

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE
FINANCE, ADMINISTRATION AND OPERATIONS
COMMITTEE MEETING**

May 14, 2014

The Illinois State Toll Highway Authority (the “Tollway”) held the Finance, Administration and Operations Committee Meeting on Wednesday, May 14, 2014, at approximately 8:35 a.m. at the Central Administration Building in Downers Grove, Illinois.

Committee Members Present:

Committee Chair Mark Peterson
Director David Gonzalez
Director Terry D’Arcy

Also Attending:

Chair Paula Wolff

Committee Chair Peterson called the meeting to order and opened the floor for public comment. No public comment was offered.

CHAIR – FINANCE, ADMINISTRATION AND OPERATIONS

Committee Chair Peterson called for a motion to approve the Minutes of the Finance Administration Operations Committee Meeting held on April 16, 2014. Director D’Arcy made a motion for approval; seconded by Director Gonzalez. The motion was approved unanimously.

EXECUTIVE DIRECTOR

Committee Chair Peterson introduced Kristi Lafleur, Executive Director. Executive Director Lafleur then introduced Mike Colsch, Chief of Finance, and Cathy Williams, Deputy Chief of Finance, to present the Quarterly Financial Review (“QFR”) for the 1st Quarter of 2014. [See attached presentation.](#)

During Mr. Colsch’s presentation, he noted that unusually severe winter conditions in the first quarter affected revenue and increased operating costs.

Committee Chair Peterson inquired whether the declines in revenue from passenger car transactions during the first quarter can be attributed solely to weather. Mr. Colsch responded that the impact was system wide and that the declines appear to be weather related.

Committee Chair Peterson asked if adjustments to revenue projections are anticipated. Mr. Colsch stated that revenues will continue to be monitored, and that in the 2nd and 3rd quarters of this year consideration will be given to the effect on budget projections for next year.

Committee Chair Peterson inquired about the difference between the budgeted and actual investment income amounts. Mr. Colsch responded that budget projections were based on anticipated short-term interest rate increases, however, short-term rates declined during this period. He further stated that Cathy Williams, Deputy

Chief of Finance, would be making a presentation to the Committee today on Investment Policy in an effort to develop strategies to improve investment performance.

Chair Wolff inquired if there are market considerations in the timing of the Tollway's purchase of winter materials. Mr. Donato responded that materials are purchased under contract and that pricing is determined through the bidding process.

Executive Director Lafleur then introduced Bill O'Connell, Debt Manager, for the first part of his presentation providing an update on the recently completed Bond Sale. [See attached presentation.](#)

Committee Chair Peterson asked for a definition of the Municipal Market Data ("MMD") "AAA" Index and for elaboration on the rates the Tollway achieved measured against this benchmark. Mr. O'Connell stated that the MMD "AAA" Index is the expected market interest rate offer for "AAA" rated institutional block size (\$2 million+) state general obligation bonds, as determined by the MMD analysts. The Tollway was initially expected to receive bid offers, for most maturities, of approximately 65 basis points (or .65 percent) above the MMD Index. Through successful marketing efforts the Tollway received bid offers and achieved a yield, for most maturities, of approximately 50 basis points (or .50 percent) above the MMD Index, an approximately 15 basis point improvement.

Chair Wolff asked for the meaning of the spread amount used in the context of the presentation and for the implications of this amount to the Tollway. Mr. O'Connell responded that this

represents a premium, added by the market, on top of the rate offered to the highest quality “AAA” bond issuers to account for the perceived risk of the issuer. The final yield achieved during the bond issuance determines the debt service the issuer is obligated to pay on the security. The achievement of a smaller spread results in reduced cost to the issuer.

Chair Wolff asked for the effect to the Tollway in dollars of a single basis point improvement in yield achieved. Mr. Colsch responded that in the case of the Tollway’s most recent \$500 million bond issuance, a single basis point has a present value of approximately \$400,000 through the call date.

Chair Wolff asked for an explanation of the mechanics of how market pricing is determined and what factors allowed for the re-pricing of the bond issuance. Mr. O’Connell responded that the strong interest generated by the preliminary pricing wire allowed the underwriters to re-price to a more favorable spread while still maintaining sufficient interest to book the bonds.

Committee Chair Peterson asked which institutions underwrote the bond issuance. Mr. O’Connell stated that the senior underwriters were Citibank, N.A. and Barclays PLC.

Committee Chair Peterson asked at what intervals payments are issued by the Tollway to the bond holders. Mr. O’Connell stated that the coupon payments are to be made on a semi-annual basis.

Director Gonzalez asked if new standards affect accounting for the premium to face value received at the bond sale. Mr. Colsch

responded that the cost of issuance would be expensed upon settlement and that the premium to par would be amortized over the life of the bonds.

Chair Wolff asked for an overall takeaway from the outcome of the bond sale. Mr. Colsch responded that the market is viewing the Tollway's bond issues more favorably, allowing achievement of lower borrowing costs.

Chair Wolff commended the financial team for their marketing, timing and efforts in the successful bond issuance.

Mr. O'Connell, then made the second part of his presentation proposing updates to the Debt Management Guidelines. [See attached presentation.](#)

Chair Wolff asked for clarification of the function of the Tollway's liquidity providers. Mr. O'Connell stated that the liquidity providers are institutions obligated to purchase and hold the Tollway's variable rate bonds should any of those bonds be tendered and unable to be remarketed by the remarketing agent. These counterparties act as a backstop, or insurance policy, should a failure to remarket occur.

Committee Chair Peterson asked if the financial team is comfortable with the Tollway's ratio of variable rate to fixed rate debt obligations. Mr. O'Connell responded affirmatively. He stated that the mix held by the Tollway is conservative within the industry. The bond credit rating agencies view the levels held positively, particularly when considering that all of the Tollway's

variable rate debt obligations are hedged to a fixed interest rate by the use of interest rate swaps.

Committee Chair Peterson asked if the financial team, considering the recent downgrade by Fitch Ratings, is comfortable utilizing Mizuho Bank, Ltd. as a counterparty. Mr. O'Connell responded affirmatively. He stated that Mizuho Bank, Ltd. is assigned the highest category short-term credit ratings by each of three major global rating agencies confirming the banks suitability as a liquidity provider.

Chair Wolff inquired regarding the frequency of the Tollway's utilization of liquidity providers. Mr. O'Connell responded that since the beginning of the Tollway's variable rate bond history in 1993, the only substantial reliance on liquidity facilities occurred from October of 2008 through May of 2009 as a result of the 2007-08 financial crisis.

Chair Wolff asked if the previous need for liquidity was as a result of the Tollway's perception within the market. Mr. O'Connell stated that the liquidity issues were systemic to the bond markets during the financial crisis and did not reflect specific views of the Tollway's creditworthiness.

