ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Minutes of the

Executive Session of the Board of Directors Meeting

Meeting Date
May 28
2015

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Record of Closed Meeting | May 28, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:25 a.m. on Thursday, May 28, 2015 to discuss Tollway matters related to collective bargaining negotiations, land acquisition, issuance of securities, imminent or pending litigation involving the Tollway, and the minutes of closed meetings, pursuant to Sections 2(c)(2), 2(c)(5), 2(c)(7), 2(c)(11) and 2(c)(21) 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 Jim Banks
Director Earl Dotson, Jr.
Director Joseph Gomez
Director David Gonzalez
Director Craig Johnson
Director Nick Sauer
Director Robert Schillerstrom
Director James Sweeney

Staff Present for all or portions of the Meeting:
Kristi Lafleur (Executive Director)
Michael Stone (Chief of Staff)
David Goldberg (General Counsel)
Rocco Zucchero (Deputy Chief of Engineering for Planning)
Joanne Fehn (Land Acquisition Manager)
Mike Colsch (Chief of Finance)
Paul Kovacs (Chief Engineer)
Christi Regnery (Board Secretary)

Chair Wolff provided for the benefit of newly-appointed Directors a brief overview of Executive Session proceedings. She emphasized that the confidentiality of all discussions held in closed session is strictly maintained by those staff in attendance, allowing for an unhindered exchange by Board members. Chair Wolff advised that items or matters presented or discussed in closed session are not acted upon by the Board, pursuant to statute, until returning to open session.

Directors discussed a land acquisition item.

Staff provided an overview of the DiBenedetto resolution process and obligations, arising from the eminent domain matter of *Illinois State Toll Highway Authority. v. DiBenedetto*, for identification of real estate parcels that may need to be acquired by the Tollway through condemnation.

Staff then provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project and the Jane Addams Memorial Tollway (I-90) parcel identification reports noting the addition of nine parcels, six in DuPage County and three in Cook County, on the EOWA report. Staff clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

A Director inquired whether Board members should examine the parcel identification reports for potential conflicts of interest with parcels which were listed therein prior to their appointment. Staff responded that recusal is likely only warranted should a potential conflict of interest exist with newly identified parcels or previously identified parcels if presented for additional Board action in the future.

Directors discussed the minutes of prior closed sessions.

Staff advised that, pursuant to the Illinois *Open Meetings Act*, the Board is mandated to periodically, but no less than semi-annually, review the written minutes of all closed meetings. Staff explained that a determination by the Board is then made, and, reported in an open session, that the need for confidentiality still exists as to all or part of those minutes or that the minutes or portions thereof no longer require confidential treatment and can be released publically. Staff stated that the current content proposed for public release and continued redaction was originally planned to be presented for Board consideration in the current month but in light of the recent appointment of new Directors, consideration of this content will be deferred to the Executive Session of the June Board of Directors meeting.

Discussion then ensued regarding the retention requirements for audio recordings of closed meetings and the rules and statutes governing records management, including the Illinois *State Records Act*. Several Board members shared their understanding and experiences in their other capacities related to these retention requirements. General Counsel stated these matters would be looked at further for the Tollway.

[Director Dotson departed the meeting at approximately 11:48 a.m.]

Directors discussed an SEC matter.

[Discussions related to litigation and the sale and purchase of securities are redacted.]

Directors discussed collective bargaining.

[Discussions related to collective bargaining issues are redacted.]

Directors discussed litigation matters involving the Tollway.

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

Midwest Fence Corp. v. Tollway: General Counsel provided a summary of the case of *Midwest Fence Corp. v. Illinois State Toll Highway Authority*, a constitutional challenge to federal and state programs designed to benefit disadvantaged business enterprises in the highway construction industry. Staff highlighted that in March, the United States District Court Judge in the Northern District of Illinois granted complete summary judgment for the federal government, the Illinois Department of Transportation ("IDOT"), and the Illinois State Toll Highway Authority; however, the Plaintiff in the matter has recently filed notice of appeal with the United States Court of Appeals for the Seventh Circuit.

