



Record of Meeting | August 19, 2015

The Illinois State Toll Highway Authority (the “Tollway”) held the Finance, Administration and Operations Committee Meeting on Wednesday, August 19, 2015 at Tollway Headquarters in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chairman Robert J. Schillerstrom and posted in accordance with the requirements of the Illinois *Open Meetings Act*. The Meeting was open to the public.

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

Call to Order / Roll Call

Committee Chair Joe Gomez called the Meeting to order at approximately 9:12 a.m. and stated that this is the regularly scheduled meeting of the Finance, Administration and Operations Committee of the Tollway Board of Directors. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Joe Gomez
Director Earl Dotson Jr.
Director Nick Sauer

Committee Members Not Present:
Director David Gonzalez

Also Attending:
Director Corey Brooks

The Board Secretary declared a quorum present.

Public Comment

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

Committee Chair’s Items

Committee Chair Gomez called for a motion to allow the non-voting participation in the work of the Committee this day by Director Corey Brooks, newly-appointed to the Tollway Board of



Directors. Director Sauer made such a motion; seconded by Director Dotson. The motion was approved unanimously.

Committee Chair Gomez then called for a motion to approve the Minutes of the Finance, Administration and Operations Committee (“FAO Committee”) meeting held on May 20, 2015. Director Sauer made a motion for approval; seconded by Director Dotson. The motion was approved unanimously.

Committee Chair Gomez welcomed Directors Dotson and Sauer, both newly-assigned to the FAO Committee, as well as Director Corey Brooks, recently nominated to the FAO Committee. He noted that formal approval of Director Brooks’ committee assignment is to be considered at the August Board of Directors meeting.

Committee Chair Gomez then called on Greg Bedalov, Executive Director.

Executive Director’s Items

2015 Traffic Update: Executive Director Bedalov provided a summary of toll transaction results for the second quarter of 2015, highlighting that the current summer travel season has been the busiest in Tollway history. [See attached presentation.](#)

Director Sauer, first commenting positively on the record-breaking toll transactions achieved in 2015, asked the address of the Tollway’s Twitter account. Joelle McGinnis, Press Secretary, responded that the Tollway maintains four Twitter feeds ([links](#) are available on the Tollway’s website), one for each of the agency’s tollways, which customers can “follow” to receive tailored real-time roadway incident information.

Director Sauer asked if the agency makes broadly available current Tollway system travel times so that customers can plan accordingly prior to departure and, if so, what outreach is performed to make customers aware that this information is available. Ms. McGinnis responded that Tollway travel times are posted on www.travelmidwest.com, a travel information portal made available through a coalition of Midwest transportation agencies. She further stated that the addresses of Tollway travel information resources are shared with partnering regional news outlets, which then disseminate this information to the public during broadcast programming. She emphasized that any suggestions by Directors for methods to enhance outreach efforts are welcomed.

Managing Construction Changes and I-90 Progress: Executive Director Bedalov then introduced Paul Kovacs, Chief Engineer, to present an overview of how the Tollway manages



construction changes and of progress on the eastern segment of the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project. [See attached presentation.](#)

Committee Chair Gomez asked how timetables have been impacted by recent legislation requiring that change orders / extra works orders in excess of \$30,000 be reviewed for approval by an independent State Procurement Officer (“SPO”). Mr. Kovacs responded that the additional level of review has added time to the procurement process; however, the assigned SPO has been responsive to the time sensitivity of the Tollway’s construction schedules, typically granting waivers in a matter of days.

Director Dotson, first commenting positively that change orders / extra work orders represent just 0.4 percent of total construction awards, requested confirmation that the change orders / extra work orders brought to Committee for consideration are those that exceed the \$200,000 approval thresholds of senior management. Mr. Kovacs confirmed.

Release of Retainage Policy: Executive Director Bedalov then re-introduced Mr. Kovacs to present an overview of the Tollway’s release of retainage policy and to identify particular elements therein which may benefit from revision. [See attached presentation.](#)

During the presentation, Mr. Kovacs highlighted that in addition to retainage, performance bonds are also a requirement of Tollway construction contracts, providing the Tollway with further guarantees of satisfactory completion of projects by vendors.

Director Dotson asked staff to elaborate on the advantages to potentially eliminating the practice of attaining Board approval for releases of retainage. Mr. Kovacs responded that currently, once the Tollway has certified that all completed work has been performed in accordance with contract requirements, release of vendor earnings withheld is delayed for up to an additional 30 days until approval can be attained at the subsequent Board of Directors meeting. He explained that the proposed policy modification would allow releases of retainage to be executed by senior management upon the Tollway’s acceptance of the completed work, thereby providing primes and consequently their subcontractors more timely receipt of compensation due them. He noted that subcontractors, including disadvantaged business enterprises (“DBEs”), can often be adversely impacted by payment delays. Mr. Kovacs emphasized that the Board receives quarterly Capital Program Reports, which will continue to detail all releases of retainage as well as final vendor performance in meeting Tollway contract requirements, including their Diversity Program commitments.



Director Sauer asked if the original rationale is known for instituting the requirement for Board approval of releases of retainage. Executive Director Bedalov responded that current management does not have that background.

Committee Chair Gomez expressed the consensus of the Committee that staff further develop the proposed modifications to the Tollway's retainage policy and upon completion, present their recommendations for policy amendments to the full Board of Directors. Committee Chair Gomez suggested that staff also explore policy modifications which might provide the Tollway with means to promote and safeguard the timely payment by primes of subcontractors, particularly DBEs.

Quarterly Financial Review: Executive Director Bedalov then introduced Mike Colsch, Chief of Finance, to present the Quarterly Financial Review covering the preliminary budget to actual results for the second quarter ending June 30, 2015. [See attached presentation.](#)

Committee Chair Gomez congratulated Mr. Colsch and his staff for a successful quarter and for their efforts in compilation of the information. He then inquired about the low staffing levels at the agency, particularly vacancies in critical job roles. Executive Director Bedalov responded that staffing of these positions is a priority for the Tollway and efforts are underway, including job postings to be issued imminently for several critical hires.

Items for Consideration

Committee Chair Gomez then called on John Donato, Chief of Procurement, to present the following **Procurement** Items:

Item 1: Renewal of Contract 14-0104 to Energy Absorption Systems, Inc. for the purchase of Crash Attenuator Parts in an amount not to exceed \$200,000.00 (Order Against CMS Master Contract).

Item 2: Award of Contract 13-0218 to SDI Solutions LLC for the purchase of Technology Professional Services in an amount not to exceed \$11,870,000.00 (Tollway Request for Proposals).

Item 3: Amendment of Contract 12-0267 to e-Builder, Inc. for the purchase of a Web-Based Project Management System in an amount not to exceed \$187,740.00 (Tollway Request for Proposals).



Item 4: Award of Contract 15-0078 to Aptude, Inc. for the purchase of Hewlett-Packard Software, Licenses, Maintenance, and Support in an amount not to exceed \$219,086.58 (Tollway Invitation for Bids).

Item 5: Award of Contract 15-0020 to Henderson Products, Inc. (d.b.a. Henderson Truck Equipment-IL) for the purchase of Salt Brine Machines in an amount not to exceed \$241,000.00 (Tollway Invitation for Bids).

Item 6: Award of Contract 13-0251R to Industrial Fence, Inc. for the purchase of Trinity Guardrail Parts in an amount not to exceed \$210,199.55 (Tollway Invitation for Bids).

Item 7: Award of Contract 15-0004R to Maggio Truck Center, Inc.; Hillside Auto Body & Service, Inc.; O'Hare Towing Service, Inc.; Naperville Towing Service, Inc.; Suburban Towing, Inc.; and Ernie's Wrecker Service, Inc. for the purchase of Towing and Road Services for Tollway Vehicles and Equipment in an aggregate amount not to exceed \$205,723.30 (Tollway Invitation for Bids).

Mr. Donato noted that the award amount for Procurement Item 7 has been revised from \$204,056.30, the amount listed on the posted Meeting agenda, to an aggregate amount not to exceed \$205,723.30.

Item 8: Award of Contract 15-0037 to Atlas Stationers, Inc. for the purchase of Original Equipment Manufacturer (OEM) Printer Cartridges in an amount not to exceed \$121,050.00 (Tollway Invitation for Bids).

Item 9: Award of Contract 13-0216R to Construction Materials & Supply Resources LLC for the purchase of Lumber and Plywood in an amount not to exceed \$126,594.90 (Tollway Invitation for Bids).

Committee Chair Gomez called for a motion to approve placement on the August Board of Directors meeting agenda of **Procurement Items 1 through 9** with the Committee's recommendation. Director Sauer made a motion for approval; seconded by Director Dotson. Committee Chair Gomez asked if there were any questions, concerns or requests for discussion.

Director Dotson asked why Diversity Program goals of 0 percent were established for Items 5 and 7. Mr. Donato responded that the Tollway's goal setting process was employed; however, there were no certified disadvantaged business enterprises located which offer the specialized salt brine equipment required in Item 5. Gustavo Giraldo, Chief of Diversity and Strategic



Development, responded that a similar circumstance existed when establishing participation goals for Item 7.

Director Sauer asked whether salt brine machines, provided for in Item 5, have been used previously on the Tollway system. Mr. Donato responded in the negative.

Director Sauer, referencing Item 8, asked why the Tollway does not use a uniform printer model throughout the agency. Mr. Donato responded that agency printers have been accumulated over a number of years using Illinois Department of Central Management Services master contracts which are awarded to the lowest bidder, accounting for the varied models and manufacturers.

Hearing no further questions, Committee Chair Gomez called for a vote on the pending motion. The motion was approved unanimously.

Committee Chair Gomez then called on Paul Kovacs, Chief Engineer, to present the following **Engineering** Items:

Item 1: Award of Contract I-15-4652 to Fox Excavating, Inc. for Building Removal on the North-South bypass of the Elgin O'Hare Western Access (EOWA) Corridor from Milepost 0.1 (Powell Street) to Milepost 0.8 (Franklin Avenue) in the amount of \$866,429.00.

Item 2: Acceptance of Proposal from BV3 LLC, a Joint Venture on Contract I-11-4018 for Supplemental Design Services for Reconstruction and Add Lane on the Jane Addams Memorial Tollway (I-90) from Milepost 78.6 (Kennedy Expressway) to Milepost 53.8 (Elgin Toll Plaza) and Milepost 60.8 (Higgins Road) to Milepost 53.8 (Elgin Toll Plaza), in the amount of \$1,207,809.00 from \$26,899,338.80 to \$28,107,147.80.

Item 3: Extra Work Order on Contract I-13-4166 to Lorig Construction Company for Roadway & Bridge Reconstruction, on the Jane Addams Memorial Tollway (I-90) at Milepost 65.6 (Roselle Road), in the amount of \$308,250.00.

Item 4: Extra Work Order on Contract I-14-4205 to Plote Construction, Inc. / Dunnet Bay Construction Co. (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 56.8 (IL 25) to Milepost 60.8 (Higgins Road), in the amount of \$1,625,514.97.

Item 5: Extra Work Order on Contract I-14-4206 to Plote Construction, Inc. / Dunnet Bay Construction Co. (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane



Addams Memorial Tollway (I-90) from Milepost 60.8 (Higgins Road) to Milepost 65.5 (Roselle Road), in the amount of \$4,019,093.74.

Item 6: Extra Work Order on Contract I-14-4208 to Walsh Construction Company II LLC / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (I-290/IL 53) to Milepost 70.7 (Arlington Heights Road), in the amount of \$3,750,000.00.

Item 7: Extra Work Order on Contract I-14-4209 to Walsh Construction Company II LLC / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) at Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (Oakton Street), in the amount of \$2,500,000.00.

Item 8: Extra Work Order on Contract I-14-4210 to Lorig Construction Company for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 73.3 (Oakton Street) to Milepost 75.1 (Wolf Road), in the amount of \$2,010,000.00.

Item 9: Extra Work Order on Contract I-14-4211 to Lorig Construction Company for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 75.1 (Wolf Road) to Milepost 76.6 (Mannheim Road), in the amount of \$1,992,580.00.

