

**CONFIDENTIAL**

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed outside of the Tollway's facilities except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

**Record of Closed Meeting | February 26, 2015**

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:48 a.m. on Thursday, February 26, 2015, to discuss Tollway matters related to performance of specific employees, collective bargaining negotiations and security procedures for the safety of employees and public property, pursuant to Sections 2(c)(1), 2(c)(2) and 2(c)(8) of the *Illinois Open Meetings Act*.

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

**Executive Session Attendance**

Board Members Present:	Staff Present for all or portions of the Meeting:
Chair Paula Wolff	Kristi Lafleur (Executive Director)
Director Jim Banks	Michael Stone (Chief of Staff)
Director Terrence D'Arcy	David Goldberg (General Counsel)
Director Earl Dotson, Jr.	Wendy Abrams (Chief of Communications)
Director David Gonzalez	James Wagner (Inspector General)
Director Jeff Redick	
Director James Sweeney	

**Directors discussed the Inspector General's Summary Activity Report.**

Executive Director Lafleur stated that a briefing is planned for the Board on items which may be included in the Inspector General's ("IG's") Summary Activity Report, conveyed semi-annually pursuant to requirements of the *Toll Highway Act*, for the period of October 1, 2014 to March 31, 2015. She explained that a preview of these items is being provided in Executive Session to allow



Directors an opportunity for discussion of personnel and security issues not appropriate for public session. Ms. Lafleur then introduced James Wagner, Inspector General, to provide the briefing.

Mr. Wagner prefaced his briefing by noting that the Office of Inspector General ("OIG") will be conveying its Summary Activity Report for the period October 1, 2014 - March 31, 2015 to the Tollway Board, the Office of the Governor and the Illinois General Assembly at the end of March. He further stated that the verbal summary he is providing will cover items completed to-date which are likely to be included in the Report, clarifying that the Report could include additional items that may be finalized before the reporting period concludes on March 31, 2015.

**Report Item 1:** Mr. Wagner first provided background information on an investigation conducted by the OIG of a Tollway customer service representative ("CSR") assigned to an oasis location. He reported that the CSR, when confronted with certain evidence, admitted to misappropriation over the past five years of approximately \$10,000 of funds owed to the Tollway by customers who attempted to pay for missed tolls. Mr. Wagner further reported that the employee has resigned and has agreed to repay \$10,000 to the Tollway. Mr. Wagner stated that as a result of the investigation, the OIG is proposing a number of recommendations, including: 1) restricting all oases' Customer Service Centers from handling cash transactions, which would instead be referred to the Customer Service Center at Tollway Headquarters; and 2) creating a record of the request, approval and resulting transaction for any CSR transaction requiring manager approval.

The Board and staff then discussed the specifics of how the misappropriation is believed to have occurred and the OIG recommendations proposed, including the benefits and disadvantages of restricting the handling of cash transactions to Tollway Headquarters. Other potential preventative measures were also discussed.

Staff informed the Board that the OIG recommendations resulting from this investigation are currently being evaluated by Business Systems for response. Staff also identified certain preventative measures that have already been implemented, including updating Customer Service Center signage to alert customers both that staff are required to issue a receipt for every transaction and that cash and credit are accepted for all transactions. Staff further specified that a more robust audit trail of transactions made by customer service representatives will be implemented as part of the new "back office".

The Board and staff then discussed potential methods for compelling the restitution agreed to by the offending former employee, including through the criminal justice system, civil action and/or forfeiture of pension contributions anticipated for refund.



A Director asked whether the agency will be seeking individual criminal accountability for the misappropriation. Staff responded that the evidence will be further evaluated and that potential referral in pursuit of criminal charges will be explored.

Upon conclusion of the discussion of this briefing item, staff observed that the IG's investigation identified for management areas of process and security which needed attention, highlighting the value provided by the work of the OIG in improving internal controls within the agency.

**Report Item 2:** Mr. Wagner then provided background information on the circumstances leading to an investigation made by the OIG of the Tollway's personnel policies and of the Criminal Background Review Committee ("CBRC") process. He reported that the investigation determined sufficient reasonable cause to believe CBRC members do not have adequate expertise or knowledge. He informed the Board that as a result of the investigation, the OIG is proposing a number of recommendations, including: 1) the current policy should be updated to require all CBRC members to have significant experience or training in criminal law and criminal history reports; and 2) the CBRC should use written correspondence to collect information from the candidate regarding the conviction rather than in-person interviews primarily used at present.