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

Marro v. Tollway: General Counsel then provided a summary of the case, previously discussed with the Board, of *Marro v. Illinois State Toll Highway Authority*, a wrongful termination claim made by former husband and wife Tollway employees. Staff informed the Board that the Plaintiffs' termination was a consequence of an investigation conducted by the Office of Inspector General ("OIG"), which found things like misuse of a company vehicle and that Tollway employees were used to perform work on the Plaintiffs' personal residence, in violation of agency policy. *[Discussions related to litigation and litigation strategy are redacted.]*

Directors met with Executive Director Lafleur to discuss personnel matters.

Directors met without Executive Director Lafleur and Chair Wolff to discuss personnel matters.

Re-Enter Public Session

There being no further questions, at approximately 12:52 p.m., Director Sweeney made a motion to re-enter the public session of the Regular Board Meeting; seconded by Director Banks. The motion was approved unanimously by those Directors present, Director Dotson and Chair Wolff having earlier departed the Executive Session.

Minutes taken by: /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | June 25, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:25 a.m. on Thursday, June 25, 2015 to discuss Tollway matters related to personnel matters and the appointment of counsel, purchase of real property, and potential or pending litigation involving the Tollway, pursuant to Sections 2(c)(1), 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:
Chairman Robert Schillerstrom
Director Jim Banks
Director Earl Dotson, Jr.
Director Joseph Gomez
Director Craig Johnson
Director Nick Sauer
Director James Sweeney

Staff Present for all or portions of the Meeting:
Kristi Lafleur (Executive Director)
Michael Stone (Chief of Staff)
David Goldberg (General Counsel)
Elizabeth Looby (Deputy General Counsel)
Christi Regnery (Board Secretary)

Directors discussed worker's compensation settlements.

Liz Looby, Deputy General Counsel, provided for the benefit of the Board an overview of the Tollway's self-funded workers' compensation program, including benefit requirements pursuant to the Illinois *Worker's Compensation Act*, program statistics, reserve fund expense and the internal processes established for claims handling.

During the presentation, Ms. Looby reported that there are approximately 200 new workers' compensation claims opened yearly, and, at any given time, there are approximately 300 open claims being administered (claims take on average 18 months to resolve), encompassing a range of medical conditions and employee disability. Staff noted that claims which have advanced to a phase when preliminary settlement (permanency award) has been negotiated for an amount exceeding $50,000 are then brought to the Board for consideration.

A Director inquired if a cost-benefit analysis has been performed comparing self-funding versus procuring insurance coverages for the Tollway's workers' compensation program and whether stop-loss excess insurance has been considered for protection from catastrophic claims. **Staff responded** that an assessment was performed when establishing the self-funded program; however, **information regarding any follow up analysis conducted and additional insurance coverages explored will be provided post-Meeting.**

Staff then provided a summary of the workers' compensation matter of Timothy Gutt, a Tollway employee who suffered accepted injuries to his shoulders, rib, back and chest while performing his duties as a coin counter in the Money Room. Staff reported that a negotiated settlement between the parties has been reached for $67,566, *[Discussions related to litigation and personnel matters are redacted.]*

Staff advised that both the Legal Department and outside counsel are recommending approval of the settlement authorized in Legal Item 3.

A Director asked for clarification of the circumstances of the injury. Staff responded with the requested information.

Staff then provided a summary of the workers' compensation matter of Emilio Mendez, a Tollway employee who suffered an accepted back injury and three subsequent aggravations to the original injury while performing his duties as an equipment operator/laborer. Staff reported that a negotiated settlement between the parties has been reached for $100,735.85, *[Discussions related to litigation and personnel matters are redacted.]*

Staff advised that both the Legal Department and outside counsel are recommending approval of the settlement authorized in Legal Item 4.

A Director asked for clarification of the circumstances and timing of the injuries claimed. Staff responded with the requested information, further specifying that the original injury and the three subsequent injury aggravations claimed would be resolved under the recommended settlement.