Item 10: Change Order on Contract I-13-4104 to Plote Construction, Inc. for IL Route 25 Interchange Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 55.8 (East of the Fox River Bridge) to Milepost 56.7 (West of IL 25), in the amount of \$313,900.00.

Item 11: Change Order on Contract I-13-4104 to Plote Construction, Inc. for IL Route 25 Interchange Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 55.8 (East of the Fox River Bridge) to Milepost 56.7 (West of IL 25), in the amount of \$247,750.00.

Item 12: Change Order on Contract I-14-4208 to Walsh Construction Company II LLC / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (I-290/IL 53) to Milepost 70.7 (Arlington Heights Road), in the amount of \$343,394.64.

Item 13: Change Order / Extra Work Order on Contract I-14-4212 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Eastbound Roadway and Bridge Reconstruction and Widening, on the



Jane Addams Memorial Tollway (I-90) from Milepost 76.6 (Mannheim Road) to Milepost 78.9 (Kennedy Expressway), in the amount of \$277,702.21.

Item 14: Change Order on Contract I-13-4600 to Lorig Construction Company, for Roadway and Bridge Construction on Illinois Route 390 at Milepost 12.1 (Rohlwing Road), in the amount of \$442,200.00.

Item 15: Change Order / Extra Work Order on Contract I-14-4648 to Benchmark Construction Company, for Northwest Suburban Municipal Joint Action Water Agency (NSMJAWA) Water Main Relocation on Jane Addams Memorial Tollway (I-90) from Milepost 73.5 (Elmhurst Road) to Milepost 74.3 (Higgins Creek), in the amount of \$1,891,709.00.

Item 16: Extra Work Order on Contract I-13-5676 to Lorig Construction Company / Lindahl Brothers Inc. (JV) for Noise and Retaining Wall Construction and Drainage Improvements on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (East of Oakton Street), in the amount of \$245,384.42.

Item 17: Partial Release of Retainage on Contract I-13-4165 to Meade, Inc. for Intermediate Power Distribution and Communication (IPDC) Facility Fabrication & Installation on the Jane Addams Memorial Tollway (I-90) from Milepost 18.5 (East of Kishwaukee River) to Milepost 53.1 (West of Elgin Plaza), by \$474,731.82 from \$524,731.82 to \$50,000.00.

Item 18: Final Release of Retainage on Contract I-13-4115 to Plote Construction, Inc. for Roadway Widening & Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 49.7 (Union Pacific Railroad) to Milepost 53.6 (West of the Elgin Toll Plaza).

Committee Chair Gomez inquired whether subcontractors have received full payment from the prime for their completed work on the contract. Mr. Kovacs responded that payment of some subcontractors may be pending receipt by the prime contractor of retainage held by the Tollway.

Item 19: Final Release of Retainage on Contract I-13-4137 to William Charles Construction Company, LLC for Pavement, Drainage, Guardrail and Structural Repairs on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 17.8 (Mill Road) to Milepost 18.4 (East of Kishwaukee River).

Item 20: Final Release of Retainage on Contract RR-13-5658 to A.C. Pavement Striping Company for Pavement Marking on the Tri-State Tollway (I-294), from Milepost 37.5 to Milepost



55.0; Tri-State Tollway (I-94) from Milepost 0.0 to Milepost 21.5; Jane Addams Memorial Tollway (I-90) east of the Fox River, Milepost 55.7.

Item 21: Land Acquisition (Identification of Real Estate Parcels associated with the Reagan Memorial Tollway Project). Cost to the Tollway: N/A

Item 22: Administrative Settlement – Land Acquisition for the Jane Addams Memorial Tollway Project. Cost to the Tollway: N/A

Mr. Kovacs requested that consideration of Engineering Items 21 and 22 be deferred to Executive Session of the August Board of Directors meeting.

Committee Chair Gomez stated that without objection, for purposes of voting he will group together Engineering items by type.

Committee Chair Gomez then called for a motion to approve placement on the August Board of Directors meeting agenda of **Engineering Item 1** with the Committee's recommendation. Director Dotson made a motion for approval; seconded by Director Sauer. Committee Chair Gomez asked if there were any questions, concerns or requests for discussion. Hearing none, Committee Chair Gomez called for a vote. The motion was approved unanimously.

Committee Chair Gomez called for a motion to approve placement on the August Board of Directors meeting agenda of **Engineering Item 2** with the Committee's recommendation. Director Sauer made a motion for approval; seconded by Director Dotson. Committee Chair Gomez asked if there were any questions, concerns or requests for discussion. Hearing none, Committee Chair Gomez called for a vote. The motion was approved unanimously.

Noting that these Engineering items are extra work orders or change orders, Committee Chair Gomez called for a motion to approve placement on the August Board of Directors meeting agenda of **Engineering Items 3 through 16** with the Committee's recommendation. Director Sauer made a motion for approval; seconded by Director Dotson. Committee Chair Gomez asked if there were any questions, concerns or requests for discussion. Hearing none, Committee Chair Gomez called for a vote. The motion was approved unanimously.

Noting that these Engineering items are releases of retainage, Committee Chair Gomez called for a motion to approve placement on the August Board of Directors meeting agenda of **Engineering Items 17 through 20** with the Committee's recommendation. Director Sauer made a motion for approval; seconded by Director Dotson. Committee Chair Gomez asked if there



were any questions, concerns or requests for discussion. Hearing none, Committee Chair Gomez called for a vote. The motion was approved unanimously.

Committee Chair Gomez stated that Engineering Items 21 and 22 will be deferred to Executive Session of the August Board of Directors meeting.

Committee Chair Gomez then called on David Goldberg, General Counsel, to present the following **Legal Items**:

Item 1: An Intergovernmental Agreement with the City of Wood Dale regarding Mittel Drive. Cost to the Tollway: \$0

Item 2: An Intergovernmental Agreement with the County of DuPage, Elk Grove Village and City of Wood Dale regarding the Lively Boulevard bridge project. Cost to the Tollway: \$0

Item 3: A Litigation Settlement – Rhino Foods (Property Damage). Cost to the Tollway: As discussed in Executive Session.

Item 4: Litigation Settlement – Land Acquisition for the Elgin O'Hare Western Access project for Parcel No. EO-1B-12-007. Cost to the Tollway: As discussed in Executive Session.

Mr. Goldberg requested that consideration of Legal items 3 and 4 be deferred to Executive Session of the August Board of Directors meeting.

Committee Chair Gomez then called for a motion to approve placement on the August Board of Directors meeting agenda of **Legal Items 1 and 2** with the Committee's recommendation. Director Sauer made a motion for approval; seconded by Director Dotson. Committee Chair Gomez asked if there were any questions, concerns or requests for discussion. Hearing none, Committee Chair Gomez called for a vote. The motion was approved unanimously.

Committee Chair Gomez stated that Legal Items 3 and 4 will be deferred to Executive Session of the August Board of Directors meeting.

Adjournment

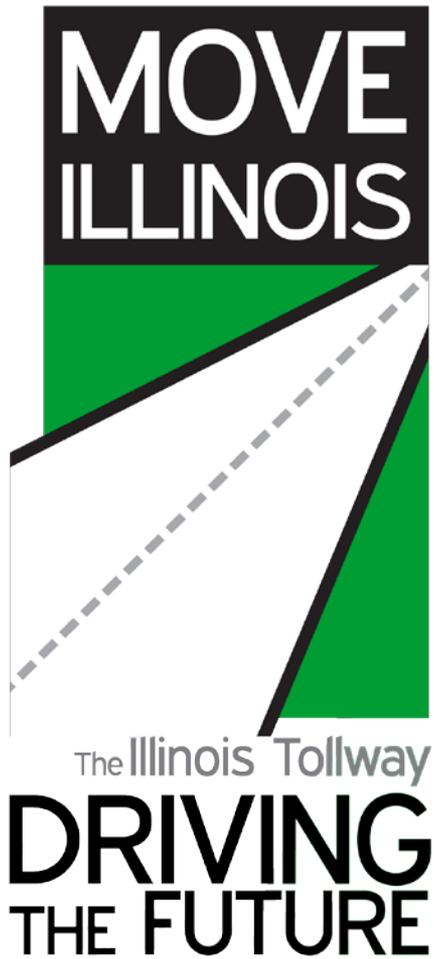
There being no further business, Committee Chair Gomez requested a motion to adjourn. Motion to adjourn was made by Director Sauer; seconded by Director Dotson. The motion was approved unanimously.



The meeting was adjourned at approximately 10:37 a.m.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



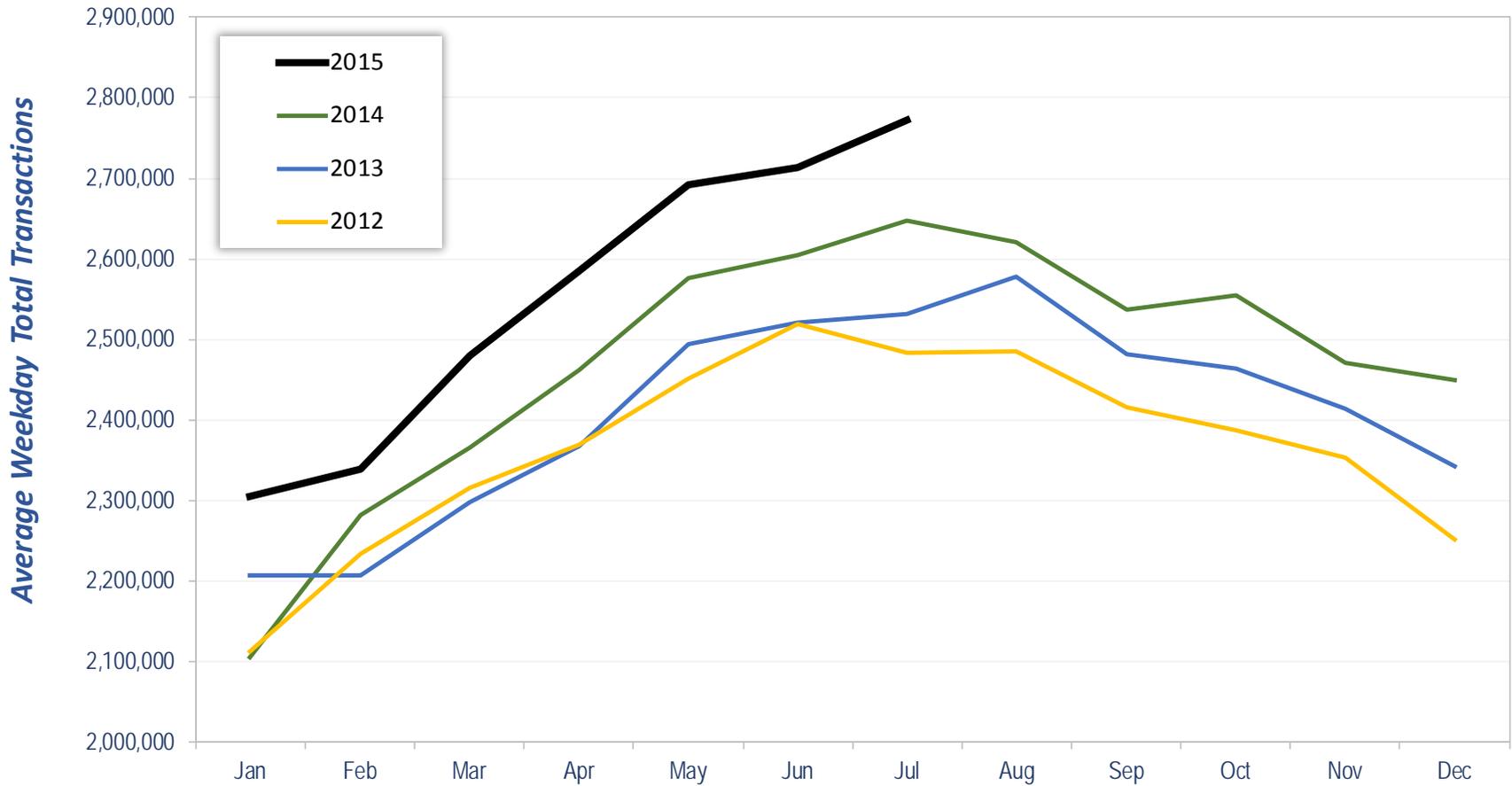
Tollway Traffic Update

August 19, 2015

Snapshot of Illinois Tollway Traffic

- ▶ **Traffic rebound started in 2010**
- ▶ **Late 2013 greater uptick in travel**
- ▶ **So far this year**
 - ▶ Toll **transactions** are up 4.9 percent from May-July 2015 vs. the same time period in 2014
 - ▶ Busiest summer travel season on record
 - ▶ 10 busiest travel days in agency history