A Director asked whether the OIG recommendation that the CBRC request all information obtained by ISP or any other law enforcement agency regarding any applicant prior to hiring is referring to a request for information in writing, and if so, suggested that this recommendation should be more explicit. Mr. Wagner responded affirmatively.

The Board and staff then discussed agency policy regarding criminal background restrictions for specific Tollway positions and the OIG recommendations resulting from this investigation, including methods for interviewing applicants or employees regarding criminal history. Staff noted that the OIG recommendations proposing modifications to Tollway Policy and Procedures are also being reviewed by the Legal department for response and that additional guidance is being sought as to the best practice for conducting either written correspondence or in-person interviews. A Director suggested the Tollway seek guidance from the Safer Foundation and the Cabrini Green Legal Aid Clinic, both non-profit organizations that facilitate reintegration of ex-offenders and work with employers on implementation of best practices.

Directors expressed concern that the Tollway's personnel policies and employment process be transparent to potential job applicants and neither be exclusive of nor intimidating to applicants who may have criminal histories, asserting that debts served, rehabilitation and remediation should be factors considered in employment decisions. Staff responded that the criminal conviction history practices in place, including a two-tier review process whereby the CBRC



identifies, with input from the applicant, the accuracy of the criminal history disclosed and then provides this information along with CBRC guidance to the Administrative Review Board, are designed to allow consideration of these factors in determining suitability for employment.

Staff then assured the Board that a criminal conviction is not a bar to employment at the Tollway and that appropriate employment policies and practices have been implemented, noting that Equal Employment Opportunity Commission ("EEOC") Enforcement Guidance stresses that a blanket or targeted exclusion of individuals could lead to litigation exposure. Staff explained that the agency has developed a narrowly-tailored policy for screening applicants and employees for criminal conduct, in keeping with EEOC Enforcement Guidance, which considers among other things: the nature and gravity of the offense; the time that has elapsed since the offense; and the nature of the job held or sought. Mr. Wagner added his general concurrence with the approach to considering convictions in relation to employment.

### **Directors discussed collective bargaining negotiations.**

*[Discussions redacted related to collective bargaining negotiations.]*

**Public Labor Agreement:** Staff then informed the Board that, based on the Governor's public call to eliminate government-mandated project labor agreements ("PLAs"), the Tollway is exploring the process for terminating the Tollway's standing multi-project labor agreement ("MPLA"), in effect since 1994. Staff explained that the Tollway's MPLA establishes the terms under which contractors must operate for all Tollway construction project work.

A Director inquired regarding the process of termination and whether Board action is anticipated to be required. Staff responded that the procedural requirements for termination of the MPLA are currently being examined and that more complete information will be provided to the Board when the Legal department has concluded its assessment. Staff noted that the implications to Tollway contracts in various stages of effect and process have yet to be determined and will need to be considered.

A Director inquired about the process by which a prime contractor becomes a signatory to the Tollway's MPLA. Staff responded that the Tollway's standing MPLA is incorporated into bid packages and becomes part of the construction contract documentation.

**A Director requested that an historical framework for Tollway MPLA's be provided for the Board when this issue is revisited.**



---

**Directors met with Executive Director Lafleur to discuss personnel matters.**

---

**Directors met without Executive Director Lafleur to discuss personnel matters.**

---

### **Re-Enter Public Session**

---

There being no further questions, at approximately 11:25 a.m., Chair Wolff called for a motion to re-enter the public session of the Regular Board Meeting. Director Banks made the motion; seconded by Director Dotson. The motion was approved unanimously.

Minutes taken by: \_\_\_\_\_ /s/ on original

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority

**CONFIDENTIAL**

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed outside of the Tollway's facilities except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

**Record of Closed Meeting | March 26, 2015**

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 12:18 p.m. on Thursday, March 26, 2015, to discuss Tollway matters related to the performance of specific employees and the appointment of legal counsel, collective bargaining negotiations, acquisition of real property, and litigation involving the Tollway, pursuant to Sections 2(c)(1), 2(c)(2), 2(c)(5) and 2(c)(11) of the *Illinois Open Meetings Act*.

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

**Executive Session Attendance****Board Members Present:**

Chair Paula Wolff

Director Terrence D'Arcy

Director Earl Dotson, Jr.