Directors discussed potential litigation matters involving the Tollway.

General Counsel informed the Board that a demand letter was received by the Tollway from exp US Services, Inc., ("exp") seeking payment for services rendered. He stated that the matter arises out of Tollway contract I-LI-5634 with exp for construction management services on the Northbound Tri-State Tollway (I-294). He explained that before the contract expired on December 31, 2014, exp performed work at the Tollway's request which exceeded the upper limit of the contract, and was performed without a supplement to the contract being executed as is customary practice. He further explained that state procurement officials have informed the Tollway that a solution is not available under procurement channels. General Counsel emphasized that the Tollway has received the benefit of the extra work performed by exp and advised that it would be in the best interest of the Tollway to enter into a legal settlement agreement with exp for $206,241.45.

A Director requested confirmation a settlement agreement would be an appropriate method to satisfy payment for the services rendered. General Counsel confirmed.

Directors discussed the appointment of counsel.

General Counsel provided background on a recent Tollway Legal Department request for proposal soliciting law firms to serve in a pool of outside legal counsel available to represent the agency, particularly in six identified legal practice areas for which the Tollway most frequently engages outside attorneys. *[Discussions related to personnel matters are redacted.]*

Directors discussed Land Acquisitions.

Executive Director Lafleur excused herself at this time, expressing it is her wish to recuse herself from participation in discussions or decisions related to Tollway land acquisition activities. [*Executive Director Lafleur then departed the meeting*.]

Staff updated the Board regarding land acquisition activities around O'Hare International Airport (the "Airport") required for the Elgin O'Hare Western Access ("EOWA") Project, noting a meeting is scheduled for June 30, 2015 with Airport leadership regarding land acquisition.

[Discussions related to land acquisition are redacted.]

Directors discussed personnel matters.

Directors then discussed the qualifications, skills and experience of Greg Bedalov, a candidate proposed and recommended by the Governor's Office, to serve in the position of Executive Director of the Tollway, replacing resigning Executive Director Kristi Lafleur. Additionally discussed were potential compensation levels and benefits. Upon conclusion of the discussion, the Board expressed consensus in support of hiring Mr. Bedalov as the new Executive Director, setting his compensation at $180,000 annually, with a performance review to occur at the end of 2015, and authorizing the Chairman to finalize other employment details for Mr. Bedalov. The Board additionally expressed support for attempting to retain Kristi Lafleur in an alternate position at her current salary level for a period of 30 days to assist with the transition.

Re-Enter Public Session

There being no further questions, at approximately 11:45 a.m., Chairman Schillerstrom called for a motion to re-enter the public session of the Regular Board Meeting. Director Sweeney made such a motion; seconded by Director Banks. The motion was approved unanimously.

Minutes taken by: /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | July 23, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:30 a.m. on Thursday, July 23, 2015 to discuss Tollway matters related to the performance of specific employees, the purchase of real property, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)1, 2(c)5, 2(c)11 and 2(c)21 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:
Chairman Robert Schillerstrom
Director Jim Banks
Director Corey Brooks
Director Earl Dotson, Jr.
Director Joseph Gomez
Director David Gonzalez
Director Craig Johnson
Director Nick Sauer

Staff Present for all or portions of the Meeting:
Greg Bedalov (Executive Director)
Michael Stone (Chief of Staff)
David Goldberg (General Counsel)
Rocco Zucchero (Deputy Chief of Eng. for Planning)
Christi Regnery (Board Secretary)

Directors discussed land acquisition activities.

