



Ohio Turnpike and Infrastructure Commission

Ferzan M. Ahmed, P.E.
Executive Director

Jerry N. Hruby
Chairman

December 16, 2024

Sandra K. Barber
Vice-Chair

RE: Ohio Turnpike and Infrastructure Commission's Proposed Operating and Capital Budgets for 2025

Guy C. Coviello
Secretary-Treasurer

Colleen Shay Murray
Member

Dear Commission Members:

June E. Taylor
Member

The new toll collection system, which was five years in the making (our first contract was approved by the Commission in 2019) went live on April 10, 2024. The launch of the new system, which includes open road tolling with *E-ZPass*, the removal of gates in all entrance and *E-ZPass* exit lanes, the installation of video cameras to capture license plate images, and enhancements to our customer service center are all significant achievements.

Vacant
Member

Pamela Vest Boratyn
Director of Transportation
Member Ex-Officio

Kimberly Murnieks
Director of OBM
Member Ex-Officio

The nearly \$250 million cost to modernize the system was within the planned budget range. We commend everyone- our staff, designers, consultants, and contractors- who were involved in the more than 20 projects to modernize the tolling system during the construction period.

Bill Reineke
Ohio Senate Member

Haraz N. Ghanbari
Ohio House Member

In addition, we thank Teamsters Local Union No. 436 for working with us during the transition to the new system, which was accomplished without any employee layoffs.

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Executive Director

Thanks to your support, guidance, and oversight, we are ending 2024 in a strong financial position, including higher-than-expected revenues and lower-than-expected operating expenses. Toll revenues for passenger and commercial vehicles were higher than expected, and investment revenue was higher because of current market rates.

The Ohio Turnpike, which is one of the nation's top freight routes for the commercial trucking industry, carries about 80 million tons of cargo valued at about \$575 billion each year. Over the next two decades, these figures are projected to increase up to 85 million tons, worth \$630 billion. Therefore, we maintain our roadway and bridges in top condition. Our goal in preparing an annual budget is to be efficient in holding down operating expenses, while maintaining a high standard of quality. The proposed budget for 2025 was prepared with this goal in mind.

BUDGET NUMBERS

In accordance with the Master Trust Agreement, our revenues are first applied to our operating expenses, then to our debt service payments, and lastly to the capital program for maintaining our roadway, buildings, and equipment. The table below shows a comparison of revenues, expenses, debt service and transfers to capital funds between 2025 and 2024.

Budget Year	Total Revenue	Operating Expenses	Debt Service Payments	Transfer to Capital Funds
2025	\$463,808,800	\$162,657,600	\$131,867,600	\$169,283,600
2024	\$431,031,650	\$149,299,150	\$131,484,011	\$150,248,489

HUMAN RESOURCES & STAFFING

We have a dedicated staff committed to serving the needs of Ohioans and visitors who travel the Ohio Turnpike. The 2025 budget provides funding for 864 team members (672 full-time and 192 part-time employees). This is a decrease of 22 employees (six full-time and 16 part-time) compared to 2024, where the budget provided funding for 886 team members (678 full-time and 208 part-time employees).

While we are seeing an overall decrease of employees in 2025, most of whom are in toll operations because of attrition, in 2024 we enhanced our customer service center (CSC) to handle the uptick of customer calls relating to “go live” of the new toll collection system. In 2024, we increased staffing to 21 employees in the CSC compared to 15 in 2023.

Our goal is to be fiscally prudent as well as competitive with the structure of our wages and benefits. We try our best to stay in line with the rest of the State of Ohio. As per the recently negotiated union contracts, we have included a 3.5% cost of living increase for maintenance/roadway, full-time toll, and radio room staff and a 3% cost of living increase for part-time toll staff in the 2025 budget. Some of our contracts also include negotiated wage adjustments, which are also included in the proposed budget. For all state agencies, the non-bargaining employees were given a parity increase in line with the State union negotiated contract. For 2025, State of Ohio non-bargaining unit employees will receive a 4.5% cost of living increase, and we are proposing the same for the Ohio Turnpike non-bargaining unit employees.

CAPITAL BUDGET

The total budgeted expenditures for the 2025 capital budget are \$318.9 million, compared to \$254 million in 2024. The capital expenditures planned for 2025 include a substantial amount of pavement resurfacing and bridge rehabilitation work, which is necessary to reach our goals for pavement condition rating and bridge general appraisal ratings.

Approximately 170 lane miles of pavement will be resurfaced in 2025, one interchange will receive pavement reconstruction, and two pavement replacement projects will begin. An extensive amount of work will be performed on the turnpike's bridges. Seven projects will begin, and either be completed in 2025 or 2026, and when combined with previously awarded projects, will result in 24 bridges receiving new bridge decks. Two bridge replacement projects will also continue in 2025.

The planned 2025 capital expenditures also continue the implementation of intelligent transportation system (ITS) infrastructure components, such as mainline overhead dynamic message boards, high-definition cameras, and variable speed limit signs. These ITS components are essential for increasing safety by monitoring conditions, as well as informing drivers of traffic and weather-related conditions. Additionally, the replacement and upgrading of maintenance vehicles and equipment will continue.

Year	Total Capital Budget
2025	\$318,885,005
2024	\$254,084,795

TOLL RATE INCREASES

In April 2023, the Commission approved toll rate increases for five years. On Jan. 1, 2025, toll rates will increase 7.7%, and thereafter toll rates increases will be 2.7% per year through 2028. These toll rate increases were authorized to meet operating costs, debt service, and capital improvement costs. Specifically, the increases will help properly maintain the Commission's bridges and other infrastructure.

The 2025 operating budget details will be presented by our Chief Financial Officer Lisa Mejac, CPA, and the 2025 capital budget details will be presented by our Chief Engineer Chris Matta, P.E.

Our executive team is pleased to present to the Commission with a responsible 2025 budget that maintains the high standards of the Ohio Turnpike. We request the Commission's support and approval.

Respectfully,

Ferzan M. Ahmed, P.E.
Executive Director