Average Weekday Transaction Growth





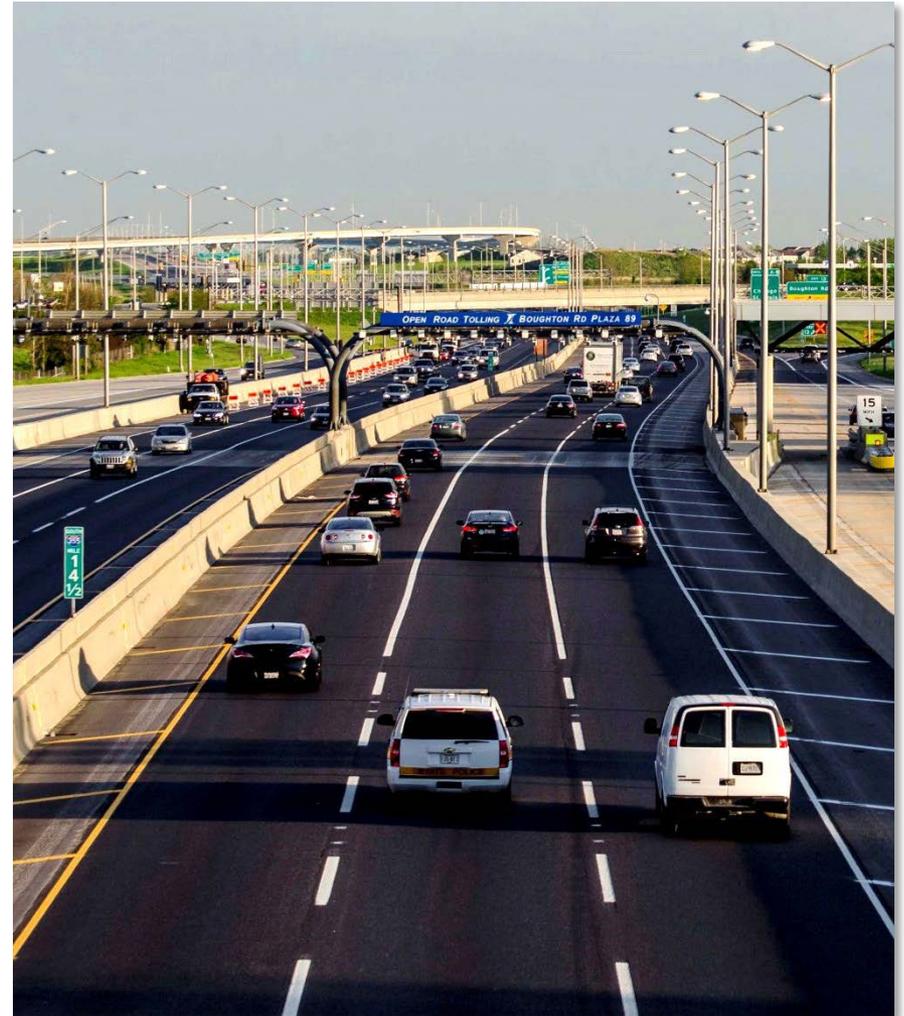
Result: Busiest Day in Tollway History

Ranking	Date	Total Transactions
1	Friday, July 24, 2015	2,951,790
2	Friday, July 10, 2015	2,942,615
3	Friday, July 31, 2015	2,935,813
4	Friday, July 17, 2015	2,926,369
5	Thursday, July 02, 2015	2,917,432
6	Friday, August 07, 2015	2,913,553
7	Friday, June 19, 2015	2,903,843
8	Friday, May 22, 2015	2,901,646
9	Friday, May 15, 2015	2,895,228
10	Friday, June 05, 2015	2,874,011

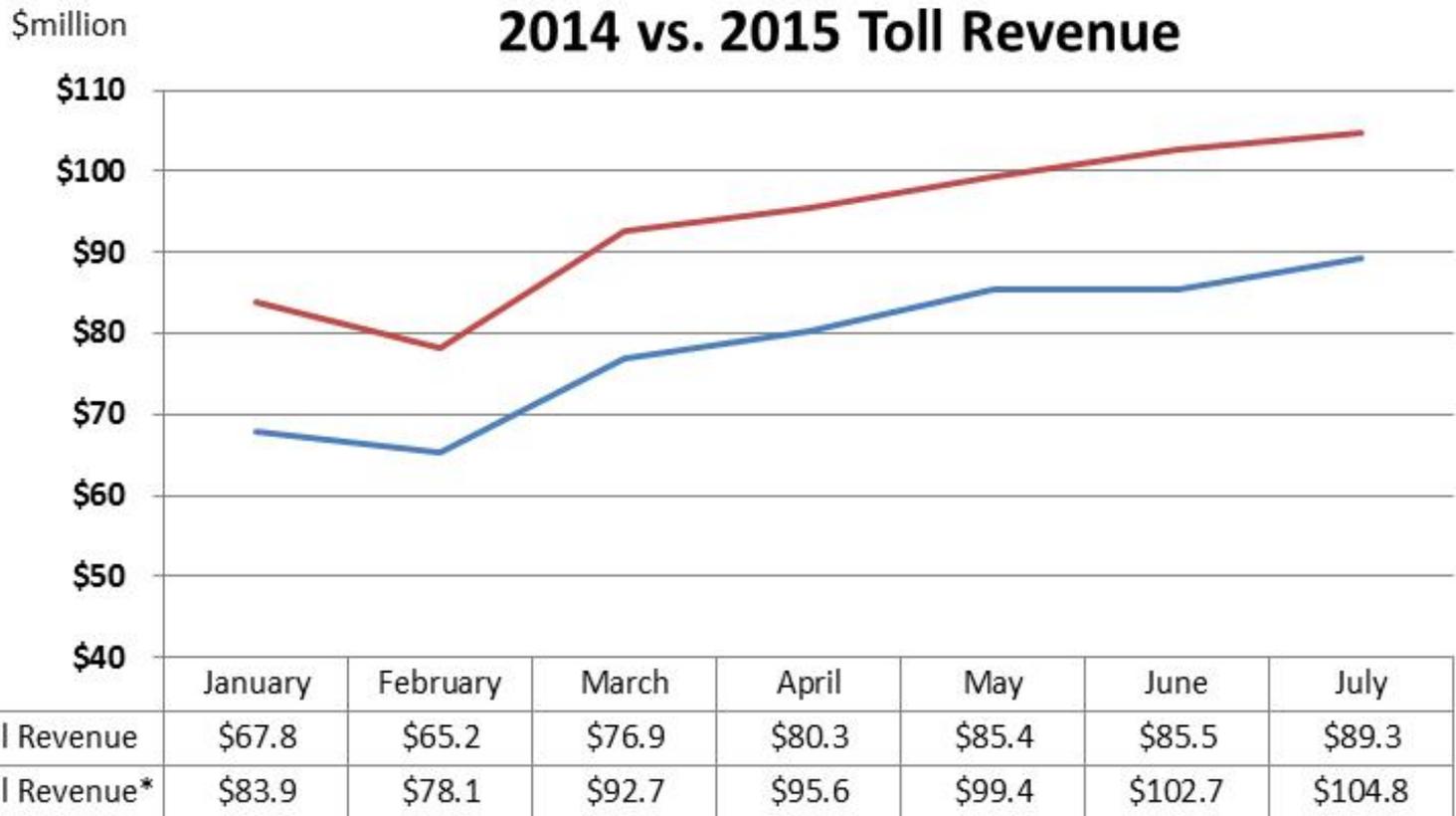
Busiest day ever

Why this Growth?

- ▶ **Continuing economic expansion**
- ▶ **Recovering regional employment**
- ▶ **Lower fuel prices**
- ▶ **Ongoing realization of roadway investments made over the past decade**
- ▶ **Better value**



Revenue Growth



*2015 July Toll Revenue - Estimated

What's Next

- ▶ **August typically records highest volume of transactions**
- ▶ **Growth is forecasted to continue for 2016**



Travel Tips

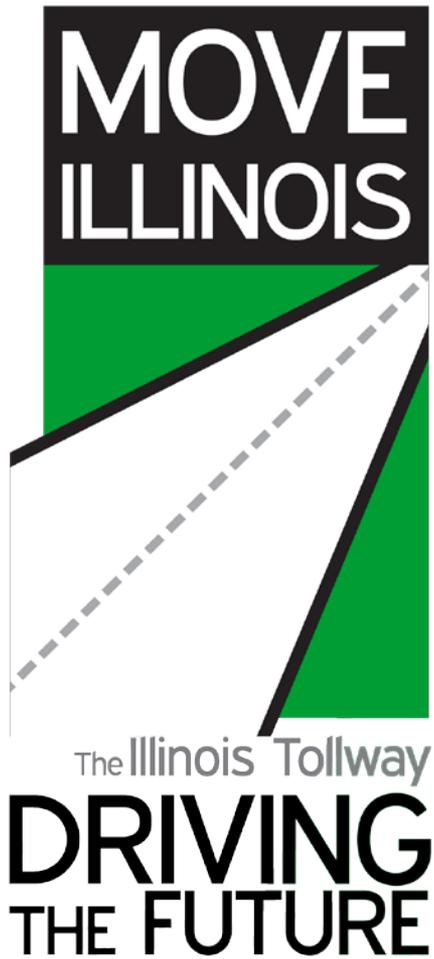
▶ **Best time to start your weekend trip**

- ▶ Thursday before 1 p.m.
- ▶ Friday between 10 and 11 a.m. or after 7 p.m.

▶ **Know before you go**

- ▶ Sign up for Tollway Trip Tweets
- ▶ View real-time Tollway roadway camera views
- ▶ Go online and check travel times via www.travelmidwest.com

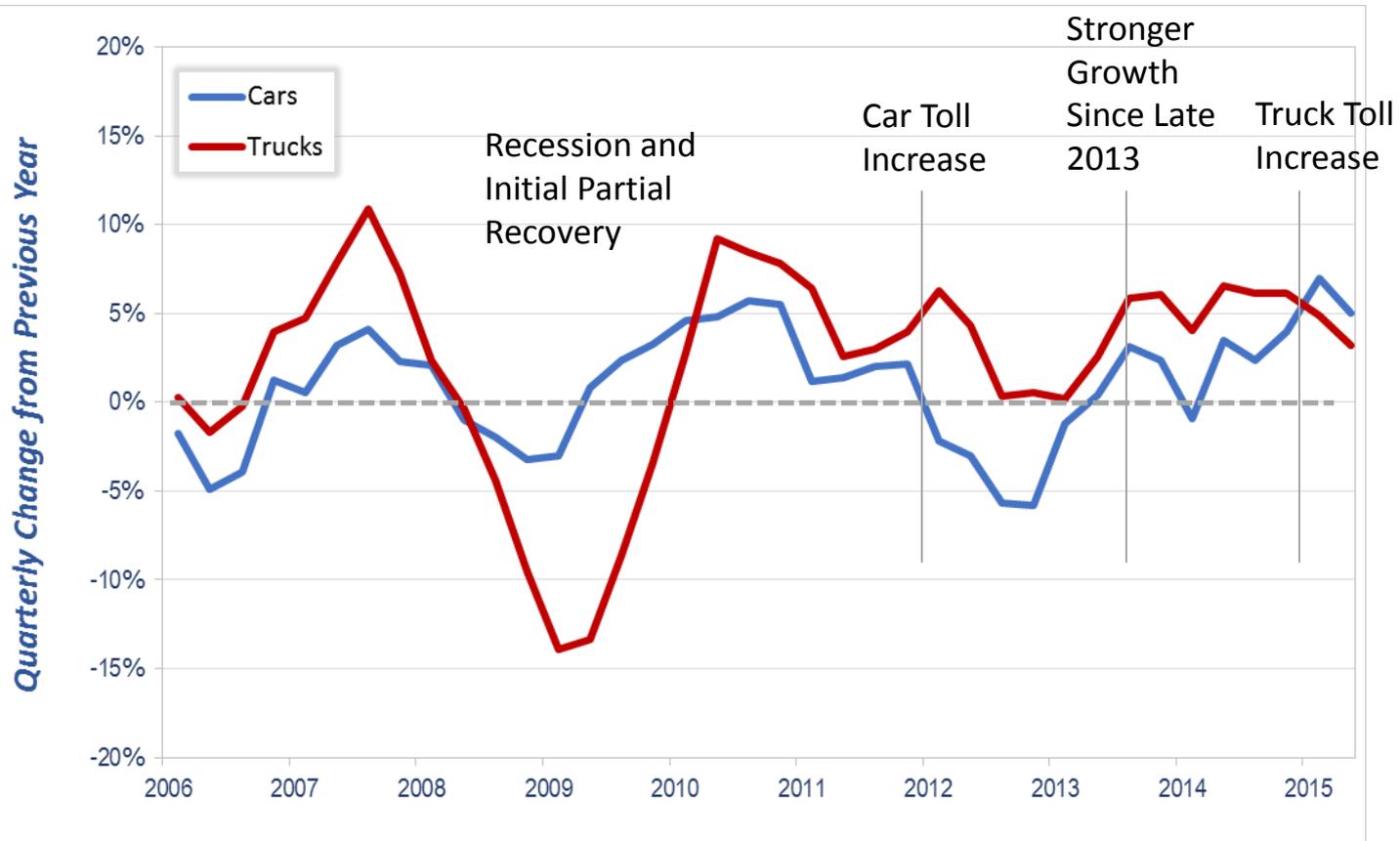




THANK YOU

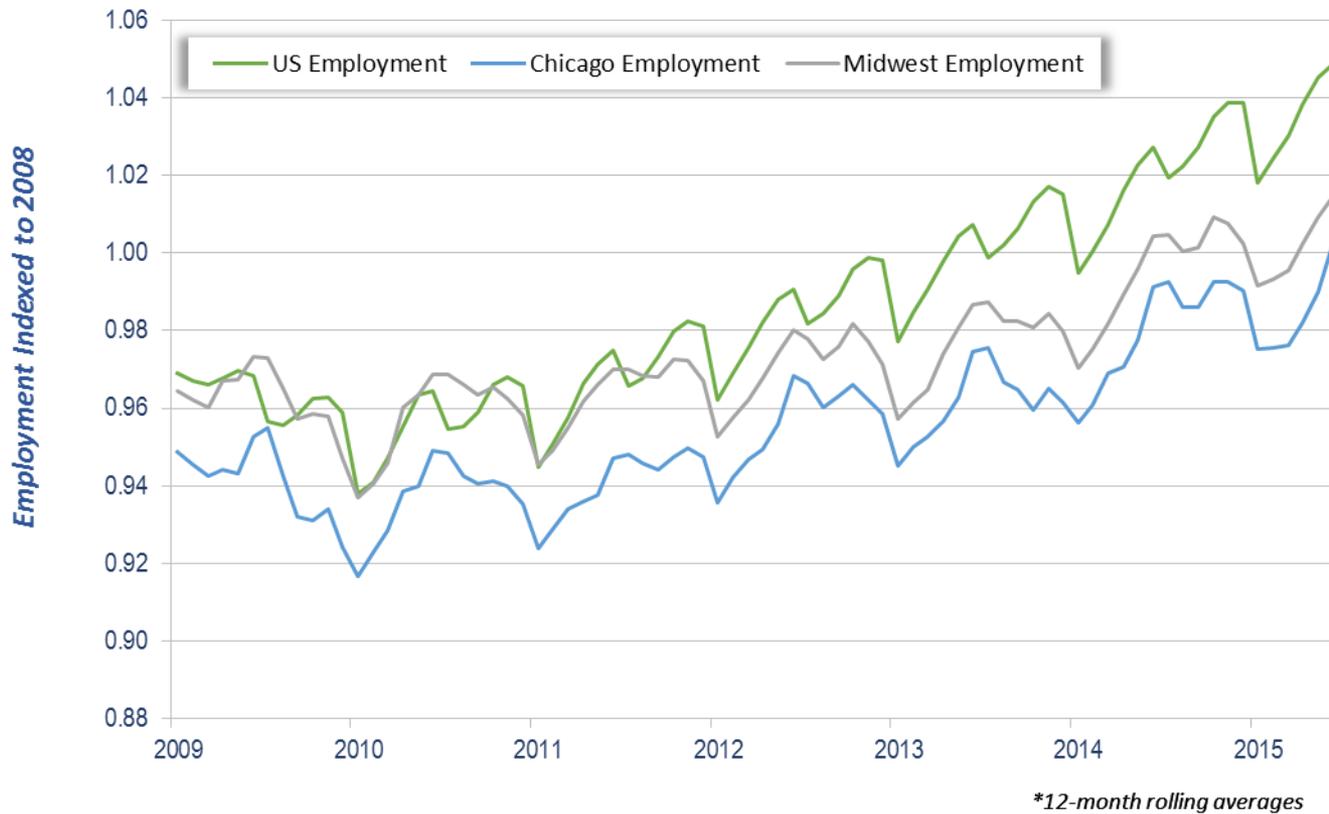
Transaction Growth

- ▶ Recent quarterly car growth - most since 2010
- ▶ Continued truck growth



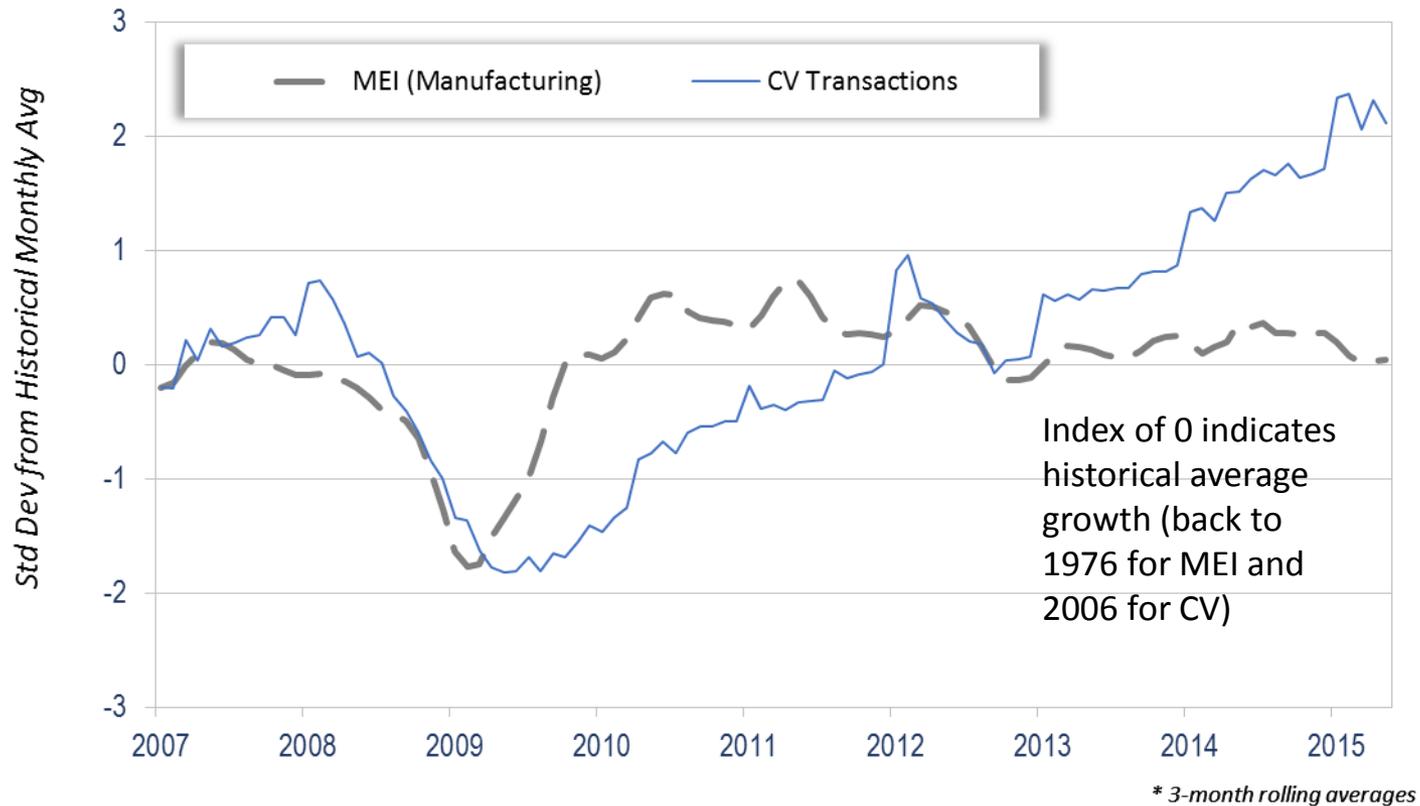
Employment Trends

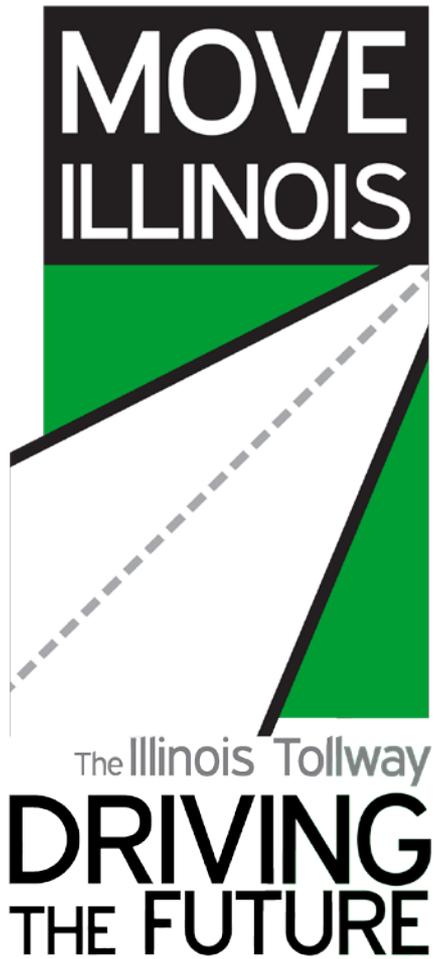
▶ Chicago Metropolitan Statistical Area vs. Regional and National



Midwest Economy Index: Manufacturing

- ▶ Chicago Fed index that measures growth manufacturing business activity





Release of Retainage

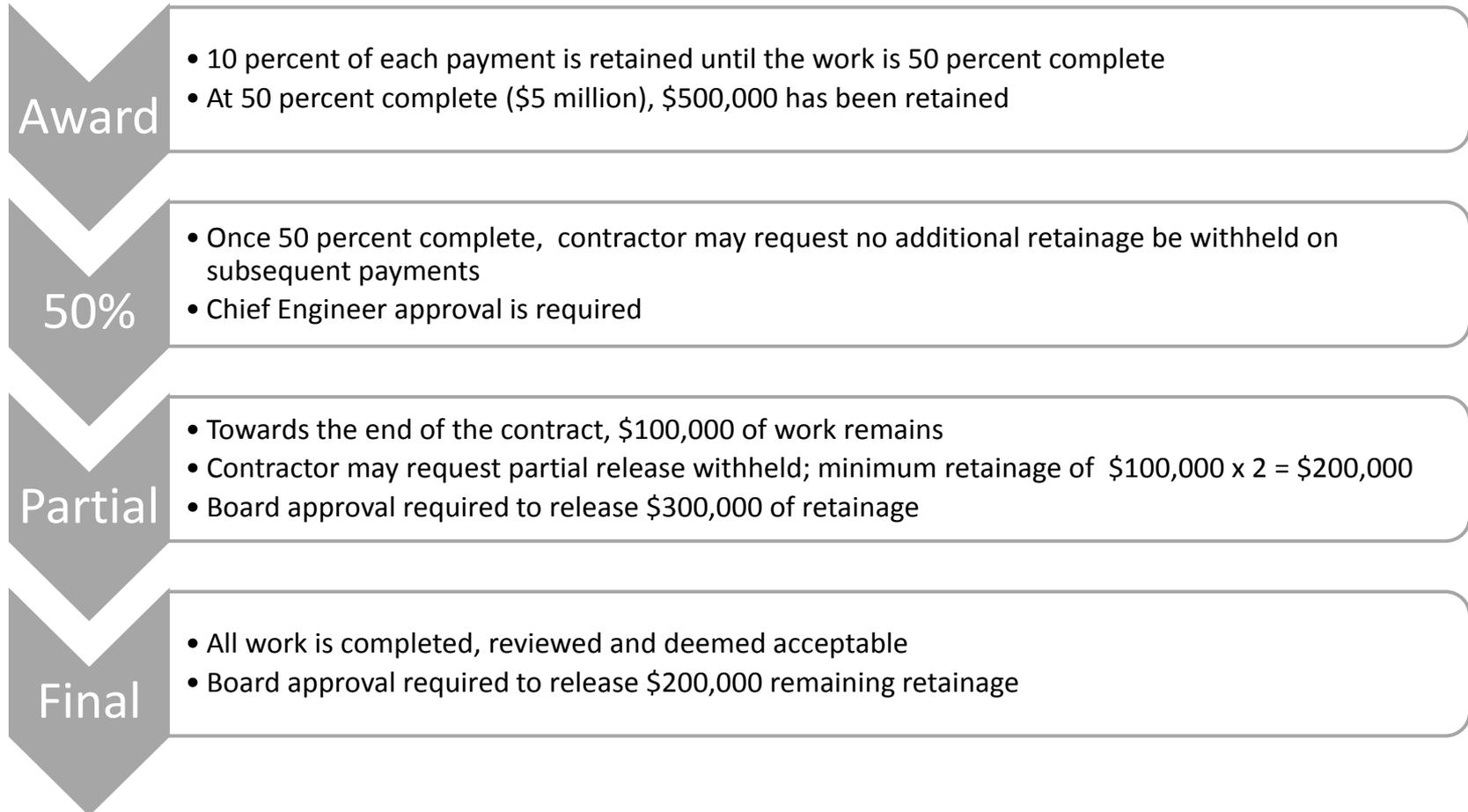
August 19, 2015

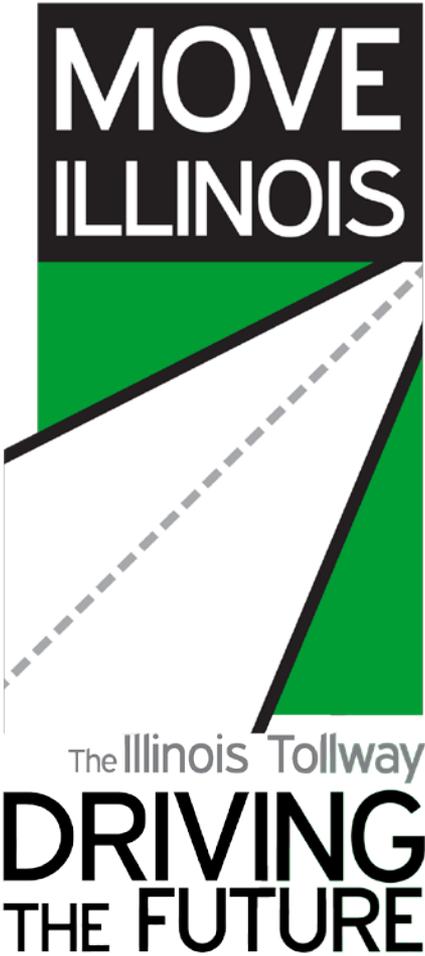
Rules of Retainage

- ▶ **Required by the Tollway's Trust Indenture and specifications**
- ▶ **Retainage requirements**
 - ▶ Ten percent of each payment amount retained until project is 50 percent complete
 - ▶ Upon completion of 50 percent of the work, retainage can be reduced with the Chief Engineer's approval
 - ▶ Partial release of retainage less than 5 percent requires Board approval
 - ▶ Final release of retainage requires Board approval
- ▶ **Detailed review process prior to Board approval**
- ▶ **Ensures contract compliance and completion by the contractor**
- ▶ **Diversity goals must be addressed prior to final payment**
- ▶ **Evaluating modifications to expedite the process**

For Example...

Contract award for \$10 million





THANK YOU



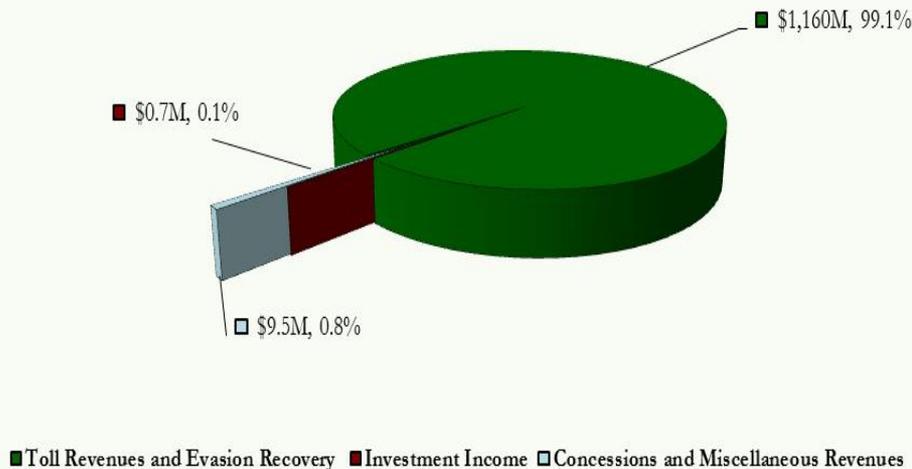
**2015 Second Quarter
Budget to Actual Review**
(Preliminary and Unaudited)

August 19, 2015

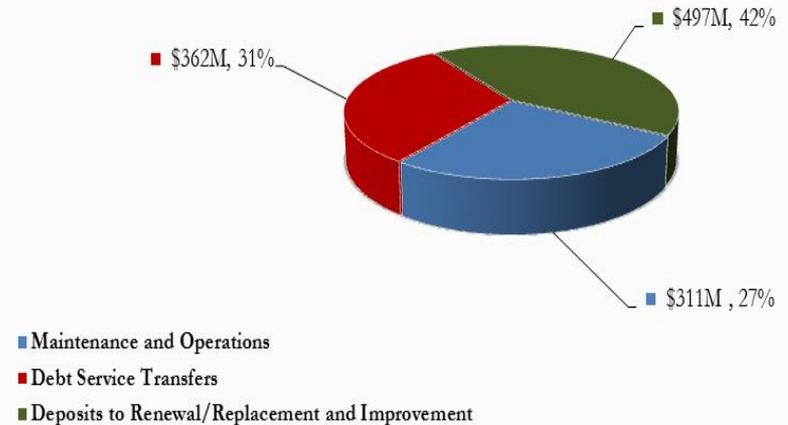
2015 Revenue Sources and Allocations

The Illinois Tollway operates within a balanced budget

Projected Sources of Revenues
Fiscal Year 2015
\$1,170 Million



Projected Allocations of Revenues
Fiscal Year 2015
\$1,170 Million



2015 Revenue – Second Quarter

Total revenue was \$14 million greater than budget

<i>(\$ millions)</i>	<u>Budget</u>	<u>Actual</u>	<u>\$ Var.</u>	<u>% Var.</u>
Toll and Evasion Recovery	\$297.5	\$311.7	\$14.2	
Concessions	0.5	0.5	0.0	
Investment Income	0.2	0.5	0.3	
Miscellaneous	1.7	1.3	(0.4)	
<i>Total Revenue</i>	<i>\$299.9</i>	<i>\$314.0</i>	<i>\$14.1</i>	<i>4.7%</i>

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

2nd Quarter Transactions

✓ **Commercial vehicles**

- Grew 3.2 percent year-over-year
- 4.5 percent greater than 2nd quarter projection

✓ **Passenger cars**

- Grew 5.0 percent year-over-year
- 3.5 percent greater than 2nd quarter projection

2015 Maintenance and Operations Second Quarter

M and O expenses were \$2.4 million less than budget

<i>(\$ millions)</i>	<u>Budget</u>	<u>Act.</u>	<u>\$ Var.</u>	<u>% Var.</u>
Payroll and Related Costs	\$40.8	\$38.9	(\$1.9)	
Group Insurance	7.5	7.9	0.4	
Contractual Services	14.1	15.1	1.0	
Materials/Oper. Supplies	1.1	1.8	0.7	
Utilities	1.6	0.9	(0.7)	
All Other Insurance	3.0	2.8	(0.3)	
Parts and Fuel	1.8	1.0	(0.8)	
Equip. Rental/Maintenance	3.3	2.5	(0.9)	
Other Misc. Expenses	0.2	0.2	(0.1)	
Recovery of Expenses	(0.6)	(0.6)	0.0	
Total	\$73.0	\$70.5	(\$2.4)	-3.3%

Key drivers

- Unfilled vacancies
- Credit card fees due to higher revenue
- Timing of expenses

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

2015 Capital Program Second Quarter

Capital Program expenses were less than projection mainly due to schedule changes

<i>(\$ millions)</i>	<u>Projection</u>	<u>Act.</u>	<u>\$ Var.</u>	<u>% Var.</u>
Tri-State Tollway (I-94/I-294/I-80)	\$4.5	\$0.1	(\$4.4)	
Reagan Memorial Tollway (I-88)	26.9	25.4	(1.5)	
Jane Adams Memorial Tollway (I-90)	215.5	185.3	(30.2)	
Veterans Memorial Tollway (I-355)	0.3	0.1	(0.2)	
Open Road Tolling	1.3	0.9	(0.4)	
Systemwide Improvements	50.0	42.2	(7.8)	
Tri-State Tollway (I-294)/I-57 Interchange	2.1	5.2	3.1	
Elgin O'Hare Western Access Project	91.4	119.1	27.6	
Illinois Route 53/120/Other Planning Studies	0.6	0.5	(0.1)	
<i>Move Illinois and CRP</i>	<i>\$392.7</i>	<i>\$378.9</i>	<i>(\$13.8)</i>	<i>-3.5%</i>
Other Capital Projects	12.4	9.8	(2.5)	
<i>Capital Program Subtotal</i>	<i>\$405.1</i>	<i>\$388.7</i>	<i>(\$16.4)</i>	<i>-4.0%</i>
IGA Reim. and Other Adjust.		(0.1)	(0.1)	
<i>Total Capital Program</i>	<i>\$405.1</i>	<i>\$388.6</i>	<i>(\$16.5)</i>	<i>-4.1%</i>

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

2015 Second Quarter Summary

Revenue continues to grow, M and O and Capital Program expenses lower than budget

- ❑ **Revenue was \$14.1 million more than budget**
- ❑ **Maintenance and Operations expenditures were \$2.4 million below budget**
- ❑ **Debt Service transfers were \$7.7 million more than projection**
- ❑ **Capital Program expenditures were \$16.5 million less than projection**

2015 Year-to-Date Summary

Revenue continues to grow, M and O and Capital Program expenses lower than budget

- Revenue was **\$20.7 million more than budget**
- Maintenance and Operations expenditures were **\$4.1 million below budget**
- Debt Service transfers were **\$11.6 million more than projection**
- Capital Program expenditures were **\$5.3 million less than projection**

Appendix

2015 Revenue - Monthly Toll Revenue



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

2015 Year-to-Date Revenue

(\$ thousands)

	YTD		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$560,178	\$581,029	\$20,851	3.7%
Concessions	988	1,029	41	4.2%
Investment Income	350	863	513	146.4%
Miscellaneous	3,369	2,690	(679)	-20.1%
Total Revenue	\$564,885	\$585,611	\$20,726	3.7%

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

2015 Year-to-Date – M and O

(\$ thousands)

	YTD		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$82,053	\$79,722	(\$2,331)	-2.8%
Group Insurance	15,278	16,051	774	5.1%
Contractual Services	27,544	28,068	525	1.9%
Materials/Operational Supplies/Other Expenses	2,992	3,046	54	1.8%
Utilities	3,236	3,061	(175)	-5.4%
All Other Insurance	6,017	5,539	(478)	-7.9%
Parts and Fuel	3,664	2,575	(1,089)	-29.7%
Equipment/Office Rental and Maintenance	8,225	6,890	(1,334)	-16.2%
Other Miscellaneous Expenses	561	430	(130)	-23.3%
Recovery of Expenses	(1,139)	(1,027)	112	9.8%
Total Maintenance and Operations Expenditures	\$148,430	\$144,356	(\$4,074)	-2.7%

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

2015 Year-to-Date Capital Program

(\$ thousands)

	YTD		Variance	
	Projection	Actual ⁽¹⁾	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$4,877	\$203	(\$4,674)	-95.8%
Reagan Memorial Tollway (I-88)	29,123	26,299	(2,824)	-9.7%
Jane Addams Memorial Tollway (I-90)	310,130	294,849	(15,282)	-4.9%
Veterans Memorial Tollway (I-355)	440	336	(103)	-23.5%
Open Road Tolling (ORT)	2,678	1,831	(847)	-31.6%
Systemwide Improvements	94,850	67,511	(27,338)	-28.8%
Tri-State Tollway (I-294)/I-57 Interchange	5,908	9,091	3,183	53.9%
Elgin O'Hare Western Access	119,605	165,961	46,356	38.8%
Illinois Route 53/120/Other Planning Studies	1,565	715	(850)	-54.3%
Move Illinois and CRP Subtotal	\$569,176	\$566,797	(\$2,379)	-0.4%
"Other" Capital Projects	24,539	21,778	(2,761)	-11.3%
Capital Program Subtotal	\$593,715	\$588,575	(\$5,140)	-0.9%
Agreement Reimbursements and Other Adjustments ⁽²⁾	-	(154)	(154)	N/A
Total Capital Program Expenditures	\$593,715	\$588,421	(\$5,294)	-0.9%

⁽¹⁾ Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2015.

⁽²⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

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

2015 Capital Program Second Quarter

Move Illinois/CRP key variance highlights

□ **Elgin O'Hare Western Access Project**

- **Schedule changes** \$27.8 million
 - ✓ Other agency contributions
 - ✓ Right-of-way
- **Project cost savings** (\$0.2) million

□ **Tri-State Tollway (I-294)/I-57 Interchange**

- **Schedule changes** \$ 3.1 million

2015 Capital Program Second Quarter

Move Illinois/CRP key variance highlights

- ❑ **Jane Addams Memorial Tollway (I-90)**
 - Schedule changes (\$30.1) million
 - Project cost savings (\$ 0.1) million

- ❑ **Systemwide Improvements**
 - Schedule changes (\$ 7.7) million
 - Project cost savings (\$ 0.1) million

- ❑ **Tri-State Tollway (I-94/I-294/I-80)**
 - Schedule changes (\$ 4.4) million

- ❑ **Reagan Memorial Tollway (I-88)**
 - Schedule changes (\$ 1.5) million

Revenue - 2015 Budget Realized

(\$ thousands)

	2015 Budget	YTD Actual	% Budget Realized
Toll Revenue and Evasion Recovery	\$1,160,000	\$581,029	50.1%
Concessions	2,000	1,029	51.5%
Investment Income	700	863	123.2%
Miscellaneous	7,300	2,690	36.9%
Total Revenue	\$1,170,000	\$585,611	50.1%

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

M and O – 2015 Budget Realized

(\$ thousands)

	2015 Budget	YTD Actual	% Budget Realized
Payroll and Related Costs	\$165,212	\$79,722	48.3%
Group Insurance	31,635	16,051	50.7%
Contractual Services	63,953	28,068	43.9%
Materials/Operational Supplies/Other Expenses	7,931	3,046	38.4%
Utilities	6,672	3,061	45.9%
All Other Insurance	12,448	5,539	44.5%
Parts and Fuel	8,170	2,575	31.5%
Equipment/Office Rental and Maintenance	15,790	6,890	43.6%
Other Miscellaneous Expenses	1,089	430	39.5%
Recovery of Expenses	(2,321)	(1,027)	44.3%
Total Maintenance and Operations Expenditures	\$310,579	\$144,356	46.5%

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

Capital Program - 2015 Projection Realized

(\$ thousands)

	2015 Projection	YTD Actual ⁽¹⁾	% Projection Realized
Tri-State Tollway (I-94/I-294/I-80)	\$18,986	\$203	1.1%
Reagan Memorial Tollway (I-88)	120,771	26,299	21.8%
Jane Addams Memorial Tollway (I-90)	839,648	294,849	35.1%
Veterans Memorial Tollway (I-355)	914	336	36.8%
Open Road Tolling (ORT)	5,355	1,831	34.2%
Systemwide Improvements	228,153	67,511	29.6%
Tri-State Tollway (I-294)/I-57 Interchange	20,245	9,091	44.9%
Elgin O'Hare Western Access	319,818	165,961	51.9%
Illinois Route 53/120/Other Planning Studies	6,099	715	11.7%
Move Illinois and CRP Subtotal	\$1,559,989	\$566,797	36.3%
"Other" Capital Projects ⁽²⁾	65,000	21,778	33.5%
Capital Program Subtotal	\$1,624,989	\$588,575	36.2%
Agreement Reimbursements and Other Adjustments ⁽³⁾	-	(154)	N/A
Total Capital Program Expenditures	\$1,624,989	\$588,421	36.2%

⁽¹⁾ Capital Program Actual included accrued expenses or which payments have not been made as of June 30, 2015.

⁽²⁾ The Other Projects portion of the Capital Program Budget for 2015 totaled \$96.2 million, of which \$65 million was anticipated to be spent.

⁽³⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

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

Revenue – Second Quarter 2015 vs. 2014

(\$ thousands)

	Second Quarter		Variance	
	2014	2015	\$	%
Toll Revenue and Evasion Recovery	\$263,150	\$311,677	\$48,527	18.4%
Concessions	529	549	20	3.8%
Investment Income	203	454	251	124.0%
Miscellaneous	3,009	1,290	(1,719)	-57.1%
Total Revenue	\$266,891	\$313,970	\$47,079	17.6%

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

M and O - Second Quarter 2015 vs. 2014

(\$ thousands)

	Second Quarter		Variance	
	2014	2015	\$	%
Payroll and Related Costs	\$37,896	\$38,873	\$977	2.6%
Group Insurance	7,377	7,905	528	7.2%
Contractual Services	13,236	15,140	1,904	14.4%
Materials/Operational Supplies/Other Expenses	997	1,843	846	84.8%
Utilities	1,613	913	(700)	-43.4%
All Other Insurance	2,425	2,764	339	14.0%
Parts and Fuel	1,618	1,048	(569)	-35.2%
Equipment/Office Rental and Maintenance	2,989	2,449	(540)	-18.1%
Other Miscellaneous Expenses	157	186	29	18.2%
Recovery of Expenses	(708)	(597)	111	15.6%
Total Maintenance and Operations Expenditures	\$67,600	\$70,524	\$2,924	4.3%

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

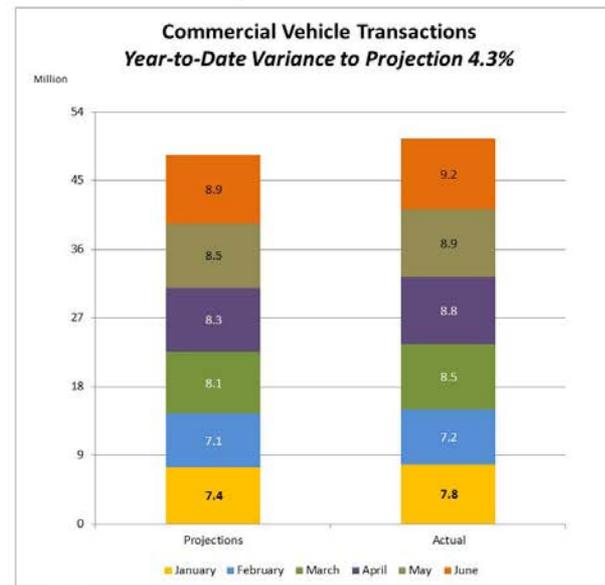
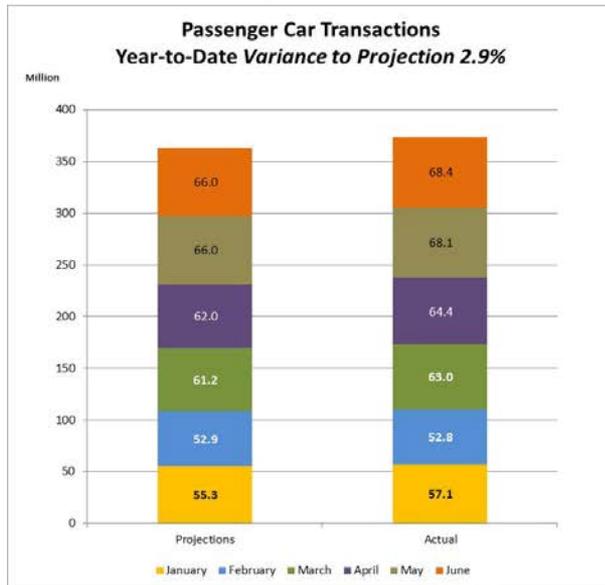
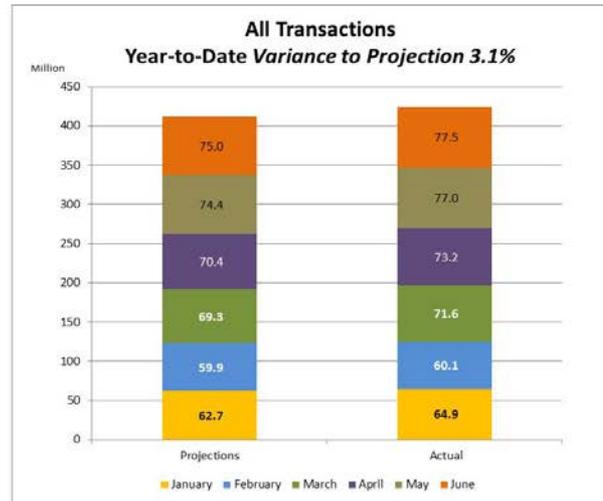
Capital Program – Second Quarter 2015 vs. 2014

(\$ thousands)

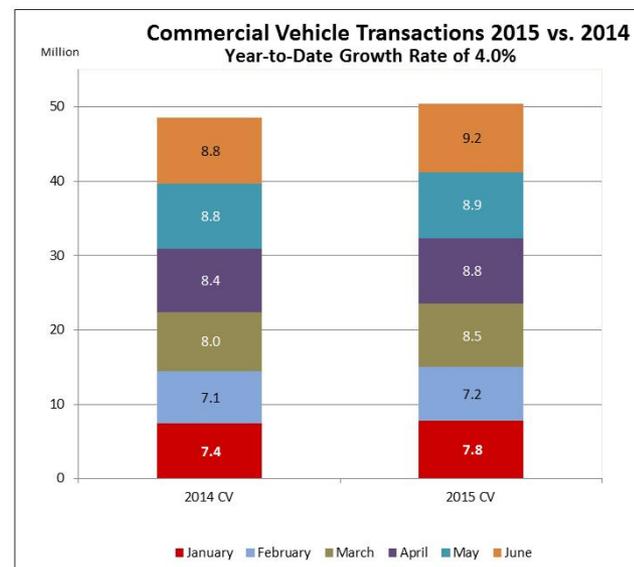
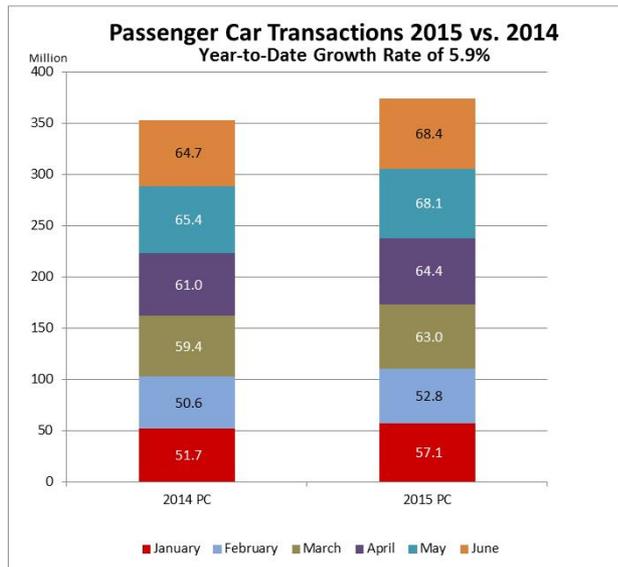
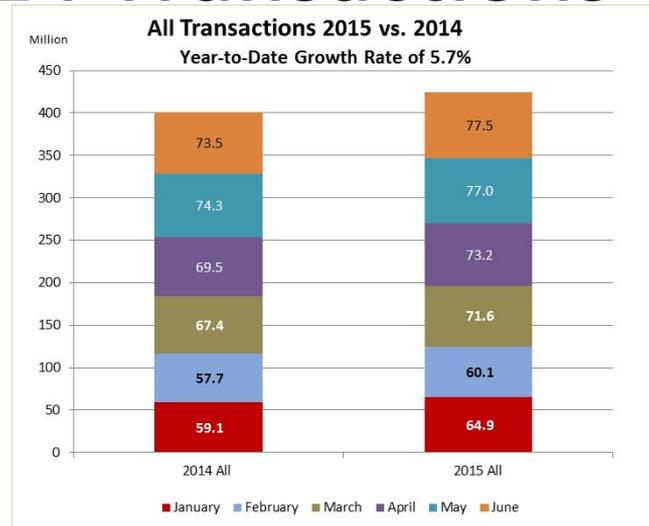
	Second Quarter		Variance	
	2014	2015	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$1,286	\$140	(\$1,146)	-89%
Reagan Memorial Tollway (I-88)	4,769	25,360	20,591	432%
Jane Addams Memorial Tollway (I-90)	158,593	185,348	26,755	17%
Veterans Memorial Tollway (I-355)	1,444	121	(1,323)	-92%
Open Road Tolling (ORT)	421	928	507	120%
Systemwide Improvements	39,100	42,225	3,125	8%
Tri-State Tollway (I-294)/I-57 Interchange	10,786	5,219	(5,567)	-52%
Elgin O'Hare Western Access	52,419	119,077	66,658	127%
Illinois Route 53/120/Other Planning Studies	324	477	153	47%
Move Illinois and CRP Subtotal	\$269,142	\$378,895	\$109,753	41%
"Other" Capital Projects	12,460	9,810	(2,651)	-21%
Capital Program Subtotal	\$281,603	\$388,705	\$107,102	38%
Agreement Reimbursements and Other Adjustments	(\$4,584)	(\$135)	\$4,449	-97%
Total Capital Program Expenditures	\$277,019	\$388,570	\$111,551	40%

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

2015 vs. 2014 Transactions - *Projections vs. Actual*

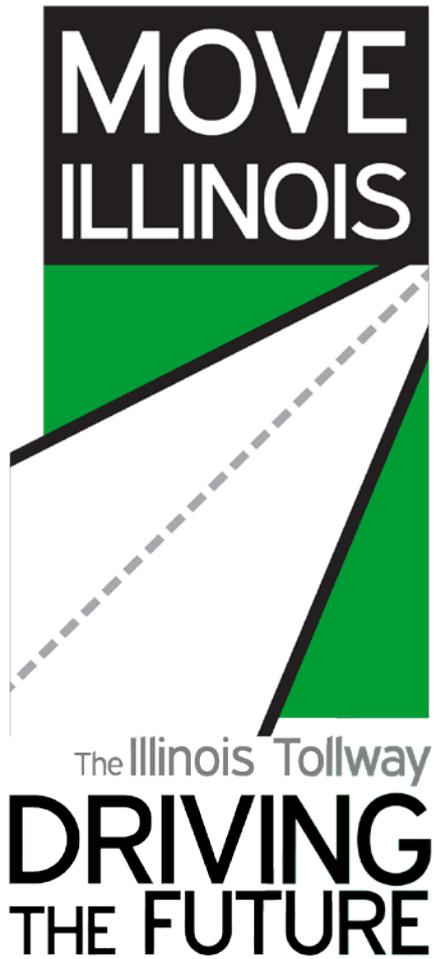


2015 vs. 2014 Transactions – Year-Over-Year





THANK YOU



Managing Construction Changes

August 19, 2015

Change is Common

- ▶ **Construction contract changes occur for a variety of reasons**
 - ▶ Differing site conditions (unsuitable soil, unidentified utilities, etc.)
 - ▶ Specification changes
 - ▶ Schedule changes
 - ▶ Balancing for final field measurements
 - ▶ Errors and omissions
 - ▶ Miscellaneous (such as weather)

- ▶ **Timely approvals are crucial to project delivery**
 - ▶ Capital program investing about \$6 to \$8 million per day

- ▶ **Details reported to the Board of Directors each month**

- ▶ **Illinois Tollway's change process is very effective**
 - ▶ National average for highway construction is 5 to 10 percent compared to current Tollway capital program average of 0.4 percent*

**American Society of Civil Engineers Journal of Construction Engineering and Management, September 2010*

Robust Process for Managing Change

- ▶ **Contract Cost Change Controls Committee (C5)**
 - ▶ Reviews and recommends construction contract changes
 - ▶ Reviewed by Chief Engineer (approve, reject, revise/resubmit)
 - ▶ Delegates signature authority per value of change

- ▶ **Committee composition**
 - ▶ Chairman appointed by the Chief Engineer
 - ▶ Two members appointed by the C5 Chairman (typically Tollway employees with design and/or construction experience)

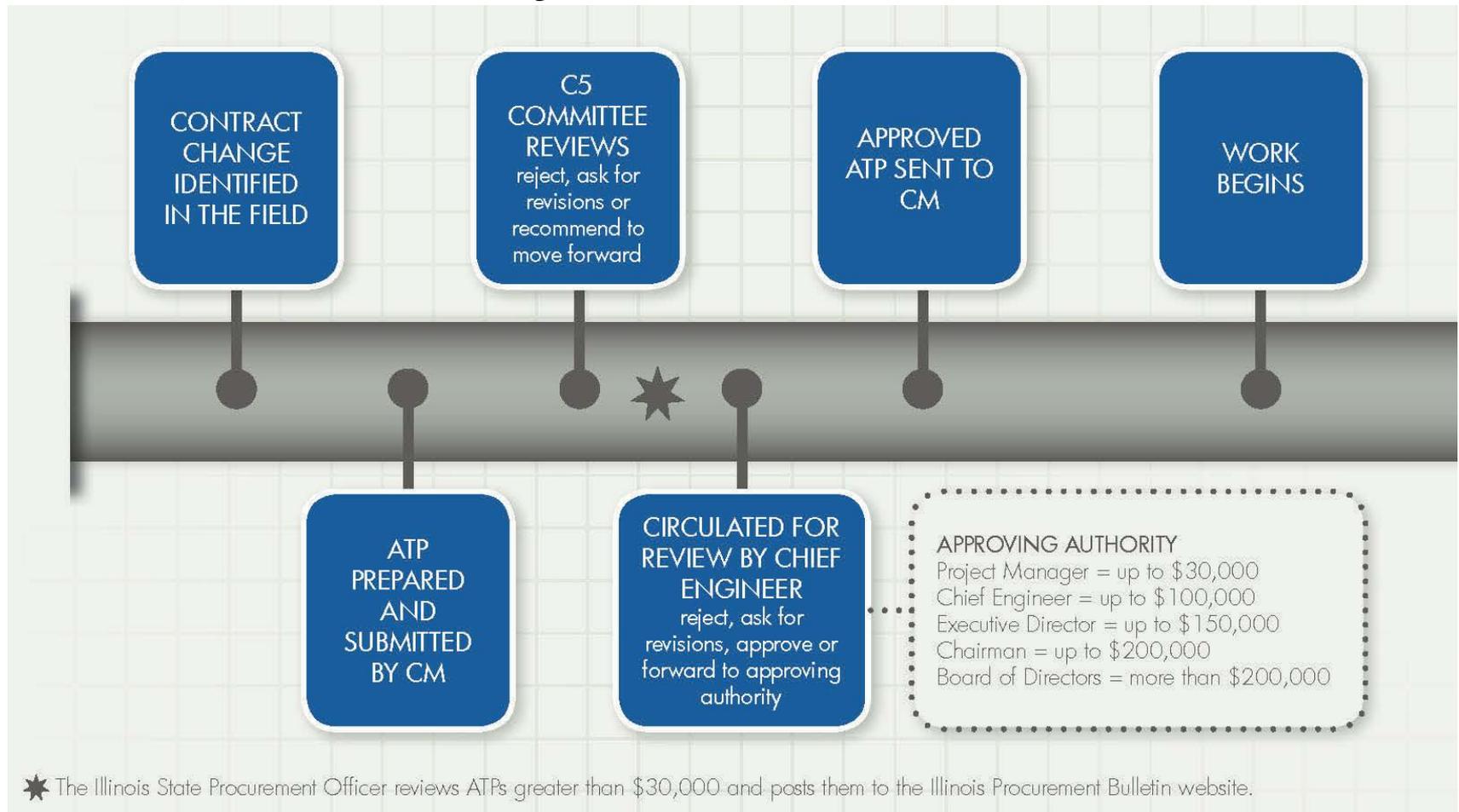
- ▶ **Committee meets daily during peak construction months**

- ▶ **Representatives from Finance, Procurement and Audit Departments invited as observers**

Authorization Limit	Approving Authority
Credits	Project Manager
Up to \$30,000	Project Manager
Up to \$100,000	Chief Engineer
Up to \$150,000	Executive Director
Up to \$200,000	Chairman of the Board
More than \$200,000	Board of Directors

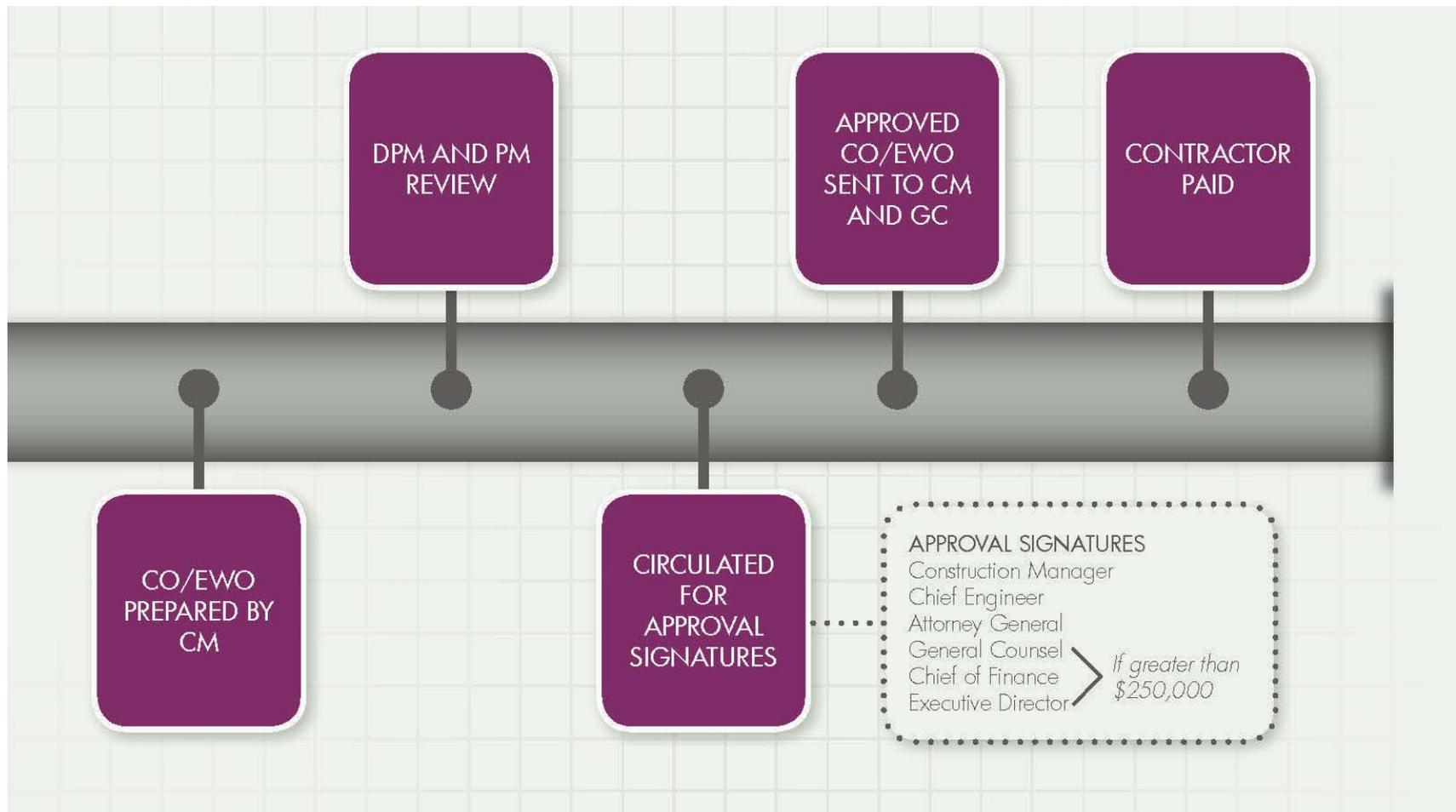
Authorization to Proceed Process

Allows work to move forward



Change Order/Extra Work Order Process

Allows payment for work performed in the field

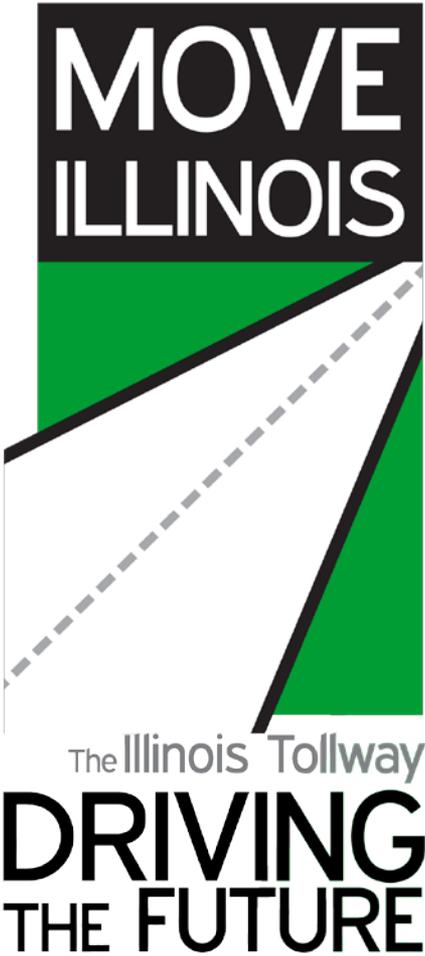


Experience and Success Managing Change

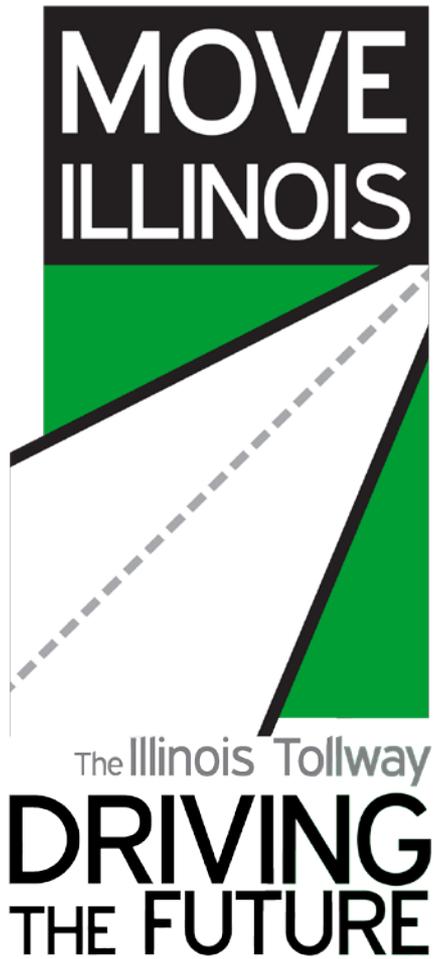
Reputation for successfully delivering projects

- ▶ **Delivered 80 percent of the 10-year Congestion-Relief Program in the first five years**
 - ▶ Processed nearly 14,000 change orders/extra work orders
 - ▶ Resulted in modified cost less than one percent of total award amount

- ▶ **Successfully delivered 37-mile I-90 western segment**
 - ▶ Opened on time despite initial delays ranging from 15 to 118 days
 - ▶ Implemented successful mitigation strategy
 - ▶ Resulted in 2.67 percent (\$15 million) below established budget



THANK YOU



Jane Addams Memorial Tollway (I-90) Eastern Segment Construction Update

August 19, 2015

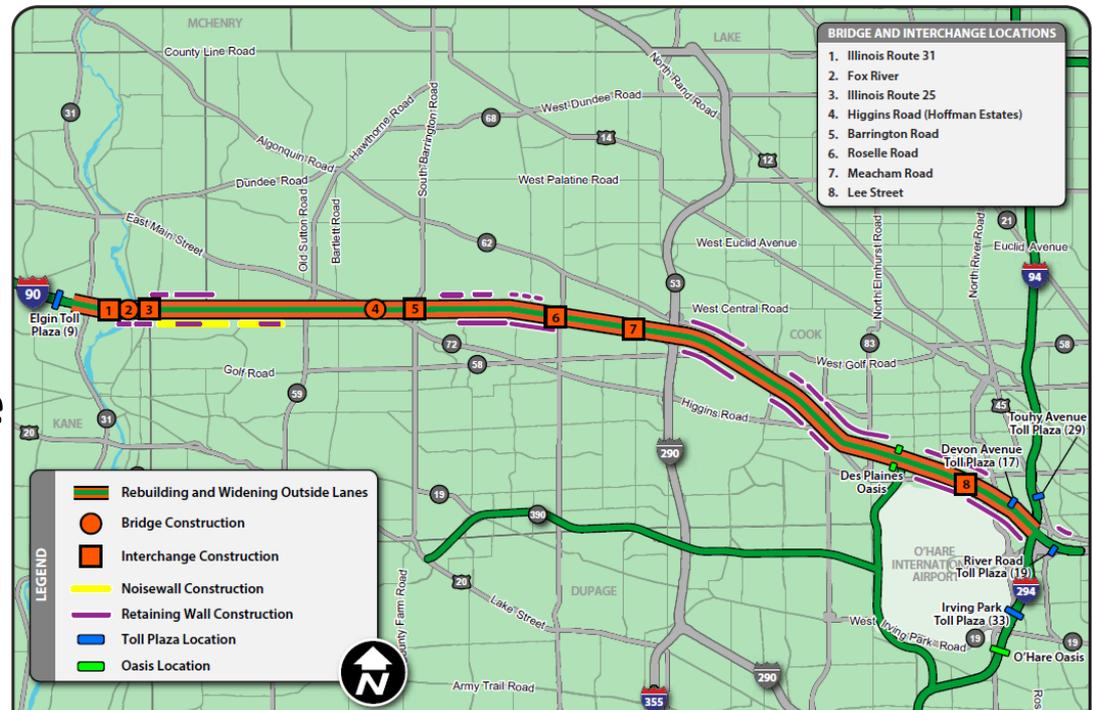
I-90 Eastern Segment Overview

- ▶ Rebuilding and widening 25 miles from six lanes to eight lanes
 - ▶ 28 bridges, including six interchanges
 - ▶ Urban region, with more than 270,000 vehicles per day

- ▶ Incorporating transit for the first time

- ▶ Implementing active traffic management (ATM) for the first time

- ▶ Addressing unique challenges throughout corridor



Met with Unique Challenges

Initial delays had a ripple effect – from advance work contracts to current contracts

- ▶ **U.S. Army Corps of Engineers permit delayed, required to begin work in regulated areas**
- ▶ **Major utilities serving more than 500,000 people run parallel to the corridor**
 - ▶ Highly complex work
 - ▶ Restrictive work rules limit productivity
 - ▶ Utility firms have limited resources available
- ▶ **Limited access to work zone**
 - ▶ Delays in third party utility relocations
 - ▶ Delays obtaining right-of-way and required rights-of-entry
- ▶ **Significant weather impacts**

Mitigating Delays for the Customers

Tollway is committed to delivering improvements on time and within budget

- ▶ **Tollway is customer-focused**
 - ▶ Minimizing impacts during construction
 - ▶ Making improvements in timely manner
- ▶ **Coordinating with industry to develop solutions**
 - ▶ Meeting with various stakeholders from every level
 - ▶ Developing consistent, yet individual solutions across the corridor
 - ▶ Mitigation strategies may include:
 - ▶ Re-phasing and re-sequencing to prioritize mainline
 - ▶ Schedule recovery (extended hours/weekends)
 - ▶ Mobilization/remobilization
 - ▶ Extension of time for non-roadway work items
 - ▶ Winter protection for some work items

Making Progress



Moving Forward

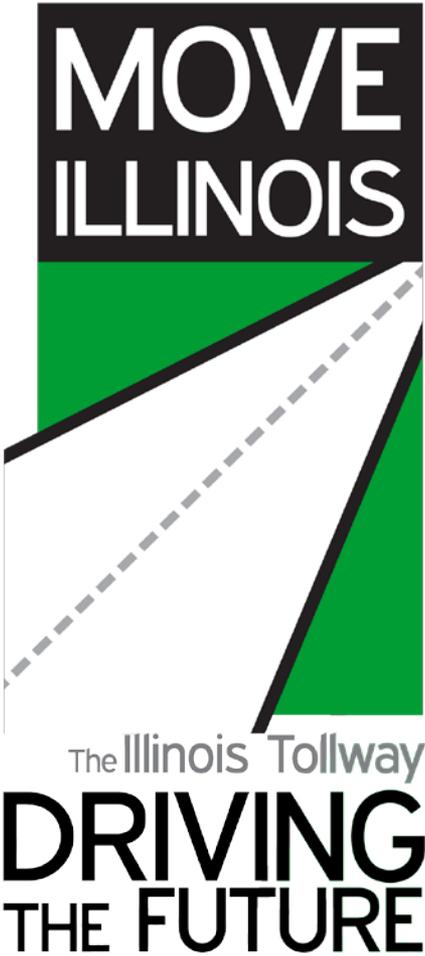
- ▶ **Implement mitigation plans for each contract**
 - ▶ Propose consistent, yet individual solutions
 - ▶ Continue coordination with industry
 - ▶ Represented in change orders/extra work orders

- ▶ **Advertise 2016 construction contracts in August/September 2015**

- ▶ **Deliver eight lanes by end of 2016 within budget**

Quick Summary

- ▶ **I-90 change orders and extra work orders are within budget**
 - ▶ 2015 budget for I-90 is \$839.6 million
 - ▶ Cost of mitigation plans for I-90 are 1.9 percent of the 2015 budget
 - ▶ Operating within the \$2.5 billion I-90 Rebuilding and Widening Project budget
- ▶ **To date, capital program change orders/extra work orders account for 0.4 percent of total contract awards**



THANK YOU