Staff provided an overview of the DiBenedetto resolution process and obligations, arising from the eminent domain matter of *Illinois State Toll Highway Authority. v. DiBenedetto*, for identification of real estate parcels that may need to be acquired by the Tollway through condemnation. Staff explained that public identification under DiBenedetto is the initial step in

the process by which private property can be taken by the Tollway for the purpose of public use through the exercise of the power of eminent domain (condemnation), clarifying that the Tollway must reimburse the property owner with just compensation for their subsequent loss of property. Staff noted that condemnation is not limited in use to taking fee simple title but can additionally be used to acquire various real estate interests and non-possessory rights, including access control, permanent or temporary easement. Staff further explained that the Tollway has the authority, conferred by statute, to exercise quick take condemnation by depositing in court the probable compensation as determined by appraisal and obtaining an order for possession at the beginning of the condemnation proceeding, rather than awaiting final judgment before taking possession as is required using the straight condemnation method. Staff emphasized that agreement with property owners is typically reached during the price negotiation phase without the need to exercise the Tollway's condemnation authority.

Staff provided a summary table of the Tri-State Tollway (I-294) Project parcel identification report noting the addition of four parcels, all within Cook County, as described in Engineering Item 16. Staff additionally provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of five parcels, two within Cook County and three within DuPage County, as described in Engineering Item 17. Staff clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

A Director requested that Board members be provided in the future expanded descriptions of the real estate interests being sought by the Tollway and maps of the parcels identified for acquisition. **Staff responded that this information will be provided going forward.**

A Director asked how often condemnation proceedings are needed to acquire identified parcels. Staff estimated that in general roughly 30 percent may require some type of court proceeding, noting that to-date a little less than 20 percent of the parcels identified as needed for the EOWA Project have required condemnation proceedings.

Directors discussed a workers' compensation settlement.

General Counsel prefaced the summary of the following item by noting that Board approval is currently required for negotiated workers' compensation settlements in an amount of $50,000 or more.

Staff then provided a summary of the workers' compensation matter of Glenn Lawnicki, a Tollway employee who suffered an accepted back injury while performing his duties as a toll collector. Staff reported that a negotiated settlement between the parties has been reached for $275,000, *[Discussions related to litigation and personnel matters are redacted.]* Staff advised

that both the Legal Department and outside counsel are recommending approval of the settlement authorized in Legal Item 3.

A Director inquired whether the Tollway is currently providing health insurance for the claimant. Staff responded affirmatively, explaining that the claimant is also receiving temporary total disability benefits ("TTD").

A Director requested confirmation that TTD are two-thirds of the average weekly wage and, additionally, are not taxed. Staff confirmed.

A Director inquired about potential Tollway liability for future medical care. Staff responded that the settlement agreement completely resolves the workers' compensation claim and closes any right to future medical care.

Re-Enter Public Session

There being no further questions, at approximately 11:50 a.m., Chairman Schillerstrom called for a motion to re-enter the public session of the Regular Board Meeting. Director Johnson made such a motion; seconded by Director Banks. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

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

Nays: None (0)

The motion to approve PASSED.

Minutes taken by: /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | August 27, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:12 a.m. on Thursday, August 27, 2015 to discuss Tollway matters related to the performance of specific employees, the purchase of real property, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)1, 2(c)5, 2(c)11 and 2(c)21 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:
Chairman Bob Schillerstrom
Director Jim Banks
Director Corey Brooks
Director Earl Dotson, Jr.
Director Joseph Gomez
Director David Gonzalez
Director Craig Johnson
Director Nick Sauer
Director James Sweeney

Staff Present for all or portions of the Meeting:
Greg Bedalov (Executive Director)
Michael Stone (Chief of Staff)
David Goldberg (General Counsel)
Rocco Zucchero (Deputy Chief of Eng. for Planning)
Paul Kovacs (Chief Engineer)
Brian Bottomley (Senior Project Engineer)
Christi Regnery (Board Secretary)

Directors discussed the minutes of a closed session meeting.

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board meeting held on July 23, 2015. He inquired if there were any questions, concerns or requests for amendment. Hearing none, Chairman Schillerstrom advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.

General Counsel noted that upon approval, Executive Session minutes remain confidential until reviewed periodically by the Board to determine if there are any contents which may be appropriate for public release.

Directors discussed land acquisition activities.

Identification of Real Estate Parcels (Engineering Item 21): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Reagan Memorial Tollway (I-88) Project parcel identification report noting the addition of one parcel, E-4-66 in Lee County, for which fee simple title is sought. Staff noted that, at the request of the Board, expanded descriptions, including the real estate interests being sought by the Tollway and an aerial view of the parcel identified for acquisition, have been provided. Staff clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

Directors discussed litigation matters related to land acquisition.

Administrative Settlement with Nicor (Engineering Item 22): Staff provided an overview of Tollway land acquisition activities which seek permanent easement rights to Parcel NW-6B-13-015, owned by Nicor and which is needed in connection with the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project. Staff reported that Nicor has recently offered settlement for the real estate interests needed in an amount of $671,000, an amount which is below their initial request for $710,000. Staff noted that because the settlement amount would exceed the agency's approved offer by $100,000 or more (Tollway offer of $442,500), Board authorization is required. Staff then identified reasons which support settlement, including avoiding the potential costs to the Tollway of Project delays and/or of litigation as well as the benefit of maintaining an amicable relationship with a public utility from which real estate interests continue to be needed. Staff stated that for the reasons provided, the Tollway's Acting

Land Acquisition Manager is recommending that the Board approve the Administrative Settlement with Nicor to acquire the needed permanent easement for a total sum of $671,000.

A Director inquired about the option of quick take condemnation. Discussion ensued regarding the limitations of that option in this circumstance.

A Director inquired about the difference in the valuations asserted by the parties. Staff responded that Nicor and the Tollway have differed on the appropriate characterization of this taking – fee versus permanent easement. Staff then provided an overview of the appraisal process employed by the Tollway, which includes the engagement of independent Illinois certified real estate appraisers.

A Director commented that although the settlement amount offered exceeds the agency's valuation for the real estate interest sought, the Tollway's options are limited at this late stage relative to Project construction schedules. Directors and staff then discussed the merits of the parties' positions on valuation, the urgency with which the acquisition is needed, the history of the agency's working relationship with Nicor and the potential precedent which might be established by entering into administrative settlement. Additionally discussed were the advantages and disadvantages of various negotiating strategies with utilities.

At the conclusion of discussion, **Chair Schillerstrom expressed the consensus of the Board that staff should explore approaches**, giving particular forethought to the Central Tri-State Tollway (I-294) Project, **which would enhance the Tollway's position when dealing in the future with utilities for needed real estate interests**, including potentially seeking in advance of negotiations a finding from the Illinois Commerce Commission ("ICC") which could facilitate the Tollway's option to exercise condemnation authority. General Counsel noted that staff will research industry practices and the requirements and mechanisms of the ICC in this regard and report back to the Board.

Directors additionally suggested that the Chairman and/or senior management consider meeting with the new executive leadership team of the combined company, formed by AGL Resources' recently completed merger with Nicor Inc., to explore the potential for strengthening the working relationship.

Final Settlement of Condemnation Litigation (Legal Item 3): Staff provided a summary of the condemnation matter which seeks fee simple title of Parcel EO-1B-12-007, owners of record being Louis Mattioli (deceased) and Beatrice Mattioli and needed in connection with the Elgin O'Hare Western Access Project. Staff explained that order vesting title was previously

obtained by ruling of a quick take condemnation hearing held on September 15, 2014 and upon the Tollway's deposit of preliminary just compensation, as determined by the court, in the amount of $1,310,305. Staff reported that the Tollway is now in receipt of the final settlement report from the assigned Special Assistant Attorney General, who is recommending settlement for the parcel in the amount of $1,310,305, an amount which is above the Tollway's valuation of $850,000, below the property owner's appraised value of $1,850,000 and equal to the sum determined by the court as preliminary just compensation. Staff advised that the property owner has agreed to fully settle this matter for the sum awarded for preliminary just compensation of $1,310,305 and that staff is recommending approval of a global settlement in this amount.

A Director asked what might account for the relatively high valuation for this single family residence. Staff responded that the parcel is sizable, commercially zoned and located within a developing commercial corridor.

Directors discussed the property valuations asserted and expressed comfort that the settlement offer coincides with the amount of preliminary just compensation awarded through a judicial proceeding.

