



Record of Meeting | March 30, 2023

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance & Audit Committee meeting on Thursday, March 30, 2023. The meeting was held pursuant to the By-Laws of the Tollway upon call and notice of the meeting executed by Chairman Arnaldo Rivera and posted in accordance with the requirements of the Open Meetings Act, 5 ILCS 120/1, *et seq.*

Due to necessary precautions relating to COVID-19, in accordance with the Gubernatorial Disaster Proclamation and current conditions, and consistent with the Open Meetings Act, it was determined by Chairman Rivera that an in-person meeting of the body was neither practical nor prudent. In compliance with all conditions of Section 7(e) of the Open Meetings Act, 5 ILCS 120/7(e), the Board meeting was conducted by audio conference. A telephone access number was provided for members of the public to monitor and/or participate in the meeting.

[Bolded entries indicate issues which may require follow-up to present or report to Directors.]

Call to Order / Roll Call

Chairman Rivera stated that in accordance with the Illinois Tollway By-laws Section 4(c), he will be stepping in as committee chair for the purposes of the March 30, 2023 meeting due to the passing of Committee Chair Alice Gallagher. Chairman Rivera called the meeting to order at approximately 9:11 a.m. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Chairman Arnaldo Rivera
Director James Connolly
Director Jacqueline Gomez
Director Scott Paddock <i>[by telephone]</i>
Director Gary Perinar

Other Directors in Attendance:
Director James Sweeney

Committee Members Not Present:
None

The Board Secretary declared a quorum present.



Public Comment

Chairman Rivera opened the floor for public comment. No public comment was offered.

Committee Chair's Items

Chairman Rivera entertained a motion to approve **Committee Chair's Item 1**, the Minutes of the regular Finance & Audit Committee meeting held on February 23, 2023, as presented. Director Connolly made a motion to approve the minutes, seconded by Director Gomez. Chairman Rivera asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Connolly, Director Gomez, Director Paddock, Director Perinar, Chairman Rivera (5)

Nays: (0)

The motion PASSED

Having no further items, Chairman Rivera called on Executive Director Cassandra Rouse.

Executive Director's Items

Executive Director Rouse introduced Cathy Williams, Chief Financial Officer, to present the 2022 Year End Budget to Actual Review (Preliminary and Unaudited). [See attached presentation.](#)

Executive Director Rouse noted that the meeting agenda contains four items for the Committee's consideration.

Finance

Executive Director Rouse asked Chief Financial Officer Cathy Williams to present the following items to the Committee:

Item 1: Award of Contract 22-0169 to RSUI Indemnity Company, Westchester Fire Insurance Company, Lloyd's of London, Westchester Surplus Lines Insurance Company, and Colony Specialty Insurance Company for the purchase of Property Insurance Program Services through the insurance broker, Mesirow Insurance Services, Inc., for the combined annual premium of \$2,157,887.00 for a one-year term (Order Against CMS Master Contract).



Item 2: Approval of the Retiree Health Insurance Premium for 2022 and the underpaid premiums for the period of January 1, 2022 to December 31, 2022 in the total amount of \$9,087,237.71 to Central Management Services (“CMS”) per the State Employees Group Insurance Act (5 ILCS 375/11).

Item 3: Authorize \$500 million of Revenue Bonds to finance Move Illinois Program.

Upon conclusion of the presentation of items, Chairman Rivera entertained a motion to consolidate for consideration and action Finance Items 1-3. Director Connolly made a motion to consolidate, seconded by Director Gomez. Chairman Rivera asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Connolly, Director Gomez, Director Paddock, Director Perinar, Chairman Rivera (5)

Nays: (0)

The motion PASSED

The motion to consolidate having carried, Chairman Rivera entertained a motion to approve placement of **Finance Items 1-3** on the March Board of Directors meeting agenda with the Committee’s recommendation for approval by the Board. Director Connolly made a motion to approve, seconded by Director Gomez. Chairman Rivera asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Connolly, Director Gomez, Director Paddock, Director Perinar, Chairman Rivera (5)

Nays: (0)

The motion PASSED

Legal

Chairman Rivera stated that without objection, Legal Item 1 will be deferred to Executive Session of the full Board meeting.

Item 1: Authorization to Enter into a Workers’ Compensation Settlement – DeWayne Henderson. As discussed in Executive Session.



Adjournment

There being no further Committee business, Chairman Rivera entertained a motion to adjourn. Director Connolly made a motion to adjourn, seconded by Director Gomez. Chairman Rivera asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Connolly, Director Gomez, Director Paddock, Director Perinar, Chairman Rivera (5)

Nays: (0)

The motion PASSED

The meeting was adjourned at approximately 9:25 a.m.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

2022 Year End Budget to Actual

(Preliminary and Unaudited)

Cathy Williams

2022 Year End – Budget vs. Actual

CATEGORY	ORIGINAL BUDGET	(\$ millions)			% CHANGE
		FORECAST	ACTUAL	\$ CHANGE	
Revenue	\$1,491 ¹	\$1,527 ¹	\$1,592	\$65	4.3%
M&O Expenditures	\$411	\$411	\$375	(\$36)	(8.8%)
Debt Service Transfers	\$486	\$476	\$476	(\$0)	(0.0%)
Capital Expenditures	\$1,486	\$1,317	\$1,133	(\$184)	(14.0%)

Note: The budget was revised in October 2022. Numbers may not add to totals due to rounding.

¹ Original Budget and Forecast Toll Revenue is based on expected toll revenue estimates from CDM Smith, Traffic Engineer

Key Drivers

Revenue

- Revenue is 4.3 percent higher than the forecast due to higher-than-expected toll evasion recovery and investment income

M&O

- M&O is 8.8 percent less than the forecast due to unfilled positions and lower contractual service costs

Capital Expenditures

- Less spending than forecasted primarily due to:
 - Material supply delays and associated schedule impacts
 - Additional time required for railroad and utility coordination

REVENUE



2022 Year End - Revenue

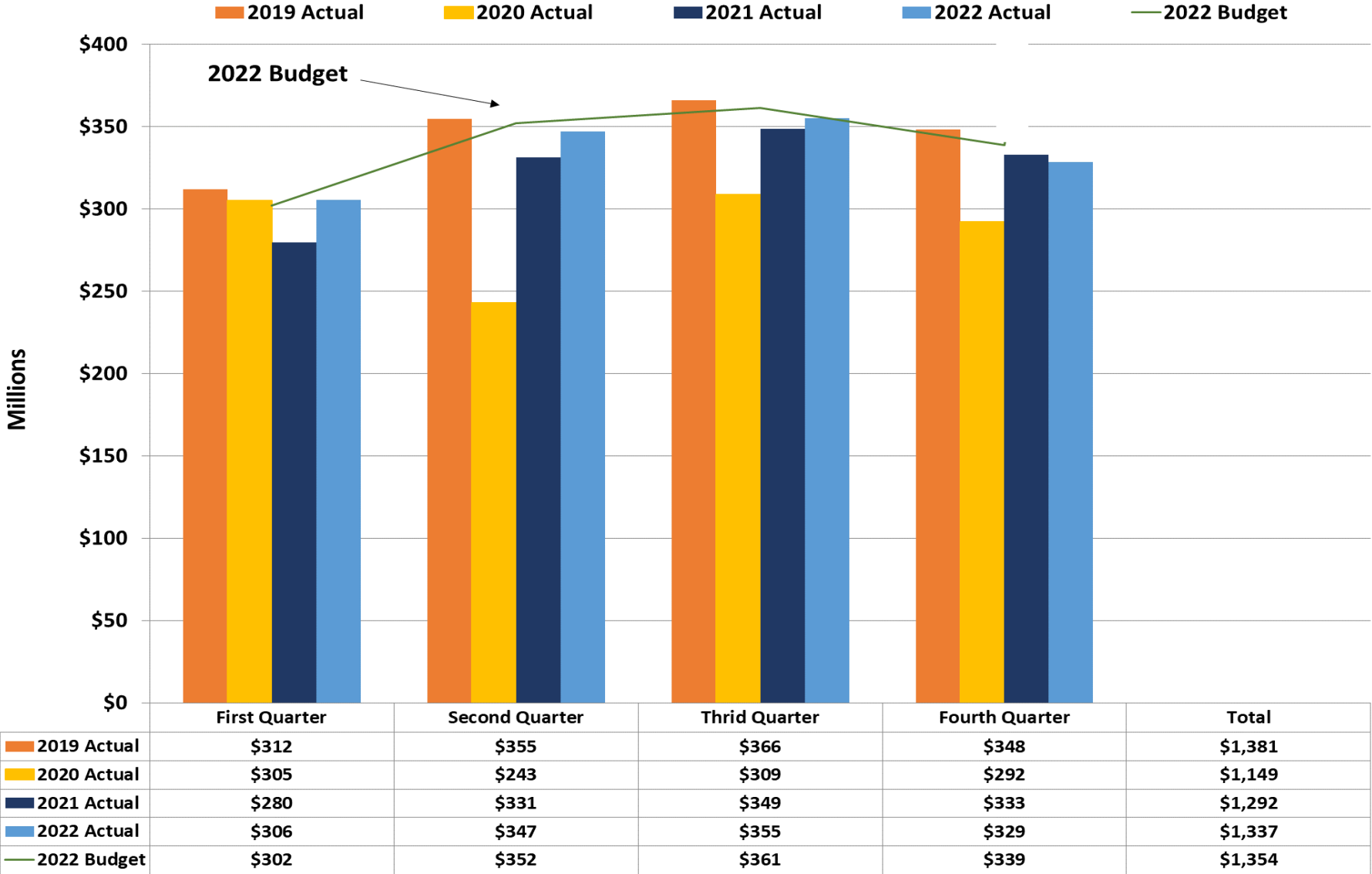
CATEGORY	ORIGINAL BUDGET	(\$ millions)			% CHANGE
		FORECAST	ACTUAL	\$ CHANGE	
Total Revenue	\$1,491.2¹	\$1,526.6¹	\$1,591.7	\$65.1	4.3%
Toll Revenue and Evasion Recovery	\$1,477.2	\$1,483.3	\$1,535.1	\$51.8	3.5%
Concession and Miscellaneous Income	\$11.0	\$33.3 ²	\$31.3	(\$2.0)	(5.9%)
Investments	\$3.0	\$10.0	\$25.3	\$15.3	152.9%

Notes: ¹ Original Budget and Forecast Toll Revenue is based on expected toll revenue estimates from CDM Smith, Traffic Engineer

² Includes proceeds from the sale of property of \$18.7 million in February 2022.

Numbers may not add due to rounding

Quarterly Toll Revenue 2019 – 2022



2022 Year End – Maintenance and Operations

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Total M&O	\$410.9	\$374.7	(\$36.2)	(8.8%)
Payroll and Related Costs	\$190.2	\$177.2	(\$13.0)	(6.8%)
Contractual Services	\$114.7	\$97.6	(\$17.1)	(14.9%)
Group Insurance	\$33.2	\$33.9	\$0.8	2.3%
Other Post Employment Benefits	\$8.1	\$5.8	(\$2.3)	(28.5%)
Equipment Maintenance	\$32.3	\$30.0	(\$2.3)	(7.1%)
All Other Insurance	\$12.9	\$8.9	(\$4.0)	(30.7%)
Materials/Operational Supplies/Other Expenses	\$7.1	\$5.4	(\$1.7)	(24.3%)
Utilities	\$6.4	\$6.8	\$0.4	6.1%
Parts and Fuel	\$6.1	\$9.9	\$3.8	62.8%
Other Miscellaneous Expenses	\$0.0	(\$0.7)	(\$0.7)	NA

Note: Numbers may not add to totals due to rounding

Key Drivers

Payroll and Related Costs

- Vacant positions

Contractual Services

- Decrease in call minutes
- Contract delays

Other Post Employment Benefit

- \$2.3 million credit adjustment for retiree health insurance

All Other Insurance

- \$3.8 million credit adjustment to workers' compensation based on actuarial study

Material/Operational Supplies/Other Expenses

- Contract delays

Parts and Fuel

- Primarily due to the increase in the price of fuel

CAPITAL PROGRAM



2022 Year End - Capital Program

CATEGORY	ORIGINAL BUDGET	(\$ millions)			% CHANGE
		FORECAST	ACTUAL	\$ CHANGE	
Tri-State (I-94/I-294/I-80)	\$690.1	\$699.5	\$620.2	(\$79.3)	(11.3%)
Reagan Memorial (I-88)	\$5.5	\$2.4	\$1.0	(\$1.5)	(60.8%)
Jane Addams Memorial (I-90)	\$3.7	\$1.4	\$0.9	(\$0.5)	(37.5%)
Veterans Memorial (I-355)	\$1.1	\$2.0	\$1.4	(\$0.6)	(28.4%)
Systemwide Improvements	\$296.8	\$216.3	\$199.0	(\$17.4)	(8.0%)
Tri-State (I-294)/I-57 Interchange	\$46.2	\$36.2	\$32.6	(\$3.7)	(10.1%)
Elgin O'Hare Western Access	\$439.9	\$364.2	\$286.3	(\$77.9)	(21.4%)
Total Capital Expenditures	\$1,486.4	\$1,324.4	\$1,142.4	(\$182.0)	(13.7%)
Agreement Reimbursements and Other Adjustments	\$0.0	(\$7.2)	(\$9.1)	(\$1.8)	(25.5%)
Total Capital with Reimbursements	\$1,486.4	\$1,317.2	\$1,133.3	(\$183.9)	(14.0%)

Key Drivers

Central Tri-State

- Spending less than forecasted primarily as a result of material supply delays and associated schedule impacts

EOWA Project

- Spending less than forecasted primarily due to additional time being required for railroad and utility coordination

Systemwide

- Underspend in various bridge, pavement and ramp repairs partially due material fabrication issues

Note: Numbers may not add to totals due to rounding.



THANK YOU



APPENDIX

2022 vs 2021 Results



Year End – Maintenance and Operations – 2022 vs 2021

CATEGORY	(\$ millions)					
	2021		2022		2022 ACTUAL/ 2021 ACTUAL CHANGE	
	BUDGET	ACTUAL	BUDGET	ACTUAL	\$ CHANGE	% CHANGE
Payroll and Related Costs	\$181.9	\$176.2	\$190.2	\$177.2	\$1.0	0.6%
Contractual Services	\$100.0	\$91.3	\$114.7	\$97.6	\$6.2	6.8%
Group Insurance	\$28.8	\$34.9	\$33.2	\$33.9	(\$1.0)	(2.9%)
Other Post Employment Benefits	\$4.0	\$7.2	\$8.1	\$5.8	(\$1.4)	(19.4%)
Equipment Maintenance	\$32.9	\$29.3	\$32.3	\$30.0	\$0.7	2.4%
All Other Insurance	\$11.1	\$10.9	\$12.9	\$8.9	(\$2.0)	(18.0%)
Materials/Operational Supplies/Other Expenses	\$7.6	\$5.9	\$7.1	\$5.4	(\$0.5)	(8.2%)
Utilities	\$8.1	\$6.8	\$6.4	\$6.8	\$0.1	1.1%
Parts and Fuel	\$5.9	\$8.7	\$6.1	\$9.9	\$1.2	13.6%
Other Miscellaneous Expenses	(\$0.7)	(\$1.1)	\$0.0	(\$0.7)	\$0.4	(37.1%)
Total Maintenance and Operations Expenditures	\$379.5	\$370.0	\$410.9	\$374.7	\$4.7	1.3%

Note: Numbers may not add to totals due to rounding

Year End - Capital Program 2022 vs 2021

CATEGORY	(\$ millions)					
	2021		2022		2022 ACTUAL/ 2021 ACTUAL CHANGE	
	FORECAST	ACTUAL	FORECAST	ACTUAL	\$ CHANGE	% CHANGE
Tri-State (I-94/I-294/I-80)	\$713.3	\$698.6	\$699.5	\$620.2	(\$78.4)	(11.2%)
Reagan Memorial (I-88)	\$18.8	\$18.6	\$2.4	\$1.0	(\$17.6)	(94.9%)
Jane Addams Memorial (I-90)	\$2.4	\$2.2	\$1.4	\$0.9	(\$1.4)	(62.0%)
Veterans Memorial (I-355)	\$10.0	\$7.1	\$2.0	\$1.4	(\$5.6)	(79.6%)
Systemwide Improvements	\$239.2	\$221.9	\$216.3	\$199.0	(\$22.9)	(10.3%)
Tri-State (I-294)/I-57 Interchange	\$75.7	\$80.2	\$36.2	\$32.6	(\$47.7)	(59.4%)
Elgin O'Hare Western Access	\$275.0	\$228.5	\$364.2	\$286.3	\$57.7	25.3%
Total Capital Expenditures	\$1,337.2	\$1,258.6	\$1,324.4	\$1,142.4	(\$116.3)	(9.2%)
Agreement Reimbursements and Other Adjustments	(\$10.4)	(\$10.1)	(\$7.2)	(\$9.1)	\$1.1	10.5%
Total Capital with Reimbursements	\$1,326.8	\$1,248.5	\$1,317.2	\$1,133.3	(\$115.2)	(9.2%)

Note: Numbers may not add to totals due to rounding