Chair Wolff asked for the rationale behind the amount of the proposed \$300 million limitation on liquidity provided by a single counterparty. Mr. Colsch responded that the \$300 million figure is based on the amount of the Tollway's historically held non-trustee cash balances allowing for redress should a single counterparty fail to meet liquidity obligations.

Chair Wolff inquired if the Finance staff saw downside to the proposed Debt Management Guideline modifications that could allow total liquidity provided by a single institution to equal the greater of \$300 million or 25% of par value of the variable bonds outstanding. Mr. O’Connell noted no foreseeable downside with such an approach compared to current practice, though Mr. Colsch added that theoretically some measure of added risk could come from potentially dealing with a smaller group of liquidity providers. Mr. Colsch further commented, however, that reducing the number of counterparties offers efficiencies to the Tollway from an administrative standpoint, and sometimes in being able to achieve favorable pricing by offering a bank a larger underwriting piece of business.

Chair Wolff inquired into the desirability of variable rate debt considering the associated risk. Mr. O’Connell stated that variable rate bond issues, including those with attached interest rate swaps, historically achieve more favorable yields than fixed rate debt resulting in lower Tollway debt service payments.

Chair Wolff asked if research was conducted into Debt Guidelines governing variable rate debt held by entities similar to the Tollway. **Mr. O’Connell responded that limits on liquidity provided by a single counterparty and limits on variable rate debt held by similar entities will be provided.** Mr. Colsch added that any comparison of variable rate debt levels held by external portfolios would need to factor whether the debt includes attached interest rate swaps. Mr. Colsch further added that holding some variable

rate debt without attached interest rate swaps may present a cost savings opportunity worth consideration by the committee.

Chair Wolff asked for staff to provide costs associated with attaching interest rate swaps to variable rate debt requiring liquidity providers in order to inform risk-cost analysis of Debt Management Guidelines modifications.

Director D’Arcy asked if the \$30.6 million portion of the bond sale proceeds that were deposited to debt reserve contributes to the Tollway’s cash on hand balance. Mr. Colsch responded that debt reserve deposits are accounted separately.

Director Gonzalez asked for clarification on how proceeds from the bond sale were distributed and the policy governing the portion deposited in reserve. Mr. Colsch stated that the Tollway bond indenture requires the issuer to hold in reserve with the trustee an amount equal to the maximum debt service payable on its bonds in any single calendar year.

Executive Director Lafleur introduced Cathy Williams, Deputy Chief of Finance, for a presentation on proposed updates to the Investment Policy. [See attached presentation.](#)

Chair Wolff inquired into the asset classes currently held within the Tollway’s investment portfolio. Ms. Williams responded that Tollway’s portfolio is currently comprised of Government Securities and Money Market Funds (“MMF”) invested primarily in Government Securities.

Committee Chair Peterson inquired into the reason the Illinois Public Funds Investment Act (“PFIA”) excludes entities such as the Tollway from investment in municipal bonds. Ms. Williams stated that investment by non-municipalities was simply not addressed as part of the legislation.

Chair Wolff asked if the failure by the PFIA to address non-municipalities means that the Tollway is not prohibited from investing in municipal bonds. Mr. Colsch responded that the legislative authorization permitting municipalities to invest in municipal bonds excludes state agencies.

Committee Chair Peterson expressed concern over the low rate of return of MMFs in the current environment. Mr. Colsch noted that when factoring in fees, the effective rate of return may revert to zero. In this circumstance, the investment becomes a vehicle to simply preserve capital.

Chair Wolff asked for the reasoning for investing in fee-based MMFs. Mr. Colsch responded that all of the MMFs that provide the Tollway with needed overnight liquidity carry expense ratios. He further stated that the rate gains in this environment for investment in Treasury Bills as an alternative to MMFs are minimal.

Committee Chair Peterson asked if cost-benefit analysis has been performed on investment in longer term securities. Mr. Colsch stated this type of analysis is being performed and some expansion into longer term securities is occurring. There are currently fixed-term securities within the Tollway’s portfolio with durations

ranging from 30 days to 30 months. Mr. O’Connell added that a portion of the debt reserve deposits and debt service accounts, with reduced liquidity requirements, are being invested in longer term securities in an effort to maximize returns. Mr. Colsch noted that consideration needs to be given to the possibility of mark-to-market negative returns in a potential future rising rate environment when locking into longer term securities.

Committee Chair Peterson expressed his support in maintaining the Tollway’s current conservative short-term based investment strategies. He further noted the substantial challenge entailed in affecting legislation to allow the expansion of investment options for state agencies. Director D’Arcy concurred that the efforts required to pursue legislation are not likely to justify the improvements in investment performance.

Committee Chair Peterson then called on Mr. Colsch to present the following **Finance** item:

Item 1: Updated Investment Policy.

Director D’Arcy made a motion for approval of **Finance Item 1**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson called on John Donato, Chief of Procurement, to present the following **Procurement** items:

Item 1: Award of Contract 14-0062 to AT&T DataComm, Inc. for the purchase of Cisco SMARTnet Software and Hardware

Maintenance, Support, and Upgrades in an amount not to exceed \$1,139,596.86 (Order Against CMS Master Contract).

Committee Chair Peterson asked if this item was a Tollway Sole Source. Mr. Donato replied that this contract is an Order Against CMS Master Contract.

Item 2: Award of Contract 13-0203 to Grant Thornton LLP for the purchase of Enterprise Resource Planning Independent Verification and Validation Services in an amount not to exceed \$3,321,600.00 (Tollway Request for Proposal).

Mr. Donato noted that this award is the first contract including a Veterans Business Program (“VBP”) subcontracting goal.

Committee Chair Peterson inquired into the purpose of Enterprise Resource Planning Independent Verification and Validation Services. Mr. Donato stated this contract will assist the Tollway in reviewing Request for Proposal (“RFP”) submissions in order to verify all requirements are met.

Chair Wolff asked if the independent external review is necessary because of the complexities of the ERP process. Mr. Donato responded affirmatively. Executive Director Lafleur added that the services provided will also assist the Tollway in vetting RFP submissions which may be difficult to implement.

Committee Chair Peterson asked if the proposed vendor was the only vendor that met all requirements of this RFP. Mr. Donato discussed the review process for this contract and stated that the

proposed vendor was the only one with sufficiently high technical scoring after multiple rounds of review by the selection committee.

Committee Chair Peterson asked if the proposed vendor has performed similar work for entities comparable to the Tollway. Mr. Donato responded affirmatively. Prasad Alavilli, Senior Manager of Strategic Initiatives, added that the proposed vendor is providing similar services to state and government agencies in New York, California, Texas, Florida, Pennsylvania and Georgia.