Director David Gonzalez

Director Peterson

Director Jeff Redick

Director James Sweeney

Director Tom Weisner

**Staff Present for all or portions of the Meeting:**

Kristi Lafleur (Executive Director)

Michael Stone (Chief of Staff)

David Goldberg (General Counsel)

Rocco Zuccherro (Deputy Chief of Engineering for Planning)

**Directors discussed Land Acquisitions.**

Staff provided a summary table of the Elgin O'Hare Western Access Project ("EOWA") and the Jane Addams Memorial Tollway (I-90) parcel identification reports noting the addition of five parcels on the EOWA report.





---

**Directors discussed litigation matters and assignment of counsel.**

---

General Counsel provided background on the case, previously discussed with the Board, of *Carollo v. Tollway and Village of Schiller Park*, a suit emanating from a sledding collision with a raised water main pipe (owned by Schiller Park) on Tollway property. Staff reminded the Board that an agreement was reached with the Village of Schiller Park that assigned the Village a 75% share, and the Tollway a 25% share of responsibility for any settlement agreement reached through mediation. Staff reported that a settlement agreement was reached for \$150,000, the Tollway's share of which is \$37,500. Staff expressed satisfaction with the settlement amount and specified that Legal Item #7 on the Board agenda is seeking Board approval for payment of the Tollway's share of the settlement.

*[Discussions related to litigation and litigation strategy are redacted.]*

General Counsel then specified that Legal Item #8 on the Board agenda is seeking approval of the selection of two firms from the Tollway's approved pool of firms to serve in the roles of bond counsel (Mayer Brown LLP) and issuer's counsel (Foley & Lardner LLP) in connection with the first planned 2015 transactions, which may include a new money issuance and/or a refunding of the Toll Highway Senior Priority Revenue Bonds, 2008 Series B, and to recommend one additional firm to serve as Underwriter Counsel (Ice Miller LLP) for the same transaction(s).

---

**Directors discussed collective bargaining negotiations.**

---

*[Discussion redacted related to collective bargaining negotiations.]*

---

**Directors met with Executive Director Lafleur to discuss personnel matters.**

---

---

**Directors met without Executive Director Lafleur to discuss personnel matters.**

---

---

**Re-Enter Public Session**

---

There being no further questions, at approximately 12:56 p.m., Chair Wolff called for a motion to re-enter the public session of the Regular Board Meeting. Director Peterson made such a motion; seconded by Director Redick. The motion was approved unanimously.



# ILLINOIS STATE TOLL HIGHWAY AUTHORITY

## Minutes of the Executive Session of the Board of Directors Meeting

Meeting Date  
**March 26**  
2015



Minutes taken by: \_\_\_\_\_ /s/ on original

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority



**CONFIDENTIAL**

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed to unauthorized personnel except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

**Record of Closed Meeting | April 23, 2015**

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:25 a.m. on Thursday, April 23, 2015, to discuss Tollway matters related to the performance of specific employees, collective bargaining negotiations, and litigation involving the Tollway, pursuant to Sections 2(c)(1), 2(c)(2) and 2(c)(11) of the *Illinois Open Meetings Act*.

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

**Executive Session Attendance****Board Members Present:**

Chair Paula Wolff

Director Terrence D'Arcy

Director Earl Dotson, Jr.

Director David Gonzalez

Director Mark Peterson

Director Jeff Redick

Director James Sweeney

Director Tom Weisner

Director Jim Banks

**Staff Present for all or portions of the Meeting:**

Kristi Lafleur (Executive Director)

Michael Stone (Chief of Staff)

David Goldberg (General Counsel)

Dave Wilson (Senior Asst. Attorney General)

**Directors discussed a workers' compensation settlement.**



General Counsel provided a summary of the workers' compensation matter of Don Wilch, a Tollway employee who suffered a serious knee injury while performing his duties as an equipment operator laborer. He reported that a negotiated settlement between the parties has been reached for \$60,000, an amount which is below the expected range of potential litigation exposure of \$65K - \$85K, as determined by outside counsel. General Counsel advised that the Legal department is recommending approval.

**Directors discussed litigation matters involving the Tollway.**

---

*[Discussions related to litigation and litigation strategy are redacted.]*

**Directors discussed collective bargaining negotiations.**

---

*[Discussions redacted related to collective bargaining negotiations.]*

**Directors met with Executive Director Lafleur to discuss personnel matters.**

---

**Directors met without Executive Director Lafleur to discuss personnel matters.**

---

**Re-Enter Public Session**

---

There being no further questions, at approximately 11:03 a.m., Chair Wolff called for a motion to re-enter the public session of the Regular Board Meeting. Director Banks made such a motion; seconded by Director Redick. The motion was approved unanimously.

Minutes taken by: \_\_\_\_\_ /s/ on original  
Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority