

**MINUTES OF THE 557<sup>th</sup> MEETING OF THE OHIO TURNPIKE COMMISSION**  
**December 18, 2009**

**Chairman:** (9:11 a.m.) 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:** Nikos, sorry it said Sabetty.

**Mr. Kaplanov:** Here

**Assistant Secretary-Treasurer:** Mr. Jerse

**Mr. Jerse:** Here

**Assistant Secretary-Treasurer:** Senator Patton

**Mr. Patton:** Here

**Chairman:** Representative Hagan called and said he would be unable to be here today, Mr. Dixon called this morning he was planning to be at the meeting this morning and he is concerned he is coming down with strep throat, so he thought it would be appropriate to not be here. We have a number of guests here today and in keeping with past practices I'd like everyone to introduce themselves, Lisa.

**Those in attendance:** Lisa Mejac, Acting CFO/Comptroller, Ohio Turnpike; David Miller, Director of Internal Audit, Ohio Turnpike; Eric Erickson, Fifth Third Securities; Jennifer Diaz, Legal Department, Ohio Turnpike; Heidi Jedel, Executive Office, Ohio Turnpike; Bobby Everhart, URS; Chambers Weikel, Dick Building; Mitch McCoy, KCI Associates of Ohio; Frank Bronzo, KCI Associates of Ohio; Michael Swan, Omnipro Services; Kathy Weiss, Director of Contracts Administration, Ohio Turnpike; Chris Zurcher, Ohio State Highway

Patrol; Todd Majidzadeh, Resource International; Doug Hedrick, Assistant Chief Engineer, Ohio Turnpike; Timothy Ujvari, Maintenance Engineer, Ohio Turnpike; Alex Dick, Dick Building Company; Zoltan Szabo, HNTB; Tony Yacobucci, URS; Don Taggart, Operators Local 18; Chris Hopkins, Key Bank; Jeremy Clowers, Information Systems, Ohio Turnpike; Carol Zanin, CFO/Comptroller's Office, Ohio Turnpike; Lauren Hakos, Public Affairs & Marketing Manager Frank Lamb, Huntington Bank; Glenn Stephens, G. Stephens; Daniel Van Epps, Conotton-Sandy-Tuscarawas Valley Community Improvement Corporation.

**Chairman:** Thank you. This is the 557<sup>th</sup> meeting of the Ohio Turnpike Commission. We are meeting here at the Commission headquarters in Berea 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 have been previously sent to the Members and updated drafts are in the Members' folders. The resolutions will be explained during the appropriate reports. May I have a motion to adopt the minutes of the November 16, 2009 Commission Meeting?

**Mr. Regula:** So moved.

**Chairman:** Is there a second?

**Ms. Teeuwen:** Second.

**Chairman:** Comments or 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

**Chairman:** If there is no questions; we would next proceed with the report of the Secretary-Treasurer given by Mr. Dixon, Mr. Distel will give Mr. Dixon's report.

**Executive Director:** Thank you Mr. Chairman. The following items have been sent to the Members since the last scheduled meeting of the Commission on November 16, 2009 and they include:

1. Minutes of the November 16, 2009 Commission Meeting
2. Traffic and Revenue, November, 2009
3. Total Revenue by Month and Year, November, 2009
4. Investment Report, October, 2009
5. Traffic Crash Summary Report, November, 2009

That concludes the report of the Secretary-Treasurer.

**Chairman:** Any questions for Mr. Distel on Mr. Dixon's behalf? Next would be the Executive Director's report, Mr. Distel again.

**Executive Director:** Thank you Mr. Chairman. Just a brief update on E-ZPass. It's operating very, very well. As of yesterday evening we have issued over 52,500 transponders. I just want to give you an update that earlier this week, on Tuesday, the Chairman, myself and staff had a meeting with Senator Patton and the committee, the Legislative Review Committee for the Turnpike where we provided a report to the Committee on the operations of the Turnpike and Senator thank you, I thought it went very, very well.

One more thing I'd like to report, and I received it this week and I thought it was rather timely, and it was from the Government Finance Officers Association:

Dear Mr. Distel,

We are pleased to notify you that your Comprehensive Annual Financial Report for fiscal year ended December 31, 2008 qualifies for the Certificate of Achievement for Excellence in Finance Reporting. This Certificate of Achievement is the highest form of recognition in Government Accounting and Financial Reporting and its attainment represents a significant accomplishment by a government and its management. The Certificate of Achievement plaque will be shipped to Mr. Steiner, our CFO and we certainly appreciate his hard work and his staff's hard work in achieving this recognition.

With that Mr. Chairman, again, I think everybody realizes Mr. Steiner is not with us because he's ill and I will therefore make the presentation of the Operating Budget and with your permission that concludes my report. I'd be happy to answer questions, but I'd like to present the Turnpike Operating Budget for next year.

**Chairman:** Any questions for Mr. Distel on his report? Please proceed with the resolution on the budget.

**Executive Director:** Thank you Mr. Chairman and Commission Members. This morning I will be presenting the proposed 2010 Operating Budget for your consideration. This first pie chart is an overview of the proposed 2010 revenue. Tolls are obviously the major source of the Commission funding representing 92.2% of projected revenues for 2010. Concessions generated from the sale of food, fuel and other retail goods and services at the Commission service plazas are estimated to be at 5.8% of the total revenues. The remaining 2% consists of investment earnings, fuel taxes and other miscellaneous revenues.

This slide shows a comparison of the proposed 2010 budget to the 2009 budget for pledged funds. As you will see on the next slide, the toll revenue is expected to increase next year due to the new toll rates charged to customers who do not use E-ZPass. Lower interest rates however are expected to further reduce our investment earnings next year. The increase in other revenues relates to the \$0.75 per month transponder usage fees. The proposed 2010 pledged revenue budget totals \$233.6 million, an increase of \$31.6 million or 15.6% increase from the 2009 budget.

This slide shows the projected 2010 vehicle miles traveled by vehicle class and the percentage of those miles expected to be paid with electronic tolling or E-ZPass. You can see that the majority of the drivers of Class 1 vehicles - passenger cars, and the substantial number of drivers of other vehicles, commercial classes are expected to continue to pay their tolls with cash or credit cards rather than E-ZPass. Consequently, even with little change in projected vehicle miles traveled, toll revenues are expected to increase next year.

It is expected that only 4.3% of the Commission's 2010 budget will be spent on administration and insurance. We project that 16.9% of the budget will be needed for the maintenance of the roadway and structures, 22.9% of the operation of the toll and service plazas and 6.8% for traffic control, safety patrol and communications.

The Commission has about \$636 million in bonds outstanding. The debt service on those bonds will require 23.4% of the Commission's 2010 expenditure budget leaving 25.7% available for capital projects that will be presented later on today at the meeting by our Chief Engineer.

With the implementation of E-ZPass, staff levels continue to be reduced. We pointed that out at the Legislative meeting last Tuesday. This slide identifies the elimination of 69 positions from the 2010 expense budget. This will help offset the 3% salary increase provided to bargaining unit members under the current collective bargaining agreement and the comparable increase budgeted for all non-bargaining employees.

The warranty period for the new toll collection system extends into 2010 which will reduce next year's maintenance costs. In addition, we expect that the demand for E-ZPass transponders will begin to taper off in 2010 reducing these costs by about \$600,000, however most of these savings will be needed to cover additional credit card fees as the system will be operational for the entire year compared to only three months in the year 2009. Considering these changes and the staff reductions just mentioned, total 2010 operating and maintenance, and administrative expenses are expected to increase by only \$392,000 or .3% over the current budget.

As the Commission is aware, the savings from the debt refinancing that was completed in May of 2009 were used to help balance the 2009 budget. In 2010, the debt service payments return to a more customary level of \$55.4 million. The Commission's Master Trust Agreement requires that we maintain an expense reserve equal to 1/12 of our annual operating, maintenance and administrative expense budget. With the proposed increase in our expense budget of \$392,000 we will need to add 1/12 of this amount or \$33,000 to the expense reserve fund. The remaining transfers from pledged funds support the Capital Budget that the Chief Engineer will be presenting in a few minutes. We are proposing a transfer of \$6 million to the Renewal and Replacement Fund and \$55.8 million to the System Projects Fund. The 2010 budgeted debt coverage ratio is 2.05 compared to the current projected ratio of 1.68 in 2009. To be eligible to issue additional bonds our Master Trust Agreement requires a minimum coverage ratio of 1.5 during the fiscal year immediately preceding the issuance of the bonds. When calculated using the maximum annual debt service on all of the bonds then outstanding and bonds proposed to be issued, the bond rating agencies generally require a debt coverage ratio of 2 in order to maintain the Commission's AA credit rating.

This is the proposed 2010 budget for non-pledged funds. The major source of non-pledged revenue is \$0.05 of fuel tax from each gallon of fuel sold at the Commission's service plazas. The other major source of non-pledged revenue is generated by charging the food and retail vendors operating at the 10 reconstructed service plazas a fee of equal to 1% of sales. As our Chief Engineer will explain in his presentation of these non-pledged funds are also to be used to support the Commission's Capital Budget.

The total proposed 2010 Operating Budget is \$236,445,100 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 that will follow. Mr. Chairman with your permission I'd 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 2010 and the Executive Director, his successor or the General Counsel 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:** Is there a second?

**Ms. Teeuwen:** Second.

**Chairman:** Before questions or discussions, during your presentation you indicated that the Systems Projects Fund would be \$55 million, I think, approximately is what you stated. On the slide and on the budget before us is \$51,825,100, I assume that is the correct number.

**Executive Director:** Yes, 51.8.

**Chairman:** I assumed that was the case. Questions, comments about the budget?

**Mr. Jerse:** First of all, can we get a copy of the slide presentation?

**Executive Director:** Sure, we can do that.

**Mr. Jerse:** And I just want to make sure I know the numbers because your last total expenditures and transfers here said \$236 million and then on the paper we have it says \$233 million.

**Executive Director:** *Inaudible*

**Chairman:** Do you want to explain that?

**Executive Director:** Actually, the figure you were talking about were just pledged funds. When you add the non-pledged funds it brings you up to the \$236,445,100.

**Mr. Jerse:** One other question, I believe you indicated that operations, maintenance, and administration went up by .3%, but the overall budget went up by 15%?

**Executive Director:** That's right and it was 15.8%.

**Mr. Jerse:** Can you explain the difference between those two figures?

**Executive Director:** You will hear in the next resolution Mr. Chairman and Members of the Commission, Mr. Jerse that we are adding a considerable amount of the funds that we are deriving for much needed capital improvements that will be explained by our Chief Engineer here very shortly.

**Mr. Jerse:** So the difference is capital?

**Executive Director:** Mostly capital, yes sir.

**Mr. Jerse:** Thank you.

**Chairman:** Questions or comments?

**Mr. Kaplanov:** I just want to add Mr. Chairman that we've been working with George and his staff on their presentation to us as well and how they've come up with these numbers and figures we've been very appreciative of all the work that their staff has done in

educating us about what's happening down in the budget office here at the Turnpike and how that relates in the future years and how you guys are planning on maintaining this very fine road. I just want to thank you for your assistance and cooperation.

**Chairman:** Thank you and for your kind remarks. Any further comments? 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

**Executive Director:** Thank you Mr. Chairman.

### **RESOLUTION NO. 33-2009**

#### **Resolution Adopting Proposed Annual Operating Budget for the Year 2010 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, as supplemented 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, which requires the deposit of Gross Revenues as provided therein, takes the following action.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby adopts the following as its Annual Operating Budget for the Year 2010 and the Executive Director, his successor or the General Counsel 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  
2010 ANNUAL OPERATING BUDGET**

	<u>PLEGGED</u>	<u>NON-PLEGGED</u>	<u>TOTAL</u>
<b>REVENUES:</b>			
TOLL	\$ 217,972,500	\$ -	\$ 217,972,500
CONCESSION	13,378,400	431,100	13,809,500
INVESTMENT	643,600	433,000	1,076,600
FUEL TAX	-	2,000,000	2,000,000
OTHER	1,586,500	-	1,586,500
<b>TOTAL REVENUES</b>	<u>\$ 233,581,000</u>	<u>\$ 2,864,100</u>	<u>\$ 236,445,100</u>
<b>EXPENDITURES:</b>			
<b>OPERATION, MAINTENANCE &amp; ADMINISTRATION:</b>			
ADMINISTRATION & INSURANCE	\$ 10,096,800	\$ -	\$ 10,096,800
MAINTENANCE OF ROADWAY & STRUCTURES	40,059,600	-	40,059,600
SERVICES & TOLL OPERATIONS	54,129,600	-	54,129,600
TRAFFIC CONTROL, SAFETY, PATROL & COMM.	16,024,700	-	16,024,700
<b>TOTAL OPERATION, MAINTENANCE &amp; ADMIN.</b>	<u>120,310,700</u>	<u>-</u>	<u>120,310,700</u>
<b>DEBT SERVICE PAYMENTS</b>	<u>55,412,500</u>	<u>-</u>	<u>55,412,500</u>
<b>TOTAL EXPENDITURES</b>	<u>175,723,200</u>	<u>-</u>	<u>175,723,200</u>
<b>TRANSFERS TO:</b>			
EXPENSE RESERVE	32,700	-	32,700
NON-TRUST FUND	-	400,000	400,000
FUEL TAX FUND	-	2,001,000	2,001,000
SERVICE PLAZAS CAPITAL IMPROVEMENT FUND	-	463,100	463,100
RENEWAL & REPLACEMENT FUND	6,000,000	-	6,000,000
SYSTEM PROJECTS FUND	51,825,100	-	51,825,100
<b>TOTAL TRANSFERS</b>	<u>57,857,800</u>	<u>2,864,100</u>	<u>60,721,900</u>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<u>\$ 233,581,000</u>	<u>\$ 2,864,100</u>	<u>\$ 236,445,100</u>

**(Resolution No. 33-2009 adopted December 18, 2009)**



**Chairman:** Next we'll go to the Chief Engineer for the Capital Budget.

**Chief Engineer:** Thank you Mr. Chairman, Commission Members. I have one resolution this morning. As the Director stated it's a resolution approving a proposed Capital Budget for the year 2010. I have a short presentation here this morning reviewing the budget. At the conclusion of the presentation I'll be requesting that the Commission adopt the resolution adopting the Capital Budget. This resolution will refer to a list of preliminary projects which may be subject to change. A detailed budget can be found in your folders attached to the resolution pertaining to the Capital Budget. Also, I would like to remind you that although we will be adopting the Capital Budget this morning as in the past each individual contract containing expenditures in excess of \$150,000 will be brought to the Commission for individual resolutions at the time of contract awards.

The Capital Budget is composed of four funds. The first fund I will review is the System Projects Budget. System projects are the major construction projects that are part of our Capital Budget program. We will begin the year with a balance of approximately \$3 million in this fund. Approximately \$52 million will be transferred to this fund from the 2010 Operating Budget that was recently stated by the Executive Director. Earlier this year we applied to the Transportation and Investment Generating Economic Recovery Program, or TIGER Grant, that is being administered by the Federal DOT for a grant in the amount of \$33.5 million. This grant is to assist with the construction of the Indian Meadow/Tiffin River Service Plazas in Williams County, Ohio. This budget assumes receipt of the grant funding, which will result in approximately \$88.4 million available for projects in 2010. The decision on whether or not the Commission will receive the TIGER Grant will not be made until later in February of 2010. Should we not receive the grant funding, the Capital resolution also contains the provision to transfer up to \$20 million from the General Reserve Fund to the System Projects Fund to proceed with the service plaza project. Obviously to make up the \$13 million shortfall between the grant and the transfer amount some other projects will have to be deferred.

Of this amount of the \$88 million approximately \$8.6 million is currently committed to ongoing projects. These are projects that are currently under construction or have been funded during this calendar year. Some of the major projects include \$2.5 million for the completion of our toll collections system upgrade and ongoing payment of \$6 million to ODOT for the ongoing project at TP 180 involving the reconfiguration of State Route 8.