Chair Wolff asked for confirmation that the proposed vendor is providing very similar or identical services for the other state agencies listed by Mr. Alavilli, to those that would be performed for the Tollway. Mr. Alavilli responded affirmatively.

Chair Wolff inquired into the criteria for certification as a Veteran-owned business within the VBP. Mr. Donato stated that the VBP is for Illinois businesses with annual gross sales under \$75 million that are 51% owned by one or more qualified service-disabled veterans or qualified veterans living in Illinois. Mr. Donato noted that there are currently only a limited number of VBP-certified businesses within Illinois and CMS policy requires a minimum of two VBP businesses within a category in order for the Tollway to place a VBP goal. He further stated that an increase in the number of VBP-certified businesses would assist in achieving the Tollway's ability to place and achieve VBP goals on future procurement.

Chair Wolff expressed her support to achieving the VBP goal and noted that one of Governor Quinn's instructions upon her

appointment as Illinois Tollway Board Chair was to expand the Tollway's outreach to Veteran-owned businesses.

Item 3: Renewal of Contract 07-0099 to Structure Technologies, Inc. (d.b.a. Maron Structure Technologies) for the purchase of PBX Phone Maintenance Services in an amount not to exceed \$231,232.30 (Tollway Request for Proposal).

Item 4: Emergency Extension of Contract 08-0001 to Meade, Inc. (a.k.a. Meade Electric Company, Inc.) for the purchase of Traffic and Security Monitoring and Management System Maintenance in an amount not to exceed \$300,000.00 (Tollway Request for Proposal).

Item 5: Award of Contract 13-0249 to GAI-Tronics Corporation for the purchase of Plaza Intercom and Panic-Panel Replacements in an amount not to exceed \$74,454.00 (Tollway Sole Source).

Director Gonzalez made a motion for approval of **Procurement Items 1 through 5**; seconded by Director D'Arcy. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson requested that the Committee be provided Procurement data quarterly, including item amounts below the small purchase threshold, sorted by vendor and Tollway department, for the purpose of tracking total outlays by vendor. Mr. Donato responded that this information would be provided.

Committee Chair Peterson called on Paul Kovacs, Chief of Engineering, to present the following **Engineering** Items:

Item 1: Award of Contract RR-14-9159 to Broadway Electric Inc. for Truck Scale Installation at Maintenance Facility M-2 (Hillside) on the Tri-State Tollway (I-294) at Milepost 29.8 (Cermak Road), in the amount of \$468,340.00.

Mr. Kovacs stated that due to an insufficient number of bids deemed as responsive to the RFP, the Item 1 contract is being cancelled. The Tollway will be seeking new bids.

Item 2: Award of Contract RR-12-8103 to TBD for Automatic Transfer Switches (ATS) Replacement, Systemwide, in the amount of \$TBD. Bid Opening 5/14.

Mr. Kovacs stated that due to the impending Bid Opening Engineering Item 2 would be deferred to the May Board meeting.

Item 3: Award of Contract I-14-4183 to William Charles Construction Company, LLC for Intelligent Transportation System (ITS) Fiber Optic Extension and Dynamic Message Sign (DMS) Installation on the Jane Addams Memorial Tollway (I-90) from Milepost 15.6 (US 20/State Street) to Milepost 17.9 (Mill Road), and I-39 from Milepost 121.1 to 122.5 (Harrison Ave), in the amount of \$1,396,425.40.

Chair Wolff inquired into the location of the DMS installation. Mr. Kovacs replied that the DMS will be installed along I-39 on an Illinois Department of Transportation (“IDOT”) right-of-way

pursuant to a pending Tollway Intergovernmental Agreement with IDOT.

Item 4: Award of Contract I-14-4178 to TBD for Orland Grassland South Addition Wetland Mitigation Site at Orland Grassland South Addition, Forest Preserve District of Cook County, 179th Street and 104th Avenue, in the amount of \$TBD.

Mr. Kovacs stated Item 4 would be deferred to a future meeting to enable sufficient time to review a Disadvantaged Business Enterprise (“DBE”) waiver request.

Item 5: Award of Contract I-14-4179 to Dunnet Bay Construction Company for Tyrrell Road Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 50.7 (Tyrrell Road), in the amount of \$4,735,760.01.

Item 6: Award of Contract I-14-5693 to Lorig Construction Company for Church Road Over I-88 Bridge Removal and Replacement and Miscellaneous Structural Repairs on the Reagan Memorial Tollway (I-88) from Milepost 92.4 (IL 23) to Milepost 136.9 (IL 83); the Veterans Memorial Tollway (I-355) from Milepost 15.6 (75th Street) to Milepost 17.0 (63rd Street); and the Tri-State Tollway (I-294) from Milepost 37.0 to Milepost 37.25 (Bensenville Railroad Yard Bridge), in the amount of \$4,722,164.25.

Committee Chair Peterson inquired into the difference between the Engineer’s Estimate and the award amount. Mr. Kovacs responded that the Engineer’s Estimate accounted for additional

mobilization costs to accomplish the structural repairs spread throughout the Tollway system. Mobilization costs were a smaller than anticipated component of the low bid received.

Item 7: Acceptance of Proposal from Alfred Benesch Company on Contract I-12-4042 for Supplemental Design Services for Bridge Reconstruction and Roadway Construction on the Elgin O'Hare Western Access (EOWA), Devon Avenue Bridge in the amount of \$177,468.41 from \$1,449,899.60 to \$1,627,368.01.

Committee Chair Peterson asked for confirmation that the change in scope and resulting proposal for supplemental design services were initiated at the Tollway's request. Mr. Kovacs responded affirmatively.

Item 8: Acceptance of Proposal from Gilbane Building Company on Contract MO-12-1234R for Supplemental Construction Practices Review and Audit Services, Systemwide in the amount of \$190,720.00 from \$1,000,000.00 to \$1,190,720.00.

Committee Chair Peterson inquired into the reasons necessitating a supplemental contract. Mr. Kovacs replied that the scope of the audit services work was expanded by the Tollway. Executive Director Lafleur noted that the additional work is a result of an internal construction auditor position that remains unfilled.

Item 9: Resolution authorizing a Workforce Hiring Incentive.

Committee Chair Peterson inquired into the originating body for the resolution authorizing a Workforce Hiring Incentive. Mr.

Kovacs responded that this would be a Tollway resolution granting Board approval for the agency to participate in the initiative.

Committee Chair Peterson asked for further specifics of the initiative. Executive Director Lafleur stated that the program was developed in partnership with the Urban League and IDOT. The initiative was developed to provide opportunities for the program's pre-apprentice trade school graduates. Tollway participation involves incentivizing the hiring of program graduates by Tollway contractors through modest wage subsidies, and should aid in workforce diversity on Tollway jobs. She further stated the estimated cost to the Tollway is about \$50,000 annually.

Chair Wolff asked if the Tollway has any existing relationships with the Urban League. Gustavo Giraldo, Chief of Diversity & Strategic Development, stated the Tollway does not.

Chair Wolff inquired as to the role of the Urban League in the program. Mr. Giraldo stated that the Urban League provides the recruitment and training of the program participants.

Committee Chair Peterson asked if participation involves a commitment to specific hiring levels. Mr. Giraldo responded that hiring is voluntarily. The Tollway's participation will be to promote the program to contractors, as well as offering wage subsidies for resulting hires. Tollway contractors have already expressed interest in hiring program graduates.

Item 10: Extra Work Order on Contract I-13-4126 to William Charles Construction Company, LLC for Widening and

Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 33.5 (Anthony Road) to Milepost 41.5 (US Route 20), in the amount of \$1,492,000.00.

Mr. Kovacs stated that Engineering Item 10 is a result of the implementation of the scheduled mitigation measures outlined in his presentation at the April FAO Committee Meeting. The cost of these items is based on deploying additional equipment, longer shifts, premium time and increased supervision in order to increase production.

Committee Chair Peterson inquired into the significance of the October 15 substantial completion dates. Mr. Kovacs stated that historical experience has revealed this as a date that allows sufficient time during acceptable weather conditions to successfully complete final road surface marking.

Committee Chair Peterson asked if a benefit would be realized should the completion of construction be extended beyond the October 15 substantial completion date. Mr. Kovacs responded that permitting completion beyond the October 15 date would introduce risk of being unable to complete the work before winter, and would require work be performed the following year, which would significantly increase costs. Mr. Kovacs further stated that a potential loss in Tollway revenue occurs during construction, as well as costs in time and money to Tollway customers.

Executive Director Lafleur noted the I-90 West Corridor project, including the costs associated with the implementation of the schedule mitigation measures, remains under budget.

Item 11: Change Order/Extra Work Order on Contract I-13-4134 to R.W. Dunteman Company for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 18.4 (Kishwaukee River) to Milepost 24.9 (Genoa Road), in the amount of \$655,014.12.

Mr. Kovacs stated that upon encountering the poor soil conditions in the project area, this contractor has elected to take advantage of the new construction method presented at the April FAO Committee Meeting. The costs of these items are based on materials required for the addition of a fabric layer and stabilizing geogrid. Mr. Kovacs further stated that the contractor has committed to apply the original contract DBE goal to the extra work order.

Committee Chair Peterson asked if the original contract DBE goal remains under review. Mr. Kovacs responded that the contractor has issued a letter to the Tollway committing to meet the DBE goal.

Item 12: Extra Work Order on Contract I-11-4000 to Plote Construction, Inc. for Reconstruction on the Jane Addams Memorial Tollway (I-90) and IL Route 47 Interchange, from Milepost 45.6 (Sandwald Road) to Milepost 47.3 (IL Route 47), in the amount of \$607,732.90.

Mr. Kovacs stated Item 12 is an extra work order to reimburse the contractor, and their sub-consultants, for additional labor, overhead, equipment and mobilization costs incurred as a result of

a four month extension requested by the Tollway to complete land acquisition activities.

Committee Chair Peterson inquired if land acquisition activities continue to delay completion of this contract. Mr. Kovacs responded in the negative.

Item 13: Extra Work Order on Contract I-11-4000 to Plote Construction, Inc. for Reconstruction on the Jane Addams Memorial Tollway (I-90) and IL Route 47 Interchange, from Milepost 45.6 (Sandwald Road) to Milepost 47.3 (IL Route 47), in the amount of \$694,587.60.

Mr. Kovacs stated Item 13 is an extra work order that provides for work to address excess topsoil not included in the original contract plans.

Item 14: Final Release of Retainage on Contract I-11-4000 to Plote Construction, Inc. for Reconstruction on the Jane Addams Memorial Tollway (I-90) and IL Route 47 Interchange, from Milepost 45.6 (Sandwald Road) to Milepost 47.3 (IL Route 47).

Item 15: Final Release of Retainage on Contract I-13-4132 to Dunnet Bay Construction Company for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90), at Milepost 47.9 (Powers Road over I-90). (Recusal: Director D'Arcy)

Item 16: Final Release of Retainage on Contract RR-12-5649R to Curran Contracting Company for Intermittent Pavement Repairs

and Microsurfacing Improvements on the Reagan Memorial Tollway (I-88) from Milepost 44.0 (U.S. Route 30) to Milepost 76.1 (IL Route 251).

Item 17: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Elgin O’Hare Western Access Project (EOWA)). Cost to the Tollway: N/A.

Item 18: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Jane Addams Memorial Tollway (I-90)). Cost to the Tollway: N/A.

Director D’Arcy made a motion for approval of **Engineering Item 3 and Items 5 through 14**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Director Gonzalez made a motion for approval of **Engineering Item 15**; seconded by Chair Wolff. The motion was approved unanimously to move to the full Board consent agenda with the recusal of Director D’Arcy.

Director Gonzalez made a motion for approval of **Engineering Item 16**; seconded by Director D’Arcy. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson stated **Engineering Items 17 and 18** would be deferred to the May Board of Directors meeting.

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

Item 1: An Intergovernmental Agreement with the Cook County Department of Transportation. Cost to the Tollway: \$0.

Committee Chair Peterson inquired into the potential liability related to use of the subpar concrete barrier walls. Mr. Goldberg stated that the Intergovernmental Agreement (“IGA”) fully indemnifies the Tollway.

Committee Chair Peterson asked if the concrete barrier walls have any residual value. Mr. Goldberg responded in the negative.

Item 2: An Intergovernmental Agreement with the Illinois Department of Transportation. Cost to the Tollway: \$0.

Committee Chair Peterson asked for confirmation that the agreement grants the Tollway’s right to use up to twelve fibers on IDOT’s fiber optic system. Mr. Goldberg responded affirmatively.

Item 3: An Intergovernmental Agreement with the Cook County Department of Transportation (Bartlett Road). Cost to the Tollway: \$0.

Item 4: A Workers Compensation Settlement – Alfonso Devivo. Cost to the Tollway: As discussed in Executive Session.

Committee Chair Peterson stated **Legal Item 4** would be deferred to the May Board of Directors meeting.

Director D’Arcy made a motion for approval of **Legal Items 1, 2, and 3**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

There being no further business, Committee Chair Peterson requested a motion to adjourn. Motion to adjourn was made by Director Gonzalez; seconded by Director D’Arcy. The motion was approved unanimously.

The meeting was adjourned at approximately 10:30 a.m.



Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



**2014 First Quarter
Budget to Actual Review**
(Preliminary and Unaudited)

May 14, 2014

2014 First Quarter Highlights

First quarter results were impacted by severe winter weather conditions in January and February

- ❑ **Revenue for the first quarter totaled \$226 million - \$4.8 million less than budget**
 - Toll revenue and evasion recovery totaled \$222.7 million - 2.5 percent less than the first quarter budget
 - ✓ Passenger car transactions were 3.4 percent lower than projection
 - ✓ Commercial vehicle transactions were 0.4 percent higher than projection

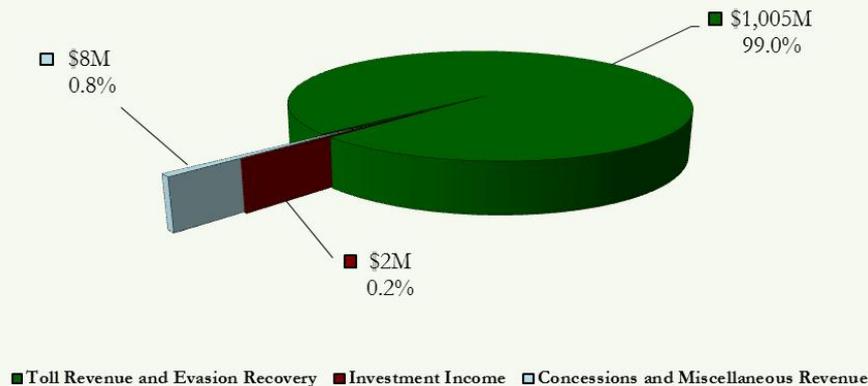
- ❑ **Maintenance and Operations**
 - \$827 thousand more than budget - attributed to overtime and fuel costs

- ❑ **Capital Program**
 - \$34.9 million below the budget projection of \$180.5 million

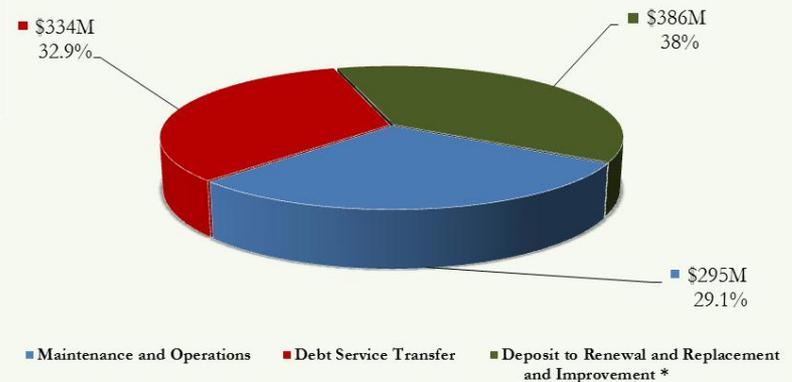
2014 Revenue Sources and Allocations

Revenues of \$1,015 million are allocated for maintenance and operations expenses, debt service transfers and deposits to RR and I accounts

Projected Sources of Revenue



Projected Allocations of Revenue



2014 First Quarter Revenue

Budget vs. Actual

Total revenue was \$4.8 million less than budget

(\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$228,422	\$222,733	(\$5,689)	-2.5%
Concessions	529	531	2	0.4%
Investment Income	500	124	(376)	-75.2%
Miscellaneous	1,296	2,585	1,289	99.5%
Total Revenue	\$230,747	\$225,974	(\$4,773)	-2.1%

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

2014 First Quarter Maintenance and Operations

Budget vs. Actual

Operating costs greater than budget due to additional expenditures incurred in payroll and related costs, parts and fuel and materials/operational supplies/other expenses categories attributable to a harsh winter

(\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$41,241	\$42,213	\$972	2.4%
Group Insurance	7,575	7,048	(527)	-7.0%
Contractual Services	12,584	11,765	(819)	-6.5%
Materials/Operational Supplies/Other Expenses	1,897	2,045	148	7.8%
Utilities	1,546	1,486	(60)	-3.9%
All Other Insurance	2,565	2,568	3	0.1%
Parts and Fuel	1,209	2,235	1,027	84.9%
Equipment/Office Rental and Maintenance	4,603	4,810	207	4.5%
Professional Development	301	224	(77)	-25.5%
Recovery of Expenses	(684)	(732)	(48)	-7.0%
Total Maintenance and Operations Expenditures	\$72,837	\$73,664	\$827	1.1%

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

Capital Program First Quarter Projection vs. Actual

Capital Program expenses were less than projection mainly due to schedule changes and project cost savings, but partially offset by more land acquisition expenses

(\$ thousands)

	1st Qtr		Variance	
	Projection	Actual ⁽¹⁾	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$4,277	\$2,223	(\$2,054)	-48.0%
Reagan Memorial Tollway (I-88)	2,261	176	(2,084)	-92.2%
Jane Addams Memorial Tollway (I-90)	84,650	64,802	(19,848)	-23.4%
Veterans Memorial Tollway (I-355)	3,469	27	(3,442)	-99.2%
Open Road Tolling (ORT)	646	12	(634)	-98.2%
Systemwide Improvements	32,153	20,041	(12,113)	-37.7%
Tri-State Tollway (I-294)/I-57 Interchange	14,575	6,446	(8,129)	-55.8%
Elgin O'Hare Western Access	25,124	40,353	15,230	60.6%
Illinois Route 53/120/Other Planning Studies	1,247	314	(933)	-74.8%
Move Illinois and CRP Subtotal	\$168,402	\$134,394	(\$34,008)	-20.2%
"Other" Capital Projects	12,100	11,180	(920)	-7.6%
Capital Program Subtotal	\$180,502	\$145,574	(\$34,928)	-19.4%
Intergovernmental Agreement Reimbursement and Other Adjustments ⁽²⁾	-	41	41	N/A
Total Capital Program Expenditures	\$180,502	\$145,615	(\$34,887)	-19.3%

⁽¹⁾ Capital Program Actual included accrued expenses for which payments have not been made as of March 31, 2014.

