



Record of Meeting | November 14, 2016

The Illinois State Toll Highway Authority (the "Tollway") held the regularly scheduled Customer Service & Planning Committee Meeting on Monday, November 14, 2016 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 Directors.]

Call to Order / Pledge of Allegiance / Roll Call

Committee Chair Bob Schillerstrom called the Meeting to order at approximately 9:34 a.m., inviting attendees to rise and join in the Pledge of Allegiance. Chairman Schillerstrom then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

| Committee Members Present: |
|--|
| Committee Chair Bob Schillerstrom |
| Director Craig Johnson |
| Director Neli Vazquez Rowland <i>(entered 9:55 a.m.)</i> |

| Committee Members Not Present: |
|--------------------------------|
| Director Jim Banks |
| Director James Sweeney |

Chairman Schillerstrom proclaimed the absence of a quorum and stated that the Meeting will recess until a quorum can be established.

[Director Vazquez Rowland entered at approximately 9:55 a.m., establishing a quorum.]

Upon arrival of Director Vazquez Rowland, Chairman Schillerstrom reconvened the Meeting. Without objection, Chairman Schillerstrom then requested the order of the Meeting be amended to address the Committee Chair's Items at the conclusion of Items for Consideration.

Public Comment

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



Executive Director

Video Tolling: Noting that the Committee had at the prior meeting expressed a willingness to consider an additional charge for video tolling transactions, Executive Director Bedalov introduced Shana Whitehead, Chief of Business Systems, and Mike Colsch, Chief of Finance, to provide for the Committee a more detailed proposal on changes to Tollway business rules for video tolling and violation collections. [See attached presentation.](#)

During the presentation, Ms. Whitehead provided an overview of video tolling costs and a proposal to charge higher amounts to I-PASS holders not using transponders and thereby necessitating transaction capture through more costly video tolling. Directors and staff then discussed strategy and policies on video tolling, including whether a certain allowable threshold of video tolls should be first exceeded and the basis and appropriate amount for an upcharge intended to both recoup Tollway costs and effectively incentivize increased transponder usage. The Committee also discussed potentially reducing or eliminating the deposit for transponders, requesting that staff develop more information regarding such a strategy. Upon conclusion of the discussion, Chairman Schillerstrom requested that staff use input provided by the Committee to continue to develop a comprehensive approach and philosophy, which includes a customer outreach program and updated collection and video tolling policies, for planned presentation to the Board in the near future.

Chairman Schillerstrom additionally suggested that staff confer with the Office of the Illinois Secretary of State about the possibility of implementing further measures (such as vehicle registration suspension) for non-payment of tolls, with the objective to incentivize toll compliance.

Items for Consideration

Committee Chair Schillerstrom called on Shana Whitehead, Chief of Business Systems, to present to the Committee the following Business Systems items:

***Item 1:** Award of Contract 16-0136 to Electronic Transaction Consultants Corporation (ETCC) for Toll Revenue Management and Maintenance Program in an amount not to exceed \$20,600,000.00 (Tollway Sole Source).*

Upon conclusion of the item presentation, Chairman Schillerstrom called for a motion to approve placement of **Business System's Item 1** on the November Board of Directors meeting agenda with the Committee's recommendation for approval. Director Johnson made a motion for



approval; seconded by Director Vazquez Rowland. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Vazquez Rowland commented positively on the ten percent Illinois Business Enterprise Program (“BEP”) commitment achieved on this Tollway sole source contract, even though such contracts are not currently subject to BEP participation goals.

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

Yeas: Director Johnson, Director Vazquez Rowland, Chairman Schillerstrom (3)

Nays: None (0)

The motion was PASSED.

Item 2: Award of Contract 16-0138 to Kapsch TrafficCom IVHS Inc. for Transponder and equipment purchases in an amount not to exceed \$43,000,000.00 (Tollway Sole Source).

Chairman Schillerstrom called for a motion to approve placement of **Business System’s Item 2** on the November Board of Directors meeting agenda with the Committee’s recommendation for approval. Director Johnson made a motion for approval; seconded by Director Vazquez Rowland. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Vazquez Rowland suggested that when reviewing sole source procurements for goal-setting opportunities, indirect contracts (such as those for accounting services) be explored by the agency as a means to increase the diversity of participation.

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

Yeas: Director Johnson, Director Vazquez Rowland, Chairman Schillerstrom (3)

Nays: None (0)

The motion was PASSED.

