



Record of Meeting | November 16, 2023

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance & Audit Committee meeting on Thursday, November 16, 2023, in the Boardroom of Tollway headquarters in Downers Grove, Illinois. 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.*

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

Call to Order / Roll Call

Committee Chair Perinar called the meeting to order at approximately 9:01 a.m. Given Director Gomez’s advance notice to the Board Secretary of her inability to attend due to conflicting business commitments and given that a quorum of the committee was physically present, in accordance with the Open Meetings Act and Tollway By-laws, Committee Chair Perinar entertained a motion to allow Director Gomez’s participation by audio conference. Director Connolly made such a motion, seconded by Director McConnaughay. The motion PASSED unanimously by voice vote. He asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Gary Perinar
Director James Connolly
Director Jacqueline Gomez <i>[by telephone]</i>
Director Karen McConnaughay
Director Scott Paddock

Other Directors in Attendance:
Director Melissa Neddermeyer
Director James Sweeney
Director Mark Wright
Chairman Arnaldo Rivera

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

Public Comment

Committee Chair Perinar opened the floor for public comment. No public comment was offered.



Committee Chair's Items

Committee Chair Perinar entertained a motion to approve **Committee Chair's Item 1**, the minutes of the regular Finance & Audit Committee meeting held on October 26, 2023. Director Connolly made a motion to approve the minutes, seconded by Director McConnaughay. The motion PASSED unanimously by voice vote.

Having no further items, Committee Chair Perinar called on Executive Director Cassandra Rouse.

Executive Director's Items

Executive Director Rouse introduced Chief Financial Officer, Cathy Williams, to present the Third Quarter Financial Review for 2023. [See attached presentation.](#)

Executive Director Rouse introduced Chief of Diversity & Strategic Implementation, Terry Miller, and Senior Manager, Insurance Risk and Loss Control, Paula Blonski to provide an update on the Rolling Owner-Controlled Insurance Program. [See attached presentation.](#)

Upon conclusion of the presentations and discussion, Committee Chair Perinar thanked the presenters.

Items for Consideration

Finance

Item 1: Award of Contract 23-0173 to Mesirow Insurance Services, Inc. for the purchase of a Rolling Owner-Controlled Insurance Program (ROCIP) in an estimated premium amount of \$1,602,251.00 for a three-year period. The coverage will provide General Liability only on ongoing construction programs covering multiple projects for smaller businesses (Order Against CMS Master Contract).

Committee Chair Perinar entertained a motion to approve placement of **Finance Item 1** on the November Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Connolly made a motion to approve this item, seconded by Director McConnaughay. The motion PASSED unanimously by voice vote.

Adjournment



There being no further Committee business, Committee Chair Perinar entertained a motion to adjourn. Director Connolly made a motion to adjourn, seconded by Director McConnaughay. The motion PASSED unanimously by voice vote.

The meeting was adjourned at approximately 9:27 a.m.

A handwritten signature in cursive script that reads "Christi Regnery".

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



2023 September YTD Budget to Actual (Preliminary and Unaudited)

Cathy Williams
November 16, 2023



September YTD 2023 – Budget vs. Actual

CATEGORY	(\$ millions)			% CHANGE
	BUDGET	ACTUAL	\$ CHANGE	
Revenue	\$1,167	\$1,208	\$42	3.6%
M&O Expenditures	\$320	\$296	(\$24)	(7.4%)
Debt Service Transfers	\$384	\$373	(\$12)	(3.0%)
Capital Expenditures	\$1,051	\$688	(\$363)	(34.6%)

Key Drivers

Revenue

- 3.6 percent higher than budget due to higher-than-expected investment income resulting from short-term investment rates significantly above the rate assumed for the budget

M&O

- 7.4 percent less than the budget due to vacancies, pending contracts and customer service expenditures

Debt Service

- 3 percent less than budget, due to new bond issuance later than assumed in the budget

Capital Expenditures

- 34.6 percent less than budget due to additional time required for railroad and utility coordination and the timing of right-of-way payments for the new I-490 Tollway and timing of Central Tri-State construction activities

Note: Numbers may not add to totals due to rounding

REVENUE

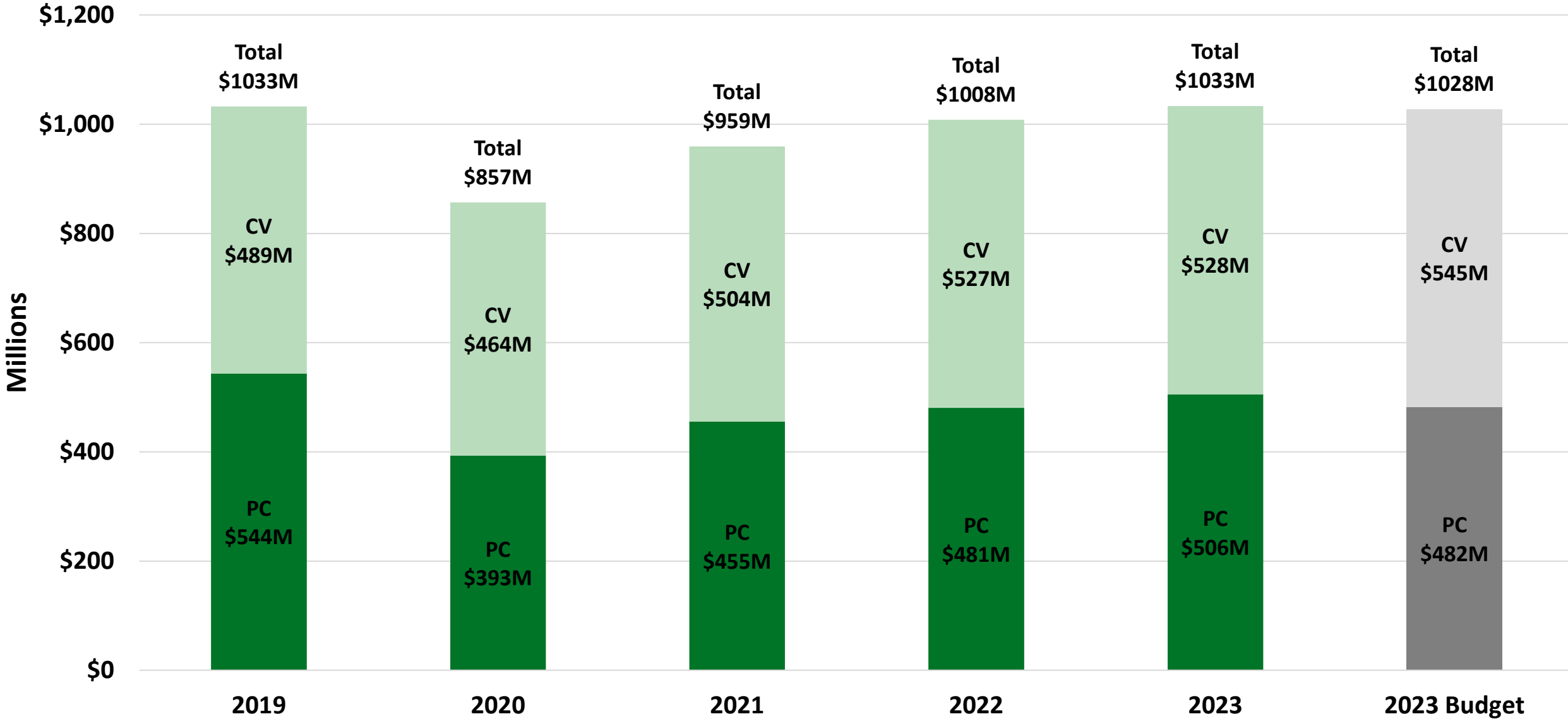


September YTD 2023 - Revenue

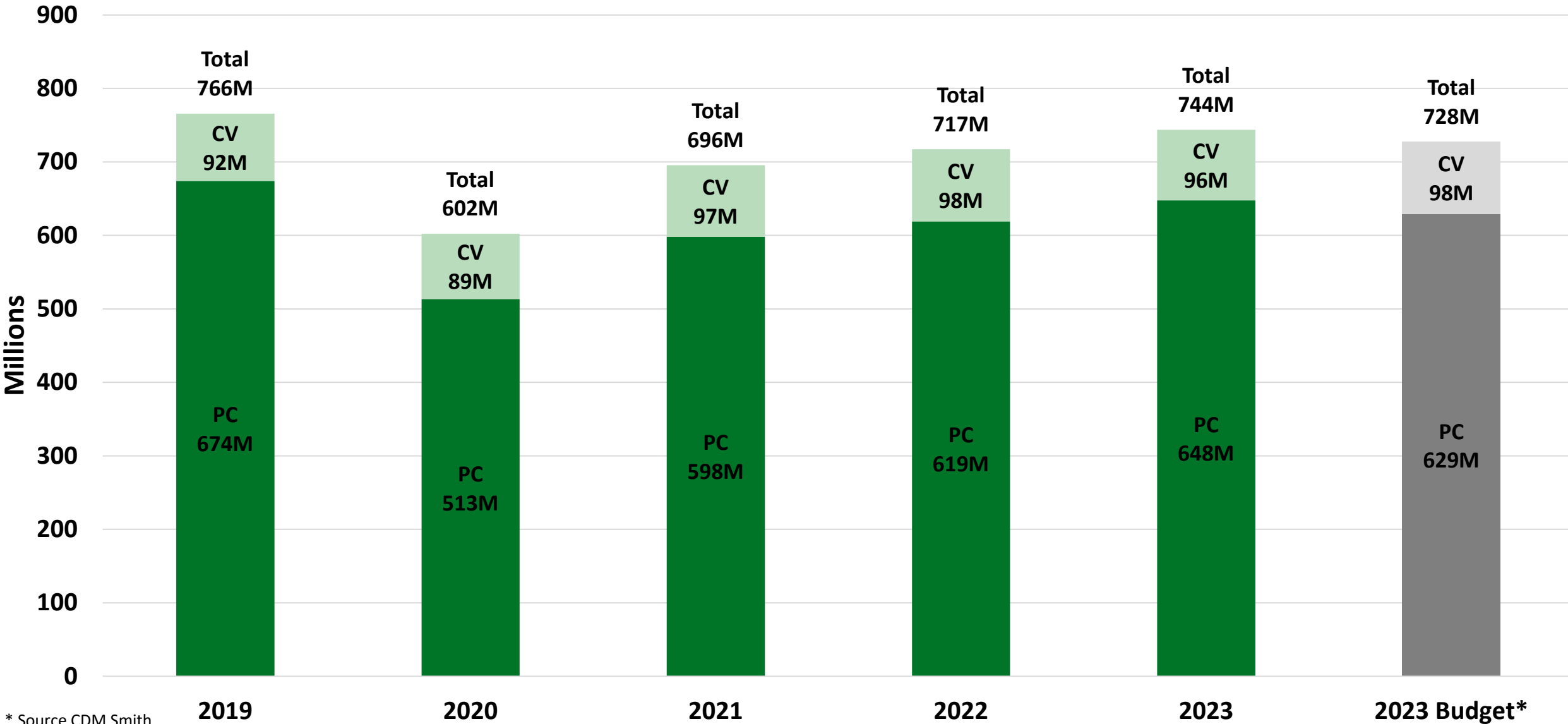
CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Total Revenue	\$1,166.6	\$1,208.1	\$41.5	3.6%
Toll Revenue and Evasion Recovery	\$1,142.8	\$1,142.4	(\$0.4)	(0.0%)
Concession and Miscellaneous Income	\$5.8	\$7.7	\$1.9	33.2%
Investments	\$18.0	\$58.0	\$40.0	NA

Note: Numbers may not add to totals due to rounding

September YTD Toll Revenue 2019 -2023



September YTD Vehicle Transactions 2019 - 2023



* Source CDM Smith

September YTD 2023 – Maintenance and Operations

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Total M&O	\$320.1	\$296.5	(\$23.6)	(7.4%)
Payroll and Related Costs	\$144.7	\$131.7	(\$13.0)	(9.0%)
Contractual Services	\$83.7	\$80.5	(\$3.3)	(3.9%)
Group Insurance	\$27.2	\$26.3	(\$0.9)	(3.4%)
Other Post Employment Benefits	\$6.1	\$6.8	\$0.7	12.2%
Equipment Maintenance	\$27.7	\$26.3	(\$1.4)	(5.0%)
All Other Insurance	\$9.4	\$6.2	(\$3.2)	(34.5%)
Materials/Operational Supplies/Other Expenses	\$7.2	\$6.7	(\$0.5)	(6.4%)
Utilities	\$6.1	\$6.1	\$0.1	1.3%
Parts and Fuel	\$8.0	\$5.7	(\$2.3)	(28.4%)
Other Miscellaneous Expenses	(\$0.1)	\$0.1	\$0.2	NA

Note: Numbers may not add to totals due to rounding

Key Drivers

Payroll and Related Costs

- \$13 million less than budget due to vacant positions and contractual increases not yet applied

Contractual Services

- \$3.3 million less than budget due to lower than anticipated customer service and consulting costs

Equipment Maintenance

- \$1.4 million less than budget due to timing of IT software projects

All Other Insurance

- \$3.2 million less than budget due to an adjustment from the workers' compensation actuarial study

Parts and Fuel

- \$1.4 million less than budget for parts due to lower spending on replacement parts and \$838,000 less than budget for fuel due to lower fuel prices

CAPITAL PROGRAM



September YTD 2023 - Capital Program

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Tri-State (I-94/I-294/I-80)	\$481.6	\$396.3	(\$85.3)	(17.7%)
Reagan Memorial (I-88)	\$2.7	\$6.6	\$3.9	145.1%
Jane Addams Memorial (I-90)	\$4.5	\$1.2	(\$3.3)	(74.0%)
Veterans Memorial (I-355)	\$5.0	\$1.7	(\$3.2)	(65.2%)
Systemwide Improvements	\$175.5	\$151.9	(\$23.7)	(13.5%)
Tri-State (I-294)/I-57 Interchange	\$10.0	\$9.2	(\$0.8)	(7.6%)
Elgin O'Hare Western Access	\$367.8	\$134.2	(\$233.6)	(63.5%)
Total Capital Expenditures	\$1,051.3	\$701.8	(\$349.5)	(33.2%)
Agreement Reimbursements and Other Adjustments	\$0.0	(\$13.9)	(\$13.9)	NA
Total Capital with Reimbursements	\$1,051.3	\$687.9	(\$363.4)	(34.6%)

Key Drivers

EOWA Project

- \$233.6 million less than budget due to additional time required for railroad and utility coordination and the timing of right-of-way payments

Central Tri-State Tollway (I-294)

- \$85.3 million less than budget as a result of timing of construction activities

Systemwide

- \$23.7 million less than budget due to timing of construction and slower spending on Fleet and IT projects.

Note: Numbers may not add to totals due to rounding



THANK YOU





Illinois Tollway Rolling Owner-Controlled Insurance Program Update

Presented by Terry Miller and Paula Blonski

BY THE NUMBERS

56 contracts awarded with ROCIP insurance since 2021



More than

\$84 million

in Small Business Initiative contracts covered by ROCIP

Nearly

70 unique firms

(24 unique primes)

Contracts awarded with ROCIP include **8 first-time primes**, ALL of which are certified DBE firms.

3 small business initiative firms have graduated and gone on to be awarded **8 non-ROCI**P contracts



ROCIIP WORK BY CORRIDOR

Elgin O'Hare Western Access (EOWA)	5
Jane Addams Memorial Tollway (I-90)	1
Other Emerging Projects	1
Reagan Memorial Tollway (I-88)	3
Systemwide Improvements (SW)	27
Tri-State (I-294)/I-57 Interchange	1
Tri-State Tollway (I-94/I-294/I-80)	11
Veterans Memorial Tollway (I-355)	3



WORK DONE BY ROCIP CONTRACTS

Bridge/Roadway	3
Building	2
Removals	1
Earthwork/Drainage	8
Electrical	6
Landscaping	9
Misc. Roadway	7
Plaza	9
Roadway	7



Average number of bidders

- ROCIP Contracts: 3.7 bidders
- Non-ROCIIP Contracts: 4.6 bidders



Across 16 completed ROCIP contracts, work was completed in an average of 191 days

2024-2027 NEW PROGRAM HIGHLIGHTS

New insurance company starting 1/1/2024

Deductible going from \$100,000 to \$25,000

No collateral needed for new program

No loss fund required



2024-2027 NEW PROGRAM HIGHLIGHTS

Expiring ROCIP program 3-year premium for \$75 million in contract value was \$3.8 million.

The renewal of this program for \$70 million dollars in contract value is estimated \$1,602,251.00.

The reduction in premium, deductible and loss fund are a result of increase in carrier competition, negotiations, excellent loss history and overall success of this program



A construction worker with dreadlocks, wearing a white hard hat with a headlamp, safety glasses, and a high-visibility orange and yellow safety vest, is smiling while working on a wooden structure. The worker is using a power tool on a piece of wood. In the background, there is a road with a stop sign, a silver car, and a building with large windows. The scene is outdoors with some greenery.

QUESTIONS?