



## Record of Meeting | December 17, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in regular session on Thursday, December 17, 2015 in the Boardroom of 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 the Board.]*

### Call to Order / Pledge of Allegiance / Roll Call

Chairman Schillerstrom called the Meeting to order at approximately 9:08 a.m., stating that this is the regularly scheduled meeting of the Board of Directors of the Tollway. He invited attendees to rise and join in the Pledge of Allegiance. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Board Members Present:
Chairman Bob Schillerstrom
Director Jim Banks
Director Earl Dotson Jr. <i>(entered 9:11 am)</i>
Director Joe Gomez
Director David Gonzalez
Director Craig Johnson <i>(entered 9:11 am)</i>
Director Nick Sauer
Director James Sweeney

Board Members Not Present:
Governor Bruce Rauner <i>[ex officio]</i>
Secretary Randall Blankenhorn <i>[ex officio]</i>
Director Corey Brooks

The Board Secretary declared a quorum present.

### Public Comment

Chairman Schillerstrom opened the floor for public comment, requesting that speakers please limit their remarks to three minutes.

*[Directors Johnson and Dotson entered the Meeting at approximately 9:11 a.m.]*



The following members of the public offered comments in opposition to constructing the Route 53/120 roadway and/or advancing the development of an environmental impact statement (“EIS”):

- Jack Darin, Director of the *Illinois Chapter of the Sierra Club*
- Henry Stein, Hawthorn Woods, IL
- Joseph Mancino, Mayor of the Village of Hawthorn Woods, IL
- Anthony Dean, Long Grove, IL
- Evan Craig, Volunteer Chairman of the *Lake County Woods and Wetlands Chapter of the Sierra Club*
- Stacy Meyers, Staff Attorney for Openlands
- Barbara Klipp, Grayslake, IL, *Lake County Woods and Wetlands Chapter of the Sierra Club*
- Douglas Ower, Zion, IL, *Livable Lake County, and Sierra Club*
- Michael Cassata, Village of Hawthorn Woods, IL
- Gloria Charland, Ingleside, IL, *Livable Lake County*
- Diane Stark, Grayslake, IL, *Livable Lake County*
- Lucien Charland, Ingleside, IL, *Livable Lake County*
- Kathryn Kinder, Grayslake, IL, *Clean Power Lake County Campaign, Livable Lake County, Sierra Club*
- Peter Ponzio, Trustee of the Village of Hawthorn Woods, IL
- Gerri Songer, Hawthorn Woods, IL, *District 214 Education Association (submitted additional written comment)*
- Erica Frable, Public Works Director and Village Engineer for the Village of Hawthorn Woods, indicating her comments are offered on behalf of Village trustees Neil Morgan and Steve Riess
- Susan Zingle, Wadsworth, IL, *Livable Lake County*
- Rita O’Connor, Long Grove, IL
- Lisa Schultz, Long Grove, IL
- Marcia Marshall, organizer of *One Long Grove*, Long Grove, IL
- Pamela Newton, Chief Operating Officer of the Village of Hawthorn Woods, indicating her comments are offered on behalf of Village trustee Kelly Corrigan
- Michael Sarlitto, Trustee of the Village of Long Grove, IL
- Vanessa Griffin, Hawthorn Woods, IL (*submitted additional written comment*)
- Michelle Wilson, Hawthorn Woods, IL
- Alan Wilson, Hawthorn Woods, IL
- Nile Whitney, Long Grove, IL

Secretary’s Note
<i>Additional written comments expressing opposition to the proposed Illinois Route 53/120 Project and/or to advancing an EIS were submitted on behalf of approximately 300 members of the public who were not in attendance at the Meeting. These comments were shared with the Tollway Board.</i>



The following members of the public offered comments in support of the proposed Illinois Route 53/120 Project and/or advancing the development of an environmental impact statement:

- Jeff Braiman, Buffalo Grove, IL
- Mike Dexter, Associated Equipment Distributors, Oak Brook, IL
- Steve Park, Executive Director of the Lake County Transportation Alliance and Village of Gurnee representative to both the Illinois Route 53/120 Project Finance and Land Use Committees,
- Suzanne Zupec, President of the Lake County Transportation Alliance
- William Baltutis, Executive Director of the Transportation Management Association of Lake Cook, Executive Director
- Jeffrey Berman, Trustee of the Village of Buffalo Grove, IL
- Linda Soto, Mayor of the Village of Hainesville, IL
- David Stolman, Lake County Treasurer
- Larry Hill, Hawthorn Woods, IL
- Barry Burton, County Administrator for Lake County
- Chuck August, Lake County, IL
- Tim Marabella, Lake County Contractors Association
- Aaron Lawlor, Chairman of the Lake County Board
- Bruce Bassett, Grayslake, IL
- Charles Eldridge, Chairman of the McHenry County Economic Development Corporation's Transportation Committee
- Wendy Hakku, Buffalo Grove, IL

Secretary's Note
<p><i>Additional written comments expressing support for the proposed Illinois Route 53/120 Project and/or for advancing an EIS were submitted on behalf of members of the public who were not in attendance at the Meeting. These comments were shared with the Tollway Board.</i></p>

Additionally, Donna Lobaito, Chief Administrative Officer and Village Clerk of the Village of Hawthorn Woods, commented about a *Freedom of Information Act* (FOIA) request she recently submitted to the Tollway.

Additionally, Robert Baker, President of *Save our Community Coalition*, addressed the Board. Mr. Baker expressed concern regarding the level of participation by African American firms in Tollway construction contracts. He indicated that he is encouraged, however, by Governor Rauner's recent appointments to the Board and looks forward to working with them and the new Executive Director to advance diversity initiatives which will increase Tollway workforce diversity and broaden participation of African American firms in Tollway construction contracts. He further suggested that Illinois road builders must be encouraged to play an active role in addressing diversity within the industry.



Chairman Schillerstrom thanked all of the speakers for their comments.

### **Chairman's Items**

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*Item 1: Approval of the Minutes of the regular Board of Directors meeting held November 19, 2015.*

Chairman Schillerstrom called for a motion to approve **Chairman's Item 1**, the Minutes of the regular Board of Directors meeting held on November 19, 2015, as presented. Director Banks made a motion for approval; seconded by Director Sauer. Chairman Schillerstrom asked if there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom called for a vote. The motion PASSED unanimously.

Chairman Schillerstrom stated that consideration of **Chairman's Item 2**, the Minutes of the Executive Session of the Board meeting held on November 19, 2015, will be deferred to the January Board of Directors meeting.

### **COMMITTEE REPORTS**

Chairman Schillerstrom asked the chairs of the following committees of the Board if they had any report to provide on the committees' recent activities:

#### **Audit Committee**

Committee Chair Gonzalez updated the Board on the Audit Committee meeting held Friday, December 4, 2015, providing the following highlights:

As Special Assistant Auditors for the Auditor General of the State of Illinois, KPMG presented the External Audit Plan for the fiscal year ending December 31, 2015. The KPMG Audit Partner, Cathy Bauman, also discussed the engagement team which will return with no personnel changes for this year's audit. An overview of new accounting pronouncements affecting the audit was provided as well as the auditor's statement of independence. Field work for the audit will begin in January 2016 and report issuance is expected in June of 2016.

Additionally, Cassandra Rouse, Chief of Internal Audit, provided the Committee an update on Internal Audit activities to-date, which included an update on the state of Internal Audit staffing resources. Ms. Rouse also presented an overview the Annual Risk Assessment conducted and the 2016-2017 Internal Audit Plan. The 2-Year Audit Plan allocation of hours was reviewed and the Committee approved the plan as presented.



## Finance, Administration & Operations Committee

Committee Chair Gomez updated the Board on the Finance, Administration and Operations Committee (“FAO Committee”) meeting held Wednesday, December 9, 2015, providing the following highlights:

**FINANCE** presented an overview of the Tollway’s final 2016 Budget. In summary, the 2016 Budget is consistent with the long term financial plan, with revenues estimated at \$1.3 billion, operating costs held at 3.6% growth and a capital program of more than \$1.4 billion. The Committee recommended the 2016 Budget be placed on the full Board agenda.

Finance also provided a summary of the most recent bond refunding. The Tollway refunded \$350 million of Series 2008B bonds for a net present value savings of \$51 million.

**PROCUREMENT** presented two items which the Committee recommended placing on the full Board agenda:

- The first item is a request to utilize a CMS Master Contract for Microsoft software licenses, maintenance, and support.
- The second item is an award to purchase asphalt crack-sealing material to prevent moisture from penetrating the Tollway pavement leading to further deterioration.

**ENGINEERING** presented six items which were reviewed and recommended for placement on today’s Board agenda, including three professional engineering service contract awards, one professional service contract supplement for additional construction management services required to complete and close out three construction contracts, and two construction change orders.

**LEGAL** presented four intergovernmental agreements (“IGAs”) which were approved by the Committee for placement on the Board agenda: an IGA with the City of Lockport, an IGA with the Village of Hoffman Estates, an IGA with Elk Grove Village, and an IGA with the Village of Rosemont.

