

MINUTES OF THE 538th MEETING OF THE OHIO TURNPIKE COMMISSION

December 17, 2007

Chairman: Good morning, it's 10:00 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 is absent today and will not be here.

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Here

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Here

Assistant Secretary-Treasurer: Representing OBM is Mr. Kaplanov.

Mr. Kaplanov: Here

Assistant Secretary-Treasurer: We have no one here from the Lt. Governor's office and Senator Buehrer called and said that he would not be here today. Representative Reinhard.

Representative Reinhard: Here

Assistant Secretary-Treasurer: Mr. Chairman we have a quorum.

Chairman: Thank you. We have a number of guests here today and in keeping with past practices, I'd like everyone to introduce themselves. We'll start with Mr. Steiner.

Those in attendance: Jim Steiner, CFO/Comptroller, Ohio Turnpike Commission; Eric Erickson, Fifth Third; Bobby Everhart, URS; Heidi Jedel, Ohio Turnpike Commission; Jennifer Diaz, Ohio Turnpike Commission; Kathy Weiss, Director of Contracts Administration, Ohio Turnpike Commission; Mike Swan, Dick Corp.; Dave Miller, Director of Audit and Internal Control, Ohio Turnpike Commission; Rob Fleischman, Assistant Chief Engineer, Ohio Turnpike Commission; Tim Ujvari, Maintenance Engineer, Ohio Turnpike Commission; Mike Burgess, URS; Captain Roger Hannay, Ohio State Highway Patrol; Steve Wood, Citi Group; Joshua

Burkes, HNTB; Sarah Hollander, Plain Dealer; Matthew Stuczynski, National City Investments; Glen Stephens, G. Stephens; John Connor, Keybank; Frank Lamb, Huntington Bank; Don Taggart, Operator's Union Local #18; Lauren Hakos, Public Affairs and Marketing Manager, Ohio Turnpike Commission; and Dick Morgan, Director of Information Systems, Ohio Turnpike Commission.

Chairman: Thank you. Various reports will be received and we will act on several resolutions, draft copies have previously been provided to the Members. Updated drafts are also in the Members' folders. The resolutions will be explained during the appropriate reports. Can I have a motion to adopt the minutes of the October 15, 2007 Commission Meeting?

Mr. Regula: So moved.

Chairman: Is there a second?

Ms. Teeuwen: Second

Chairman: Thank you. If there are no questions, we will take the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Four yeas and the minutes are adopted.

Chairman: Next we will proceed with the report of the Secretary-Treasurer. Since the Secretary-Treasurer, Mr. Dixon, is out today the Assistant Secretary-Treasurer will read the report.

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 September 17, 2007. They are:

1. Minutes of the October 15, 2007 Commission Meeting;

2. Total Revenue by Month and Year, October and November, 2007;
3. Investment Report, October and November, 2007;
4. Financial Statement, October and November, 2007;
5. Traffic Crash Summary Report, October and November, 2007; and

That concludes the Secretary-Treasurer's Report, Mr. Chairman.

Chairman: Thank you. Any questions? Next will be the report of the Executive Director.

Executive Director: Thank you Mr. Chairman. I have three resolutions, but before I do that I would like to mention that that the RFP for our new toll system has been issued. We had an onsite meeting where, I believe, there were 18 representatives of different vendors that were here, as well as Mark IV and one other company was here as well. We had a good turnout and we extended the date to respond from January 8th to January 17th. While we issued our RFP, at the same time Massachusetts did the same thing, so those same vendors are trying to come up with proposals for two good sized systems, so we thought extending the date for a few more days would give them all enough time to respond because we want to have as many proposals before us as possible. Now, I will move on to the resolutions that I have. The first item I have Mr. Chairman is a resolution that will allow the Commission to extend the contracts for the maintenance of the Commission's computer software. This is for our equipment maintenance, financial reporting, inventory, purchasing, human resources and payroll. The Commission purchased this software from Ross Systems in November of 1996. In 2001, Ross sold the human resources and payroll portion of their business to Now Solutions. The original agreement included licensing, maintenance and support services for 20 years with annual escalator clauses included. While where we can, we try to negotiate better agreements that are in the best interest of the Commission. The resolution before you provides for a one year renewal of the Ross Maintenance Agreement and a three year renewal with Now Solutions. If the General Counsel would read the resolved.

General Counsel: RESOLVED that the Executive Director and Director of Contracts Administration are authorized to enter into annual extensions of the original Maintenance Agreement with **Ross Systems, Inc. of Atlanta, Georgia** in amounts not to exceed **\$88,042.62 for 2008, \$94,205.60 for 2009 and \$100,800.00 for 2010** under which Ross Systems shall provide continued maintenance and software support services for the software modules used to perform the Commission's equipment maintenance, financial reporting, inventory and purchasing functions; and

FURTHER RESOLVED that the Executive Director and Director of Contracts Administration are authorized to enter into a three (3) year extension of the original Maintenance Agreement with **Now Solutions, Inc. of Toronto, Canada** for **calendar years 2008, 2009 and 2010 in the total amount of \$75,000.00** under which Now Solutions shall provide continued

maintenance and software support services for the software modules used to perform the Commission's HR and payroll functions.

