

MINUTES OF THE 554th MEETING OF THE OHIO TURNPIKE COMMISSION
July 20, 2009

Chairman: (10:34 a.m.) Good morning, the meeting will come to order. Will the Assistant Secretary-Treasurer please call the roll?

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Here

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Here

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Here

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Here

Assistant Secretary-Treasurer: Mr. Kaplanov

Mr. Kaplanov: Here

Assistant Secretary-Treasurer: I think that's it.

Chairman: Thank you. Again, Bonnie Teeuwen is here on behalf of ODOT. Nikos Kaplanov is here on behalf of OBM. Senator Patton said he was going to be here, so I assume he will be here. Ed Jerse from the Department of Development and Representative Robert Hagan are unable to be here today.

We have a number of guests here today and in keeping with past practice I'd like everyone to introduce themselves starting with Mr. Steiner.

Those in attendance: Jim Steiner, CFO/Comptroller, Ohio Turnpike; Eric Erickson, Fifth Third Securities; Bobby Everhart, URS Corporation; Chad Armstrong, Public Affairs & Marketing, Ohio Turnpike; Heidi Jedel, Executive Office, Ohio Turnpike; Neil Gresham, URS; Kathy Weiss, Director of Contracts Administration, Ohio Turnpike; Dave Miller, Director of Audit and Internal Control, Ohio Turnpike; Rhonda Hall, Ciuni & Panichi; Lynn Basconi, Ciuni & Panichi; Tim Ujvari, Maintenance Engineer, Ohio Turnpike; Roger Hannay, Ohio State Highway Patrol; Dave George, Turnpike user; Robin Carlin, Director of Human Resources, Ohio Turnpike; Glen Stephens, G. Stephens; David Russell, Operators Union Local 18; Don Taggart, Operators Union Local 18; Pete Wolney, American Express; and Daniel Van Epps, CSTVCIC.org.

Chairman: Thank you. This is the 554th meeting of the Ohio Turnpike Commission and we are meeting here at the Commission's headquarters as provided for in the Commission's Code of Bylaws for a special meeting. Various reports will be received and we will act on several resolutions, draft copies of which have been previously sent out to the Members and updated drafts are also in the Members' folders. These resolutions will be explained during the appropriate reports. May I have a motion to adopt the minutes of the June 17, 2009 Commission Meeting?

Ms. Teeuwen: So moved.

Chairman: Is there a second?

Mr. Kidston: Second.

Chairman: Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Chairman: Normally we would turn to the Secretary-Treasurer and that would be Mr. Dixon and that'll be given today by Mr. Distel.

Assistant Secretary-Treasurer: Thank you Mr. Chairman. In George's absence I'll be happy to do his report. The following items have been sent to the Members since the last scheduled meeting of the Commission on June 17, 2009. They include:

1. Minutes of the June 17, 2009, Commission Meeting
2. Traffic Crash Summary Report, June, 2009
3. Financial Statement, June, 2009

4. Traffic and Revenue, June, 2009
5. Total Revenue by Month and Year, June, 2009
6. Investment Report, May, 2009
7. Budget Report, last six months ending June, 2009

Mr. Chairman that concludes the report of the Secretary-Treasurer.

Chairman: Thank you. Any questions or comments? If not, we'll turn it over to Mr. Distel for your report as the Executive Director.

Executive Director: Thank you Mr. Chairman and Members of the Commission. I am going to be very brief because we do have a long agenda today. The only thing I wanted to update you with is that we are on schedule to go live with our E-ZPass[®] program October of this year and to date as of Friday, a total of 229 toll booths that we actually have on the Turnpike as of Friday we have commissioned, which means we have ready to go for October, 90 of them, we have 139 to go, we are now 39% completed with the commissioning, so we are on schedule. Everybody is working diligently to make sure that we will be ready for October 1. That concludes my report.

Chairman: Thank you. Any questions for the Executive Director? We will next turn to the Chief Engineer.

Chief Engineer: Thank you Mr. Chairman. I have three resolutions for your consideration this morning. The first is a resolution authorizing additional expenditures pursuant to Contract 64-08-03(A) for the emergency repairs that were required at Toll Plaza 2 in Williams County.

The Commission may recall on May 18th I reported that on May 10th there was an accident at our Westgate Toll Plaza involving a commercial vehicle that shut down two of our lanes damaging a toll booth, the canopy, and the impact attenuator. The situation was declared an emergency allowing us to proceed with the repairs without formal bidding. Inasmuch as the Spieker Company of Perrysburg, Ohio was currently working at the location for our toll collection system implementation; repairs were performed on a time and material basis. A change order was issued to the contract for approximately \$160,000. We are in the process of getting the final costs in as we speak, but it's going to be right around \$160,000. Inasmuch as the cost not only exceeds \$150,000, but also 10% of Spieker's original contract, we are asking the Commission to ratify the actions taken pursuant to the repairs. Also, as I stated back in May we are in the process of recovering all costs incurred with the carrier's insurance company. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Commission hereby ratifies the additional expenditures incurred under Contract No. 64-08-03A with The Spieker Company in the amount of approximately \$160,000 in order to effectuate the emergency repairs at Toll Plaza 2, and the

Executive Director and Chief Engineer, or either of them, hereby are authorized to take any and all action necessary or proper to carry out the terms of the Changer Order to said Contract.

[FURTHER RESOLVED that the Emergency Toll Plaza Repair Project is designated a System Project under the Commission's 1994 Master Trust Agreement.]

Chairman: Is there a motion to adopt?

Mr. Kidston: So moved.

Chairman: Is there a second?

Mr. Regula: Second.

Chairman: Discussions on the motion? Yes Bonnie.

Ms. Teeuwen: Mr. Chairman, I have one question. We also are recuperating our administrative costs for this?

Chief Engineer: Mr. Chairman and Commission Member Teeuwen, yes. Not only that, all of our maintenance time that responded to the accident also.

Ms. Teeuwen: Good. Thank you.

Chairman: Thank you. Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 20-2009

OHIO TURNPIKE COMMISSION

**Resolution Authorizing Additional Expenditures under Contract No. 64-08-03A
to Allow for Emergency Toll Plaza Repairs
(Toll Plaza 2, Williams County Ohio)**

WHEREAS, on May 10, 2009, a commercial vehicle crash occurred at Toll Plaza 2 (Westgate), causing extensive damage to two toll booths, the plaza canopy and the crash impact attenuator; and

WHEREAS, the above-described damages forced the extended closing of two toll lanes and created a potentially dangerous and unsafe condition that required repair as soon as possible; and

WHEREAS, the Commission's Director of Contracts Administration has advised that the formal competitive bidding requirements set forth in Ohio Revised Code Section 5537.07 do not apply in emergency situations in which it is essential to remedy hazardous situations or potentially unsafe conditions with as little delay as possible; and

WHEREAS, **The Spieker Company of Perrysburg, Ohio**, a company currently under contract to perform general trades/site work renovations required for the installation of the new Toll Collection System at Toll Plaza 2, was able to perform the work necessary to effectuate the necessary structural repairs via a change order to Contract No. 64-08-03A, on a time and materials basis, and the Chief Engineer reports that said repairs will total approximately \$160,000; and

WHEREAS, expenditures with The Spieker Company under the Emergency Repair Change Order will exceed the \$812,693.60 previously authorized by the Commission for Contract No. 64-08-03A under Resolution 51-2008 by more than ten percent (10%), and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary to ratify the additional expenditures incurred under the Contract; and

WHEREAS, the Executive Director hereby recommends to the Commission that, with the adoption of this Resolution, the additional expenditures with The Spieker Company under Contract No. 64-08-03A be ratified; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby ratifies the additional expenditures incurred under Contract No. 64-08-03A with The Spieker Company in the amount of approximately \$160,000 in order to effectuate the emergency repairs at Toll Plaza 2, and the Executive Director

and Chief Engineer, or either of them, hereby are authorized to take any and all action necessary or proper to carry out the terms of the Changer Order to said Contract.

[FURTHER RESOLVED that the Emergency Toll Plaza Repair Project is designated a System Project under the Commission's 1994 Master Trust Agreement.]

(Resolution No. 20-2009 adopted July 20, 2009)

Chief Engineer: Thank you. The second resolution is authorizing amendment of the contract with Jacobs Carter & Burgess pursuant to Project 71-05-03, which is the construction administration for the implementation of the new toll collection system and customer service center. Pursuant to Resolution No. 24-2008 Jacobs Carter Burgess was authorized to perform construction administrative services in the total amount not to exceed \$637,746. It became evident that we will require modification to this assignment. We fully expected to modify this going into this project due to the complexity and the unknowns involved with this project. On June 23, 2009 Jacobs Carter Burgess submitted a fee modification in the amount of \$178,245 due to the method of implementation by the system integrator of the software design and lane commissioning, additional testing activities required and additional tasks that we required the test that Jacobs did perform. Attached is a technical memo from Jacobs Carter Burgess detailing the requirements for the changes. Although, we are modifying the project, the total amount authorized to Jacobs to date is only 2.8% of the total award to Transcore for the implementation of the system. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Commission hereby authorizes and directs the Executive Director and the Director of Contracts Administration to amend the Professional Consulting Services Contract with Jacobs Carter Burgess to add not-to-exceed fees in the amount of \$178,245 for the completion of additional Construction Administration activities being performed by said Consultant during the implementation of the new Toll Collection System and Customer Service Center Project.

Chairman: Motion to adopt?

Mr. Regula: So moved.

Chairman: Is there a second?

Ms. Teeuwen: Second.

Chairman: Questions or discussions on the additional funds requested by Jacobs Carter Burgess? Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 21-2009

OHIO TURNPIKE COMMISSION

**Resolution Authorizing Amendment of the
Contract with Jacobs Carter Burgess (Project No. 71-05-03)**

WHEREAS, on September 17, 2007, pursuant to Resolution 37-2007, the Commission authorized the continued performance by **Jacobs Carter Burgess** of **Dallas, Texas** under the Contract for Project No. 71-05-03, Professional Consulting Services Related to the Implementation of the Commission's new Toll Collection System and Customer Service Center; and

WHEREAS, under said Resolution, Jacobs Carter Burgess was authorized to perform Task 3 under the Contract, which was to Prepare Detailed Contract Documents and Specifications and to Assist with Evaluation of Responses Received to the Toll Collection System RFP; and

WHEREAS, pursuant to Resolution 8-2008, the Commission authorized the assignment of Jacobs Carter Burgess to perform Task 4 under Project No. 71-05-03, which consists of providing Construction Administration Services during the ongoing implementation of the new Toll Collection System and Customer Service Center; and

WHEREAS, Jacobs Carter Burgess' fee proposal for the performance of said Construction Administration Services in the total not-to-exceed amount of **\$637,746** was accepted by the Commission via Resolution 24-2008, and the Contract with Jacobs Carter Burgess was accordingly amended to add the agreed upon fee proposal for said services; and

WHEREAS, on June 23, 2009, Jacobs Carter Burgess submitted a Fee Modification Request to the Chief Engineer advising that additional expenditures will be incurred by the firm in completing the Construction Administration Services, and that these expenses are due to: i) the method of implementation by the System Integrator of software design and lane commissioning; ii) additional testing activities; and iii) other additional tasks requested by the Commission; and

WHEREAS, the Chief Engineer and the Director of Audit and Internal Control have both reviewed the request and recommend that additional fees in the amount of **\$178,245** should be authorized for the performance of the aforementioned additional Construction Administration activities; and

WHEREAS, the Executive Director has reviewed the Chief Engineer's and the Director of Audit and Internal Control's recommendation and concurs with the Jacobs Carter Burgess Fee Modification Request; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes and directs the Executive Director and the Director of Contracts Administration to amend the Professional Consulting Services Contract with Jacobs Carter Burgess to add not-to-exceed fees in the amount of \$178,245 for the completion of additional Construction Administration activities being performed by said Consultant during the implementation of the new Toll Collection System and Customer Service Center Project.

(Resolution No. 21-2009 adopted July 20, 2009)

Chief Engineer: Thank you. The final resolution I have this morning is amending our Capital Budget for the year 2009. On December 15th, the Commission authorized Resolution No. 54-2008 adopting the Capital Budget for 2009. Due to the reduction in revenue that the Commission is receiving due to the economic conditions, the Executive Director has tasked the staff with reducing costs wherever possible, therefore we are bringing for the Commission's consideration a revised Capital Budget today. The complete revised budget is attached to your resolution here this morning. I will go over the highlights on the slides. The Capital Budget is composed of four funds, and is approved in December the total expenditures for 2009 projects was approximately \$13.25 million dollars, as amended we are proposing \$11.6 million dollars. The systems projects, what we have done is our bridge repairs and resurfacing project, that has been removed from this fund along with the drainage, miscellaneous culvert repairs due to the shortage of funds in this fund and that has been moved to the Renewal & Replacement Budget, which I will speak of in a moment. The biggest change to this budget is an addition of \$2.8 million dollars for our progress payments to ODOT for the reconfiguration of Toll Plaza 180. When we prepared our budget last fall it was anticipated that total funds paid to ODOT for this project would be \$2.8 million dollars in 2009 that is reflected in our fuel tax budget, it was on a few slides back. ODOT has since revised their cash draw schedule revising it to \$6.2 million dollars necessitating the addition of the \$2.8 million dollars to the Systems Projects Budget. With that our total expenditures on new projects in the Systems Projects Fund is \$2,425,000.00 is approved in December with our revision with the amendment with the additional \$2.8 million dollars for the ODOT reconfiguration project that will increase to \$3.6 million dollars. Our R&R Budget, the majority of the changes for that project is our continuing expenditures for 2008. We had anticipated \$1.2 million dollars for replacement of dump trucks. As the Commission may

recall that in October of last year, you authorized a change order to that contract adding eight more trucks to that contract for \$1.8 million dollars which hence increased the continuing cost from \$1.2 to \$3 million dollars. Other than that, all other maintenance vehicles were removed from the budget going from \$3.3 million dollars to zero and the maintenance equipment was reduced by approximately \$100,000. As I said earlier, the bridge repairs and resurfacings and the culvert repairs were moved from the Systems Projects Budget to the R&R Budget. We cancelled the project for rehabilitation of the Administration Building for \$175,000 and deleted the automotive equipment replacement. That brought the total 2009 expenditures in this fund from \$6.6 million dollars down to \$4 million dollars.

Then the Fuel Tax Budget, here you can see is the revision in the draw down on the State Route 8 project as approved from \$2.8 million dollars up to \$3.4, the total would be \$6.2 for commitment this year. We cancelled the resurfacing of our Interchange 91 in Sandusky County. In anticipation of proceeding with the Indian Meadows/Tiffin Rivers Service Plazas in Williams County next construction season, we have added \$100,000 for the purchase of the required right of way at that site. That brought down the total in this fund by \$200,000 that was accounting for the increase for the Milepost 180 project also. Basically, there is no changes to the Service Plazas Capital Improvement Fund, it's coming in right about what we had anticipated, so I won't go over that. Then finally just to recap; with the four funds and the changes that we made the total 2009 expenditures will go from approximately \$13.245 million dollars to \$11.6 million dollars and again, the Commission is reminded that any construction or purchases that we make out of the 2009 budget that exceed \$150,000 will come to the Commission with individual resolutions. If the General Counsel would please read the Resolved.

General Counsel: RESOLVED that the Commission hereby authorizes expenditures on 2009 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 **\$11,600,000.**

Chairman: Motion to adopt?

Ms. Teeuwen: So moved.

Mr. Kidston: Second.

Chairman: Discussions or comments?

Mr. Kaplanov: Mr. Chairman. Dan, I have a quick question. With the reduction, I don't know if I fully understand, but the reduction of Fuel Tax Fund, is that a function of reduced revenues coming from that fund or is it a function the project with ODOT?

Chief Engineer: No. The actual revenues, Comptroller correct me if I am wrong, the actual revenues from that fund come from five cents per gallon of fuel sold at the service plazas, so we're just anticipating lower fuel sales.

Mr. Kaplanov: Okay. Thank you very much.

Chairman: Any further questions? Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 22-2009

OHIO TURNPIKE COMMISSION

Resolution Adopting Amended Capital Budget for the Year 2009

WHEREAS, the Commission by Resolution No. 54-2008 (copy attached) on December 15, 2008, adopted its annual capital budget for the year 2009; and

WHEREAS, the 2009 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 2009 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 an amended preliminary list of 2009 capital projects, which list of projects is subject to change, totaling **\$11,600,000**.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes expenditures on 2009 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 **\$11,600,000**.

(Resolution No. 22-2009 adopted July 20, 2009)

**OHIO TURNPIKE COMMISSION
AMENDED 2009 SYSTEM PROJECTS BUDGET**

Beginning Balance January 1, 2009		\$ 16,550,000
Transfers from 2009 Operating Funds		<u>29,478,600</u>
Total 2009 Available Funds		<u><u>\$ 46,028,600</u></u>
2009 Expenditures:		
Continuing Expenditures from 2008:		
Toll Collection System Integration	\$ 24,000,000	
Toll Collection System Construction	10,000,000	
Toll Collection System Signs	4,700,000	
TP 64 Renovations	1,500,000	
TP 52 Renovations	1,000,000	
Other Miscellaneous Projects	<u>80,000</u>	
Total Continuing Expenditures from 2008		\$ 41,280,000
New 2009 Projects:		
55 Interchanges		
Progress Payments to ODOT for Reconfiguration of TP 180		\$ 2,800,000
70 Correction of Slope Failures		
Miscellaneous Slope Repairs		400,000
71 Engineering Consulting Services		
Design & Consulting Services		400,000
Total 2009 Expenditures on New Projects		<u>\$ 3,600,000</u>
Total 2009 Expenditures		<u>\$ 44,880,000</u>
Uncommitted Funds		1,148,600
Total 2009 Expenditures and Uncommitted Funds		<u><u>\$ 46,028,600</u></u>

**OHIO TURNPIKE COMMISSION
AMENDED 2009 RENEWAL AND REPLACEMENT BUDGET**

Beginning Balance January 1, 2009	\$ 4,839,000
Transfers from 2009 Operating Funds	<u>3,500,000</u>
Total 2009 Available Funds	<u><u>\$ 8,339,000</u></u>

2009 Expenditures:

Continuing Expenditures from 2008:

Replacement of Single Axle Dump Trucks	\$ 3,000,000	
Other Maintenance Vehicles	100,000	
Administration Building Renovation	112,000	
Other Miscellaneous Projects	<u>310,000</u>	
Total Continuing Expenditures from 2008		\$ 3,522,000

New 2009 Projects:

24	Guardrail – Additions & Replacement Replacement of Deteriorated Guardrail		150,000
31	Maintenance Equipment		
	1 Front-End Loader	\$ 95,000	
	Miscellaneous New and Replacement Equipment	<u>125,000</u>	
	Total Maintenance Equipment		220,000
38	Communications Equipment – New or Replacement		
	A. Dispatch Console System Upgrades	\$ 150,000	
	B. Miscellaneous Communications Equipment	25,000	
	C. Miscellaneous OSHP Equipment	<u>25,000</u>	
	Total		200,000
39	Pavement Repair & Replacement		
	Full Depth Pavement Repair		1,250,000
43	Bridge Repair and Resurfacing		
	Miscellaneous Bridge Repairs		750,000
46	Safety Devices		
	8 Each, Truck Mounted Attenuators (TMA's) w/ VMS's		260,000
	Replacement of 8 each, 1997 model TMA's		
48	Administration Building		
	A. Replacement of Roof, South Wing	\$ 45,000	
	B. Replacement of Office Equipment & Furniture	<u>100,000</u>	
	Total		145,000
61	Landscaping		
	Right-of-Way Landscaping		150,000
67	Computer Equipment		
	A. New & Replacement Equipment	\$ 125,000	
	Data Center, Backup Center & Desktops		
	B. Software Systems Upgrades	<u>125,000</u>	
	Total		250,000
68	Right-of-Way Fence		
	Replacement of Right-of-Way Fence		275,000
69	Drainage		
	Miscellaneous Culvert Repairs		400,000
	Total 2009 Expenditures on New Projects		<u>\$ 4,050,000</u>

Total 2009 Expenditures	<u>\$ 7,572,000</u>
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Uncommitted Funds	767,000
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Total 2009 Expenditures and Uncommitted Funds	<u><u>\$ 8,339,000</u></u>
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**OHIO TURNPIKE COMMISSION
AMENDED 2009 FUEL TAX BUDGET**

Beginning Balance January 1, 2009	\$ 1,628,000
Transfers from 2009 Operating Funds	2,040,000
Total 2009 Available Funds	<u>\$ 3,668,000</u>
2009 Expenditures:	
New 2009 Projects:	
55 Interchanges	
Progress Payments to ODOT for Reconfiguration of TP 180	\$ 3,400,000
74 Right-of-Way Acquisitions	
IM - TR Service Plazas	100,000
Total 2009 Expenditures on New Projects	<u>\$ 3,500,000</u>
Total 2009 Expenditures	<u>\$ 3,500,000</u>
Uncommitted Funds	168,000
Total 2009 Expenditures and Uncommitted Funds	<u>\$ 3,668,000</u>

AMENDED 2009 SERVICE PLAZAS CAPITAL IMPROVEMENT BUDGET

Beginning Balance January 1, 2009	\$ 3,109,000
Transfers from 2009 Operating Funds	476,100
Total 2009 Available Funds	<u>\$ 3,585,100</u>
2009 Expenditures:	
Continuing Expenditures From 2008	\$ 90,000
New 2009 Projects:	
20 Access Drives	
Resurfacing of Drive, Great Lakes Service Plaza, MP 170.1	50,000
41 Resealing Asphalt Surfaces	
Sealing Paved Areas Located at Service Plazas	175,000
53 Service Plazas	
A. New & Replacement Service Plaza Furnishings	50,000
B. Interior Refurbishment	175,000
Total 2009 Expenditures on New Projects	<u>\$ 450,000</u>
Total 2009 Expenditures	<u>\$ 540,000</u>
Uncommitted Funds	3,045,100
Total 2009 Expenditures and Uncommitted Funds	<u>\$ 3,585,100</u>

**AMENDED 2009 CAPITAL BUDGET - GRAND TOTALS
NEW PROJECTS**

SYSTEM PROJECTS FUND	\$ 3,600,000
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Chief Engineer: That's all I have this morning Mr. Chairman.

Chairman: Thank you. Next General Counsel, Noelle.

General Counsel: Thank you Mr. Chairman and Commission Members. I have drafted a proposed resolution that would authorize the staff to file a revised permit rule for overweight and over-dimension vehicles with the Joint Committee on Agency Rule Review under Ohio Revised Code 111.15. As you know Mr. Chairman, we have currently administrative rules for the regulation of traffic on the Turnpike. We do have current restrictions on the gross weight, width and length of vehicles that may travel on the Turnpike without a permit and those that require a permit. With the implementation of E-ZPass projected for October 1st of this year, the Chief Engineer has recommended that the current rules be revised to permit applicants to obtain and submit their applications online and also to pay their appropriate fee online. The rule as rewritten does authorize the filing of applications online and the payment of fees online. We have included in your folder also a copy of the drafted rule which we will file in this form. We might make minor revisions to comply with JCARR's rules and procedures and we also included in your folder late this morning a comparison of fees proposed to be paid by these vehicles and as comparing them to ODOT's current permit rules. You may recall last year that they revised, made significant revisions to their permit rules. With your permission Mr. Chairman, I will read the Resolved.

RESOLVED, that the Commission hereby authorizes the Executive Director, Chief Engineer and General Counsel to finalize the attached Overweight and Over Dimension Vehicle Permit Rules and Schedule of Related Fees either in their current form or as may be modified in order to comply with the requirements imposed by the Joint Committee on Agency Rule Review; and

FURTHER RESOLVED that the Commission hereby authorizes the General Counsel to initiate the process necessary to adopt the attached Overweight and Over Dimension Vehicle Permit Rules and Schedule of Related Fees in accordance with Sections 111.15 and 119.032 of the Ohio Revised Code.

Chairman: Is there a motion to adopt?

Mr. Kidston: So moved.

Chairman: Is there a second?

Ms. Teeuwen: Second.

Chairman: Questions or discussions on the resolution that's before us? Any comments from the trucking industry?

Mr. Regula: I just wonder if 125,000 gross, why we are going down in that aspect? Am I reading that correctly? Is this 205 or opposes 159? Is that to be in better line with the state or to make it all seamless or what?

Chief Engineer: Mr. Chairman and Commission Member Regula, if I may. When we were tasked with reviewing our permit schedule we tried to put our fees as much inline as possible with ODOT's.

Executive Director: Mr. Chairman if I can also add, because we had many discussions on this, we also tried to make sure that we structured them such that we were encouraging those over-dimensional vehicles from staying on the Turnpike rather than diverting to any of the secondary roads or to any of the ODOT roads to keep them on the Turnpike, so we structured them that way.

Mr. Regula: And from a permitting standpoint then, can they go online with the state and get the permitting process, so they could, in essence, a company could go online with the state and get that permit and then go to us and get a permit all in one...

Ms. Teeuwen: Separate permits though.

Mr. Regula: Separate permits, but it would all be the same in essence, and they can all do that process online.

Executive Director: Mr. Chairman and Mr. Regula, we tried to make sure that we like ODOT, had the ability for them to get the required over-dimensional permits online rather than coming right to the toll plaza and doing it at the toll plaza and actually incentivized it, so that it would be a little bit less expensive if they did it in advance rather than tying our personnel at the plaza, which obviously costs us time and money.

Mr. Regula: I understand that. Thank you.

Mr. Kaplanov: I have one further question. Would this allow, say in the future to coordinate in some way to have that one-stop shop so wherever ODOT is doing their permits we might be able to integrate this Turnpike system into theirs, I'm not suggesting tomorrow, but perhaps would this rule permit us to do that in the future?

General Counsel: Mr. Chairman and Commission Members, I am going to have to defer to the Chief Engineer because he's been far more involved in the process of making this happen online.

Chief Engineer: Right now we do have two different systems. I can see when we do go live we could put links to each other's system on our pages but as we go live with this we can check out the feasibility of just having one application with the funds being segregated, we can look at that Bonnie.

Mr. Kaplanov: I know that ODOT would be interested in that. I am not speaking for them, but...

Ms. Teeuwen: Please do.

Chairman: Anything further? Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 23-2009

OHIO TURNPIKE COMMISSION

**Resolution Authorizing the Filing of
Permit Rules for Overweight and Over Dimension Vehicles
Joint Committee on Agency Rule Review**

WHEREAS, the Commission previously adopted administrative rules for the control and regulation of traffic, for the protection and preservation of property under its jurisdiction 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's traffic rules regulate the gross weight, width and length of vehicles that may travel on the Turnpike unless such overweight or over dimension vehicles have been granted a permit to travel on the Turnpike; and

WHEREAS, the Commission has previously decided to proceed with the implementation of electronic toll collection in the form of *E-ZPass*[®] and a new toll collection system in order to offer customers using the Turnpike the added convenience of paying tolls and permit fees electronically; and

WHEREAS, the Chief Engineer has recommended that the Commission adopt changes to the traffic rules that will allow customers to obtain an overweight or over dimension vehicle permit application online and pay the appropriate permit fee electronically as an added convenience to the travelling customer; and

WHEREAS, the Chief Engineer has recommended that the Commission modify its overweight and over dimension vehicle permit fees to be more closely aligned with those permit fees charged by the Ohio Department of Transportation; and

WHEREAS, the Executive Director has recommended that the Commission begin the process for adopting the attached amended rule for overweight and over dimension vehicle permits and the schedule of related fees, to be utilized by customers wishing to pay tolls and permit fees electronically in conjunction with the implementation of *E-ZPass*®, which rules are attached in preliminary draft form to this Resolution; 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 file its Overweight and Over Dimension Vehicle Permit Rule and the Schedule of Related Fees as reflected in the attached Exhibits.

NOW, THEREFORE, BE IT

RESOLVED, that the Commission hereby authorizes the Executive Director, Chief Engineer and General Counsel to finalize the attached Overweight and Over Dimension Vehicle Permit Rules and Schedule of Related Fees either in their current form or as may be modified in order to comply with the requirements imposed by the Joint Committee on Agency Rule Review; and

FURTHER RESOLVED that the Commission hereby authorizes the General Counsel to initiate the process necessary to adopt the attached Overweight and Over Dimension Vehicle Permit Rules and Schedule of Related Fees in accordance with Sections 111.15 and 119.032 of the Ohio Revised Code.

(Resolution No. 23-2009 adopted July 20, 2009)

Chairman: Anything further Noelle?

General Counsel: Nothing further Mr. Chairman. Thank you.

Chairman: Thank you. CFO/Comptroller, Jim.

CFO/Comptroller: Good morning Mr. Chairman and Commission Members. I have three resolutions for your consideration today. The first resolution is a proposed amended Annual Operating Budget. This report shows the proposed amended budget compared to the

original budget adopted by the Commission last December. The major change in revenue is a \$5.2 million dollar reduction in toll revenue resulting from the decline in commercial traffic that we have been experiencing.

This chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years and we have seen significant improvement in passenger car traffic the last few months and the vehicle miles traveled in the second quarter of this year were 4.8% above the corresponding total from 2008. Unfortunately, commercial traffic continues to lag behind the levels reached last year. This chart shows that commercial vehicle miles traveled were down 14.9% during the second quarter compared to last year. This chart shows the year-to-date vehicle miles traveled through June during each year this decade. Passenger car miles traveled in the first half of this year were 9/10 of a percent above last year's total while commercial vehicle miles traveled were 15.7% below last year's total. With the decline in commercial traffic our consultant from URS projects that toll revenue will be \$5.2 million dollars short of the original budget for the year assuming that the new toll system and E-ZPass are implemented October 1 as the Director mentioned. The other major change is the projected investment income which has been revised downward by \$2 million dollars. The decline in the investment revenue is a result of the drop in short-term interest rates as reflected in the Federal Funds Rate. As you can see from this chart the Federal Funds Rate was 2% last fall when the operating budget was being developed, it has now fallen to ¼ of 1%. In total, 2009 revenues are projected to fall short of the amounts originally budgeted by \$7 million. Looking at the operating expenses you will recall that the original budget included funds to cover a 3% salary increase for all non-bargaining employees to match the increase received by the bargaining unit employees, since this increase for non-bargaining employees was never implemented the budget has been reduced accordingly. Other personnel and fringe benefit savings have come from vacant positions that are not being filled. The milder weather in February and March also contributed to the budget savings. In addition, all departmental budgets were reviewed and reductions were made wherever possible. In total, the operating expense budget was reduced by \$3.2 million. As a benefit of the bond refinancing that was completed in May, our 2009 debt service payments will be approximately \$7.1 million lower than originally budgeted combined with the projected savings in operating expenses the total expenditure budget has been reduced by \$10.2 million. This reduction in expenditures more than offsets the anticipated \$7 million revenue decline and generates a net of \$3.2 million to help fund the Commission's capital projects that the Chief Engineer just discussed. I anticipate that these expense savings will allow us to complete the implementation of our new toll system and make the payments to ODOT for the reconfiguration of the interchange at State Route 8 without having to tap our reserve funds. In accordance with our Master Trust Agreement, we must maintain an expense reserve balance equal to 1/12 of our operating, maintenance and administrative expense budget and with the reduction of operating expenses of \$3.2 million we reduce the transfer to that reserve by \$265,000. The drop in projected investment revenues necessitated some relatively minor changes to the other transfers that are highlighted in yellow and in addition, we reduced the transfer to the Renewal & Replacement Fund by \$2.7 million in order to be able to increase the transfer to the System Projects Fund by \$6.5 million to help fund our planned capital expenditures.

This slide shows the proposed 2009 amended Annual Operating Budget totaling \$205,256,600. 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 amended annual operating budget for the year 2009 and the Executive Director or the CFO/Comptroller are directed to transmit a copy of the amended budget to the Governor, the presiding officers of each Chamber of the General Assembly, the Director of Budget and Management, and the Legislative Budget Office of the Legislative Service Commission in accordance with the provisions of Section 5537.17(F) of the Revised Code of Ohio and to The Huntington National Bank, Trustee, under the Commission's Trust Agreement as is provided in Section 5.01(c):

**OHIO TURNPIKE COMMISSION
AMENDED 2009 ANNUAL OPERATING BUDGET**

	<u>PLEDGED</u>	<u>NON-PLEDGED</u>	<u>TOTAL</u>
REVENUES:			
TOLL	\$ 186,578,500	\$ -	\$ 186,578,500
CONCESSION	13,205,600	431,100	13,636,700
INVESTMENT	818,100	549,500	1,367,600
FUEL TAX	-	2,000,000	2,000,000
OTHER	1,423,800	250,000	1,673,800
TOTAL REVENUES	<u>\$ 202,026,000</u>	<u>\$ 3,230,600</u>	<u>\$ 205,256,600</u>
EXPENDITURES:			
OPERATION, MAINTENANCE & ADMINISTRATION:			
ADMINISTRATION & INSURANCE	\$ 9,660,900	\$ -	\$ 9,660,900
MAINTENANCE OF ROADWAY & STRUCTURES	38,374,800	250,000	38,624,800
SERVICES & TOLL OPERATIONS	55,845,300	-	55,845,300
TRAFFIC CONTROL, SAFETY, PATROL & COMM.	16,037,200	-	16,037,200
TOTAL OPERATION, MAINTENANCE & ADMIN.	<u>119,918,200</u>	<u>250,000</u>	<u>120,168,200</u>
DEBT SERVICE PAYMENTS	<u>48,845,200</u>	<u>-</u>	<u>48,845,200</u>
TOTAL EXPENDITURES	<u>168,763,400</u>	<u>250,000</u>	<u>169,013,400</u>
TRANSFERS TO:			
EXPENSE RESERVE	284,000	-	284,000
NON-TRUST FUND	-	464,500	464,500
FUEL TAX FUND	-	2,040,000	2,040,000
SERVICE PLAZAS CAPITAL IMPROVEMENT FUND	-	476,100	476,100
RENEWAL & REPLACEMENT FUND	3,500,000	-	3,500,000
SYSTEM PROJECTS FUND	29,478,600	-	29,478,600
TOTAL TRANSFERS	<u>33,262,600</u>	<u>2,980,600</u>	<u>36,243,200</u>
TOTAL EXPENDITURES & TRANSFERS	<u>\$ 202,026,000</u>	<u>\$ 3,230,600</u>	<u>\$ 205,256,600</u>

Chairman: Is there a motion to adopt?

Mr. Kidston: So moved.

Chairman: Is there a second?

Mr. Regula: Second.

Chairman: Questions or discussions concerning the revised budget? Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 24-2009

OHIO TURNPIKE COMMISSION

**Resolution Adopting Amended Annual Operating Budget for the Year 2009
and Providing for Deposits Required under the
1994 Trust Agreement During Said Year**

WHEREAS, the Commission by Resolution No. 57-2008 (copy attached) on December 15, 2008, adopted its annual operating budget for the year 2009 and on December 15, 2008 the budget was submitted to the Governor, the presiding officers of each Chamber of the General Assembly, the Director of Budget and Management, and the Legislative Budget Office of the Legislative Service Commission in accordance with the provisions of Section 5537.17(F) of the Revised Code of Ohio; and

WHEREAS, Section 5.01(c) of the Master Trust Agreement (Trust Agreement) dated February 15, 1994, between the Commission and the Huntington National Bank (Trustee) provides that the Commission may at any time adopt an amended annual operating budget; and

WHEREAS, the Trust Agreement provides that the Commission shall file a copy of any amended annual budget with the Trustee; and

WHEREAS, the Commission's executive director, CFO/Comptroller and other members of the Commission's staff have completed a detailed review of the annual operating budget and have made certain adjustments thereto and the amended budget, including such adjustments, is now before the Commission;

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby adopts the following as its amended annual operating budget for the year 2009 and the Executive Director or the CFO/Comptroller are directed to transmit a copy of the amended budget to the Governor, the presiding officers of each Chamber of the General Assembly, the Director of Budget and Management, and the Legislative Budget Office of the Legislative Service Commission in accordance with the provisions of Section 5537.17(F) of the Revised Code of Ohio and to The Huntington National Bank, Trustee, under the Commission's Trust Agreement as is provided in Section 5.01(c):

**OHIO TURNPIKE COMMISSION
AMENDED 2009 ANNUAL OPERATING BUDGET**

	<u>PLEGDED</u>	<u>NON-PLEGDED</u>	<u>TOTAL</u>
REVENUES:			
TOLL	\$ 186,578,500	\$ -	\$ 186,578,500
CONCESSION	13,205,600	431,100	13,636,700
INVESTMENT	818,100	549,500	1,367,600
FUEL TAX	-	2,000,000	2,000,000
OTHER	1,423,800	250,000	1,673,800
TOTAL REVENUES	<u>\$ 202,026,000</u>	<u>\$ 3,230,600</u>	<u>\$ 205,256,600</u>
EXPENDITURES:			
OPERATION, MAINTENANCE & ADMINISTRATION:			
ADMINISTRATION & INSURANCE	\$ 9,660,900	\$ -	\$ 9,660,900
MAINTENANCE OF ROADWAY & STRUCTURES	38,374,800	250,000	38,624,800
SERVICES & TOLL OPERATIONS	55,845,300	-	55,845,300
TRAFFIC CONTROL, SAFETY, PATROL & COMM.	16,037,200	-	16,037,200
TOTAL OPERATION, MAINTENANCE & ADMIN.	<u>119,918,200</u>	<u>250,000</u>	<u>120,168,200</u>
DEBT SERVICE PAYMENTS	<u>48,845,200</u>	<u>-</u>	<u>48,845,200</u>
TOTAL EXPENDITURES	<u>168,763,400</u>	<u>250,000</u>	<u>169,013,400</u>
TRANSFERS TO:			
EXPENSE RESERVE	284,000	-	284,000
NON-TRUST FUND	-	464,500	464,500
FUEL TAX FUND	-	2,040,000	2,040,000
SERVICE PLAZAS CAPITAL IMPROVEMENT FUND	-	476,100	476,100
RENEWAL & REPLACEMENT FUND	3,500,000	-	3,500,000
SYSTEM PROJECTS FUND	29,478,600	-	29,478,600
TOTAL TRANSFERS	<u>33,262,600</u>	<u>2,980,600</u>	<u>36,243,200</u>
TOTAL EXPENDITURES & TRANSFERS	<u>\$ 202,026,000</u>	<u>\$ 3,230,600</u>	<u>\$ 205,256,600</u>

(Resolution No. 24-2009 adopted July 20, 2009)

CFO/Comptroller: The next resolution addresses a requirement of our Master Trust Agreement that we perform a mid-year review of our financial condition and certify to our Trustee, the Huntington National Bank, the projected revenues for the year will be sufficient to meet certain trust covenants. Our 2008 pledged revenues are highlighted at the top of this slide. The data on the bottom of this slide shows the actual pledged revenues of \$89.8 million for the first half of this year and based on last year's results and URS's toll revenue projection I have estimated that pledged revenues for the second half of 2009 will be approximately \$112 million. This yields estimated gross pledged revenues for calendar year 2009 of \$201.8 million. The calculations on this slide demonstrate that based on our projected pledged revenues for 2009 we do expect to meet all three requirements under Section 4.04 of the Master Trust Agreement. The first requirement is that our estimated gross pledged revenues exceed the sum of our budgeted operating, maintenance and administrative costs, plus the required deposit to the Expense Reserve Account. The second requirement is that our estimated Net Systems Pledged Revenues exceed the sum of our annual debt service requirement, plus the renewal and replacement requirement. The third and final requirement is that our estimated debt coverage ratio equal at least 120%. This ratio is required to be at least 150% in the year before the issuance of additional bonds, when considering the maximum annual debt service on the bonds then outstanding plus the bonds proposed to be issued. In addition, the Commission has by resolution established its intent to always maintain a ratio of at least 150%. The coverage ratio of at least 200% is generally recognized as a threshold needed to maintain the Commission's AA credit rating. The projected debt coverage ration of 166% does satisfy the current requirement under our Trust Agreement and there is a proposed resolution in your materials entitled "Resolution Concerning the Financial Condition of the Commission" and with your permission Mr. Chairman I would like to ask the General Counsel to please read the Resolved.

General Counsel: RESOLVED that the Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2009 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement, and hereby authorizes and directs the CFO/Comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee and the rating agencies, and shall be available to any interested party.

Chairman: Motion to adopt?

Ms. Teeuwen: So moved.

Chairman: Is there a second on the resolution?

Mr. Kidston: Second.

Chairman: Questions or discussion? Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 25-2009

OHIO TURNPIKE COMMISSION

**Resolution Concerning the Financial
Condition of the Commission**

WHEREAS, §4.04(a) of the Master Trust Agreement (“Trust Agreement”) between the Commission and The Huntington National Bank, as trustee, dated February 15, 1994, requires that on or before July 31 of each year, the Commission shall complete a review of its financial condition for the purpose of estimating whether the Gross Revenues for such Fiscal Year will be sufficient to provide, together with Series Payments, Additional System Payments and Supplemental Payments, the amounts specified in §4.04(a) of the Trust Agreement;

WHEREAS, the Commission’s CFO/Comptroller has analyzed the Commission’s financial condition and has advised the Commission that, on the basis of his analysis, the Commission’s revenues for fiscal year 2009 will be sufficient to meet the requirements of §4.04(a) of the Trust Agreement and he has set forth a detailed statement of the actual and estimated Gross Revenues, Series Payments, Additional System Payments and Supplemental Payments; and

WHEREAS, a certification of same is before the Commission.

NOW, THEREFORE, BE IT

RESOLVED that the Commission, having reviewed the analysis prepared by the CFO/Comptroller, determines that there will be sufficient Gross Revenues for fiscal year 2009 together with Series Payments, Additional System Payments and Supplemental Payments to meet the requirements of §4.04(a) of the Trust Agreement, and hereby authorizes and directs the CFO/Comptroller to issue a certificate required by §4.04(b) of the Trust Agreement; and

FURTHER RESOLVED that copies of such certification and a certified copy of this resolution shall be transmitted to the trustee and the rating agencies, and shall be available to any interested party.

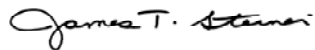
(Resolution No. 25-2009 adopted July 20, 2009)

**OHIO TURNPIKE COMMISSION
ESTIMATED GROSS PLEDGED REVENUES
FOR THE YEAR ENDING DECEMBER 31, 2009**

	1st Half	2nd Half	Total
<u>Year Ended December 31, 2008:</u>			
Toll Revenue	\$ 90,699,463	\$ 96,830,667	\$ 187,530,130
Special Toll Permits	1,499,903	1,546,198	3,046,101
Concession & Miscellaneous Revenues	6,637,825	7,981,788	14,619,613
Investment Revenue:			
Revenue Fund	1,433,586	1,103,109	2,536,695
Renewal & Replacement Fund	100,287	60,182	160,469
System Projects Fund	203,835	167,768	371,603
Total Gross Pledged Revenues	<u>\$ 100,574,899</u>	<u>\$ 107,689,712</u>	<u>\$ 208,264,611</u>

	Actual 1st Half	Estimated 2nd Half	Estimated Total
<u>Year Ending December 31, 2009:</u>			
Toll Revenue	\$ 81,457,700	\$ 102,309,300	\$ 183,767,000 *
Special Toll Permits	1,456,251	1,355,249	2,811,500
Concession & Miscellaneous Revenues	6,577,530	8,051,870	14,629,400
Investment Revenue:			
Revenue Fund	307,559	242,441	550,000
Renewal & Replacement Fund	14,072	10,928	25,000
System Projects Fund	26,205	6,795	33,000
Total Gross Pledged Revenues	<u>\$ 89,839,317</u>	<u>\$ 111,976,583</u>	<u>\$ 201,815,900</u>

I hereby certify the calculations above to be a fair and honest estimation of the Gross Revenues for the year ending December 31, 2009 in accordance with Section 4.04b of the Master Trust Agreement.



CFO/Comptroller

7/13/2009

Date

* Estimated toll revenue for the year ending December 31, 2009 was projected by Traffic Consultant, URS, assuming that **E-ZPass** is implemented October 1, 2009.

CFO/Comptroller: Mr. Chairman and Commission Members the last resolution that I have for your consideration this morning would authorize participation in the Treasurer of State's Agency Participation Agreement for American Express Card Acceptance. As was mentioned at the last Commission Meeting our contract with Electronic Merchant Systems provides for the processing of American Express credit card transactions at a cost to the Commission of 3.2% plus twenty cents per transaction. By participating in the Treasurer of State's Agreement this cost would be reduced to 2.2% plus twenty cents per transaction. With your permission Mr. Chairman I would like to ask the General Counsel to read the Resolved.

General Counsel: RESOLVED that the Commission hereby authorizes and directs the Executive Director and the Director of Contracts Administration to take the action necessary to join in the State of Ohio's Agency Participation Agreement for American Express Card Acceptance and, if required, to make any changes to the Commission's Contract with EMS in order to accommodate said action.

Chairman: Motion to adopt the resolution?

Mr. Regula: So moved.

Chairman: Second?

Ms. Teeuwen: Second.

Chairman: Any questions or comments on the resolution before us? We are saving money, please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

RESOLUTION NO. 26-2009

OHIO TURNPIKE COMMISSION

Resolution Authorizing Participation in the State of Ohio Agency Participation Agreement for American Express Card Acceptance

WHEREAS, via Resolution 1-2009, the Commission authorized a contract between the Commission and Electronic Merchant Services (“EMS”) of Independence, Ohio, under which EMS is providing credit card transaction processing services; and

WHEREAS, when the new Toll Collection System and Customer Service Center go live in the fourth quarter of 2009, the Commission plans to allow customers to use VISA, MasterCard, American Express or Discover cards to pay for tolls or to set up *E-ZPass*[®] accounts; and

WHEREAS, at the outset, EMS advised Commission staff that American Express, unlike VISA, MasterCard and Discover is a “private label” credit card with which EMS has a separate retail agreement; and

WHEREAS, under said retail agreement with American Express, EMS will charge the retail card acceptance fee of 3.25% per transaction as opposed to the pre-established card network rate available for VISA, MasterCard and Discover transactions and, in addition, will assess a charge to the Commission of \$.20 for processing each American Express transaction, and

WHEREAS, under said retail agreement, EMS also cannot provide direct transaction reconciliation services should a question ever arise concerning an American Express transaction; and

WHEREAS, American Express and the State of Ohio, through the Treasurer of State’s Office, are parties to a Master Agreement under which numerous state agencies and other governmental entities that accept payment via American Express have been pooled together under one “Agency Participation Agreement” at a more favorable card acceptance rate of 2.20% per each transaction; and

WHEREAS, the Treasurer of State has granted permission for the Ohio Turnpike Commission to be covered by the Agency Participation Agreement pursuant to the favorable card acceptance rate contained therein; and

WHEREAS, because the rate contained in the Agency Participation Agreement of 2.20% per transaction is significantly less than the retail rate of 3.25% per transaction available for American Express transactions via EMS, both EMS and the Commission’s CFO/Comptroller agree that the Commission should join in the State of Ohio’s Agency Participation Agreement; and

WHEREAS, the Director of Contracts Administration advises that the Commission may legally enter into the State of Ohio's Agency Participation Agreement for American Express Card Acceptance at 2.20% of each transaction and continue to pay \$.20 for processing each such transaction to EMS; and

WHEREAS, expenditures by the Commission with American Express under the Agency Participation Agreement will eventually exceed \$150,000, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary to authorize joining in said Agreement; and

WHEREAS, the Executive Director has considered the recommendations of the CFO/Comptroller and the Director of Contracts Administration and concurs that the Commission should take advantage of the more favorable rate available under the State of Ohio's Agency Participation Agreement for American Express Card Acceptance; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes and directs the Executive Director and the Director of Contracts Administration to take the action necessary to join in the State of Ohio's Agency Participation Agreement for American Express Card Acceptance and, if required, to make any changes to the Commission's Contract with EMS in order to accommodate said action.

(Resolution No. 26-2009 adopted July 20, 2009)

CFO/Comptroller: That completes my report Mr. Chairman. If there are no questions with your permission I would like to introduce Rhonda Hall and Lynn Basconi of our Independent Auditors, Ciuni & Panichi, to give a brief report on the audit of our 2008 financial statements.

Chairman: Excellent. Please.

Rhonda Hall: Mr. Chairman and Commission Members, I'm Rhonda Hall. I am the partner in charge of Government Services for Ciuni & Panichi and also the partner in charge of the Ohio Turnpike Commission's Audit. We gave the Turnpike Commission a clean opinion, which is an unqualified opinion, which you will find in the CAFR, which is the Comprehensive Annual Financial Report that was filed by the Turnpike Commission to the Government Finance Officer's Association. Within that unqualified opinion you'll note that the Commission adopted Government Accounting Standards Board Statement No. 50, which is for pension disclosures. It did not affect the financial statements however, it affected your footnote number seven. It's just a financial disclosure. Our responsibility under generally accepted auditing standards is to express an opinion on the basic financial statements to provide reasonable but not absolute assurance of detecting material misstatements and to gain a basic understanding of the internal control policies and procedures in order to design an effective and efficient audit approach. In

the packet that you received there should be a bound package from Ciuni & Panichi. In Tab A you will find our report on internal control and compliance that we tested and I am happy to say that there was no significant deficiencies or material weaknesses noted in our audit. I also wanted to point out that our audit this year was accelerated due to the fact that the Turnpike Commission wanted to issue bonds or have a refunding in May of this past year and our audit was completed in April. We submitted the financial statements to the State Auditor's Office on April 17th and the State Auditor's certified the financial statements on April 20th, which is a first. So, Lynn Basconi is going to give you a summary of Tab B and C of that package.

Lynn Basconi: Good morning. Tab B and C as Rhonda said both relate to the Master Trust Agreement specifically Section 4. The first report under Tab B basically states that we found that the Turnpike Commission was in compliance with Article 4 of the Master Trust Agreement, all of the conditions in that. Under Tab C this is a Schedule of Net System Pledge Revenues similar to what Mr. Steiner just presented however, this is as of December 31, 2008. On the second page is the actual schedule which shows the three tests that we're required to report on and the Commission met all three of the tests and specifically at the bottom the Net System Pledge Revenue as a percentage of the annual debt service requirement was 170% and as Jim stated, it's required to be 120%. Your intentions are that it be at least 150% and up to 200%, so you are well within that range. That's it. Any questions?

Chairman: Thank you. Any questions? Thank you very much. Anything further Mr. Steiner?

CFO/Comptroller: Nothing further Mr. Chairman. Thank you.

Chairman: Financial Advisor?

Financial Advisor: No report today Mr. Chairman.

Chairman: Thank you. General Consultant?

General Consultant: No report today Mr. Chairman.

Chairman: Ohio State Highway Patrol?

Captain Hannay: No report today Mr. Chairman.

Chairman: That's always good to hear. Thank you. At this point in time we've had discussions concerning an Executive Session.

Ms. Teeuwen: Mr. Chairman I move that we recess this meeting to hold an Executive Session to confer with General Counsel and CFO/Comptroller to prepare for negotiations with Teamster Local Union 436 concerning the Commission's implementation of electronic tolling under the provision of Ohio Revised Code 121.22(G)(4).

Chairman: Thank you. Is there a second to the motion?

Mr. Kidston: Second.

Chairman: Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Chairman: Okay we are going to move to Executive Session to discuss the Teamsters Local Union 436 issue and when we come back we will reconvene and then adjourn the meeting. Thank you.

Adjournment to Executive Session: 11:14 a.m.

Reconvened: 11:58 a.m.

Chairman: Okay. We are coming out of Executive Session. Will the meeting come to order. We need a motion to reconvene.

Mr. Regula: So moved.

Chairman: Is there a second?

Mr. Kidston: Second.

Chairman: We have a motion and a second. Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Chairman: Any further business? If no further business, there's no meeting in August. We will meet at our regularly scheduled meeting in September, which is September 21st at 10:00 a.m. unless somebody has a problem. Motion to adjourn?

Ms. Teeuwen: So moved.

Chairman: Is there a second?

Mr. Kidston: Second.

Chairman: Please call the roll.

Assistant Secretary-Treasurer: Chairman Balog

Mr. Balog: Yes

Assistant Secretary-Treasurer: Mr. Regula

Mr. Regula: Yes

Assistant Secretary-Treasurer: Mr. Kidston

Mr. Kidston: Yes

Assistant Secretary-Treasurer: Ms. Teeuwen

Ms. Teeuwen: Yes

Time of adjournment: 11:59 a.m.

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

George F. Dixon, Secretary-Treasurer