## Customer Service & Planning Committee

Committee Chair Schillerstrom updated the Board on the Customer Service and Planning Committee (“CSP Committee”) meeting held Wednesday, December 9, 2015, noting that the



Committee focused on two primary topics: speed limits and the potential initiation of an environmental impact statement (“EIS”) for the Illinois Route 53/120 Project:

**Illinois 53/120 Environmental Impact Statement:** After much public comment regarding the Illinois Route 53/120 Project, staff presented an overview of the components of an EIS and outlined the general process should the Board agree to proceed, summarized in the following points:

- An EIS is the equivalent to doing due diligence in the planning and development of a major project.
- An EIS is a full disclosure document that details the process and analysis through which a transportation project is developed.
- An EIS requires a robust public involvement process.
- The purpose is to identify the need for a project and describe the effects the project may have on the natural and physical environment.
- A broad range of transportation alternatives must be evaluated ranging from transit expansion, improving arterial roads and building a new facility or any combination of these transportation improvements. A cost analysis for each alternative is also conducted.
- Developing an EIS is a comprehensive and prescriptive process that includes consideration of a range of reasonable alternatives, analyzes the potential impacts resulting from the alternatives, and demonstrates compliance with other applicable environmental laws and executive orders.
- An EIS is the first step necessary to analyze the project and allows the Board and state to make an informed decision about whether the project proceeds into design and how to proceed.
- Overall an EIS could take 3-5 years to complete and it could be done in phases to allow decisions to be made at the appropriate time in the process.
- Should the Board agree to advance the Illinois Route 53/120 Project to an EIS, the Tollway will do so in partnership with the Illinois Department of Transportation (“IDOT”), Lake County Division of Transportation, and the Federal Highway Administration.
- If approved, a contract to retain a consultant will be procured through an upcoming Professional Services Bulletin.
- Funding to initiate an EIS is included in both the *Move Illinois* Capital Program and the 2016 Budget.

**Speed Limits:** Staff presented the current status and process for setting the speed limits on the Tollway. Staff then recommended, based on completion of additional speed and design studies, an increase of the speed limit to 70 mph on the western section of the Jane





Addams Memorial Tollway (I-90) between Elgin and Rockford and on the Veterans Memorial Tollway (I-355) south of Interstate 55 (I-55). Should the Board approve the recommendation, staff will seek IDOT concurrence on the revised limits and, subsequently, approval by the Joint Committee on Administrative Rules. Staff anticipates that if approved, the new speed limit signs would be installed on the Tollway System in the summer of 2016.

*[End of Committee Reports]*

*Item 3: Approval of the 2-Year Audit Plan.*

Chairman Schillerstrom called for a motion to approve **Chairman's Item 3**, adopting the 2016-2017 Internal Audit Plan and Internal Audit Charter, as presented, for a period of two years beginning January 1, 2016. Director Gomez made a motion for approval; seconded by Director Sweeney. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Sweeney, Director Banks, Director Dotson, Director Gonzalez, Director Johnson, Director Sauer, Chairman Schillerstrom (8).

Nays: None (0)

The motion to approve PASSED.

*Item 4: Approval to proceed with Illinois Route 53/120 Project Environmental Impact Statement.*

Chairman Schillerstrom then called for a motion to approve **Chairman's Item 4**, per the Resolution language presented to Directors, authorizing Tollway staff to partner with the Federal Highway Administration, the Illinois Department of Transportation, and the Lake County Division of Transportation to initiate the preparation of an Environmental Impact Statement for the Illinois Route 53/120 Project in fiscal year 2016. Director Banks made a motion for approval; seconded by Director Sweeney. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Johnson thanked the local leaders and residents of Lake County in attendance for their involvement. He then commented that development of an EIS, which will examine the positive and negative environmental effects of the proposed project and develop alternative actions that may be chosen instead, is an important step needed to guide decision-making on this matter. He encouraged stakeholders to continue to be involved by participating in the EIS process.



Director Gomez emphasized his sensitivity to the impacts a project such as this can have on families and local communities. He assured stakeholders that the Board will consider potential impacts to local communities in its decision-making.

Director Sauer expressed his gratitude to the Tollway staff, community leaders and stakeholders who have dedicated their time over many years to develop and build consensus for the Illinois Route 53/120 Project, which he highlighted has been designated by the CMAP as “ranking highest among all projects in its effect on region-wide congestion.” He commented that the project’s advancement has been achieved the “Lake County Way”, which he described is open, ethical, and having strong concern for the environment. He expressed his support for initiating the EIS and encouraged his fellow Board members to support it as well.

Hearing nothing further, Chairman Schillerstrom called for a roll call on the pending motion, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Sweeney, Director Dotson, Director Gomez, Director Gonzalez, Director Johnson, Director Sauer, Chairman Schillerstrom (8).

Nays: None (0)

The motion to approve PASSED.

Item 5: Approval of the 2016 Board and Committee Schedule.

Chairman Schillerstrom then called for a motion to approve **Chairman’s Item 5**, the 2016 Tollway Board and Committee meeting schedule. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Banks, Director Gomez, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (8).

Nays: None (0)

The motion to approve PASSED.

Item 6: Approval of the 2016 Tollway Holiday Schedule.





Chairman Schillerstrom then called for a motion to approve **Chairman's Item 6**, the 2016 Tollway holiday schedule. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Banks, Director Gomez, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (8).

Nays: None (0)

The motion to approve PASSED.

Having no further items, Chairman Schillerstrom called on Executive Director Greg Bedalov.

### **Executive Director**

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**Security Update:** Executive Director Bedalov emphasized the Tollway's commitment to the safety and security of all employees, consultants and visitors. He encouraged the understanding and cooperation of everyone in observing current building security policies.

**2016 Budget:** Executive Director Bedalov highlighted that the balanced 2016 Budget holds the line on agency spending, maintains employee headcount, and allocates 75 percent of revenue to support infrastructure, including the *Move Illinois* Capital Program. He reported that three well-attended public hearings were held to gather public input and comment, from which hearing transcripts and written comments have been provided to the Board. He then introduced Cathy Williams, Deputy Chief of Finance, to provide an overview of the Tollway's balanced fiscal year 2016 Budget. [See attached presentation.](#)

**Transponder Cost Reduction:** Executive Director Bedalov highlighted that in exchange for extending an exclusivity agreement for the purchase of I-PASS transponders, the Tollway's transponder costs will drop from \$8.90 to \$7.80 in 2016, then to \$7.60 for the remainder of the contract. He observed that when multiplied by the 500,000 units purchased annually, the savings to the Tollway are considerable, amounting to approximately \$1.5 million.

**Holiday Donations:** Mr. Bedalov recognized Tollway employees and consultants for their charitable donations made this holiday season, including 2,500 food items collected for the Illinois Food Drive, numerous gifts to help support the U.S. Marine Reserve Toys for Tots toy drive, and



winter clothing to support the Governor's Office's fourth annual "Warm our Heroes" initiative benefitting Illinois veterans and their families.

### Items for Consideration

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Chairman Schillerstrom reminded those in attendance that each of following items for consideration, with some exceptions which are noted, has been reviewed in detail, discussed and approved at committee for placement on the Meeting agenda with the relevant committee's recommendation for Board approval.

### Finance

*Item 1: Approval of the fiscal year 2016 Final Budget.*

Chairman Schillerstrom called for a motion to approve **Finance Item 1**. Director Sauer made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Sauer, Director Gomez, Director Banks Director Dotson, Director Johnson, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8).

Nays: None (0)

The motion to approve PASSED.

*Item 2: Extension of the Credit Enhancement Facilities supporting the Authority's 2008A and 2007A-1b Bonds.*

Chairman Schillerstrom called on Cathy Williams, Deputy Chief of Finance, to present to the Board this item which was not previously presented at committee.

Following presentation of the item, Chairman Schillerstrom called for a motion to approve **Finance Item 2**. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Johnson, noting the Federal Reserve's recent increase of the Federal Discount Rate, inquired whether there is any urgency to take advantage of the current interest rate environment before, in his expectation, further increases ensue. Ms. Williams responded that the Tollway continuously monitors credit markets and will take advantage of favorable conditions as they



occur. She provided as an example the most recent refunding bond transaction, which resulted in net present value savings to the agency of approximately \$51 million. Bill O'Connell, Debt Manager, responded that the agency's variable-rate bond issues are synthetically constructed as fixed-rate bonds using swap agreements, in order to hedge against rising interest rates. In regard to timing of new money bond issuance, he advised that the current debt strategy of approximately semi-annual issuance is intended to coincide with capital program needs, reducing interest expense, and to additionally provide diversification within the portfolio.

Hearing no further discussion, Chairman Schillerstrom called for a roll call on the pending motion, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Gomez, Director Banks, Director Dotson, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (8).

Nays: None (0)

The motion to approve PASSED.

*[Director Dotson departed the Meeting at approximately 11:55 a.m.]*

## Procurement

Item 1: Award of Contract 15-0165 to CDW Government LLC (CDW-G) for the purchase of Microsoft SQL and Dynamics AX Software Licenses, Maintenance, and Support in an amount not to exceed \$384,369.48 (Order Against CMS Master Contract).

Chairman Schillerstrom called for a motion to approve **Procurement Item 1**. Director Gomez made a motion for approval; seconded by Director Sauer. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Sauer, Director Banks, Director Johnson, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED.

Item 2: Award of Contract 15-0051 to Chicago United Industries, Ltd. for the purchase of Crack-Sealing Material in an amount not to exceed \$356,700.00 (Tollway Invitation for Bids).



Chairman Schillerstrom called for a motion to approve **Procurement Item 2**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Gomez, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

### **Engineering**

*Item 1: Acceptance of Proposal from Civiltech Engineering, Inc., on Contract I-15-4655 for Construction Management Services, on Illinois Route 390 from Arlington Heights Road to Lively Boulevard, in an amount not to exceed \$6,340,261.78.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 1**. Director Banks made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Johnson, Director Gomez, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

*Item 2: Acceptance of Proposal from Infrastructure Engineering, Inc., on Contract I-15-4654 for Construction Management Upon Request Services, on the Elgin O'Hare Western Access (EOWA), in an amount not to exceed \$3,000,000.00.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 2**. Director Johnson made a motion for approval; seconded by Director Sauer. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Sauer, Director Banks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (7).



Nays: None (0)

The motion to approve PASSED.

*Item 3: Acceptance of Proposal from State Materials Engineering LLC, dba S.T.A.T.E. Testing, LLC, on Contract RR-15-4242 for Materials Engineering Services Upon Request, Systemwide, in an amount not to exceed \$5,000,000.00.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 3**. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Gomez, Director Banks, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

*Item 4: Acceptance of Proposal from Accurate Group, Inc. on Contract RR-13-5682 for Supplemental Construction Management Services, Systemwide, in the amount of \$285,000.00 from \$5,000,000.00 to \$5,285,000.00.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 4**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Gomez, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

*Item 5: Change Order on Contract I-14-4648 to Benchmark Construction Co., Inc. for Northwest Suburban Municipal Joint Action Water Agency (NSMJAWA) Water Main Relocation on the Jane Addams Memorial Tollway (I-90) from Milepost 73.5 (Elmhurst Road) to Milepost 74.3 (Higgins Creek) in the amount of \$450,000.00.*

Director Johnson recused himself on this item.



Chairman Schillerstrom called for a motion to approve **Engineering Item 5**. Director Gomez made a motion for approval; seconded by Director Sauer. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Sauer, Director Banks, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (6).

Nays: None (0)

Recusals: Director Johnson (1)

The motion to approve PASSED.

*Item 6: Change Order on Contract I-13-4607 to Judlau Contracting, Inc. for New Interchange Construction on the Illinois Route 390 from Milepost 12.0 to Milepost 12.9 (I-290 Interchange) in the amount of \$283,358.46.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 6**. Director Banks made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Johnson, Director Gomez, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

## Legal

*Item 1: An Intergovernmental Agreement with the City of Lockport to convey excess Tollway real estate parcels to the City. Cost to the Tollway: \$0.*

Chairman Schillerstrom called for a motion to approve **Legal Item 1**. Director Johnson made a motion for approval; seconded by Director Sauer. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Sauer, Director Banks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (7).





Nays: None (0)

The motion to approve PASSED.

*Item 2: An Intergovernmental Agreement with Elk Grove Village for certain aesthetic improvements at three Tollway crossings. Cost to the Tollway: \$0. [Recusal: Director Johnson]*

Chairman Schillerstrom called for a motion to approve **Legal Item 2**, noting that Director Johnson has previously indicated his wish to recuse himself from participating in the decision regarding this item. Director Sauer made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Sauer, Director Gomez, Director Banks Director Gonzalez, Director Sweeney, Chairman Schillerstrom (6).

Nays: None (0)

Recusals: Director Johnson (1)

The motion to approve PASSED.

*Item 3: An Intergovernmental Agreement with the Village of Hoffman Estates for minor repairs to the Beverly Road Bridge and the relocation of two existing water mains. Cost to the Tollway: \$0.*

Chairman Schillerstrom called for a motion to approve **Legal Item 3**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Gomez, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

*Item 4: An Intergovernmental Agreement with the Village of Rosemont to convey excess Tollway real estate parcels to the Village. Cost to the Tollway: \$0.*

Chairman Schillerstrom called for a motion to approve **Legal Item 4**. Director Banks made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any



questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Gomez, Director Gonzalez, Director Johnson, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

Item 7: Amendment to the Administrative Rules (Speed Limits).

Chairman Schillerstrom called for a motion to approve **Legal Item 7**, amending the Tollway's Administrative Rules to implement, subject to Illinois Department of Transportation concurrence and Joint Committee on Administrative Rules approval, speed limit increases to 70 mph on identified segments of the Jane Addams (I-90) and Veterans Memorial (I-355) Tollways. Director Banks made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Gomez, Director Gonzalez, Director Johnson, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

Chairman Schillerstrom stated that action on Legal Items 5 and 6 will be deferred until after consideration in Executive Session.

### Executive Session

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Chairman Schillerstrom called for a motion to enter Executive Session pursuant to exceptions provided in Sections 2(c)1, 2(c)5, and 2(c)11 of the Illinois *Open Meetings Act* to consider Tollway matters related to the performance of specific employees, the purchase of real property, and potential or pending litigation.

Director Johnson made a motion, pursuant to the sections specified, to enter Executive Session; seconded by Director Sauer. Chairman Schillerstrom asked if there are any questions, concerns



or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Sauer, Director Banks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

At approximately 12:22 p.m., the Board entered into Executive Session.

### **Return from Executive Session and Action (if any)**

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At approximately 12:52 p.m., the Board re-entered the public session of the Meeting.

*Legal Item 5: Litigation Settlement – Michael and Denise Marro v. ISTHA. Cost to the Tollway: As discussed in Executive Session.*

Chairman Schillerstrom called for a motion to approve **Legal Item 5**. Director Banks made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Johnson, Director Gomez, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).

Nays: None (0)

The motion to approve PASSED.

*Legal Item 6: Settlement Agreement – Workers Compensation – Michael Marro. Cost to the Tollway: As discussed in Executive Session.*

Chairman Schillerstrom called for a motion to approve **Legal Item 6**. Director Gomez made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Johnson, Director Banks, Director Gonzalez, Director Sauer, Director Sweeney, Chairman Schillerstrom (7).



Nays: None (0)

The motion to approve PASSED.

### **Adjournment**

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There being no further business before the Board, Chairman Schillerstrom requested a motion to adjourn. Motion to adjourn was made by Director Johnson, seconded by Director Sauer. Chairman Schillerstrom called for a vote. The motion PASSED by unanimous vote of those Directors present, Director Dotson having earlier departed the Meeting.

The Meeting was adjourned at approximately 12:54 p.m.

Minutes taken by: \_\_\_\_\_

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority



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# 2016 Budget

December 17, 2015

# 2016 Budget Schedule

## **October**

- ✓ Tentative 2016 Budget presented to Board

## **November**

- ✓ Public review/comment on Tentative 2016 Budget
- ✓ Public comments presented to Board
- ✓ Incorporate changes arising from review process

## **December**

- ✓ **Board votes on Final 2016 Budget**



# Changes from the Tentative Budget

## Changes resulting from the review process

- ✓ Increased Diversity and Strategic Development Department budget by \$150,000
- ✓ Offset provided by a reduction in estimated retirement contributions

## Additional information

- ✓ Performance metrics
- ✓ Demographic information
- ✓ Departmental positions/titles

# 2016 Revenue Sources and Allocations

## ***MORE THAN 75 PERCENT IS ALLOCATED TO SUPPORT INFRASTRUCTURE***

<i>Sources of Revenues</i>	FY 2015 Budget	FY 2015 Estimates	FY 2016 Projections
Toll Revenues and Evasion Recovery *	\$1,160	\$1,208	\$1,290
Investment Income	1	1	2
Concessions and Miscellaneous Revenues	9	9	8
<b>Revenues Total</b>	<b>\$1,170</b>	<b>\$1,218</b>	<b>\$1,300</b>

<i>Allocations of Revenues</i>	FY 2015 Budget	FY 2015 Estimates	FY 2016 Projections
Maintenance and Operations	\$311	\$310	\$322
<i>Funds available from prior year</i>	0	1	0
Debt Service Transfers	362	355	399
Deposits to Renewal/Replacement and Improvement	497	552	579
<b>Allocations Total</b>	<b>\$1,170</b>	<b>\$1,218</b>	<b>\$1,300</b>

\* CDM Smith's expected toll revenue estimate for fiscal year 2015 totals \$1,178 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery. Please refer to the 2016 Budget Book for additional information



# 2016 Budget Summary

## ***CONSISTENT WITH THE LONG-TERM FINANCIAL PLAN***

- ✓ **Fifth year of *Move Illinois* – total 2016 Capital Program more than \$1.4 billion**
- ✓ **Revenue increase 6.8 percent from 2015 estimate**
- ✓ **Operating costs held at 3.6 percent growth**
- ✓ **\$600 million of new bond issuance to provide funding for current and future capital costs**

# Appendix

# Maintenance and Operations

## 2016 Budget By Department

(\$ millions)	2015	2016	\$ Change from	% Change from
Department	Budget	Budget Request	2015 Budget	2015 Budget
Administration	\$4.6	\$4.6	\$0.0	0.6%
Business Systems	58.7	65.4	6.7	11.3%
Communications	1.5	1.5	(0.0)	-2.2%
Diversity and Strategic Development	2.6	2.6	0.0	0.1%
Engineering	76.0	77.9	1.9	2.5%
Executive Office and Directors	1.7	1.6	(0.1)	-3.9%
Finance	50.3	52.6	2.3	4.6%
Information Technology	16.4	14.5	(1.9)	-11.5%
Inspector General	0.9	0.9	0.0	3.0%
Internal Audit	0.9	0.9	0.1	7.4%
Legal	1.9	2.0	0.0	2.4%
Procurement	4.6	4.6	0.0	0.6%
State Police	32.6	32.9	0.4	1.1%
Toll Operations	58.0	59.8	1.8	3.1%
<b>Authority Total</b>	<b>\$310.6</b>	<b>\$321.8</b>	<b>\$11.2</b>	<b>3.6%</b>

Totals may not add due to rounding.



# Move Illinois Program Summary

(\$ millions)	2014 Actual Expenditures	2015 Budget	2015 Estimated Expenditures	2016 Request	\$ Change from 2015 Estimate
<b>Existing System Needs</b>					
Jane Addams Memorial Tollway (I-90)	\$506.2	\$791.7	\$739.7	\$549.8	(\$189.9)
Tri-State Tollway (I-94/ I-294/ I-80)	2.7	18.1	19.4	65.2	45.9
Veterans Memorial Tollway (I-355)	1.4	0.5	2.2	4.7	2.5
Reagan Memorial Tollway (I-88)	4.4	7.0	1.8	3.9	2.1
Systemwide Improvements	87.9	168.2	100.2	171.0	70.8
<b>Existing System Needs Total</b>	<b>\$602.6</b>	<b>\$985.5</b>	<b>\$863.3</b>	<b>\$794.7</b>	<b>-\$68.6</b>
<b>System Expansion</b>					
Tri-State Tollway (I-294)/I-57 Interchange	\$40.9	\$20.2	\$15.3	\$1.5	(\$13.7)
Elgin O'Hare Western Access	241.7	319.8	331.5	383.6	52.1
Planning Studies for Emerging Projects	1.5	6.1	1.4	5.8	4.5
<b>System Expansion Total</b>	<b>\$284.1</b>	<b>\$346.2</b>	<b>\$348.1</b>	<b>\$390.9</b>	<b>\$42.8</b>
<b>Move Illinois Program Total</b>	<b>\$886.7</b>	<b>\$1,331.7</b>	<b>\$1,211.4</b>	<b>\$1,185.6</b>	<b>(\$25.8)</b>

**Notes:**

2014 Actual Expenditures reflected cost recoveries of \$12.2 million pursuant to inter-governmental agreements (IGA), and 2015 Estimated Expenditures and 2016 Request do not reflect any IGA reimbursements.

*Totals may not add due to rounding.*





# Congestion-Relief Program/Other Capital Summary

(\$ millions)	2014 Actual Expenditures	2015 Budget	2015 Estimated Expenditures	2016 Request	\$ Change from 2015 Estimate
<b>Congestion-Relief Program (CRP)</b>					
Jane Addams Memorial Tollway (I-90)	\$109.2	\$47.9	\$77.7	\$27.6	(\$50.1)
Tri-State Tollway (I-94/ I-294/ I-80)	0.2	0.9	1.9	2.8	0.9
Veterans Memorial Tollway (I-355)	(1.8)	0.4	0.8	3.0	2.2
Reagan Memorial Tollway (I-88)	9.1	100.8	87.0	101.3	14.3
Open Road Tolling (ORT)	1.9	5.4	3.4	5.2	1.8
Systemwide Improvements	63.6	72.9	57.6	18.6	(39.0)
<b>Congestion-Relief Program Subtotal</b>	<b>182.2</b>	<b>228.3</b>	<b>228.4</b>	<b>\$158.6</b>	<b>(\$69.8)</b>
<b>Other Capital Projects Subtotal *</b>	50.5	65.0	58.9	60.0	1.1
<b>CRP and Other Capital Projects Total</b>	<b>232.6</b>	<b>293.3</b>	<b>287.3</b>	<b>\$218.6</b>	<b>(\$68.7)</b>

**Notes:**

1. 2014 Actual Expenditures reflected cost recoveries of \$2.5 million pursuant to intergovernmental agreements (IGA); 2015 Estimated Expenditures and 2016 Request do not reflect any IGA reimbursements.
2. 2016 Other Capital Projects Budget includes new request of \$59.7 million and \$41.7 million of carryover from 2015; approximately \$60 million is projected to be spent in 2016.

*Totals may not add due to rounding.*



# Capital Program

## *KEY CAPITAL PROJECTS - 2016*

### **Jane Addams Memorial Tollway (I-90) – \$577.4 million**

#### ✓ **Eastern segment**

- Elgin Toll Plaza to Tri-State Tollway (I-294) - Rebuilding and widening inside lanes
- Elgin Toll Plaza to Kennedy Expressway - Reconstruction of bridges, interchanges and ramps

#### ✓ **Watermain relocation**

#### ✓ **Fiber optic and utility relocation**

#### ✓ **ITS elements**

# Capital Program (continued)

## *KEY CAPITAL PROJECTS - 2016*

### **Elgin O'Hare Western Access Project - \$383.6 million**

- ✓ I-290 Interchange construction
- ✓ Construction of Elmhurst Road Interchange at I-90
- ✓ Construction of new Illinois Route 390 Tollway to the east
- ✓ Interchange improvements
  - Park Boulevard, Arlington Heights Road and Wood Dale Road
- ✓ Bridge construction
- ✓ Watermain relocation
- ✓ Right-of-way purchases

# Capital Program (continued)

## *KEY CAPITAL PROJECTS - 2016*

### **Reagan Memorial Tollway (I-88) – \$105.3 million**

- ✓ Resurfacing
  - U.S. Route 52 to U.S. Route 30

### **Tri-State Tollway (I-94/I-294/I-80) – \$68.0 million**

- ✓ Master Plan for Central Tri-State Tollway reconstruction from 95<sup>th</sup> Street to Balmoral Avenue
- ✓ Design for reconstruction
  - Mile-Long Bridge over the Des Plaines River
  - BNSF Railroad Bridge over I-294

# Capital Program (continued)

## *KEY CAPITAL PROJECTS - 2016*

### **Systemwide – \$189.7 million**

- ✓ Bridge and pavement improvements
- ✓ Interchange improvements
- ✓ Toll collection
- ✓ IT related improvements
- ✓ Maintenance facilities improvements
- ✓ Program support

# Other Capital Projects Highlights

## *KEY CAPITAL PROJECTS - 2016*

### **Other capital projects – \$60 million**

(\$ millions)

✓ General consulting services	\$ 22
✓ Technology	13
✓ Roadway vehicle and equipment	8
✓ Enterprise resource planning (ERP) system	5
✓ Intelligent transportation systems (ITS)	5
✓ Building repairs and maintenance	4
✓ Roadway signage and pavement marking	3



# Debt Service Schedule

(\$ millions)

Fiscal Year	Principal	Interest	Total Debt Service
2015	103	256	359
2016	104	298	405
2017	109	307	416
2018	124	301	426
2019	130	295	426
2020	138	289	426
2021	144	282	426
2022	151	275	426
2023	159	267	426
2024	168	258	426
2025	189	251	439
2026	246	243	489
2027	258	231	489
2028	269	220	489
2029	280	209	489
2030	293	197	489
2031	303	187	489
2032	319	170	489
2033	337	152	489
2034	357	132	489
2035	366	112	478
2036	384	94	478
2037	403	75	478
2038	393	54	448
2039	395	35	429
2040	299	15	314

## NOTES:

- √ Includes existing debt service plus assumed new money issuance of: (i) \$400 million during the remainder of 2015; and (ii) \$600M during 2016.
- √ Debt service due January 1 of a given calendar year is included in the prior fiscal year, per the Trust Indenture.
- √ Debt service does not include liquidity or remarketing costs for Tollway variable rate bonds, which such costs are currently approximately \$6.5 million annually.
- √ Interest expense does not net out anticipated federal subsidies related to Build America Bonds.
- √ Interest expense on variable rate bonds is estimated at the fixed swap rates for those bonds.



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**THANK YOU**