Chairman: Motion to adopt?

Mr. Kidston: So moved

Chairman: Is there a second?

Mr. Regula: Second

Chairman: Questions or discussion about the motion before the Commission? Please call the roll.

Assistant-Secretary Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant-Secretary Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant-Secretary Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant-Secretary Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant-Secretary Treasurer: Four yeas and the resolution is adopted.

RESOLUTION NO. 47-2007

Resolution Directing the Executive Director to Take Immediate Action Concerning Extension of Ross Systems, Inc. and Now Solutions, Inc. Maintenance Agreements

WHEREAS, pursuant to Resolution No. 68-1996 adopted on November 12, 1996, the Commission authorized an Agreement with Ross Systems, Inc. of Atlanta, Georgia ("Ross Systems") to furnish and install software for an Integrated Business Application System, incorporating six (6) different modules to assist in the performance of the Commission's equipment maintenance, financial reporting, inventory, purchasing, human resources and payroll functions; and

WHEREAS, the Agreement also included a twenty (20) year software license (through 2016) and all necessary software maintenance and support services; and

WHEREAS, in 2001, a portion of Ross Systems' business pertaining to the software modules related to human resources ("HR") and payroll were purchased by a company known as Now Solutions, Inc. of Toronto, Canada ("Now Solutions"); and

WHEREAS, since that time, Ross Systems has maintained and supported the software modules used for the performance of equipment maintenance, financial reporting, inventory and purchasing functions; and Now Solutions has maintained and supported the software modules used for the performance of HR and payroll functions; and

WHEREAS, in 2004, the Commission authorized Resolution 26-2004 under which the Commission had negotiated an upgrade to the Ross Systems software in exchange for a three-year commitment to renew maintenance and support services with Ross Systems, with the cost of said maintenance and support services held to \$83,000.00 per annum through 2007; and

WHEREAS, upon expiration of the current Maintenance Agreement with Ross Systems, the annual fees for maintenance and support services can increase by a maximum escalator of 7%; and

WHEREAS, although Ross Systems did offer to forego its annual 7% escalator in exchange for another non-cancelable three-year Maintenance Agreement at \$88,810.00 per year, the CFO/Comptroller and the Director of Information Systems both concur that the Commission should proceed with annual renewals of the Ross Systems software Maintenance Agreement because responsiveness to the Commission's maintenance needs by this firm may be improved if it is put through an annual review and renewal process; and

WHEREAS, costs for Ross Systems software maintenance and support services will, therefore, increase to \$88,042.62 for 2008 and may increase by up to 7% for 2009 to \$94,205.60 and 7% for 2010 to \$100,800.00; and

WHEREAS, maintenance and support services provided by Now Solutions in 2007 were billed at the annual rate of \$27,796.48, with a maximum annual fee escalator of 8%; and

WHEREAS, the CFO/Comptroller, the Director of Human Resources and the Director of Information Systems are all very satisfied with the performance of the HR and payroll software modules and the maintenance and support services provided by Now Solutions, and agree that the Commission should take advantage of any cost savings that may be realized by extending the Now Solutions Maintenance Agreement for longer than a one year period; and

WHEREAS, Now Solutions has offered to hold the line on any annual increases for maintenance and support services if the Commission agrees to a new three-year Maintenance Agreement for 2008, 2009 and 2010 at \$25,000.00 per year or \$75,000.00 total; and

WHEREAS, the Commission's CFO/Comptroller reports that entering such a three-year Maintenance Agreement with Now Solutions will result in a total cost savings to the Commission of \$14,640.00; and

WHEREAS, because proposed expenditures with both Ross Systems and Now Solutions under these Maintenance Agreement extensions will exceed \$150,000.00, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission approval to extend these respective Maintenance Agreements is necessary; and

WHEREAS, the Commission's Executive Director has reviewed the reports of the CFO/Comptroller, the Director of Human Resources and the Director of Information Systems and, predicated upon such analysis, has recommended to the Commission that the Maintenance Agreements with both Ross Systems and Now Solutions be extended as outlined herein; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Executive Director and Director of Contracts Administration are authorized to enter into annual extensions of the original Maintenance Agreement with **Ross Systems, Inc. of Atlanta, Georgia** in amounts not to exceed **\$88,042.62 for 2008, \$94,205.60 for 2009 and \$100,800.00 for 2010** under which Ross Systems shall provide continued maintenance and software support services for the software modules used to perform the Commission's equipment maintenance, financial reporting, inventory and purchasing functions; and

FURTHER RESOLVED that the Executive Director and Director of Contracts Administration are authorized to enter into a three (3) year extension of the original Maintenance Agreement with **Now Solutions, Inc. of Toronto, Canada** for **calendar years 2008, 2009 and 2010 in the total amount of \$75,000.00** under which Now Solutions shall provide continued maintenance and software support services for the software modules used to perform the Commission's HR and payroll functions.

Assistant-Secretary Treasurer: I have two more resolutions Mr. Chairman. My second resolution is as the title states, it allows me implement flat tolls if necessary in the event of a work stoppage. This resolution is virtually identical to a resolution this Commission adopted three years ago, which is a \$1.00 for cars, \$5.00 for trucks and \$10.00 for tractor trailers, no matter where they enter and exit and \$.50 for our Ready Toll customers. The staff continues to negotiate with Teamsters 436 and both sides are working toward an agreement. This is simply a part of our contingency plan to keep this important transportation corridor open for motorists if there is a work stoppage. Would the General Counsel please read the resolved?

General Counsel: RESOLVED, that the Commission hereby authorizes the Executive Director to hold a public meeting on the attached proposal to implement the attached proposal and to report to the Chairman regarding said meeting; and

FURTHER RESOLVED, the Executive Director is authorized to implement, in consultation with the Chairman, the attached temporary flat toll rates in the event of a work

stoppage by the members of the Teamsters Local Union 436 for such period of time as he deems necessary, but in no event, longer than a sixty (60) day period, and to take such other measures as he deems necessary to keep the Turnpike open and operational.

Chairman: Motion to adopt?

Ms. Teeuwen: So moved

Chairman: Is there a second?

Mr. Kidston: Second

Chairman: Questions from any of the Commission Members? Generally, what this is just so everybody understands, we certainly don't anticipate and would hope that the staff and the Teamsters are able to work out a contract or if they don't continue to negotiate in good faith, but we need to be prepared on January 1st if there is a work stoppage and so we are doing what we need to do to go ahead and keep the toll road open and make sure customers are served, snow is plowed, and we are collecting tolls. We did the same thing three years ago and did not need it and hopefully we will not need it again this time. Please call the roll.

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Four yeas and the resolution is adopted.

RESOLUTION NO. 48-2007

Resolution Authorizing the Executive Director To Implement Temporary Flat Toll Rate in the Event of a Work Stoppage

WHEREAS, the Commission by Resolutions 16-1995, 18-1995, 56-1995, 59-1995, 61-1997, 40-2003 and 48-2006 has adopted several different revisions in the schedules of toll rates which imposed changes in the schedules of toll rates then in effect; and

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

WHEREAS, the Commission's agreement with the Teamsters Local Union 436 is set to expire on December 31, 2007, and the General Counsel has reported that a successor agreement with the union has not been reached as a result of the Commission's good faith negotiations; and

WHEREAS, the Commission is committed to keep the Turnpike System open and operational in the event of a work stoppage in order to serve the needs of the traveling public; and

WHEREAS, the Commission is not scheduled to meet again before the expiration of the current collective bargaining agreement and the Executive Director has reported that a continuity of operations plan has been developed that will be implemented in the event of a work stoppage in order to keep the Turnpike System open and operational; and

WHEREAS, the General Counsel has advised the Commission that the provisions of O.R.C. Section 5537.26(D) authorize the Commission to implement a temporary toll rate decrease upon the issuance of public notice and the holding of a public meeting prior to taking any action to temporarily decrease the current toll rate structure, and that a public meeting has been scheduled for December 21, 2007; and

WHEREAS, the Executive Director has recommended to the Commission that it implement a flat toll rate in the event of a work stoppage in order to facilitate the movement of traffic on the Turnpike for the traveling public as outlined in the attached proposal and that the proposed flat toll rates set forth in the attached proposal represent an overall aggregate decrease in the current toll rates for all classes of vehicles traveling on the Turnpike.

NOW, THEREFORE, BE IT

RESOLVED, that the Commission hereby authorizes the Executive Director to hold a public meeting on the attached proposal to implement the attached proposal and to report to the Chairman regarding said meeting; and

FURTHER RESOLVED, the Executive Director is authorized to implement, in consultation with the Chairman, the attached temporary flat toll rates in the event of a work stoppage by the members of the Teamsters Local Union 436 for such period of time as he deems necessary, but in no event, longer than a sixty (60) day period, and to take such other measures as he deems necessary to keep the Turnpike open and operational.

Ohio Turnpike Commission – Proposed Emergency Flat Rate Plan in the Event of a Work Stoppage

A strike contingency plan has been developed that will minimize any interruption in the services provided or inconvenience to the users of the Ohio Turnpike. In the event of a work stoppage, the Commission is prepared to implement the following flat toll rates regardless of the distance traveled:

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

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

If customers experience any difficulty entering or exiting the Turnpike system during a work stoppage, they should contact the Commission's administrative offices at (440) 234-2081 for assistance, or the Ohio State Highway Patrol at (440) 234-2096 in the case of an emergency.

Executive Director: My third and final resolution Mr. Chairman and Members, allows me to enter into contracts for necessary services in the event of an impending work stoppage. This resolution is also nearly identical to a similar resolution adopted by the Commission three years ago. Again, as I have already indicated, our staff continues to negotiate. Additional negotiating sessions are scheduled for this week. Both sides are working toward an agreement. This is another part of our contingency plan to keep this important transportation corridor open for motorists if there is a work stoppage. This is like insurance, it is necessary, but you hope you never have to use it. I would ask the General Counsel to read the resolved.

General Counsel: RESOLVED that the Commission hereby authorizes the Chairman and/or Executive Director to enter into contract(s) for necessary services in the event of a work stoppage and to take such other measures as they deem necessary to keep the Turnpike open and operational; and

FURTHER RESOLVED that the Executive Director shall keep the Commission Members apprised of current developments and shall present a resolution ratifying the above-mentioned contract(s) should the contract amounts exceed the Executive Director's contracting authority.

Chairman: Motion to adopt?

Mr. Kidston: So moved

Chairman: Is there a second?

Ms. Teeuwen: Second

Chairman: Any questions or comments on the resolution before us?

Mr. Kaplanov: I have a question, Mr. Chairman. Does this include or is there any provision that would include or not include security contracts or is that like within the same scope? How would that all come into play?

Chairman: The response to that would be is that, I think, what we are asking for the authorization we are giving to the Executive Director is to hire workers as needed. We certainly would not anticipate and hope we wouldn't have any security issues, so I think the answer to your question is yes, but we certainly don't anticipate having any type of security needs.

Mr. Kaplanov: Thank you.

Chairman: Please call the roll.

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Four yeas and the resolution is adopted. Thank you very much. That is all I have Mr. Chairman.

RESOLUTION NO. 49-2007

Resolution Authorizing the Executive Director and/or Chairman to Enter into Contracts for Necessary Services in the Event of an Impending Work Stoppage

WHEREAS, the Commission is authorized pursuant to Ohio Revised Code Section 5537.04 to employ such personnel as are necessary to operate and maintain the Ohio Turnpike System in order to facilitate vehicular traffic throughout the State of Ohio in order to promote the agricultural, commercial, recreational and industrial development of the State; and

WHEREAS, the Commission employs full-time and part-time toll collectors to staff its Toll Operations in order to maintain and operate the Ohio Turnpike System in an efficient, economical and safe manner, which employees are represented by the Teamsters Local Union 436; and

WHEREAS, the Commission also employs staff in its Maintenance Department to provide Turnpike customers with a well-maintained and safe highway, especially in inclement weather, which employees are also represented by the Teamsters Local Union 436; and

WHEREAS, the current agreement with the Teamsters Local Union 436 will expire on December 31, 2007, and the General Counsel has reported that a successor agreement with the Union has not been reached as a result of the Commission's good faith negotiations, and the Commission is not scheduled to meet again before the expiration of the current labor agreement; and

WHEREAS, the Executive Director has advised the Commission that the staff have prepared a continuity of operations plan that will be utilized in the event of a possible work stoppage which requires the Commission to contract for necessary services; and

WHEREAS, the Commission's Director of Contracts Administration has advised the Chairman and Executive Director that the Commission has full legal authority to enter into the above-mentioned contingency contract(s) and that the proposed contracts, if needed, would in all respects be valid and legal; and

WHEREAS, the Executive Director and Director of Contracts Administration recommend that the Commission adopt this resolution authorizing execution of aforementioned contingency contract(s), if needed, to maintain and operate the Ohio Turnpike System in an efficient, economical and safe manner; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the Chairman and/or Executive Director to enter into contract(s) for necessary services in the event of a work stoppage and to take such other measures as they deem necessary to keep the Turnpike open and operational; and

FURTHER RESOLVED that the Executive Director shall keep the Commission Members apprised of current developments and shall present a resolution ratifying the above-mentioned contract(s) should the contract amounts exceed the Executive Director's contracting authority.

Chairman: Next would be the report of the Chief Engineer, Dan.

Chief Engineer: Thank you Mr. Chairman. I have one resolution for your consideration this morning pertaining to the 2008 Capital Budget. I do have a PowerPoint presentation this morning. At the conclusion of the presentation I will be asking the Commission to adopt the resolution approving the Capital Budget. This resolution will refer to a preliminary list of projects which may be subject to change. The actual detailed budget for the capital projects is attached to the resolution in the folders. Also, as we go through this budget any project that exceeds the Director's authority of \$150,000 will be brought to the Commission for an individual award at the proper time. As I go through the presentation please feel free to stop me at any time if you have any questions.

The Capital Budget is comprised of four funds. The first fund I'll review is the Systems Projects Fund. The System Projects are major projects that are part of our Capital Improvement Program. We will begin 2008 with a balance of approximately \$10.1 million. Jim Steiner will report that approximately \$43.2 million will be transferred to this fund throughout 2008 which will result in approximately \$53.3 million available for projects in 2008. Of this amount, approximately \$1.8 million is committed to ongoing projects. These projects are currently under construction or have been funded in 2007. Some of the major projects in this category include completion of the third lane at Mileposts 64.1 and 71.0 in Wood County. Just to make note, this section of roadway was opened in November for traffic. Also, the design of the toll plaza signage to be implemented with the toll plaza collection system in 2008. This line summarizes approximately \$47.2 million of new projects to be funded in 2008. As I stated earlier, the report in your folder identifies the individual projects. I will review the major expenditures. \$1.7 million has been allocated for bridge deck replacements and major repairs in 2008. \$1.5 million has been allocated for renovations of toll plazas 52 and 64 in Lucas County. Major components of this work include HVAC improvements and modifications to the toll lanes to accommodate long combination vehicles and automatic toll ticket issuing machines. You may recall that the design of this project was approved at the September Commission Meeting. We have two roadway mainline resurfacing projects this year totaling \$13.5 million. The first is in Williams County from Milepost 5.7 to Milepost 14.8 and the second in Erie County from Milepost 111.7 to Milepost 118.8. Again, that first project in Williams County that was the one that we tried to award last year in the spring and we rejected the bids due to the inflated costs. Finally, \$50 million has been budgeted for replacing the toll collection system and implementation of EZ PASS. This is the project that the Director told you is currently out to bid. This project is currently anticipated to be awarded in March of 2008. Note that \$20 million of the total of \$50 million expenditure is to be expended in 2009 and therefore is shown as a credit on our 2008

budget. Again, total expenditures in 2008 on new projects will be approximately \$47.2 million. Summarizing this fund, the \$1.8 million of continuing expenditures and \$47.2 of new projects totals approximately \$49 million dollars. As I stated earlier, with the approximate \$53.3 million available, this leaves approximately \$4.3 million uncommitted in the Systems Project Fund. The second component of the Capital Budget Fund is the Renewal and Replacement Fund. Typical projects in this category includes purchase of maintenance vehicles and equipment and other minor capital projects. We will begin next year with approximately \$6.2 million in this fund and approximately \$5.5 million will be transferred throughout the year in 2008 resulting in approximately \$11.7 million available in 2008. Approximately \$1.6 million is committed to ongoing projects that were funded in '07. Approximately \$8.9 million will be budgeted for new projects in '08. Again, the major expenditures are \$3.6 million has been budgeted for replacement of maintenance vehicles. The major expense includes \$3.3 million for 23 dump trucks equipped with snow and ice equipment and \$275,000 for replacement of nine pick-up trucks. Also, \$1 million has been budgeted for the renovation of the lower level of the administration building; this project will complete the renovation of this entire facility. The lower level of the ad building will house our customer service operations for EZ PASS once the new toll collection system is implemented and \$700,000 has been allocated to the computer equipment category for new and replacement computer equipment and required software system upgrades. Again, total expenditures in 2008 from the R& R budget will be approximately \$8.9 million. Adding in \$1.6 million of the continuing expenditures and the \$8.9 of the new project totals approximately \$10.5 million in committed funds in this category. This will result in approximately \$1.2 million in uncommitted funds in the R&R Budget classification.

The third component is the Fuel Tax Fund. This account is funded from \$.05 per gallon of the total of the \$0.28 per gallon fuel tax for fuel that is sold at the service plazas being returned to the OTC. We will begin the year with a balance of approximately \$1.8 million and we will transfer approximately \$2.25 million into this fund resulting in a balance of a little over \$4 million for 2008 projects.

Chairman: Hey Dan, you said interrupt you whenever we have a question. On the fuel tax, why do we show that as a separate budget? Is it just because it is a different source of revenue? Do we have any restrictions on how it's used?

Chief Engineer: Mr. Chairman, I'll defer to the Comptroller.

CFO/Comptroller: Mr. Chairman, the only restriction on those funds is that they cannot be used for new interchanges. That's per the statute. Other than that, it's the same as any other funds in our Systems Projects Fund.

Chairman: Thank you.

Chief Engineer: Proposed projects include \$2.5 million for our bridge painting program next year as well as \$500,000 for the resurfacing of Interchange 91 in Sandusky County. This results in \$3 million being allocated to new projects funded from the fuel tax budget. Given that \$4.1 million is available, approximately \$1.1 million will be uncommitted in this fund. And finally, the last component is the Service Plaza Capital Improvement Fund. This

account is funded from 1% of sales from food and retail vendors operating at the ten reconstructed service plazas. The funds are designated for capital improvements at these facilities. Revenues of approximately \$532,000 is projected for next year, adding this to the projected balance of \$2.7 million results in approximately \$3.3 million being available. Also, \$275,000 will be budgeted for projects, adding this to the \$90,000 in the continuing projects will result in the approximately \$2.9 million in uncommitted funds in Service Plaza Capital Improvement Fund. In summary, budgeted expenditures for 2008 projects will be approximately \$59.4 million. Mr. Chairman, with your permission, I will now ask the General Counsel to read the Resolved of the resolution.

General Counsel: RESOLVED that the Commission hereby authorizes expenditures on 2008 capital projects from the Systems Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plazas Capital Improvement Fund, not to exceed a combined total of \$59,405,000.

Chairman: Motion to adopt the Capital Budget, 2008?

Mr. Regula: So moved.

Chairman: Is there a second?

Mr. Kidston: Second.

Chairman: Comments, discussions or questions about the Capital Budget? Just so everyone knows, this has been previously provided to the Commission Members and we have had discussion about this. Many of the projects are continuing projects; we've been committed to the EZ PASS system for the last two years and so the line item, the largest line items in this particular budget being \$30 million of the 59, we have been going through this process for a long period of time. I don't want you to think we are spending \$59 million dollars and not giving much thought to it, that's for sure. Please call the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Four yeas, the resolution is adopted.

RESOLUTION NO. 50-2007

Resolution Adopting Proposed Capital Budget for the Year 2008

WHEREAS, the 2008 operating budget includes transfers of revenues to the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plazas Capital Improvement Fund; and

WHEREAS, the transfers of 2008 revenues to the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plazas Capital Improvement Fund are intended to be added to any unspent balances in these funds and the total to be available for capital expenditures; and

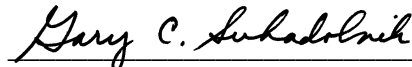
WHEREAS, the Commission's Executive Director, Chief Engineer and CFO/Comptroller have recommended a preliminary list of 2008 capital projects, which list of projects is subject to change, totaling **\$59,405,000**.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes expenditures on 2008 capital projects from the System Projects Fund, Renewal and Replacement Fund, Fuel Tax Fund and Service Plazas Capital Improvement Fund, not to exceed a combined total of **\$59,405,000**.

I, Gary C. Suhadolnik, Executive Director of the Ohio Turnpike Commission, do hereby certify that the above is a true copy of the aforesaid resolution which was duly adopted at a meeting of the Commission, duly called for and convened and held on December 17, 2007, at which a quorum was at all times present and voting.

WITNESS my hand and the seal of the Ohio Turnpike Commission on this 17th day of December, 2007.



Gary C. Suhadolnik
Executive Director

Chief Engineer: Mr. Chairman, I have one more item for you this morning. You may recall that at our October Commission meeting, Commissioner Dixon asked some questions regarding how the fatality rates on the Ohio Turnpike measured up to other Turnpikes in the area. There is a document following the Capital Budget in your folders entitled Fatality Rates for US Toll Facilities. These fatality rates are listed for 100 million vehicle miles traveled, which is the standard reporting configuration for these numbers. I received these numbers from the International Bridge Tunnel and Turnpike Association; their most current numbers are

through year 2006. They broke it down for me; bridges, roads and tunnels. But if you look at the road category you can see that in 2005 the road ratio was .671, for 2006 it was .675. Whereas the Ohio Turnpike's for 2005 was .468, approximately 30% below the average of the 44 reporting roads and in 2006 our ratio was .263, approximately 61% below the national ratio. Mr. Chairman, since Mr. Dixon isn't here I'll be sure we mail this out to him. That's all I have this morning Mr. Chairman.

Chairman: Thank you very much. Any questions for Dan on this issue? General Counsel, Noelle.

General Counsel: No report, Mr. Chairman.

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

CFO/Comptroller: Good morning Mr. Chairman and Commission members. This morning I will be presenting the proposed 2008 operating budget for your consideration. This pie chart provides an overview of the proposed 2008 revenue budget. Tolls are the major source of the Commission's funding, representing 89.5% of projected 2008 revenues. The concessions generated from sales of food, fuel and other retail goods and services at the Commission's service plazas are estimated to be 6% of total revenues and the remaining 4.5% consists of investment earnings and other miscellaneous revenues. This chart shows the passenger car miles traveled on the Ohio Turnpike over the past two years. Due mostly to rising fuel prices, passenger car traffic has been down most of the year. As of the end of November, total miles traveled were 2.1% below the level reached during the first 11 months of 2006. Due to the slowing economic activity, particularly in the auto and housing markets, commercial traffic has followed a similar pattern. Year-to-date miles traveled are down 1.1% compared to the first 11 months of last year. This slide shows a comparison of the 2007 and 2008 budgets for pledged funds. The 2008 budgeted pledged revenues total \$221.8 million, a decrease of \$7.3 million, or 3.2% from the current budget. As a result of the decline in traffic, our toll revenues for the first 11 months of this year are \$5.7 million below budget. With very little growth expected next year, 2008 toll revenues projected by our Traffic Consultant, Bobby Everhart of URS, are budgeted at \$5.5 million, or 2.6% below this year's budget. The drop in traffic has also had an adverse impact on our concession revenues and lower interest rates are expected to reduce our investment earnings. It is expected that only 4.4% of the Commission's 2008 budget will be spent on administration and insurance. We project that 16.8% of the budget will be needed for the maintenance of the roadway and structures, 24% for the operation of the toll and service plazas, and 7.1% for traffic control, safety patrol and communications. The Commission has about \$678 million in bonds outstanding. The debt service on those bonds will require 24.9% of the Commission's 2008 expenditures budget, leaving 22.9% available for capital projects. The 2008 operating maintenance and administrative expenses are expected to increase by just \$1.3 million, or 1.2% over the current budget. The most significant increases expected in administrative costs are for property and liability insurance, as well as for computer hardware and software. The major increase in Patrol expenses relate to rate increases charged by the OSHP and maintenance of the MARCS communication system. This worksheet compares budgeted operating costs for 2007 and 2008 by type of expense. No general salary or wage increase is planned for 2008 at this time. In addition, there are currently several vacant positions

that will not be filled next year. Consequently, our budgeted personnel costs have been reduced by \$151,000, or 0.3%. The modest increase in fringe benefits is primarily due to the rise in the OPERS employer contribution rate from 13.77% this year to the statutory maximum of 14% effective January 1, 2008. At the same time, the current employee contribution rate of 9.5% will increase to 10%. Higher rates charged by the Ohio State Highway Patrol are expected to total an additional \$489,000, or 4.9% over the amount budgeted this year. Inflationary increases for utilities, fuel, supplies, contract services and other miscellaneous expenses are expected to total \$651,000, or 2.5% more than the current amounts budgeted. Debt service payments for 2008 total \$55.9 million, an increase of \$300,000 or 0.5% compared to the current budget. Total operating expenditures, including debt service payments, are expected to be \$1.6 million, or 1% higher than the amounts budgeted for the current year. The Commission's Master Trust Agreement requires that we maintain a reserve equal to one-twelfth of our annual operating, maintenance and administrative expense budget. With the proposed increase in our expense budget of \$1.3 million, we will need to add one-twelfth of this amount, or \$112,000 to the Expense Reserve Fund. The remaining transfers totaling \$48.7 million are the funds to support the capital budget that the Chief Engineer just presented. This is a drop of \$8.7 million, or 15.1% compared to the current budget. The 2008 budgeted debt coverage ratio is 1.89. The bond rating agencies generally require a debt coverage ratio of at least 2.0 in order to maintain the Commission's current "AA" credit rating. This is the proposed 2008 budget for non-pledged funds. As the Chief Engineer mentioned in his report, the major source of non-pledged revenue is 5 cents in fuel tax from each gallon of fuel sold at the Commission's service plazas. The decline in traffic and fuel sales is expected to result in a decline in fuel tax revenues of approximately \$600,000 compared to the current budget. New revenue and expense lines have been added to reflect the anticipated \$250,000 noise mitigation funding. The total proposed non-pledged revenue budget is just over \$4 million, a decrease of \$127,000 compared to the current year's budget. The non-pledged funds are also used to support the Commission's capital budget. In summary, the total proposed 2008 operating budget is \$225,804,700. Both Ohio law and our Master Trust Agreement require the Commission to adopt an annual operating budget on or before the first day of the year and there is a proposed resolution in your materials. With your permission Mr. Chairman, I would like to ask the General Counsel to please read the resolved.

General Counsel: RESOLVED that the Commission hereby adopts the following as its Annual Operating Budget for the Year 2008 and the Executive Director, his successor or the CFO/Comptroller are directed to transmit a copy of the budget to the appropriate officials set forth in Section 5537.17(F) and to The Huntington National Bank, Trustee, under the Commission's Trust Agreement as is provided in Section 5.01(a)(iii).

Chairman: Motion to adopt?

Mr. Regula: So moved.

Chairman: Second?

Ms. Teeuwen: Second.

Chairman: Any questions or discussions about the budget?

Ms. Teeuwen: In regard to the service plazas, you have a line item under the Operating Budget of close to \$54 million. In the Operating Budget you also have revenue of 1% that you gain from the service plazas, correct? Is that my understanding?

Chief Engineer: Mr. Chairman and Commission Member Teeuwen, the 1% is for goods and services, food and retail sold at the service plazas. That would show, Jim as one of the income lines you have?

CFO/Comptroller: Right, the 1% is the fuel tax revenue that you see on this budget. The other concession revenues from the sales of food and fuel and other retail goods at the service plazas are listed under the concession revenues, which is the \$13.6 million. In the line item for services in toll operations, most of that is for the toll plazas and not the service plazas.

Ms. Teeuwen: About what percentage is for the service plazas? Approximately, I guess the point I am trying to make, is there additional revenues from the service plazas and why wouldn't we keep the costs equal from the revenue as opposed to what we are expending on at the service plazas? If we are?

CFO/Comptroller: Mr. Chairman and Commission Member Teeuwen, the total budget for the operation of the service plazas is approximately \$5.6 million compared to the revenue of \$13.6 million, plus the fuel tax, the 1% fuel tax revenues.

Ms. Teeuwen: Thank you.

Chairman: Any questions? Please call the roll.

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Four yeas and the resolution is adopted.

RESOLUTION NO. 51-2007

Resolution Adopting Proposed Operating Budget for the Year 2008 and Providing for Deposits Required Under the 1994 Trust Agreement During said Year

WHEREAS, Section 5537.17(F), Revised Code of Ohio, requires the Commission to submit a copy of its Proposed Annual Operating Budget to the Governor, the Presiding Officers of each House of the General Assembly, the Director of Budget & Management, and the Legislative Service Commission, no later than the first day of the calendar or fiscal year; and

WHEREAS, the Master Trust Agreement dated February 15, 1994 between the Commission and The Huntington National Bank (Trust Agreement) provides that the Commission shall adopt an annual operating budget on or before the first day of each fiscal year and shall file same with the Trustee; and

WHEREAS, the Commission in order to comply with the provisions of Section 5537.17(F) of the Revised Code of Ohio, and the provisions of the Trust Agreement, takes the following action.

NOW, THEREFORE, BE IT

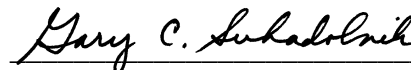
RESOLVED that the Commission hereby adopts the following as its Annual Operating Budget for the Year 2008 and the Executive Director, his successor or the CFO/Comptroller are directed to transmit a copy of the budget to the appropriate officials set forth in Section 5537.17(F) and to The Huntington National Bank, Trustee, under the Commission's Trust Agreement as is provided in Section 5.01(a)(iii):

**OHIO TURNPIKE COMMISSION
2008 OPERATING BUDGET**

	PLEGDED	NON-PLEDGED	TOTAL
REVENUES:			
TOLL	\$ 202,099,500	\$ -	\$ 202,099,500
CONCESSION	13,200,900	432,500	13,633,400
INVESTMENT	5,155,000	1,150,000	6,305,000
FUEL TAX	-	2,200,000	2,200,000
OTHER	1,316,800	250,000	1,566,800
TOTAL REVENUES	\$ 221,772,200	\$ 4,032,500	\$ 225,804,700
 EXPENDITURES:			
OPERATION, MAINTENANCE & ADMINISTRATION:			
ADMINISTRATION & INSURANCE	\$ 9,810,700	\$ -	\$ 9,810,700
MAINTENANCE OF ROADWAY & STRUCTURES	37,511,700	250,000	37,761,700
SERVICES & TOLL OPERATIONS	53,899,700	-	53,899,700
TRAFFIC CONTROL, SAFETY, PATROL & COMM.	15,841,000	-	15,841,000
TOTAL OPERATION, MAINTENANCE & ADMIN.	117,063,100	250,000	117,313,100
 DEBT SERVICE PAYMENTS	 55,885,000	 -	 55,885,000
TOTAL EXPENDITURES	172,948,100	250,000	173,198,100
 TRANSFERS:			
EXPENSE RESERVE	112,000	-	112,000
NON-TRUST FUND	-	1,000,000	1,000,000
FUEL TAX FUND	-	2,250,000	2,250,000
SERVICE PLAZAS CAPITAL IMPROVEMENT RESERVE	-	532,500	532,500
RENEWAL & REPLACEMENT FUND	5,500,000	-	5,500,000
SYSTEM PROJECTS FUND	43,212,100	-	43,212,100
TOTAL TRANSFERS	48,824,100	3,782,500	52,606,600
 TOTAL EXPENDITURES & TRANSFERS	 \$ 221,772,200	 \$ 4,032,500	 \$ 225,804,700

I, Gary C. Suhadolnik, Executive Director of the Ohio Turnpike Commission, do hereby certify that the above is a true copy of the aforesaid resolution which was duly adopted at a meeting of the Commission, duly called for and convened and held on December 17, 2007, at which a quorum was at all times present and voting.

WITNESS my hand and the seal of the Ohio Turnpike Commission on this 17th day of December, 2007.



 Gary C. Suhadolnik
 Executive Director

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

Chairman: Thank you. Any report from the financial advisor?

Financial Advisor: No report today.

Chairman: Thank you. Trustee, Huntington Bank, Frank Lamb.

Trustee: No report Mr. Chairman.

Chairman: General Consultant, Joshua Burks.

General Consultant: No report Mr. Chairman.

Chairman: Thank you. Ohio State Highway Patrol, Captain.

Captain Hannay: Good morning Mr. Chairman and Commission Members. Just a brief report; there were two deaths reported since our last meeting. However, one death was about 60 days after the date of the crash. The crash occurred in August, the death occurred in late October. In keeping with the national reporting standards; that will not be counted as a fatality. However, we did have a fatality on Thanksgiving Day. A young lady struck a center wall at about Milepost 72 area resulting in a death. That brings our year-to-date death rate to 15 with 11 fatal crashes. That's all I have sir.

Chairman: Not as good as last year.

Captain Hannay: No sir.

Chairman: Thank you. Any questions for the Captain?

Captain Hannay: Thank you Mr. Chairman.

Chairman: Thank you. The next issue would be to discuss when our next meeting is. I believe the next meeting is set for the 21st?

Assistant Secretary-Treasurer: That's correct which is the Martin Luther King holiday, so I would assume that we are not going to meet on that day?

Chairman: Do you want to tentatively try the 22nd, which is the day after and we'll confirm that by Mr. Dixon and everyone can check their schedule and see if that works?

Assistant Secretary Treasurer: Do you want to set a different time, Mr. Chairman or do you want to keep it at 10:00 a.m.?

Chairman: I would yield to the people who are traveling the farthest.

Mr. Kidston: I am fine, whatever.

Chairman: Bonnie, how does that look for you? The 22nd? Why don't we leave it for the 22nd at 10:00 a.m., but you'll check with Mr. Dixon.

Assistant Secretary-Treasurer: I'll check with Mr. Dixon and if that works for him then that'll be the date, so pencil that in on your calendars or put it in your electronic calendars and I will get back to each of the Commission Members and see if that day works.

Chairman: The tentative date will be January 22nd at 10:00 a.m. Is there a motion to adjourn?

Mr. Kidston: So moved.

Chairman: I'm sorry, go ahead.

Ms. Teeuwen: One additional thing, about a month and a half ago, I'd like to thank Mr. Ujvari that he gave our staff at ODOT a tour of his Hiram Road yard when they were doing dry run. It was very informative to us, I think we'd like to keep the dialogue between ODOT and the Turnpike Commission open, so we can learn some business practices from each other and I'd like to thank him for allowing us to do that and would encourage all of the board members to have a tour of one of our yards, if they haven't already.

Chairman: Thank you. Any further comments or questions? Can we have that motion to adjourn?

Mr. Kidston: I'll move again.

Chairman: Is there a second?

Ms. Teeuwen: Second.

Chairman: Please call the roll.

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Assistant Secretary-Treasurer: Mr. Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Four yeas. The meeting is adjourned at 10:36 a.m.

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

George F. Dixon, Secretary-Treasurer