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

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

Capital Program First Quarter Projection vs. Actual

Capital Program expended \$34.9 million less than projection

Projection		\$180.5 million
Expenses		<u>\$145.6</u>
Variance		(\$ 34.9)
<input type="checkbox"/> <i>Move Illinois/CRP variance</i>		<i>(\$ 34.0)</i>
▪ Schedule changes	(\$29.6)	
▪ Project cost savings	(\$ 4.4)	
<input type="checkbox"/> <i>Other capital projects variance</i>		<i>(\$ 0.9)</i>

2014 First Quarter Summary

Unusually severe winter conditions in the first quarter affected revenue and increased operating costs

- ❑ Revenue was \$4.8 million less than budget
- ❑ Maintenance and operations expenditures were \$827 thousand more than budget
- ❑ Capital Program expenses were \$34.9 million below the budget projection of \$180.5 million

Appendix

Revenue

2014 Budget Realized

(\$ thousands)

	2014 Budget	YTD Actual	% Budget Realized
Toll Revenue and Evasion Recovery	\$1,005,000	\$222,733	22.2%
Concessions	2,200	531	24.1%
Investment Income	2,000	124	6.2%
Miscellaneous	5,800	2,585	44.6%
Total Revenue	\$1,015,000	\$225,974	22.3%

Maintenance and Operations

2014 Budget Realized

(\$ thousands)

	Budget	Actual	% Budget Realized
Payroll and Related Costs	\$160,592	\$42,213	26.3%
Group Insurance	30,058	7,048	23.4%
Contractual Services	59,986	11,765	19.6%
Materials/Operational Supplies/Other Expenses	7,536	2,045	27.1%
Utilities	5,950	1,486	25.0%
All Other Insurance	10,483	2,568	24.5%
Parts and Fuel	6,492	2,235	34.4%
Equipment/Office Rental and Maintenance	15,691	4,810	30.7%
Professional Development	1,079	224	20.8%
Recovery of Expenses	(2,411)	(732)	30.4%
Total Maintenance and Operations Expenditures	\$295,456	\$73,664	24.9%

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

Capital Program

2014 Budget Projection Realized

(\$ thousands)

	Projection	Actual ⁽¹⁾	% Projection Realized
Tri-State Tollway (I-94/I-294/I-80)	\$9,448	\$2,223	23.5%
Reagan Memorial Tollway (I-88)	10,569	176	1.7%
Jane Addams Memorial Tollway (I-90)	729,153	64,802	8.9%
Veterans Memorial Tollway (I-355)	10,164	27	0.3%
Open Road Tolling (ORT)	3,977	12	0.3%
Systemwide Improvements	249,167	20,041	8.0%
Tri-State Tollway (I-294)/I-57 Interchange	80,108	6,446	8.0%
Elgin O'Hare Western Access	282,786	40,353	14.3%
Illinois Route 53/120/Other Planning Studies	5,000	314	6.3%
Move Illinois and CRP Subtotal	\$1,380,373	\$134,394	9.7%
"Other" Capital Projects ⁽²⁾	55,000	11,180	20.3%
Capital Program Subtotal	\$1,435,373	\$145,574	10.1%
Intergovernmental Agreement Reimbursements and Other Adjustments ⁽³⁾	-	41	N/A
Total Capital Program Expenditures	\$1,435,373	\$145,615	10.1%

⁽¹⁾ Capital Program Actual included accrued expenses for which payments have not been made as of March 31, 2014.

⁽²⁾ The Other Projects portion of the Capital Program Budget for 2014 totaled \$85.3 million, of which \$55 million is anticipated to be spent.

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

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

Capital Program First Quarter Projection vs. Actual

Move Illinois/CRP Variance Summary

Key variance highlights

- ❑ **Elgin O'Hare Western Access**
 - land purchases \$11.5 million
 - schedule changes \$ 3.7
 - ✓ utilities/fiber optic relocations

- ❑ **Jane Addams Memorial Tollway (I-90)**
 - schedule changes (\$15.4)
 - project cost savings (\$ 4.3)

- ❑ **Tri-State Tollway (I-294)/I-57 Interchange**
 - schedule changes (\$ 8.1)

Capital Program First Quarter Projection vs. Actual

Move Illinois/CRP Variance Summary

Key variance highlights

- ❑ **Systemwide Improvements**
 - schedule changes (\$12.1) million
- ❑ **Veterans Memorial (I-355)**
 - schedule changes (\$ 3.4)
- ❑ **Tri-State Tollway (I-94/I-294/I-80)**
 - schedule changes (\$ 1.9)
 - project cost savings (\$ 0.2)
- ❑ **Reagan Memorial Tollway (I-88)**
 - schedule changes (\$ 2.1)

Revenue

2014 vs. 2013 First Quarter Actual

(\$ thousands)

	First Quarter		Variance	
	2013	2014	\$	%
Toll Revenue and Evasion Recovery	\$226,755	\$222,733	(\$4,022)	-1.8%
Concessions	550	531	(19)	-3.4%
Investment Income	291	124	(166)	-57.2%
Miscellaneous	934	2,585	1,651	176.8%
Total Revenue	\$228,530	\$225,974	(\$2,556)	-1.1%

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

Maintenance and Operations

2014 vs. 2013 First Quarter Actual

(\$ thousands)

	First Quarter		Variance	
	2013	2014	\$	%
Payroll and Related Costs	\$38,403	\$42,213	\$3,810	9.9%
Group Insurance	6,760	7,048	288	4.3%
Contractual Services	7,730	11,765	4,035	52.2%
Materials/Operational Supplies/Other Expenses	1,958	2,045	87	4.4%
Utilities	1,559	1,486	(73)	-4.7%
All Other Insurance	2,305	2,568	263	11.4%
Parts and Fuel	1,712	2,235	524	30.6%
Equipment/Office Rental and Maintenance	4,497	4,810	314	7.0%
Professional Development	252	224	(28)	-11.0%
Recovery of Expenses	(708)	(732)	(24)	-3.4%
Total Maintenance and Operations Expenditures	\$64,468	\$73,664	\$9,196	14.3%

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

Capital Program

2014 vs. 2013 First Quarter Actual

(\$ thousands)

	1st Qtr		Variance	
	2013	2014	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$11,201	\$2,223	(\$8,977)	-80%
Reagan Memorial Tollway (I-88)	3,018	176	(2,842)	-94%
Jane Addams Memorial Tollway (I-90)	32,646	64,802	32,156	99%
Veterans Memorial Tollway (I-355)	242	27	(215)	-89%
Open Road Tolling (ORT)	226	12	(214)	-95%
Systemwide Improvements	12,512	20,041	7,529	60%
Tri-State Tollway (I-294)/I-57 Interchange	2,780	6,446	3,666	132%
Elgin O'Hare Western Access	8,259	40,353	32,094	389%
Illinois Route 53/120/Other Planning Studies	-	314	314	N/A
Move Illinois and CRP Subtotal	\$70,884	\$134,394	\$63,510	90%
"Other" Capital Projects	7,892	11,180	3,289	42%
Capital Program Subtotal	\$78,775	\$145,574	\$66,799	85%
Intergovernmental Agreement Reimbursements and Other Adjustments ⁽¹⁾	\$148	\$41	(\$107)	72%
Total Capital Program Expenditures	\$78,923	\$145,615	\$66,692	85%

⁽¹⁾ Intergovernmental Agreement Reimbursements were for work performed in prior periods, and Other Adjustments were accounting adjustments made for the quarter.