Committee Chair’s Items

Item 1: Approval of the Minutes of the Regular Customer Service & Planning Committee Meeting held on October 20, 2016.



Committee Chair Schillerstrom called for a motion to approve **Committee Chair's Item 1**, the Minutes of the regular Customer Service & Planning Committee meeting held on October 20, 2016, as presented. Director Johnson made a motion for approval; seconded by Director Vazquez Rowland. Committee Chair Schillerstrom asked if there are any questions, concerns or requests for amendment. Hearing nothing, Committee Chair Schillerstrom called for a vote. The motion was PASSED unanimously.

Chairman Schillerstrom stated that consideration of **Committee Chair's Item 2**, a Resolution to support participation in environmental and stormwater management initiatives on Interstate 294 (Central Tri-State) in partnership with the Metropolitan Water Reclamation District of Greater Chicago (MWRD), will be deferred until a future meeting.

Executive Session

Chairman Schillerstrom called for a motion to enter Executive Session pursuant to exceptions provided in Section 2(c)11 of the Illinois *Open Meetings Act* to consider Tollway matters related to potential or pending litigation. Director Vazquez Rowland made a motion, pursuant to the sections specified, to enter Executive Session; 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 Vazquez Rowland, Director Johnson, Chairman Schillerstrom (3)

Nays: None (0)

The motion was PASSED.

At approximately 10:21 a.m. the Board entered into Executive Session.

Return from Executive Session and Action (if any)

At approximately 10:42 a.m., the Committee re-entered the public session of the Meeting.

Adjournment

There being no further business before the Committee, Committee Chair Schillerstrom called for a motion to adjourn. Director Johnson made a motion to adjourn; seconded by Director Vazquez Rowland. Committee Chair Schillerstrom called for a vote. The motion was PASSED unanimously.



The Meeting was adjourned at approximately 10:42 a.m.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

The background of the slide is a photograph of a modern, multi-story office building with a curved facade and many windows. In the foreground, there are three flagpoles. The leftmost pole has the United States flag, the middle pole has the Illinois state flag, and the rightmost pole has a green flag with the Illinois Tollway logo. The sky is clear and blue. A green horizontal bar is overlaid on the top half of the image, containing the title text.

Video Tolling

November 14, 2016

Shana Whitehead



Goals: Video Toll Transaction Charges

- Increase transponder use among drivers
- Increase tolling accuracy
- Decrease costs of capturing tolls
 - Transponder tolls cost \$.08 per dollar of revenue, while video tolls cost more than \$.23 per dollar of revenue
- Maximize cost-effectiveness of toll capture to prepare for cashless tolling
- Eliminate intentional video tolls while limiting action on situations that are unintentional and short-term

Recommendation: Video Toll Transaction Charges

Charge additional 50 percent for video toll transactions to recoup additional costs and to encourage transponder use

Key next steps

- Determine video tolling business rules, including allowable thresholds, account requirements, dispute framework and notifications
- Implement system changes to support new business rules
- Determine if revisions to the I-PASS Agreement are required
- Ensure transponder inventory is adequate to meet additional demand
- Develop public communication plan

Recommendation: Business Rule

Trigger additional 50 percent transaction charge after 10 video tolls on a single license plate in one month period

Key considerations

- Represents intentional video tolling, capturing approximately 70 percent of video tolls – less than 3 percent of I-PASS accounts
- E-ZPass video tolls receive additional charge on each transaction
- Allows warning emails and text messages
- Represents an estimated \$20 million increase in annual revenues
- Represents an estimated \$5 million decrease in annual costs



Recommendation: Detail

Establish capacity to exclude license plates from additional video tolling charge on a case-by-case basis

Key considerations

- Windshields that limit transponder effectiveness
- Vehicle shapes that limit transponder effectiveness

Recommendation: Business Rule

Continue to collect a \$10 deposit for each transponder

Key considerations

- No other E-ZPass organization provides free transponders with no deposit
- Free transponders would attract E-ZPass fleets, raising Tollway costs
- I-PASS customers represents a national customer base, making it difficult to enforce a residency requirement
- Tollway spends more than \$10 for each transponder, including packaging, distribution, and marketing
- Annual Tollway expenditures for transponders are approximately \$10 million, which the deposits offset
- The deposit encourages customers to return transponders, which the Tollway then recycles according to leading environmental guidelines





THANK YOU

