not made for the types of weights that we are finding. We are finding trucks that are 40,000-50,000 pounds overloaded. If they attempt to stop for whatever occurs in front of them they are not going to be able to stop as quickly because of the excess weight. We are finding many of them, however, I don't know how many we are missing. They are fairly ingenious on getting into and through the automated toll equipment. They have many methods, using the air axles, rubbing up against the curb to take some weight off of the vehicle, pulling back and forth in the toll plaza, they might start forward and pull back, some have had a Class 3 ticket, and the toll collectors are very good about watching for that type of thing, but obviously there are some that get by that they don't see.

Mr. Kidston: And the frequency of this, that is what I was more after. I understand the danger of running overweight. Is this a frequent problem?

St./Lt. Tornabene: Yes it is. It is quite regular at all three of our patrol posts, our officers do watch for it in different manners, trucks pulling hard, bulging tires, that type of thing, so they are stopping them, they are weighing them, so it will be a little easier now with the

ability to pull in the portable scales to weigh them on the Turnpike, so that will be an added incentive to get these vehicles off of the road and then we do make them get legal before they continue.

Chairman: Thank you. Any further business? Commission Members anything further?

Mr. Dixon: Just one thing in general, this is the longest that we have gone in awhile, and I don't want to make it too much longer, I would be lying if I said I read everything you send to me, I don't, but the one thing I do read are the resolutions and I know that Kathy, her department, they do a great job over there. I am concerned though and I ask these questions every month about the lack of the smaller number of bids that we seem to be getting, we spend a lot of money and I know that every time I go someplace people are out there jumping on me asking how do I do business with the Turnpike. How do we get involved in this and that and so it's, for some reason, I just have a feeling that we are just not getting the responses that we should be getting and I think that is something that we should be concerned about because of course, if we get a smaller, narrower group of people returning RFPs, there is a chance they are going to be hired so I just, there is nothing that we can do right now, nothing that we can do tomorrow, but down the line I think we need to look at this and see if there is something that we are not doing or something that we are doing that is turning people off from bidding because I really feel that we should have more responses to some of these contracts. That's it.

Chairman: I think to a large extent, it's the size of the contracts and the size of the commodities we are dealing with. You know I use the paving industry and the way that has consolidated. We can't use the local person who is doing the driveways and small pavers, he doesn't have the equipment, he doesn't have the manpower, he doesn't have the ability to get on the Turnpike, that is what is happening in the world, it's consolidation, it's more and more smaller companies are leaving and they are becoming bigger and bigger and there's just a limited number of companies out there that provide the services that we need in the quantities that we deal with.

Mr. Dixon: I agree with that Mr. Chairman, but respectfully at the same time, I hate to and I haven't had to in a long time, so I think I can put this one in, at the RTA we get the same type of bids in certain areas and the one that you mentioned is one of those similar areas and when we put out that RFP we are getting ten to twenty responses and I get three over here. So again, I am just curious, I don't know, maybe you guys are smarter than we are over there and maybe some of the specifics are different, so you are eliminating some of the bidders. I don't know, again it is just my feeling, I can be wrong and if you don't share that then, you know, but it is just my feeling, it's just my feeling that something, we should be getting more responses to some of these contracts, some of these bids.

Chairman: Thank you.

Mr. Regula: And if I may add, it is great to have the Senator back, I think that he is knowledgeable of our facility and has been with us for awhile and it is good to see you again and it's great to have a new representative as well. Welcome.

Mr. Buehrer: Mr. Chairman.

Chairman: Yes sir.

Mr. Buehrer: Thank you for that and it is good to be back. I am not sure if this is return duty or return sentence, but I am glad to be back. In response to Mr. Dixon's question, do we have different bonding requirements, perhaps higher that may force some smaller bidders out?

Mr. Dixon: If I may, I doubt that because we have more, because we get most of our money from the Fed, we have more regulations than we have over here. Actually, it should be harder to do business at the RTA because of the Federal Regulations that we work under.

Chairman: Kathy do you have?

Director of Contracts Administration: Mr. Chairman and Senator Buehrer, our bonding requirements for all of our construction projects are the same as the State of Ohio, which is 100%, 10%, 100% Performance Bond. For our internal commodity purchases we actually only have a 50% requirement, but still even the 50% requirement sometimes for a small business can be difficult. So the bonding requirements are in response to Commissioner Dixon's question that at times, for a smaller business, it can be cost prohibitive, but it is state law so we have to follow it.

Chairman: Thank you. So if there is no further business I will accept a motion to adjourn to our next regular scheduled meeting, which is Monday, July 16th at 10:00 a.m. Motion to adjourn?

Mr. Kidston: So moved

Chairman: Is there a second?

Mr. Dixon: Second

Chairman: Call the roll.

Executive Director: Mr. Kidston

Mr. Kidston: Yes

Executive Director: Mr. Dixon

Mr. Dixon: Yes

Executive Director: Mr. Regula

Mr. Regula: Yes

Executive Director: Mr. Balog

Mr. Balog: Yes

Executive Director: Mr. Beasley

Mr. Beasley: Yes

Executive Director: Five yeas and the meeting is adjourned at 10:44 a.m.

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

George F. Dixon, Secretary-Treasurer