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

2014 Transactions

Transactions (millions)

<u>2014</u>	Projections	Actual	Variance	Variance %
PASSENGER VEHICLES				
January	55.4	51.7	(3.7)	-6.6%
February	51.8	50.6	(1.2)	-2.4%
March	60.1	59.4	(0.7)	-1.2%
	167.4	161.7	(5.6)	-3.4%
ALL COMMERCIAL VEHICLES (TIER 2-4)				
January	7.5	7.4	(0.1)	-1.9%
February	7.0	7.1	0.1	0.8%
March	7.8	8.0	0.2	2.3%
	22.3	22.4	0.1	0.4%
ALL VEHICLES				
January	62.9	59.1	(3.8)	-6.0%
February	58.8	57.7	(1.2)	-2.0%
March	67.9	67.4	(0.6)	-0.8%
	189.7	184.2	(5.5)	-2.9%

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

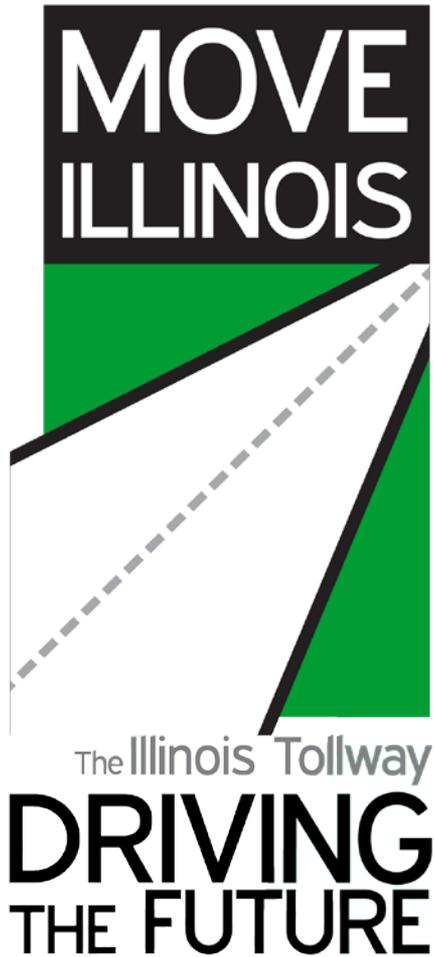
2014 vs. 2013 Transactions

<u>2014</u>	Transactions (millions)	% Change 2014 to 2013	Transactions (millions)	% Change 2014 to 2013
	PASSENGER VEHICLES (TIER 1)		LARGE COMMERCIAL VEHICLES (TIER 4)	
January	51.7	-5.2%	5.3	0.0%
February	50.6	0.6%	5.1	3.9%
March	59.4	2.0%	5.7	6.5%
	161.7	-0.9%	16.1	3.4%
<u>2014</u>	ALL COMMERCIAL VEHICLES (TIER 2-4)		ALL VEHICLES	
January	7.4	1.2%	59.1	-4.5%
February	7.1	4.0%	57.7	1.0%
March	8.0	6.9%	67.4	2.5%
	22.4	4.1%	184.2	-0.3%

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



THANK YOU



**Funding the *Move Illinois* Program:
The 2014 Series B Bonds and
Updating the Debt Management Guidelines**

May 14, 2014

Bond Pricing and Debt Management Updates

- ▶ **Series 2014B pricing results**
- ▶ **Matters related to debt management guidelines and interest rate risk management**
 - ▶ Diversification of liquidity providers
 - ▶ Limit on amount of variable rate bonds
 - ▶ Minor technical/cleanup clarifications and edits

Series 2014B Bonds

- ▶ **Rating agencies confirmed Tollway ratings in late April**
 - ▶ Fitch: "AA-" with stable outlook
 - ▶ Moody's: "Aa3" with stable outlook
 - ▶ S&P: "AA-" with stable outlook

- ▶ **2014 Series B is the second new-money bond issuance to finance a portion of the *Move Illinois* Capital Program**

- ▶ **Led by two senior managing underwriters on behalf of a nine-firm underwriting group; Tollway assisted by two financial advisors**



Series 2014B Bonds

- ▶ Yields improved through the marketing and sale period, including by 5-10 basis points on the date of sale

Yield Spread to the Municipal Market Data (MMD) "AAA" Index

Maturity (Jan 1)	Principal (000s)	Coupon	Pre-Marketing 5/6/2014			Preliminary Pricing 5/7/2014			Final Pricing 5/7/2014			Movement Pre-Marketing to Final Wire
			Yield	MMD	Spread	Yield	MMD	Spread	Yield	MMD	Spread	
2026	7,300	5.00%	3.10%	2.50%	0.60%	3.04%	2.49%	0.55%	2.94%	2.49%	0.45%	0.16%
2027	9,100	5.00%	3.24%	2.61%	0.63%	3.15%	2.60%	0.55%	3.05%	2.60%	0.45%	0.19%
2028	9,100	5.00%	3.37%	2.72%	0.65%	3.26%	2.71%	0.55%	3.16%	2.71%	0.45%	0.21%
2029	8,100	5.00%	3.46%	2.81%	0.65%	3.36%	2.79%	0.57%	3.26%	2.79%	0.47%	0.20%
2030	7,700	5.00%	3.54%	2.89%	0.65%	3.47%	2.87%	0.60%	3.37%	2.87%	0.50%	0.17%
2031	7,700	5.00%	3.62%	2.97%	0.65%	3.55%	2.95%	0.60%	3.48%	2.95%	0.53%	0.14%
2032	12,900	5.00%	3.70%	3.05%	0.65%	3.63%	3.03%	0.60%	3.56%	3.03%	0.53%	0.14%
2033	14,900	5.00%	3.77%	3.12%	0.65%	3.70%	3.10%	0.60%	3.65%	3.10%	0.55%	0.12%
2034	16,900	5.00%	3.83%	3.18%	0.65%	3.76%	3.16%	0.60%	3.71%	3.16%	0.55%	0.12%
2035	16,700	5.00%	3.89%	3.24%	0.65%	3.82%	3.22%	0.60%	3.77%	3.22%	0.55%	0.12%
2036	85,500	5.00%	3.94%	3.29%	0.65%	3.87%	3.27%	0.60%	3.82%	3.27%	0.55%	0.12%
2037	89,800	5.00%	3.98%	3.33%	0.65%	3.91%	3.31%	0.60%	3.85%	3.31%	0.54%	0.13%
2038	94,300	5.00%	4.01%	3.36%	0.65%	3.94%	3.34%	0.60%	3.87%	3.34%	0.53%	0.14%
2039	120,000	5.00%	4.04%	3.39%	0.65%	3.97%	3.37%	0.60%	3.89%	3.36%	0.53%	0.15%