This slide summarizes approximately \$78.5 million of new projects to be funded in 2010 from the Systems Projects Budget. As I stated earlier, the file in your folders identifies each individual project, I will review the major expenditures. \$22.5 million has been allocated to begin our roadway base replacement program. You may recall I provided the condition report in our long range program for this project at our last Commission meeting. Note that it is estimated that approximately \$9.5 million of this project will carry over and be expended in 2011 therefore it's shown as a credit on our 2010 budget. A total of \$4 million has been allocated for bridge structure painting and minor rehabilitation. A total of \$49 million has been budgeted for the reconstruction of the Indian Meadow/Tiffin River Service Plazas in Williams County, Ohio. This project is just about ready to be bid and we're hoping to bid this project the first quarter of 2010. As I stated earlier, the budget resumes receipt of approximately \$33.5 million in TIGER

Grant funding. Again, approximately \$8.7 million will be expended in 2011, this project, if we award on time, is scheduled to reopen prior to Memorial Day of 2011. Therefore, the \$8.7 million is again shown as a credit on the 2010 budget.

Three mainline resurfacing projects totaling \$20.6 million will be funded by the Systems Projects Fund. We have on the schedule 12.7 miles in Williams County, 9.8 miles in Sandusky County along with 7.3 miles in Mahoning County. Again, total expenditures in 2010 on new projects will be approximately \$78.5 million. Summarizing the System Projects Fund, the \$8.6 million of continuing expenditures and \$78.5 million of new projects for 2010 total approximately \$87.1 million in committed funding. As I stated earlier, we have approximately \$88.4 million available, this will leave approximately \$1.3 million uncommitted in the System Projects Fund.

The second component of the Capital Budget is the Renewal and Replacement Fund. Typical projects funded by this account include purchase of maintenance vehicles and equipment and other minor capital projects. We'll begin in 2010 with approximately \$3 million in this fund. As the Director stated earlier approximately \$6 million will be transferred in 2010 from our Operating Budget. As I reported last month to the Commission, the Renewal and Replacement Budget also contains \$789,600 in the form of a Clean Diesel Grant for vehicle replacement and upgrades. This will result in approximately \$9.8 million available in the Renewal and Replacement Fund for 2010. Approximately \$325,000 is committed to ongoing projects that were begun in 2009. Approximately \$8.35 million will be budgeted for new projects in 2010. Major expenditures in this fund include the replacement of equipment and vehicles. Approximately \$690,000 has been budgeted for replacement of maintenance equipment. The major expenditures include \$200,000 for portable message boards with an option to purchase eight additional units in 2011. These are the 4x8 LED panels you see along the roadway that we use for traffic and weather condition updates. \$390,000 has been allotted for the replacement for five front end loaders, we are reducing that number to four.

Approximately \$4.7 million has been budgeted for the replacement of maintenance vehicles. These major expenditures include \$2.8 million for 10 tandem-axle dump trucks with snow and ice control equipment. You will note that this component includes \$600,000 in Clean Grant Funding. If the Commission Members have seen the paper this week, this is the article that recently published regarding the tow plow replacing the 16 trucks with 8 doing the same amount of work. Also, \$3.1 million has been budgeted for 20 single-axle dump trucks with snow and ice control equipment. These units will not be received until the Spring of 2011 hence, the 2010 budget again reflects a credit of \$1.7 million. These 20 trucks will still remain in service through the next two winters, this coming winter and the winter of 2010 and 2011, they will not be placed in service until the second quarter of 2011. Adding the \$325,000 of continuing expenditures from 2009 and the \$8.35 million of new projects, this totals approximately \$8.7 million committed in the Renewal and Replacement Budget. This will result in approximately \$1.1 million in uncommitted funds in this budget.

The third component of the Capital Budget is the Fuel Tax Fund. As the Director stated earlier, this account is funded by \$0.05 per gallon of the fuel tax for the gasoline sold at the service plazas being returned to the OTC. We will begin the year with a balance of

approximately quarter of a million dollars in this fund, approximately \$2 million will be generated during 2010 resulting in a balance of approximately \$2.25 million available for projects in 2010. Proposed projects include \$1.5 million for resurfacing of Interchange 151 in Lorain County, as well as \$375,000 for culvert relining at milepost 41.9 in Fulton County. This results in \$1.9 million being funded from the Fuel Tax Budget for new projects in 2010. Approximately \$1.9 million will be committed in this fund leaving approximately \$328,000 uncommitted. Finally, the last component of the budget is the Service Plaza Capital Improvement Fund. Again, as the Director stated, this account is funded from 1% of sales from food and retail vendors operating at the 10 reconstructed service plazas. These funds are designated for Capital Improvements at the 10 renovated service plazas. Revenue of approximately \$463,000 is projected for 2010. Adding this to the projected 2010 beginning balance of \$3.4 million results in approximately \$3.86 million available for projects. \$780,000 will be budgeted for projects in 2010 rehabilitation and some updates at the new service plazas. This results in approximately, pardon me, adding this to the \$25,000 in continuing projects this will result in approximately \$3.05 million in uncommitted funds in the Service Plaza Capital Improvement Fund.

In summary, budgeted expenditures for new projects in 2010 will be approximately \$89.5 million. Mr. Chairman, with your permission I will now request that General Counsel please read the Resolved of the subject resolution.

**General Counsel:** RESOLVED that the Commission hereby authorizes expenditures on 2010 capital projects which shall constitute System projects to the extent provided in the Trust Agreement 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 up to \$89,509,600.00, which projects will not be awarded except as provided by Article V of the Commission's Code of Bylaws dated March 17, 2003; and

FURTHER RESOLVED, that the Executive Director or the CFO/Comptroller are each hereby authorized to transfer up to \$20,000,000.00 from the General Reserve Fund to the System Projects Fund in the event the Commission's TIGER Grant Application for the reconstruction of the Indian Meadows and Tiffin River Service Plazas located at MP 20.8 in Williams County is denied ; and

FURTHER RESOLVED, that the Executive Director and the CFO/Comptroller or their designees are each authorized to pursue and investigate available financing options to fund the renewal and replacement of the original concrete base or such other capital projects as identified in the attached Capital Budget.

**Chairman:** Motion to adopt?

**Mr. Kidston:** So moved.

**Chairman:** Second?

**Mr. Regula:** Second.

**Chairman:** Questions, discussion? Ed, do you want to start?

**Mr. Jerse:** Mr. Chairman what was the '09 expenditure, total expenditure? If you had \$89 this year, how much was it last year?

**Chief Engineer:** Mr. Chairman, Commission Member Jerse, it was approximately \$51 million. The vast majority of that went towards the toll collection system upgrade.

**Executive Director:** The new E-ZPass program.

**Mr. Jerse:** Thank you.

**Chairman:** Bonnie?

**Ms. Teeuwen:** I just wanted to comment that at the last meeting we talked about capital projects and the good prices that we're getting at ODOT, I'm very glad to see that you are actually doing some capital projects and getting some projects out on the street to get people employed. It's a good balance between roadway work and vertical construction, so I actually think this is a really good budget and getting people back to work.

**Chief Engineer:** Thank you. Mr. Chairman, Commission Member Teeuwen, as a matter of fact, assuming we get approval of this budget this morning we're going to test the waters and we will be ready to go with our first resurfacing project in two weeks out to bid.

**Chairman:** Dan, as we talked about resurfacing, I see that our pavement replacement project is in the Sandusky area, which I believe is the area that was number one, I see we're replacing the pavement from mile marker, I think it was 90 – 97, and we're proposing to resurface between 91 and 101. I saw it's a smaller amount that refers to third lane, what exactly are we doing there?

**Chief Engineer:** Mr. Chairman if I can find the correct slide, yes Mr. Chairman, the pavement, the actual base, you're right, in Sandusky County is the worst on the road and that's the first piece that has to go. It is also our oldest third lane section on the road. It was originally constructed in 1996. The plan there is to get in the Spring once the weather breaks; it's one of our first resurfacing projects. That resurfacing project B there under 59, only includes resurfacing of the third lane and the median shoulder. We are going to have to maintain traffic on that third lane and the median shoulder during construction of the original two lanes of pavement. We just want to make sure we're in good shape there with the roadway surface, that we don't have any problems once we put traffic on it and we tear out the original two lanes.

**Chairman:** Do we have to go in and take the berm out and replace the berm or are we just going to resurface?

**Chief Engineer:** No, Mr. Chairman. This is strictly a mill and fill. We're just taking off the surface course and then replacing it.

**Chairman:** I didn't know if we had to do something to beef it up for the additional traffic it would be ...

**Chief Engineer:** Mr. Chairman, the traffic control plan in that area is going to restrict the trucks on the third lane and smaller vehicles on the shoulder. Although, it'll hold up to some truck traffic we're not foreseeing any problems.

**Chairman:** So we'll maintain when they do the third lane, we'll maintain two lanes of traffic through that area continuously.

**Chief Engineer:** Yes.

**Chairman:** General Reserve Fund, I see as one of the thoughts if we don't get the grant is transferring the \$20 million from the General Reserve since we still have the debt service insurance issue looming over our head, what is our General Reserve Fund now?

**Chief Engineer:** I will refer to the Director.

**Executive Director:** Mr. Chairman, our general debt reserve, our reserve is \$72 million last I spoke to Mr. Steiner. If we would require, and would not receive the TIGER Grant and require then with your approval, the transfer of \$20 million out of that reserve account it would still leave us plenty enough to cover the FSA insurance policy if we have to backload it because their ratings dropping below AA.

**Chairman:** Okay, thank you.

**Chief Engineer:** I may add, Mr. Chairman, the provision is to transfer up to \$20 million not 20. Hopefully as we proceed with our bids through the Spring as Commissioner Teeuwen pointed out, we'll take advantage of some good bids and with some cost savings, hopefully if we have to transfer it will be somewhat less than 20.

**Chairman:** Yes, I just want to make sure we still have enough in the reserve to cover the debt service and insurance policy if that rating drops again.

**Mr. Kaplanov:** I have a question Mr. Chairman. Dan or whomever else can answer this, last, I don't remember if it was in House Bill 2 or in the Capital Budget, to receive new authority to use the design build provisions that the Turnpike gained. Do we anticipate we'll get any savings out of that provision in these capital projects or how do you see that kind of changing the game?

**Chief Engineer:** Mr. Chairman, we received, the resurfacing projects we do all of our, it is minimal design work. We do a lot in-house with our own engineers. The service plaza projects have been on the shelves for two years. We also, were already designed, it remains to be seen we're currently looking at as we go through the design and the recommendations from our consultant on the full depth replacement of the original two lanes if it will be applicable for that project.

**Mr. Regula:** The balance of the \$6 million being pegged for the 2011 for Route 8 project, what would be the rest of our commitment to that project for the following years?

**Chief Engineer:** Mr. Chairman, Commission Member Regula, our total commitment is up \$14.1 million. Director do you remember...\$6 million next year, I think maybe \$3 million left in 2011.

**Executive Director:** It leaves about \$2.8 million in 2011, will complete the \$14 million obligation.

**Mr. Regula:** So we will be even with the fact that some of those bids are coming in a little lower and we will still end up spending the entire \$14 million commitment?

**Executive Director:** We're hopeful that, and with our discussions with ODOT, that there will be a savings to both us and ODOT in the end. When we get to those final invoices we will know exactly what that will be, but we're hoping that there will be a substantial savings to both us and ODOT.

**Mr. Regula:** Thank you.

**Chairman:** Any further comments on the Capital Budget?

**Mr. Kidston:** I'll just say that I appreciate the TLC that the west side is receiving out of this Capital Budget, I appreciate that.

**Chairman:** Well we, I think we took those service plazas down in 2005 or 2006, it's beyond special consideration it's something that we would have liked to have done previously and is definitely needed now. 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

**Chief Engineer:** Thank you Mr. Chairman, that's all I have this morning.

**RESOLUTION NO. 34-2009**

**Resolution Adopting Proposed Capital Budget for the  
Year 2010 and Authorizing Other Actions**

WHEREAS, the 2010 annual 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 2010 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 2010 capital projects, which list of projects is subject to change, totaling up to **\$89,509,600.00; and**

WHEREAS, the Commission's Executive Director and Chief Engineer have reported that an application for grant funds available under the Transportation Investment Generating Economic Recovery Program ("TIGER") has been submitted to United States Department of Transportation for the reconstruction of the Tiffin River and Indian Meadows Service Plazas located at Milepost 20.8 , in Williams County, and a decision regarding whether or not the grant application will be approved will not be made until after February 15, 2010; and

WHEREAS, the Commission wishes to proceed with the reconstruction of the Service Plazas during 2010 regardless of availability of TIGER grant funding; and

WHEREAS, should the TIGER grant funding not be received, the Commission wishes to authorize the transfer of funds in the amount not to exceed \$20,000,000.00 from the General Reserve Fund to the System Projects Fund;

WHEREAS, the Commission's Executive Director, Chief Engineer and CFO/Comptroller have also recommended that the Commission proceed with those Roadway Base Replacement and other Capital Projects that have been deferred during the last two years as a result of the replacement of the toll audit system and electronic toll collection system;

**NOW, THEREFORE, BE IT**

**RESOLVED** that the Commission hereby authorizes expenditures on 2010 capital projects which shall constitute System projects to the extent provided in the Trust Agreement 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 up to \$89,509,600.00,

which projects will not be awarded except as provided by Article V of the Commission's Code of Bylaws dated March 17, 2003; and

FURTHER RESOLVED, that the Executive Director or the CFO/Comptroller are each hereby authorized to transfer up to \$20,000,000.00 from the General Reserve Fund to the System Projects Fund in the event the Commission's TIGER Grant Application for the reconstruction of the Indian Meadows and Tiffin River Service Plazas located at MP 20.8 in Williams County is denied ; and

FURTHER RESOLVED, that the Executive Director and the CFO/Comptroller or their designees are each authorized to pursue and investigate available financing options to fund the renewal and replacement of the original concrete base or such other capital projects as identified in the attached Capital Budget.

**(Resolution No. 34-2009 adopted December 18, 2009)**



OHIO TURNPIKE COMMISSION  
2010 SYSTEM PROJECTS BUDGET

Estimated Beginning Balance January 1, 2010		\$ 3,037,000
Transfers from 2010 Operating Funds		51,825,100
TIGER Grant		33,550,000
Total 2010 Available Funds		<u>\$ 88,412,100</u>
2010 Expenditures:		
Continuing Expenditures from 2009:		
Replacement of Toll Collection System	\$ 2,500,000	
Payment to ODOT for Reconfiguration of TP180	6,000,000	
Other Miscellaneous Projects	120,000	
Total Continuing Expenditures from 2009		<u>\$ 8,620,000</u>
New 2010 Projects:		
39 Pavement Repair & Replacement		
Replacement of Original Concrete Pavement	\$ 22,500,000	
MP 90.0 to MP 97.5, Sandusky County		
Less Amount to be Spent in 2011	<u>(9,500,000)</u>	
		\$ 13,000,000
40 Repainting Bridges & Towers		2,750,000
43 Bridge Repair and Resurfacing		
Parapet Replacement, Oberlin Rd., MP 141.3;		
Prospect Rd., MP 182.1; Coit Rd., MP 192.4;		1,250,000
Nichols Rd., MP 199.2		
53 Service Plazas		
Reconstruction of Indian Meadow/Tiffin River		
Service Plazas, MP 20.8, Williams County		
Amount Funded from TIGER Grant	\$ 33,550,000	
Amount Funded from OTC Revenues	<u>15,450,000</u>	
Total		\$ 49,000,000
Less Amount to be Spent in 2011		<u>(8,700,000)</u>
		40,300,000
59 Roadway Resurfacing		
A. MP 14.8 to MP 27.5, Williams & Fulton Counties	\$ 8,400,000	
B. MP 91.2 to MP 101.0 (third lane), Sandusky County	3,200,000	
C. MP 223.3 to MP 230.6, Mahoning County	<u>9,000,000</u>	
Total		20,600,000
71 Engineering Consulting Services		
Design & Consulting Services		600,000
Total 2010 Expenditures on New Projects		<u>\$ 78,500,000</u>
Total 2010 Expenditures		<u>\$ 87,120,000</u>
Uncommitted Funds		1,292,100
Total 2010 Expenditures and Uncommitted Funds		<u>\$ 88,412,100</u>

OHIO TURNPIKE COMMISSION  
2010 RENEWAL AND REPLACEMENT BUDGET

Estimated Beginning Balance January 1, 2010	\$ 2,991,000
Transfers from 2010 Operating Funds	6,000,000
Clean Diesel Grant	789,600
Total 2010 Available Funds	<u>\$ 9,780,600</u>

2010 Expenditures:

Continuing Expenditures from 2009:		
Safety Devices	\$ 260,000	
Other Miscellaneous Projects	65,000	
Total Continuing Expenditures from 2009		\$ 325,000

New 2010 Projects:

24	Guardrail – Additions & Replacement Replacement of Deteriorated Guardrail	\$ 150,000
31	Maintenance Equipment See Attached Exhibit "A"	690,000
32	Maintenance Vehicles See Attached Exhibit "A"	4,664,600
38	Communications Equipment – New or Replacement	
A.	Dispatch Console System Upgrades	\$ 150,000
B.	Installation of Telepanel Intercoms at Toll Plazas	50,000
C.	Miscellaneous Communications Equipment	25,000
D.	Miscellaneous OSHP Equipment	25,000
	Total	<u>250,000</u>
39	Pavement Repair & Replacement Full Depth Pavement Repair	750,000
41	Resealing Asphalt Surfaces Sealing Paved Areas Located at Administration, Building, LCV Lots and Maintenance Buildings	60,000
43	Bridge Repair & Resurfacing Miscellaneous Structure Repairs	200,000
48	Administration Building	
A.	Replacement of Data Center A/C Units	\$ 125,000
B.	Replacement of Roof, Garage	40,000
C.	Replacement of Office Equipment & Furniture	25,000
	Total	<u>190,000</u>
56	Maintenance Buildings HVAC Upgrades, MB4 & MB5	150,000
61	Landscaping Right-of-Way Landscaping	100,000

67	Computer Equipment		
A.	New & Replacement Equipment		
	Data Center, Backup Center & Desktops	\$	250,000
B.	Software Systems Upgrades		250,000
	Total		<u>500,000</u>
68	Right-of-Way Fence		
	Replacement of Right-of-Way Fence		200,000
70	Correction of Slope Failures		
	MP 90.8, Sandusky County		350,000
73	Automotive Equipment – Replacement		100,000
	Total 2010 Expenditures on New Projects	\$	<u>8,354,600</u>
	Total 2010 Expenditures	\$	<u>8,679,600</u>
	Uncommitted Funds		1,101,000
	Total 2010 Expenditures and Uncommitted Funds	\$	<u><u>9,780,600</u></u>

OHIO TURNPIKE COMMISSION  
2010 FUEL TAX BUDGET

Estimated Beginning Balance January 1, 2010	\$ 252,000
Transfers from 2010 Operating Funds	<u>2,001,000</u>
Total 2010 Available Funds	<u><u>\$ 2,253,000</u></u>
2010 Expenditures:	
Continuing Expenditures From 2009	\$ 50,000
New 2010 Projects:	
59 Roadway Resurfacing Interchange 151, Lorain County	1,500,000
69 Drainage Culvert Relining, MP 41.9, Fulton County	375,000
Total 2010 Expenditures on New Projects	<u>1,875,000</u>
Total 2010 Expenditures	<u>\$ 1,925,000</u>
Uncommitted Funds	328,000
Total 2010 Expenditures and Uncommitted Funds	<u><u>\$ 2,253,000</u></u>

OHIO TURNPIKE COMMISSION  
2010 SERVICE PLAZA CAPITAL IMPROVEMENT BUDGET

Estimated Beginning Balance January 1, 2010	\$ 3,393,000
Transfers from 2010 Operating Funds	<u>463,100</u>
Total 2010 Available Funds	<u><u>\$ 3,856,100</u></u>
2010 Expenditures:	
Continuing Expenditures From 2009	\$ 25,000
New 2010 Projects:	
41 Resealing Asphalt Surfaces Sealing Paved Areas Located at Service Plazas	75,000
46 Safety Devices Leading Edge Protection at Various Facilities	175,000
53 Service Plazas	
A. New & Replacement Service Plaza Furnishings	\$ 50,000
B. Misc Interior Refurbishments	100,000
C. Drainage Modification, Portage	30,000
D. Sanitary Sewer Improvement, Portage	125,000
E. Roof Repairs, Erie Islands/Commodore Perry	<u>200,000</u>
Total	505,000
Total 2010 Expenditures on New Projects	<u>\$ 780,000</u>
Total 2010 Expenditures	<u>\$ 805,000</u>
Uncommitted Funds	3,051,100
Total 2010 Expenditures and Uncommitted Funds	<u><u>\$ 3,856,100</u></u>

OHIO TURNPIKE COMMISSION  
2010 CAPITAL BUDGET  
EXHIBIT "A"

31	Replacement of Maintenance Equipment	
	<u>Miscellaneous Maintenance Equipment</u>	\$ 100,000
	Purchase of miscellaneous new/replacement equipment (less than \$10,000)	
	<u>16 Each, Portable Message Boards</u>	\$ 400,000
	Replacement of 16 each, 1997 model units 8 units to be purchased in 2010 with option to purchase 8 additional units in 2011	
	Less amount to be spent in 2011	<u>(200,000)</u>
		200,000
	<u>4 Each, Front End Loaders</u>	390,000
	Replacement of 4 each 1999 model and 1 each 1996 model front end loaders (C-00106 thru C-00109 and C-00048)	
	Total	<u>\$ 690,000</u>
32	Replacement of Maintenance Vehicles	
	<u>10 Each, Tandem Dump Trucks w/ Snow &amp; Ice Control Equipment and 8 Each Tow Behind Plow Units</u>	
	Replacement of 16 each, 1999 model tandem axle units	
	Amount Funded from OTC Revenues	\$ 2,200,000
	Amount Funded from Clean Diesel Grant	<u>600,000</u>
		\$ 2,800,000
	<u>20 Each, Single Axle Dump Trucks w/ Snow &amp; Ice Control Equipment</u>	3,100,000
	Replacement of 18 each, tandem axle units (5 - 1997 model, 9 - 1998 model and 4 -1999 model units) and 2 each 1998 model single axle units	
	Less amount to be spent in 2011	<u>(1,700,000)</u>
		1,400,000
	<u>9 Each, 13000# Crew Cab Pickup Trucks</u>	275,000
	Replacement of 9 each, 1999 model crew cab pickups (92-0316, 92-1116 thru 2816)	
	<u>Miscellaneous Clean Diesel Grant Projects</u>	
	Cab Heaters and Exhaust Modifications	189,600
	Total	<u>\$ 4,664,600</u>

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

**Chairman:** Thank you. General Counsel?

**General Counsel:** No report Mr. Chairman.

**Chairman:** Thank you. Comptroller, on behalf of Jim Steiner, Lisa.

**Lisa Mejac:** Good morning Mr. Chairman and Commission Members, due to the CFO's absence I will be presenting a brief update on our traffic and revenue as of November 30<sup>th</sup>. This first chart shows the monthly passenger car miles traveled on the Ohio Turnpike over the past two years. Since the beginning of April, passenger car truck traffic has consistently exceeded last year's levels and that trend continued into November. Passenger car miles traveled in November exceeded the level from last year by 1.9%.

Commercial traffic continues to lag behind the levels reached last year. Commercial vehicle miles traveled in November were 10% below the total from 2008. This chart shows the vehicle miles traveled using E-ZPass as a method to pay tolls. Passenger cars increased from 24% in October to 26% in November. Commercial vehicles increased from 67% in October to 68% in November.

This chart shows a comparison of the toll revenues by payment method. Passenger car revenue increased from 17% in October to 20% in November. Commercial vehicle revenue increased from 64% in October to 66% in November. This chart shows the year-to-date vehicle miles traveled through November during each year this decade. Passenger car miles traveled in the first 11 months of this year were 2.1% above the total from 2008. While commercial vehicle miles traveled fell 13.2% during this period.

This chart shows the year-to-date toll revenues through the month of November during each year this decade. Toll revenues for the first 11 months of this year were \$4.3 million or 2.5% below the amount from last year.

This final chart shows the total year-to-date revenues from all sources for the first 11 months of each year this decade. Total revenues as of the end of November were \$6.8 million or 3.5% below those of the first 11 months of 2008. Fortunately, this revenue decline is being offset by the expense savings and debt service savings from the bond refinancing that was completed in May. That completes my report Mr. Chairman.

**Chairman:** Thank you. Any questions or comments? Thank you very much. Financial Advisor?

**Financial Advisor:** No report Mr. Chairman.

**Chairman:** Thank you. General Consultant?

**General Consultant:** No report Mr. Chairman.

**Chairman:** Trustee?

**Trustee:** No report Mr. Chairman.

**Chairman:** Thank you. State Highway Patrol, Lt. Zurcher?

**Lt. Zurcher:** Thank you Mr. Chairman. Happy to report that overall in 2009, the Ohio Turnpike remains a very safe road. Overall crashes are down over 20% compared to the previous year. Certainly part of that has to be due to the reduction in commercial traffic, we like to think we're a part of that and certainly the engineering on the highway contributes greatly to that also. We did have our ninth fatality Monday. It was at the 129 eastbound just inside Erie County. Clearly it involved a heart condition on the part of the driver. According to the passenger, the driver was having some sort of heart issue, however, he did swerve into the right lane and rear ended a commercial vehicle there and he did die of his injuries. The coroner did rule it a traffic fatality, not a natural death, so that does count statistically. However, that does leave us at 9 which is below our average over the last 10 years on the Turnpike. It is slightly above last year's overall fatalities.

**Chairman:** Any questions or comments? Did the, the driver who was the fatality in that accident, the driver of the car?

**Lt. Zurcher:** Yes, the driver died, the passenger will live.

**Chairman:** Did either have their seatbelts on?

**Lt. Zurcher:** No.

**Chairman:** That says something right there.

**Lt. Zurcher:** You know, the construction of the road, the vehicles today, almost all of our fatalities are no seatbelts or pedestrians. If we can fix those two issues we will be very good.

**Chairman:** Thank you. Any other questions? Thank you very much. If there's no further business we'll discuss adjournment. Before we do that we probably should talk about the January, February schedule. Both January's regularly scheduled meeting and February's regularly scheduled meetings are on holidays. I believe talking to the Executive Director we will not need a meeting in January, but we will have to have one in February. The holiday would be February 15<sup>th</sup>, that's President's Day. The offices will be closed, so we are intending to move it to Tuesday, February 16<sup>th</sup> at 10 a.m. Does that fit in everyone's schedule? Anything further? Motion to adjourn?

**Mr. Kidston:** So moved.

**Chairman:** Is there a second?

**Ms. Teeuwen:** 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:** I hope everybody has a happy, healthy holiday season and say a little prayer for Jim. Thank you.

Time of adjournment was 9:53 a.m.

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

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George F. Dixon, Secretary-Treasurer