Directors discussed a litigation matters involving the Tollway.

Litigation Settlement - Rhino Foods (Legal Item 2): Staff provided a summary of a recently mediated property damage claim filed by the Tollway which emanates from a multiple vehicle accident that occurred in 2013, causing damage to a Tollway median. Staff explained the accident occurred as a result of actions of the driver of a vehicle owned by Rhino Foods and, consequently, a dozen different entities, including the Tollway, have made claims against Rhino Foods, the sum total of which exceed the $300,000 of available insurance proceeds. Staff added that research has revealed that the company and its owners have no other assets available, limiting prospects that further legal action would be cost-effective. Staff stated the Legal Department is therefore recommending that the Tollway accept settlement in the amount of $43,402.40, the proportional value assigned by a mediator to the Tollway's claim against the limited insurance proceeds available.

Midwest Fence Corp. v. Tollway: General Counsel provided a summary of the case of *Midwest Fence Corp. v. Illinois State Toll Highway Authority*, a constitutional challenge to federal and state programs designed to benefit disadvantaged business enterprises in the highway construction industry. Staff highlighted that in March, the United States District Court Judge in the Northern District of Illinois granted complete summary judgment for all defendants: the federal government, the Illinois Department of Transportation ("IDOT") and the Illinois State Toll Highway Authority. Staff clarified that the Plaintiff, however, subsequently filed notice of

appeal with the United States Court of Appeals for the Seventh Circuit, before which the matter currently resides.

Staff then updated the Board, providing an overview of a recently concluded court case, *[Discussions related to litigation and litigation strategy are redacted.]* Staff reported that the district court (Central District of Illinois) similarly granted complete summary judgment to the defendants and, similarly, the plaintiff in the matter filed notice of appeal with the United States Court of Appeals for the Seventh Circuit. Staff reported that recently, the Seventh Circuit affirmed summary judgment rejecting Dunnet's claim that IDOT's DBE Program discriminates on the basis of race.

[Discussions related to litigation and litigation strategy are redacted]

Directors discussed a personnel matter.

[Discussions related to personnel matters are redacted.]

Re-Enter Public Session

There being no further questions, at approximately 11:48 a.m., Chairman Schillerstrom called for a motion to re-enter the public session of the Regular Board Meeting. Director Johnson made such a motion; seconded by Director Sauer. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Sauer, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (9).

Nays: None (0)

The motion to approve PASSED.

Minutes taken by: /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | September 24, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:50 a.m. on Thursday, September 24, 2015 to discuss Tollway matters related to the purchase of real property, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)5, 2(c)11 and 2(c)21 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:
Chairman Bob Schillerstrom
Director Jim Banks
Director Corey Brooks
Director Earl Dotson, Jr.
Director Joseph Gomez
Director Craig Johnson
Director Nick Sauer
Director James Sweeney

Staff Present for all or portions of the Meeting:
Greg Bedalov (Executive Director)
Michael Stone (Chief of Staff)
David Goldberg (General Counsel)
Rocco Zucchero (Deputy Chief of Eng. for Planning)
Paul Kovacs (Chief Engineer)
Christi Regnery (Board Secretary)

Directors discussed the minutes of a closed session meeting.

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board meeting held on August 27, 2015. He inquired if there were any questions, concerns or requests for amendment. Hearing none, Chairman Schillerstrom advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.

General Counsel confirmed that upon approval, Executive Session minutes remain confidential until reviewed periodically by the Board to determine if there are any contents which may be appropriate for public release.

Directors discussed land acquisition activities.

Identification of Real Estate Parcels (Engineering Item 13): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of twenty-three (23) parcels, twenty-one (21) within Cook County and two (2) within DuPage County, as described in Engineering Item 13. Staff noted that, at the request of the Board, expanded descriptions, including the real estate interests being sought by the Tollway have been provided. Staff clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

Chairman Schillerstrom provided an overview of the land acquisition process and the varying real estate interests that may be needed, reminding Directors that public identification is the initial step in the eminent domain process. He clarified that the summary table provided to Directors includes a complete listing of all the parcels identified to-date for acquisition as needed for the Project, however, it is only the newly identified parcels, highlighted in yellow, which are subject of the amended resolution for which Board consideration is being requested at the Meeting.