Series 2014B Bonds

- ▶ **\$500 million of bonds successfully sold on May 7**
 - ▶ Settlement/funding expected on June 4
 - ▶ Timing of sale advantageous due to limited supply
 - ▶ Tollway bonds continue to attract widespread interest from investors

- ▶ **Bonds sold with 5 percent interest rate**

- ▶ **Bond yield 3.8 percent to call date; 4.3 percent to maturity**
 - ▶ Call date January 1, 2024
 - ▶ Assumed yield to maturity in 2014 Budget was 5.0 percent

- ▶ **\$546.8 million of proceeds generated for *Move Illinois* costs (\$516.2 million) and deposit to debt reserve (\$30.6 million)**

Update Debt Management Guidelines

- ▶ **Key Update #1 – Diversification of liquidity providers**
 - ▶ Current liquidity providers shown on following page
 - ▶ Option 1: Limitation on percent of total liquidity provided
 - ▶ Option 2: Limit of the greater of percent of the total par amount of variable rate bonds requiring liquidity and (ii) \$300 million

- ▶ **Key Update #2 – Variable versus fixed rate bonds**
 - ▶ Including Series 2014B, the percentage of variable rate has declined from 39 percent in 2010 to 27 percent currently (see following page)
 - ▶ Continue with targeted variable rate limit of 25 percent of total?
 - ▶ Percentage will decline below 25 percent in 2015, assuming late 2014 and 2015 bond issuances are fixed rate

Update Debt Management Guidelines

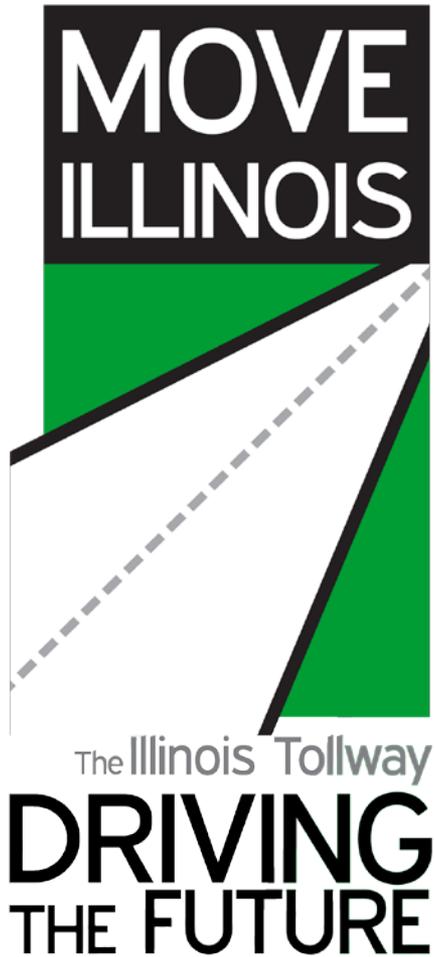
▶ Current liquidity provider profile

<u>Series</u>	<u>Amount (%)</u>	<u>Liquidity and/or Credit Provider</u>	<u>Expiration</u>
1998B	\$123.1M (9%)	Landesbank Hessen-Thüringen Girozentrale	1/03/2017
2007A-1a	\$175.0M (13%)	Citibank, N.A.	1/31/2017
2007A-1b	\$175.0M (13%)	Mizuho Bank, Ltd.	3/18/2016
2007A-2a	\$100.0M (8%)	The Bank of Tokyo-Mitsubishi	3/17/2017
2007A-2b	\$107.5 M (8%)	Harris N.A.	3/18/2017
2007A-2c	\$55.0 M (4%)	The Northern Trust Company	3/17/2017
2007A-2d	\$87.5 M (7%)	Royal Bank of Canada	3/17/2017
2008A-1a	\$191.5 M (15%)	JPMorgan Chase Bank, N.A.	2/05/2016
2008A-1b	\$191.6 M (15%)	Bank of America, N.A.	2/05/2016
2008A-2	\$95.8 M (7%)	JPMorgan Chase Bank, N.A.	2/05/2016

- ▶ **Total Variable Rate = \$1,302,000,000 (27.4%)**
- ▶ **Total Fixed Rate = \$3,443,875,000 (72.6%)**
- ▶ **Total = \$4,745,875,000**

Update Debt Management Guidelines

- ▶ **Other Updates – minor technical /cleanup items**
 - ▶ **Incorporate certain Dodd-Frank provisions**
 - ▶ Municipal Advisor registration requirements
 - ▶ Swap agreement protocols and swap counterparty communication requirements (qualified independent representatives, safe harbor letters)
 - ▶ **Clarify that issuer's counsel and disclosure counsel are included among roles for which the legal counsel pool pre-qualifies firms**
 - ▶ **Incorporate post-issuance compliance procedures**
 - ▶ **Update certain job titles and committee names**
 - ▶ **Commit to a review guidelines biennially**
-



THANK YOU



Investment Policy Update

May 14, 2014

Investment Policy Update

- Purpose of the policy
- Changes to the policy
- Discussion

Investment Policy - Purpose

□ Purpose

- To set forth the framework regarding the investment of funds under Tollway control and to define the parameters within which funds are to be managed

□ Applicable Statutes

- The Toll Highway Act (605 ILCS 10/)
- Public Funds Investment Act (30 ILCS 235/)
- Trust Indenture dated as of December 1, 1985, as amended, restated and supplemented

Investment Policy - Purpose

□ **Primary objective**

- The preservation of principal

□ **Secondary objectives**

- Sufficient liquidity to meet operating and capital needs
- Increase return on investments

□ **Authorized investment officers**

- Executive Director
- Chief of Finance
- Deputy Chief of Finance
- Controller

Investment Policy - Changes

- ❑ **Changes provide clarification regarding current practices**
- ❑ **Key changes to the following sections include:**
 - *Authorized Broker/Dealers, Investment Advisors and Financial Institutions* - Updated section to incorporate current practices regarding selection of investment advisors and financial institutions
 - *Term and Diversification* - Clarified section to identify funds with longer term liquidity needs may be invested for greater than one year
 - *Review and Reporting* - Updated section to incorporate current practices regarding periodic portfolio reviews by the Chief of Finance and Tollway to review policy no less than once every two years.

Investment Policy - Discussion Item

- ❑ **Consider expanding allowable investments to include municipal bonds and notes**
 - Public Funds Investment Act allows only Illinois municipalities to invest in municipals bonds and notes - Tollway currently excluded
 - Revisit whether to pursue legislation
 - Potential to increase investment earnings depending on relative condition of treasury vs. municipal markets



THANK YOU