A Director requested confirmation that Board members need not examine the parcel identification reports for potential conflicts of interest with parcels which were listed therein prior to their appointment. Staff responded that recusal is likely only warranted should a potential conflict of interest exist with newly identified parcels or previously identified parcels if presented for additional Board action in the future.

[At this point, Mr. Kovacs and Mr. Zucchero departed the Executive Session.]

Directors discussed a workers compensation settlement.

A Workers' Compensation Settlement (Legal Item 3): *[Discussions related to litigation and personnel matters are redacted.]*

Staff then provided a summary of the workers' compensation matter of Jeff Girardin, a Tollway employee who suffered an accepted knee injury while performing his duties as a diesel mechanic. Staff reported that a negotiated settlement between the parties has been reached for $60,000, *[Discussions related to litigation and personnel matters are redacted.]*. Staff advised that both the Legal Department and outside counsel are recommending approval of the settlement authorized in Legal Item 3. Staff noted that following the injury, Mr. Girardin, age 63, was released to work with restrictions that the Tollway attempted to accommodate by offering an alternative position as a toll collector; however, Mr. Girardin opted to retire in lieu of returning to work.

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the Regular Board Meeting. Director Johnson made such a motion; seconded by Director Sauer. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

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

Nays: None (0)

The motion to re-enter PASSED.

At approximately 11:02 a.m. the Board re-entered the public session of the Meeting.

Minutes taken by: /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Meeting Date
September 14
2015

Minutes of the

Executive Session of the Finance, Administration & Operations Committee Meeting

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Record of Closed Meeting | September 14, 2015

The Illinois State Toll Highway Authority (the "Tollway") Finance, Administration and Operations Committee met in Executive Session at approximately 11:58 a.m. on Monday, September 14, 2015 to discuss Tollway matters related to collective bargaining, pursuant to exceptions provided in Section 2(c)2 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

Committee Members Present:
Committee Chair Joe Gomez
Director Corey Brooks
Director Nick Sauer

Staff Present for all or portions of the Meeting:
Greg Bedalov (Executive Director)
Michael Stone (Chief of Staff)
David Goldberg (General Counsel)
Shana Whitehead (Chief of Business Systems)
Dave Wilson (Chief of Operations)
Christi Regnery (Board Secretary)

Directors discussed a matter related to collective bargaining.

[Discussions related to collective bargaining issues are redacted.]

Re-Enter Public Session

There being no further questions, at approximately 12:19 p.m. Chair Gomez called for a motion to re-enter the public session of the regular Committee Meeting. Director Sauer made such a motion; seconded by Director Brooks. Motion was approved unanimously.

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

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Record of Closed Meeting | October 22, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:06 a.m. on Thursday, October 22, 2015 to discuss Tollway matters related to collective bargaining, the purchase of real property, potential or pending litigation and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)2, 2(c)5, 2(c)11 and 2(c)21 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:
Chairman Bob Schillerstrom
Director Jim Banks
Director Corey Brooks
Director Earl Dotson, Jr.
Director Joseph Gomez
Director David Gonzalez
Director Craig Johnson
Director Nick Sauer
Director James Sweeney

Staff Present for all or portions of the Meeting:
Greg Bedalov (Executive Director)
Michael Stone (Chief of Staff)
David Goldberg (General Counsel)
Rocco Zucchero (Deputy Chief of Eng. for Planning)
Paul Kovacs (Chief Engineer)
Christi Regnery (Board Secretary)
Shana Whitehead (Chief of Business Systems)
Gustavo Giraldo (Chief of Diversity)
Dave Wilson (Chief of Operations)
Brian Bottomley (Senior Project Engineer)

Directors discussed a disparity study and related pending litigation.

David Goldberg, General Counsel, provided a summary of the case of *Midwest Fence Corp. v. Illinois State Toll Highway Authority*, a constitutional challenge to federal and state programs designed to benefit disadvantaged business enterprises ("DBEs") in the highway construction industry. He reported that in March, the United States District Court, Northern District of Illinois, granted complete summary judgment for all defendants in this matter: the federal government, the Illinois Department of Transportation ("IDOT") and the Illinois State Toll Highway Authority; however, the Plaintiff subsequently filed notice of appeal with the United States Court of Appeals for the Seventh Circuit, before which the matter currently resides. *[Discussions related to pending litigation and litigation strategy are redacted.]*

Directors discussed the minutes of a closed session meeting.

Director Johnson raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on September 24, 2015. He inquired if there were any questions, concerns or requests for amendment. Hearing none, Director Johnson advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.

Directors discussed pending litigation matters.

Final Settlement of Condemnation Litigation (Legal Item 5): General Counsel outlined the three prescribed occasions on which Board approval is sought in the advancement of land acquisition activities, noting that this item, a settlement agreement arising out of Tollway condemnation litigation, is one such occasion.

Staff then provided a summary of the condemnation matter which seeks fee simple title of a single family residence and business in DuPage County, Parcel EO-1B-12-008, needed in connection with the Elgin O'Hare Western Access Project. Staff explained that order vesting title was previously obtained by ruling of a quick take condemnation hearing and upon the Tollway's deposit of preliminary just compensation, as determined by the court, in the amount of $776,972. Staff reported that the Tollway is now in receipt of the final settlement report from the assigned Special Assistant Attorney General, who is recommending settlement for the parcel in the amount of $776,972, an amount which is above the Tollway's valuation of $555,000, below the property owner's appraised value of $1,220,000 and equal to the sum determined by the court as preliminary just compensation. Staff advised that the property owner has agreed to fully settle this matter for the sum awarded for preliminary just compensation of $776,972 and

that the Tollway Legal Department and the Land Acquisition Manager are recommending approval of a final settlement in this amount.

Civil Litigation Settlement – David Capers (Legal Item 6): Staff provided a summary of a civil claim filed against the Tollway which emanates from a motor vehicle accident that occurred in 2010. Staff explained that the Plaintiff, David Capers, struck a Tollway H.E.L.P. truck which had pulled out in front of Mr. Capers to make a U-turn. Staff noted that evidence suggests that the H.E.L.P. truck driver was performing an unusual maneuver and did not have its emergency strobe lights on at the time. Staff further explained that as a result of this incident, the Plaintiff complained of neck, back, and right knee injuries and received extensive treatment, resulting in claims for damages of $81,692.38 for medical costs and lost time from work. Given the probability the Plaintiff would prevail on liability, staff advised that the Legal Department is therefore recommending the Tollway accept a final settlement reached with the Plaintiff in the amount of $72,500, an amount which is below both the Plaintiff's original settlement demand of $250,000 and the Plaintiff's claim for damages of $81,692.38.

Directors discussed land acquisition activities.

[Mr. Zucchero and Mr. Bottomley entered the Executive Session at this time.]

Identification of Real Estate Parcels (Engineering Item 15): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of twelve (12) parcels, all within Cook County, as described in Engineering Item 15. Staff noted that only the newly identified parcels highlighted in yellow are subject of the amended resolution for which Board consideration is being requested at the Meeting. Staff also clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

[Mr. Zucchero and Mr. Bottomley departed the Executive Session at this time.]

Directors discussed a matter related to collective bargaining.

[Discussions related to collective bargaining issues are redacted.]

Re-Enter Public Session

There being no further business requiring Executive Session, Director Johnson called for a motion to re-enter the public session of the Regular Board Meeting. Director Sauer made such a motion; seconded by Director Dotson. Director Johnson called for vote. The motion PASSED unanimously.

At approximately 12:36 p.m. the Board re-entered the public session of the Meeting.

Minutes taken by: /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority