

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY  
MINUTES OF THE  
REGULAR BOARD MEETING**

**August 28, 2014**

The Illinois State Toll Highway Authority (the “Tollway”) met in regular session on Thursday, August 28, 2014, at approximately 9:00 a.m. in the Board Room of the Illinois State Toll Highway Authority’s Central Administration Building, in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Authority upon call and notice of the Meeting executed by Chair Paula Wolff and posted in accordance with the requirements of the Open Meetings Act.

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

Chair Paula Wolff stated that this is the regularly scheduled meeting of the Board of the Tollway and asked the Board Secretary to call the roll. Those Directors present and absent were as follows:

**Present:**

Chair Paula Wolff

Director Jim Banks

Director Terry D'Arcy

Director David Gonzalez

Director Mark Peterson

Director Jeff Redick

Director James Sweeney

Director Tom Weisner

Director Earl Dotson, Jr. (entered at 9:12 am)

**Not Present:**

Governor Pat Quinn

Acting Secretary Erica Borggren

**PUBLIC COMMENT**

Chair Wolff called for public comment. No public comment was received.

**CHAIR'S ITEMS**

Chair Wolff called for a motion to approve the minutes of the Regular Board Meeting held on July 24, 2014. Director Banks made a motion to approve; seconded by Director Gonzalez. The motion was approved unanimously.

## STANDING COMMITTEE REPORTS

Chair Wolff asked the Chairs of the following standing committees to provide reports on the committees' recent activities.

### Finance, Operations and Administration Committee

Director Peterson updated the Board on the **Finance, Administration, and Operations Committee** (“**FAO Committee**”) meeting held Wednesday, August 20, 2014.

**FINANCE** presented to the Committee the Quarterly Financial Review for the second quarter ending June 30, 2014. Results for the second quarter were favorable with revenues \$6.6 million higher than projected, operating expenses \$1.8 million lower than projected and capital expenditures \$92 million less than projected for the second quarter. Mike Colsch, Chief of Finance, will be providing additional details in a presentation to the full Board.

Finance presented two items that were approved and placed on the consent agenda. The Committee approved payment of \$569,400 to the Auditor General Audit Expense Fund for the cost of the Tollway's annual audit. The Committee also approved funding the Tollway's Workers' Compensation Insurance Claim Reserve Fund in the amount of \$9,092,000 for the 2014-2015 claim year, as well as a reduction in claim reserves for all prior years in the total amount of \$553,000.

**PROCUREMENT** provided a presentation on winter materials usage given by John Donato, Chief of Procurement. Mr. Donato reported that the system experienced 38 storms last winter and over 80 inches of

snow, resulting in the need for additional procurements this year to replenish depleted stores of winter materials. With the additional contracts in place, the Tollway is expected to have available sufficient winter materials for the upcoming winter season.

Procurement presented seven items which were approved by the FAO Committee to be placed on the consent agenda. These items included requests for bulk rock salt, storage battery upgrades, legislative liaison services, bulk fuel, and parts for the heating, ventilation, and air conditioning systems.

**BUSINESS SYSTEMS** provided a presentation given by Shana Whitehead, Chief of Business Systems, on a Tollway initiative to promote reclaiming inactive I-PASS account funds. Ms. Whitehead reported that there are currently \$2.2 million in inactive I-PASS accounts. Letters have been sent to holders of approximately 50,000 long-time inactive accounts requesting action by October 1<sup>st</sup>, after which time these accounts are to be closed, with the remaining account balances transferred to the Illinois State Treasurer's I-Cash program (where the funds will remain available to be claimed by owners).

**ENGINEERING** has 16 items on the Board agenda for consideration. Of these, 13 Engineering items were presented to the FAO Committee, reviewed and placed on the consent agenda.

Three of these items presented by Engineering are new construction contract awards: one for advance drainage work along the Elgin O'Hare Western Access corridor, one for signage improvements at various locations along the southern portion of the Tri-State Tollway and one for the relocation of six miles of a water main and other various

improvements along the Jane Addams Memorial Tollway (I-90). This work is critical to overall widening and reconstruction efforts planned for I-90. The cost of the water main work will be reimbursed by the Northwest Suburban Municipal Joint Action Water Agency, who owns the affected water system.

Six of these items presented are construction change orders/extra work orders:

- Two are extra work orders to be processed as claims for the required use of two concrete plants during work performed on I-90.
- One extra work order is to address the pavement repairs needed as a result of a truck fire on the Jane Addams Memorial Tollway (I-90) that occurred in July. The Tollway is seeking reimbursement from the trucking firm and its insurance carrier.
- One change order/extra work order provides funding for upgrading the structural strength of the single face concrete barrier wall on Illinois Route 390 to comply with current standards.
- One change order/extra work order is to address additional topsoil work for which there was insufficient quantity included in the original contract plans.
- One change order provides for additional subgrade material used for a mechanically stabilized earth retaining wall for which there was insufficient quantity included in the original contract plans.

Additionally, two items presented are partial releases of retainage and two items presented are final releases of retainage for completed contracts.

Lastly, three land acquisition items are to be discussed in Executive Session prior to full Board consideration and action.

**LEGAL** has nine items on the Board agenda for consideration.

Of these, six Legal items were presented to the FAO Committee, reviewed and approved to be placed on the consent agenda.

Three of these items presented are General Utility Agreements with Sidera Networks, RedSpeed Illinois and XO Communications. Each of these agreements sets up standard Tollway protocol for these entities which have installed communication cables on or near the Tollway right-of-way which must be relocated, protected or otherwise modified as a result of Tollway improvements. These agreements define the processes and procedures to be followed to identify, design, construct and make payments for the relocation, removal or protection of the affected communication facilities.

Two of these items presented are Intergovernmental Agreements (“IGA’s”):

- An IGA with the Fox River Water Reclamation District and the Illinois Department of Transportation (“IDOT”). In connection with the widening of the Jane Addams Memorial Tollway (I-90) at Route 25 there is a need for the relocation of the District’s six inch sanitary force main. Some of the required move will be for this piping that is on IDOT right-of-way, and this aspect of the work will be at Tollway expense, currently estimated at \$153,699.92.
- An IGA with the City of Aurora and the Aurora Township Highway Department. In connection with Tollway’s performance

of a bridge replacement at the Ronald Reagan Memorial Tollway (I-88) and Church Road, the Church Road Bridge will be closed to traffic during construction and the Farnsworth Avenue Bridge will become the main detour route to take local traffic over I-88. Because of the detour, the City of Aurora and the Aurora Township Highway Department have requested that the Tollway provide minor repairs to the Farnsworth Avenue Bridge approach slabs to improve ride-ability and efficiently handle extra traffic during construction. Costs to the Tollway are expected in the range of \$10,000. The agreement also places certain maintenance responsibilities with Aurora for the new Church Road Bridge.

The final of these items presented by Legal is for appointment of bond counsel assignments for the next bond transaction. Per past practice, the Board strives to pre-approve bond counsel assignments, upon recommendation from the General Counsel, from the earlier established pool of ten firms. Staff recommends the following assignments be established for the next public debt market transaction the Tollway may undertake during the Move Illinois program: Chapman and Cutler (as Bond Counsel); Polsinelli, P.C. (as Issuer's Counsel); and Quarles & Brady (as recommended counsel for the underwriters).

Lastly, two workers' compensation items and an additional litigation settlement will be discussed in Executive Session prior to full Board consideration and action.

### Audit Committee

Director Gonzalez updated the Board on the **Audit Committee** meeting held Wednesday, August 20, 2014.

The Audit Committee reviewed the findings from the 2013 Financial and Compliance Audit that was performed by KPMG LLP on behalf of the Illinois Auditor General. Representatives from KPMG LLP and a representative from the Office of the Auditor General attended the meeting.

The Committee discussed how the Enterprise Resource Planning (“ERP”) system that is being developed will be able to bring our system up-to-date and address issues found in the audit.

Cassandra Rouse, the Tollway's Chief Internal Auditor, gave an update on Internal Audit activity. Ms. Rouse reviewed the purpose, authority and responsibility of the Internal Audit Department, required communication and the Fiscal Control Internal Auditing Act (“FCIAA”). FCIAA requirements include a two-year audit plan, cycle audits, special audits/vendor audits, system pre-implementation reviews and an agency certification letter to the Auditor General.

Ms. Rouse additionally went over the Peer Review Process that is beginning in order to fulfill a mandatory requirement for internal audit departments to have an external quality assessment every five years. The purpose is to determine whether the Internal Audit Department is in compliance with the Institute of Internal Auditors’ Definition of Internal Auditing, Code of Ethics and International Standards for the Professional Practice of Internal Auditing (Standards) as well as in compliance with the FCIAA. The Peer Review - Quality Assurance Assessment will be completed by November 2014.

Director Gonzalez expressed appreciation for the work of the external and internal auditors, explaining that their work provides an opportunity to continually evaluate Tollway processes and systems which leads to improved management practices and stronger internal controls. Chair Wolff added her appreciation, also recognizing Executive Director Lafleur, Director Gonzalez, Ms. Rouse and staff for their efforts.

Chair Wolff thanked the Committee Chairs and the members of the Committees for their work.

Chair Wolff then called on Kristi Lafleur, Executive Director.

## **EXECUTIVE DIRECTOR**

Executive Director Lafleur introduced Mike Colsch, Chief of Finance, to present the Quarterly Financial Review for the second quarter ending June 30, 2014. [See attached presentation.](#)

Chair Wolff inquired about the \$52.6 million in second quarter capital program savings attributed to “timing and schedule”. Mr. Kovacs responded that the capital program savings recorded in the second quarter are likely to be reduced in upcoming quarters as work production, and specifically paving, accelerates. Mr. Colsch added that the “budget to actual” comparisons are based on budget projections performed in October of 2013. Mr. Colsch further stated that earlier this year, in collaboration with the Program Management Office and Engineering, a cash flow analysis was performed that forecasts the planned 2014 capital program work to cost \$100 million less for the year than had been budgeted last October.

Chair Wolff asked if the \$37.2 million in second quarter savings categorized as “project cost savings” are a reflection of the \$100 million full year cost savings that is forecast by the cash flow analysis performed earlier this year. Mr. Colsch responded that he believes portions of both the \$52.6 million in savings attributed to “timing and schedule” as well as the \$37.2 million categorized as “project cost savings” are reflections of the \$100 million forecasted full year savings from original budget.

Chair Wolff inquired if rainfall had slowed any of the paving work this summer. Mr. Kovacs replied that, although there were some delays attributable to weather, the project schedules have been accommodated.

Executive Director Lafleur stated that 2014 will mark the highest level of capital program expenditures in Tollway history, a level that is expected to be surpassed in 2015. Ms. Lafleur further stated that in response to the record capital spending, and in order to address particular challenges with the 25-mile eastern segment of the I-90 Rebuilding and Widening Project, the Engineering Department has developed an innovative way to package Tollway construction bid solicitations. Executive Director Lafleur then introduced Paul Kovacs, Chief of Engineering, to give a presentation on the recently developed Construction Bid Package Strategy. [See attached presentation.](#)

Chair Wolff requested that Mr. Kovacs provide for the Board an explanation of a combination bid. Mr. Kovacs responded that a combination bid is a total bid received on two or more contract items. Mr. Kovacs further explained that the Tollway’s current implementation of a flexible bid strategy for the I-90 Rebuilding and Widening Project would offer contractors the option to bid on two specified 2015 adjacent

design contracts, that fall within specific cost magnitudes, with a combination bid.

Mr. Kovacs discussed the benefits of a combination bid option, in addition to the potential cost savings outlined in his presentation, to address the unique challenges of 25-mile eastern segment of the I-90 Rebuilding and Widening Project. Mr. Kovacs stated that, as a result of 50 fewer feet of right-of-way on the 25-mile eastern segment of the I-90 Rebuilding and Widening Project, the maintenance of traffic plan developed for the western segment, which allowed for generous construction work zones, will not be feasible in the eastern segment. Mr. Kovacs noted that the eastern segment has three to four times more traffic than on the western segment. Mr. Kovacs further stated that reducing the number of prime contractors on the constricted eastern segment locations will provide simplification and improved efficiencies.

Director Peterson inquired about coordination efforts with local communities to accommodate traffic that may be diverted onto arterial roads during construction. Mr. Kovacs responded that the Tollway has met with the communities surrounding the project area, and that coordination will continue. Mr. Kovacs further stated that Tollway maintenance of traffic plans are developed in an attempt to best accommodate customers during construction rather than diverting them.

Director Peterson inquired if the combination bid packaging would reduce the available pool of certified disadvantaged, minority- and women-owned business enterprises (“D/M/WBEs”) drawn from in order to meet Diversity Program goals. Mr. Kovacs responded that the option to combine two contract bids will not impact the Diversity Program

goals of the underlying individual contracts nor is it expected to negatively affect the number of available certified D/M/WBEs.

Chair Wolff inquired into the advantages and disadvantages of the proposed limitation on joint ventures formed in order to submit combined bids to two firms. Executive Director Lafleur responded that allowing two-firm joint ventures provides accommodation for mid-size companies to combine in order to compete and is expected to result in improved bid competition. Ms. Lafleur further stated that allowing more than two-firm joint ventures may potentially diminish bid competition. Mr. Kovacs added that attracting competition on both individual bids and combined bid packages in order to determine any cost efficiencies to be gained is the best possible scenario.

Director Sweeney inquired if the efficiencies from a potentially combined larger project would allow for compression of the construction schedule. Mr. Kovacs responded that because the schedule is already aggressive, being limited to a single construction season, the bid packaging will not compress the construction schedule further.

Director Redick inquired whether additional approval by the Joint Committee on Administrative Rules (“JCAR”) for structuring combined bid packages is required. Executive Director Lafleur replied that current JCAR rules governing construction bidding permit combination bids.

Director Sweeney asked if the larger contract awards under a potential combined bid option are expected to attract more national firms and improve bid competition. Mr. Kovacs replied that, for example, the Fox River Bridge project solicitation, which was a larger contract offering, garnered better than expected response as well as interest from bidders

new to the Tollway. Mr. Kovacs added that the Fox River Bridge project was a catalyst for, and provided information to support, developing the combined bid package strategy.

Chair Wolff requested confirmation that the proposed limits to magnitude of the combined bid packages are a level with which staff is comfortable. Mr. Kovacs replied affirmatively, explaining that he believes a combination of two contracts each sized in the \$50-75 million range for a combined bid package option is an appropriate test level for initial implementation of the flexible bid strategy developed for the 25-mile eastern segment of the I-90 Rebuilding and Widening Project. Mr. Kovacs added that individual contract bids will still be accepted, offering meaningful alternatives for comparison.

Chair Wolff inquired if staff believes the reduction in funding for road construction by the United States Highway Trust Fund, and consequent decrease in industry activity nationally, are a cause for the improved interest in Tollway bid solicitations from national firms. Mr. Kovacs stated that staff will examine options to research industry activity nationally in order to identify additional firms that may be receptive to Tollway bid solicitation. Mr. Kovacs suggested that the Tollway would likely benefit from bid competition by performing expanded outreach to national firms. Chair Wolff suggested that the International Bridge, Tunnel and Turnpike Association might be a source for insight into activity nationally.

Chair Wolff expressed her belief that the innovation of the flexible bid packages and controlling the magnitude for initial implementation should serve the Tollway well. Chair Wolff then inquired about the timing anticipated for the combined bid option contract solicitations.

Mr. Kovacs responded that the first potential bid opening, pending review by Legal and Procurement, is scheduled for late October. Executive Director Lafleur added that with the Board's concurrence on the new construction bid strategy, bid solicitations are scheduled to be sent out in September.

**Chair Wolff requested that Directors be kept apprised of activity related to the implementation of the combination bid packages.**

Director D'Arcy suggested that the industry will likely need to continue to increase staffing levels in order to accommodate the Tollway's aggressive long-term capital program plans. Director D'Arcy then expressed his support for implementation of the flexible bid packages, describing the strategy as well-conceived and the proposed limitations on joint ventures and overall cost magnitude as appropriate.

Executive Director Lafleur updated the Board on the *Move Illinois* capital program that was approved by the Board three years ago in August 2011. Executive Director Lafleur reported that since that time, the Tollway has committed \$2.5 billion (20.4 percent) of the program budget to capital projects; awarded 200 contracts; employed nearly 600 firms on *Move Illinois*, including more than 250 firms working for the Tollway for the first time; employed nearly 65 DBE firms new to the Tollway; and created or sustained up to 15,410 total jobs since *Move Illinois* began.

Executive Director Lafleur reported that a number of key milestones will be met this year, including:

- Completing the 37-mile western segment of the I-90 Rebuilding and Widening Project between Rockford and Elgin and beginning work on the 25-mile eastern segment at the end of this year.
- Completing the first big construction year on the Elgin O'Hare Western Access Project.
- Delivering the first phase of the Tri-State Tollway (I-294)/I-57 Interchange Project, connecting these two critical routes.

Executive Director Lafleur commended and thanked Tollway departments and staff for their contribution to these successes. Executive Director Lafleur noted that 2015 is expected to be even bigger, with an anticipated \$1.55 billion available for improvements next year.

Executive Director Lafleur stated that record-breaking travel is anticipated this Labor Day holiday weekend with 7.2 million vehicles expected to travel the Tollway system, up two percent from last year. Ms. Lafleur added that the Tollway is coordinating with Illinois State Police District 15 to help ensure safe travel for everyone. Executive Director Lafleur reminded the public that work zone speed limits remain in effect at all times, even when workers are not present.

Executive Director Lafleur then introduced Captain Patrick Kimes, District Commander of Illinois State Police District 15. Captain Kimes stated that a fundraiser was organized in an effort to aid the families of Trooper Balder who was seriously injured and Tollway worker Vincent Petrella who was killed in a tragic accident last winter. The event held on August 16<sup>th</sup> was attended by approximately 400 people and included over 60 raffle baskets donated by Tollway departments and over 60 silent auction items. Captain Kimes reported that the fundraiser was a

success and the proceeds are to be split by the families of Trooper Balder and Vince Petrella.

Executive Director Lafleur reported to the Board that phase one of the new all-electronic Tri-State Tollway (I-294)/I-57 Interchange is planned to open in October. Executive Director Lafleur stated that as part of the planning process, focus group research was conducted which found that upfront costs associated with getting an I-PASS may be a barrier to wider utilization. Ms. Lafleur stated that in an effort to address the focus group finding, an I-PASS program initiative has been developed by the Business Systems Department. Executive Director Lafleur then introduced Shana Whitehead, Chief of Business Systems, to give a presentation on the initiative titled Expanding Access to I-PASS. [See attached presentation.](#)

Director Weisner expressed his belief that focus group findings, although informative, are not definitive indicators of broader customer response or behavior. He further stated that it will be important for the Tollway to measure and track actual customer behaviors related to the implementation of all-electronic tolling going forward in order to further develop best practices. **Director Weisner requested that the Board be kept informed of data available informing on these issues.**

Director Dotson inquired if the focus group research was performed as a part of a contract with a private firm or conducted within the Tollway. Wendy Abrams, Chief of Communications, responded that the focus groups were conducted using a professional research firm.

Director Dotson inquired whether particular demographics were requested in selection of participants for the focus groups. Ms. Abrams

responded that no specific demographics were requested of participants other than that they meet the criteria of being either non-I-PASS customers who had used the Tollway two times or less a year or non-I-PASS customers who had used it six times or more a year.

Chair Wolff requested confirmation that the focus group participants were diverse in gender, age and race. Ms. Abrams responded affirmatively.

Director Dotson inquired into the impact on budget of the proposed I-PASS “Sale” initiative. Executive Director Lafleur responded that implementation costs of the initiative would include approximately \$20,000 for programming resources as well as the costs, yet to be determined, associated with an increase in call center activity. Ms. Lafleur stated that the cost of programming resources can likely be absorbed within current budget allocations but that the costs related to increased call center activity, and consequent impact to budget, are difficult to predict.

Chair Wolff inquired whether the utilization by customers of the \$10 return of deposit option is expected to have any budget implications. Executive Director Lafleur responded that security deposits are funds held in escrow and have no impact on budget.

Director Redick stated that because the Tollway’s credit card processing interchange fees consist of a percentage assessed without a transaction fee, the impact to budget of any increase in frequency of credit card activity should be minimized. Director Redick then expressed his support for the I-PASS “Sale” initiative, describing it as a natural extension of the work the Board has been doing for some time to

promote growth in I-PASS utilization. Director Redick added that the focus group research provided insight into the behaviors of a customer group previously underrepresented and may allow the Tollway to better reach an underserved population.

Chair Wolff noted that the recommendation to conduct this focus group research can be credited to the Customer Service & Planning Committee, co-chaired by Directors Weisner and Redick.

Executive Director Lafleur inquired of Director Weisner, referencing his earlier request, whether there were data points he felt would be particularly informative to his request that the Tollway measure and track customer behaviors related to the implementation of all-electronic tolling. Director Weisner requested post-initiative sales figures in order to determine whether the discounted cost structure of the proposed I-PASS “Sale” result in the increase in sales activity anticipated by the focus group findings.

Director Weisner inquired about the duration of the option for existing customers to lower their minimum auto-replenishment amount upon request. Executive Director Lafleur responded that this option, as well as the other features of the I-PASS “Sale” initiative, have a planned end date of December 31<sup>st</sup>. Ms. Lafleur added, however, that results will be monitored and Board input will be sought to determine if an extension is warranted. Director Weisner suggested that the I-PASS program offers benefits to both Tollway and customers and, depending upon results, the features of this initiative might be worth adopting as a permanent modification to I-PASS cost structures.

**Chair Wolff suggested that as a supplement to the statistical data, if not onerous, it might be informative to conduct a survey of some customers that take advantage of the I-PASS “Sale” initiative to determine their impressions and motivations.**

Director Weisner commented that accommodations made for Tollway customers, within reason, that result in improved I-PASS utilization are to the benefit of both the Tollway and customers.

Executive Director Lafleur thanked Ms. Whitehead and the Business Systems team for their efforts developing, presenting, and planning the implementation of the I-PASS “Sale” initiative.

Chair Wolff commented that, in addition to insights into perceptions about all-electronic tolling, the focus groups also provided input on proposed roadway signage.

## **CONSENT AGENDA**

Chair Wolff reminded the Board and guests that items on the consent agenda were previously reviewed in detail in Committee.

Chair Wolff then began the consent agenda by calling for a motion to approve the following **Finance resolutions**:

*Item 1: Approval of funding for the Workers’ Compensation Insurance Claim Reserve Fund in the amount of \$9,092,000.00 for the 2014-2015 program year, and a reduction of \$553,000.00 for open claims for program years prior to April 30, 2014.*

*Item 2: Approval of payment to the Office of the Auditor General Audit Expense Fund for the 2013 Financial and Compliance Audit in the amount of \$569,400.00.*

Director Banks made a motion for approval of **Finance Items 1 and 2**; seconded by Director Sweeney. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Procurement resolutions**:

*Item 1: Renewal of Contract 13-0160 to Cargill Salt Division; Detroit Salt Company, Inc.; North American Salt Company; and Morton Salt, Inc. for the purchase of Bulk Rock Salt in an aggregate amount not to exceed \$4,774,829.04 (Order Against CMS Master Contract).*

*Item 2: Award of Contract 14-0117 to Morton Salt, Inc. for the purchase of Bulk Rock Salt in an amount not to exceed \$505,340.00 (Order Against CMS Master Contract).*

*Item 3: Award of Contract 14-0118 to North American Salt Company for the purchase of Bulk Rock Salt in an amount not to exceed \$3,344,442.00 (Tollway Emergency).*

*Item 4: Award of Contract 14-0113 to Storage Battery Systems, LLC for the purchase of Storage Battery Upgrades in an amount not to exceed \$435,665.00 (Order Against CMS Master Contract).*

*Item 5: Renewal of Contract 11-0013 to Cullen, Inc. (d.b.a. Cullen and Associates) for the purchase of Legislative Liaison Services in an amount not to exceed \$80,000.00 (Tollway Request for Proposal).*

*Item 6: Award of Contract 14-0050 to Christian County Farmers Supply Co.; Conserv FS, Inc.; and G. Cooper Oil Co., Inc. for the purchase of Bulk Fuel in an aggregate amount not to exceed \$15,565,547.02 (Tollway Invitation for Bid).*

*Item 7: Award of Contract 12-0178 to J.P. Simons & Co. for the purchase of AAON HVAC Parts in an amount not to exceed \$62,100.00 (Tollway Invitation for Bid).*

Director D'Arcy made a motion for approval of **Procurement Items 1 through 7**; seconded by Director Banks. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Engineering resolutions**:

*Item 1: Award of Contract I-13-4627 to Martam Construction, Inc. for Advance Drainage on Illinois Route 390 from Milepost 15.9 (IL 83) to Milepost 16.8 (Willow Creek South Tributary), in the amount of \$4,281,308.10.*

*Item 2: Award of Contract RR-14-5695 to GFS Construction, LLC for Signing Improvements on the Tri-State Tollway (I-294) from Milepost 0.0 (I-94/IL 394) to Milepost 25.00 (Hinsdale Oasis), in the amount of \$3,540,600.62.*

*Item 3: Award of Contract I-14-4180 to Benchmark Construction Co., Inc. for Northwest Suburban Municipal Joint Action Water Agency (NSMJAWA) Transmission Line Relocation on the Jane Addams*

*Memorial Tollway (I-90) from Milepost 62.2 (Barrington Road) to Milepost 73.5 (Elmhurst Road), in the amount of \$54,848,000.00.*

*Item 4: Extra Work Order on Contract I-12-4075 to Plote Construction, Inc. for Widening and Reconstruction on the Eastbound Jane Addams Memorial Tollway (I-90) from Milepost 41.5 (US Route 20) to Milepost 45.5 (IL Route 47), in the amount of \$394,500.00.*

*Item 5: Extra Work Order on Contract I-12-4077 to Plote Construction, Inc. for Widening and Reconstruction on the Eastbound Jane Addams Memorial Tollway (I-90) from Milepost 49.7 (Union Pacific Railroad) to Milepost 53.6 (Elgin Toll Plaza), in the amount of \$394,500.00.*

*Item 6: Extra Work Order on Contract I-13-4136 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 41.5 (US 20) to Milepost 45.5 (IL 47), in the amount of \$430,020.00.*

*Item 7: Change Order / Extra Work Order on Contract I-13-4603 to Plote Construction, Inc. for Roadway Widening on Illinois Route 390 from Milepost 10.1 (Roselle Road) to Milepost 11.2 (Meacham Road), in the amount of \$229,425.75.*

*Item 8: Change Order / Extra Work Order on Contract I-13-5680 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Grading, Drainage and Wall Construction on the Jane Addams Memorial Tollway (I-90) from Milepost 74.6 (Mt. Prospect Road) to Milepost 76.4 (Lee Street), in the amount of \$626,631.00.*

*Item 9: Change Order on Contract I-13-5686 to Plote Construction, Inc. for Retaining Wall and Noise Wall Construction on the Jane Addams Memorial Tollway (I-90) from Milepost 56.8 (IL 25) to Milepost 59.1 (IL 59), in the amount of \$351,936.00.*

*Item 10: Partial Release of Retainage on Contract I-13-4128 to Lorig Construction Company for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90), at Milepost 25.3 (Genoa Road over I-90) and at Milepost 37.5 (Getty Road over I-90), by \$188,202.68 from \$238,202.68 to \$50,000.00. (Recusal: Director D'Arcy)*

*Item 11: Partial Release of Retainage on Contract RR-13-4130 to William Charles Construction Company, LLC for Ramp Reconstruction and Mainline Improvements on the Jane Addams Memorial Tollway (I-90) from Milepost 17.5 (US Business 20) to Milepost 2.7 (Rockton Road), by \$195,312.89 from \$205,312.89 to \$10,000.00.*

*Item 12: Final Release of Retainage on Contract I-13-4148 to Lorig Construction Company for Noise Abatement Wall Construction on the Jane Addams Memorial Tollway (I-90) from Milepost 37.7 to Milepost 38.2 (Marengo-Hampshire Plaza) and from Milepost 49.1 to Milepost 49.4 (IL 72).*

*Item 13: Final Release of Retainage on Contract RR-12-5651 to RoadSafe Traffic Systems, Inc. for Pavement Marking, Systemwide.*

Director Dotson made a motion for approval of **Engineering Items 1 through 9**; seconded by Director Weisner. The motion was approved unanimously.

Director Banks made a motion for approval of **Engineering Item 10**; seconded by Director Weisner. The motion was approved by all voting Directors with Director D'Arcy recusing himself.

Director Weisner made a motion for approval of **Engineering Items 11 through 13**; seconded by Director Banks. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Legal resolutions**:

*Item 1: A General Utility Agreement with Sidera Networks, LLC d/b/a Lightower Fiber Networks. Cost to the Tollway: \$0.*

*Item 2: A General Utility Agreement with RedSpeed Illinois. Cost to the Tollway: \$0.*

*Item 3: A General Utility Agreement with XO Communications Services, LLC. Cost to the Tollway: \$0.*

*Item 4: An Intergovernmental Agreement with the City of Aurora and the Aurora Township Highway Department. Cost to the Tollway: \$0. (Recusal: Director Weisner).*

*Item 5: An Intergovernmental Agreement with the Fox River Water Reclamation District and the Illinois Department of Transportation. Cost to the Tollway: \$153,699.92.*

*Item 6: Approval of Bond Counsel Assignments.*

Director Peterson made a motion for approval of **Legal Items 1 through 3**; seconded by Director D’Arcy. The motion was approved unanimously.

Director Redick made a motion for approval of **Legal Items 4**; seconded by Director Banks. The motion was approved by all voting Directors with Director Weisner recusing himself.

Director D’Arcy made a motion for approval of **Legal Items 5 and 6**; seconded by Director Redick. The motion was approved unanimously.

At approximately 10:35 a.m., David Goldberg, General Counsel, indicated the need to discuss Tollway matters related to personnel matters, collective bargaining negotiation matters, real property acquisition, sale of securities, and litigation matters pursuant to Sections 2(c)(1), 2(c)(2), 2(c)(5), 2(c)(7) and 2(c)(11) of the Illinois Open Meetings Act. Director Weisner made the motion to enter into Executive Session; seconded by Director Redick. The motion was approved unanimously.

At approximately 11:45 a.m., the Board re-entered the public session of the Board meeting.

Chair Wolff called for a motion to approve the following **Engineering resolutions**:

*Item 14: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Elgin O’Hare Western Access Project (EOWA)). Cost to the Tollway: N/A.*

*Item 15: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Jane Addams Memorial Tollway (I-90)). Cost to the Tollway: N/A.*

*Item 16: Administrative Settlement – Land Acquisition for the Elgin O’Hare Western Access Project (EOWA).*

Director Banks made a motion for approval of **Engineering Items 14 through 16**; seconded by Director Weisner. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Legal resolutions**:

*Item 7: A Workers Compensation Settlement – Joseph Colello. Cost to the Tollway: As Discussed in Executive Session.*

*Item 8: A Workers Compensation Settlement – Ronald Lullo. Cost to the Tollway: As Discussed in Executive Session.*

*Item 9: Litigation Settlement – Rosa Martinez. Cost to the Tollway: As Discussed in Executive Session.*

Director Gonzalez made a motion for approval of **Legal Items 7 through 9**; seconded by Director Weisner. The motion was approved unanimously.

There being no further business, Chair Wolff requested a motion to adjourn. Motion to adjourn was made by Director Banks; seconded by Director Weisner. The motion was approved unanimously.

The meeting was adjourned at approximately 11:50 a.m.

A handwritten signature in cursive script that reads "Christi Regnery".

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

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority



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

**August 28, 2014**

# Second Quarter 2014 Highlights

*Strong second quarter provides partial offset to winter impact*

## ☐ Revenue - \$266.9 million

- *\$6.4 million more than budget*

- ✓ Toll revenue and evasion recovery 2 percent more than budget
  - Passenger vehicle transactions 1 percent higher than projection
  - Commercial vehicle transactions 3.5 percent higher than projection
- ✓ Miscellaneous revenue \$1.6 million more than budget

## ☐ Maintenance and Operations

- *\$1.8 million below budget*

## ☐ Capital Program

- *\$92.2 million below projections*

# Second Quarter 2014 – Revenue

**Total revenues were \$6.4 million greater than projection**

(\$ millions)

	<u>Budget</u>	<u>Actual</u>	<u>\$ Var.</u>	<u>% Var.</u>
Toll and Evasion Recovery	\$258.0	\$263.2	\$5.1	2.0%
Concessions	0.6	0.5	0.0	-4.3%
Investment Income	0.5	0.2	(0.3)	-59.5%
<u>Miscellaneous</u>	<u>1.4</u>	<u>3.0</u>	<u>1.6</u>	<u>117.1%</u>
<b>Total Revenue</b>	<b>\$260.5</b>	<b>\$266.9</b>	<b>\$6.4</b>	<b>2.5%</b>

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

## Key Drivers

### ✓ Commercial vehicles

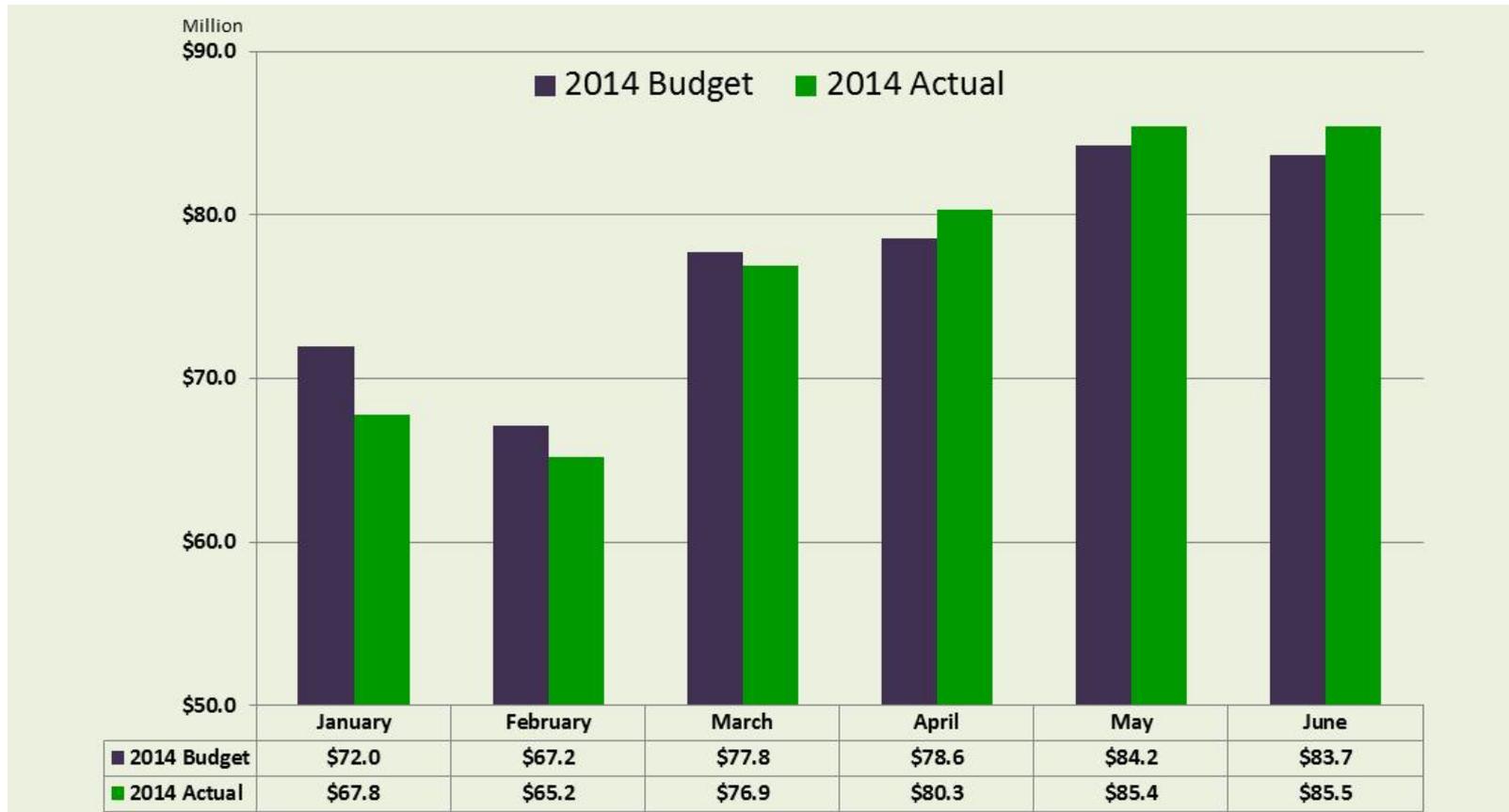
- Grew 6.6 percent year-over-year
- 3.5 percent greater than budget

### ✓ Passenger vehicles

- Grew 3.5 percent year-over-year
- 1 percent greater than budget

# 2014 Monthly Toll Revenue

*Second quarter toll revenue exceeds projections*



# Second Quarter 2014 – Maintenance and Operations

**\$1.8 million or 2.7 percent below budget**

(\$ millions)

	<u>Budget</u>	<u>Act.</u>	<u>\$ Var.</u>	<u>% Var.</u>
Payroll and Related Costs	\$38.7	\$37.9	(\$0.8)	-2.0%
Group Insurance	7.4	7.4	0.0	-0.2%
Contractual Services	13.6	13.4	(0.2)	-1.6%
Materials/Oper. Supplies	1.6	1.0	(0.6)	-36.3%
Utilities	1.3	1.6	0.3	22.8%
All Other Insurance	2.6	2.4	(0.2)	-6.2%
Parts and Fuel	1.5	1.6	0.1	10.1%
Equip. Rental/Maintenance	3.5	3.0	(0.5)	-14.6%
Recovery of Expenses	(0.7)	(0.7)	(0.1)	-9.6%
<b>Total</b>	<b>\$69.4</b>	<b>\$67.6</b>	<b>(\$1.8)</b>	<b>-2.7%</b>

## Key Drivers

- ✓ **Vacancies**
- ✓ **Timing of purchases/payments**
  - Roadway materials
  - Equipment maintenance

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

# Second Quarter 2014 – Capital Program

*Capital Program expended \$92.2 million or 25 percent less than projections*

(\$ millions)	Proj.	Act.	\$ Var.	% Var.
Tri-State Tollway	\$3.5	\$1.3	(\$2.2)	-63.1%
Reagan Memorial Tollway	3.0	4.8	1.8	60.1%
Jane Adams Memorial Tollway	192.5	158.6	(33.9)	-17.6%
Veterans Memorial Tollway	5.7	1.4	(4.3)	-74.7%
Open Road Tolling	1.3	0.4	(0.9)	-68.2%
Systemwide Improvements	63.1	39.1	(24.0)	-38.0%
Tri-State Interchange I-294/I-57	29.1	10.8	(18.3)	-62.9%
Elgin O'Hare Western Access	57.1	52.4	(4.7)	-8.2%
Illinois Route 53/120	1.3	0.3	(0.9)	-74.4%
<b>Move Illinois and CRP</b>	<b>\$356.6</b>	<b>\$269.1</b>	<b>(\$87.4)</b>	<b>-24.5%</b>
Other Capital Projects	12.7	12.5	(0.2)	-1.5%
<b>Capital Program Subtotal</b>	<b>\$369.2</b>	<b>\$281.6</b>	<b>(\$87.6)</b>	<b>-23.7%</b>
IGA Reim. and Other Adjust.	0.0	(4.6)	(4.6)	N/A
<b>Total Capital Program</b>	<b>\$369.2</b>	<b>\$277.0</b>	<b>(\$92.2)</b>	<b>-25.0%</b>

## Key Drivers

*(Move Illinois/CRP)*

- ✓ **Timing and schedule**
  - (\$52.6 million)
- ✓ **Project cost savings**
  - (\$37.2 million)
- ✓ **Project scope changes**
  - \$2.2 million

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

# Second Quarter 2014 – Budget vs. Actual

## *Summary*

- ❑ Revenue - \$6.4 million above target
  - *Increased traffic and miscellaneous revenue*
- ❑ Maintenance and operations - \$1.8 million below budget
  - *Vacancies and timing of purchases/payments for roadway materials and equipment maintenance*
- ❑ Debt Service transfers - \$9.5 million less than budget
- ❑ Capital Program - \$92.2 million below projections
  - *Schedule modifications, project cost savings partially offset by project scope changes*

# Year-to-Date 2014 – Budget vs. Actual

## *Summary*

- ❑ Revenue - \$1.6 million above target
  - *Strong second quarter offset negative impact from first quarter severe winter conditions*
  
- ❑ Maintenance and operations - \$1 million below budget
  - *Parts/fuel over budget due to replenishment of depleted inventory*
  - *Contractual services, group insurance and materials/operational supplies below budget due to timing of purchases/payments*
  
- ❑ Debt Service transfers - \$12.4 million less than budget
  
- ❑ Capital Program - \$127.1 million below projections
  - *Schedule modifications and project cost savings*

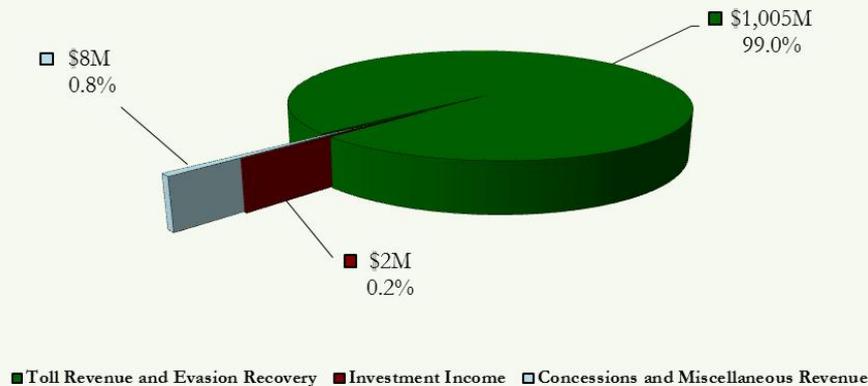
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# Appendix

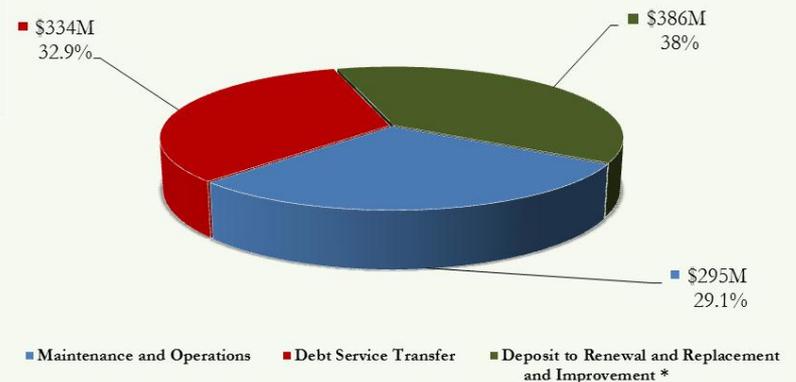
# 2014 Revenue Sources and Allocations

*The Tollway operates within a balanced budget*

Projected Sources of Revenue



Projected Allocations of Revenue



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

# Second Quarter 2014 – Revenue

(\$ thousands)

	2nd Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$258,035	\$263,150	\$5,115	2.0%
Concessions	553	529	(24)	-4.3%
Investment Income	500	203	(297)	-59.5%
Miscellaneous	1,386	3,009	1,623	117.1%
<b>Total Revenue</b>	<b>\$260,474</b>	<b>\$266,891</b>	<b>\$6,417</b>	<b>2.5%</b>

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

# Second Quarter 2014 – Maintenance and Operations

(\$ thousands)

	2nd Qtr		Variance	
	Budget	Actual	\$	%
<b>Payroll and Related Costs</b>	<b>\$38,656</b>	<b>\$37,896</b>	<b>(\$760)</b>	<b>-2.0%</b>
<b>Group Insurance</b>	<b>7,390</b>	<b>7,377</b>	<b>(13)</b>	<b>-0.2%</b>
<b>Contractual Services</b>	<b>13,613</b>	<b>13,393</b>	<b>(220)</b>	<b>-1.6%</b>
<b>Materials/Operational Supplies/Other Expenses</b>	<b>1,565</b>	<b>997</b>	<b>(568)</b>	<b>-36.3%</b>
<b>Utilities</b>	<b>1,313</b>	<b>1,613</b>	<b>299</b>	<b>22.8%</b>
<b>All Other Insurance</b>	<b>2,584</b>	<b>2,425</b>	<b>(159)</b>	<b>-6.2%</b>
<b>Parts and Fuel</b>	<b>1,470</b>	<b>1,618</b>	<b>148</b>	<b>10.1%</b>
<b>Equipment/Office Rental and Maintenance</b>	<b>3,502</b>	<b>2,989</b>	<b>(513)</b>	<b>-14.6%</b>
<b>Recovery of Expenses</b>	<b>(646)</b>	<b>(708)</b>	<b>(62)</b>	<b>-9.6%</b>
<b>Total Maintenance and Operations Expenditures</b>	<b>\$69,448</b>	<b>\$67,600</b>	<b>(\$1,848)</b>	<b>-2.7%</b>

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

# Second Quarter 2014 – Capital Program

(\$ thousands)

	2nd Qtr		Variance	
	Projection	Actual <sup>(1)</sup>	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$3,489	\$1,286	(\$2,203)	-63.1%
Reagan Memorial Tollway (I-88)	2,978	4,769	1,791	60.1%
Jane Addams Memorial Tollway (I-90)	192,536	158,593	(33,943)	-17.6%
Veterans Memorial Tollway (I-355)	5,701	1,444	(4,256)	-74.7%
Open Road Tolling (ORT)	1,322	421	(901)	-68.2%
Systemwide Improvements	63,082	39,100	(23,982)	-38.0%
Tri-State Tollway (I-294)/I-57 Interchange	29,068	10,786	(18,282)	-62.9%
Elgin O'Hare Western Access	57,114	52,419	(4,695)	-8.2%
Illinois Route 53/120/Other Planning Studies	1,267	324	(942)	-74.4%
<b>Move Illinois and CRP Subtotal</b>	<b>\$356,557</b>	<b>\$269,142</b>	<b>(\$87,415)</b>	<b>-24.5%</b>
"Other" Capital Projects	12,650	12,460	(190)	-1.5%
<b>Capital Program Subtotal</b>	<b>\$369,207</b>	<b>\$281,603</b>	<b>(\$87,604)</b>	<b>-23.7%</b>
Intergovernmental Agreement Reimbursement and Other Adjustments <sup>(2)</sup>	-	(4,584)	(4,584)	N/A
<b>Total Capital Program Expenditures</b>	<b>\$369,207</b>	<b>\$277,019</b>	<b>(\$92,188)</b>	<b>-25.0%</b>

<sup>(1)</sup> Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2014.

<sup>(2)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.

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

# 2014 Second Quarter Capital Program

## *Projections vs. Actual*

### *Key variance highlights*

#### ☐ **Jane Addams Memorial Tollway (I-90)**

- project cost savings (\$36.0) million
- schedule changes \$ 1.7
- project scope changes \$ 0.4

#### ☐ **Systemwide Improvements**

- schedule changes (\$25.1)
- project cost savings (\$ 0.7)
- project scope changes \$ 1.8

#### ☐ **Tri-State Tollway (I-294)/I-57 Interchange**

- schedule changes (\$18.1)
- project cost savings (\$ 0.2)

# 2014 Second Quarter Capital Program *Projections vs. Actual*

## *Key variance highlights*

<input type="checkbox"/> <b>Elgin O'Hare Western Access</b>	
▪ schedule changes	(\$4.6) million
▪ project cost savings	(\$0.1)
<input type="checkbox"/> <b>Veterans Memorial (I-355)</b>	
▪ schedule changes	(\$4.3)
<input type="checkbox"/> <b>Tri-State Tollway (I-94/I-294/I-80)</b>	
▪ schedule changes	(\$2.1)
▪ project cost savings	(\$0.1)

# 2014 Second Quarter Capital Program

## *Projections vs. Actual*

### *Key variance highlights*

- Illinois Route 53/120 Extension**
  - *schedule changes* (\$0.9) million
  
- Open Road Tolling**
  - *schedule changes* (\$0.9)
  
- Reagan Memorial (I-88)**
  - *schedule changes* \$ 1.8

# 2014 Year-to-Date Revenue

## *Budget vs. Actual*

(\$ thousands)

	YTD		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$486,457	\$485,884	(\$573)	-0.1%
Concessions	1,082	1,060	(22)	-2.0%
Investment Income	1,000	327	(673)	-67.3%
Miscellaneous	2,682	5,594	2,912	108.6%
<b>Total Revenue</b>	<b>\$491,221</b>	<b>\$492,864</b>	<b>\$1,643</b>	<b>0.3%</b>

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

# 2014 Year-to-Date Maintenance and Operations

## *Budget vs. Actual*

(\$ thousands)

	YTD		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$79,897	\$80,109	\$212	0.3%
Group Insurance	14,964	14,425	(540)	-3.6%
Contractual Services	26,499	25,382	(1,116)	-4.2%
Materials/Operational Supplies/Other Expenses	3,463	3,043	(420)	-12.1%
Utilities	2,859	3,099	239	8.4%
All Other Insurance	5,149	4,994	(156)	-3.0%
Parts and Fuel	2,678	3,853	1,175	43.9%
Equipment/Office Rental and Maintenance	8,105	7,799	(306)	-3.8%
Recovery of Expenses	(1,330)	(1,440)	(110)	-8.3%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$142,285</b>	<b>\$141,264</b>	<b>(\$1,022)</b>	<b>-0.7%</b>

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

# 2014 Year-to-Date Capital Program *Projections vs. Actual*

(\$ thousands)

	YTD		Variance	
	Projection	Actual <sup>(1)</sup>	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$7,766	\$3,509	(\$4,257)	-54.8%
Reagan Memorial Tollway (I-88)	5,239	4,945	(293)	-5.6%
Jane Addams Memorial Tollway (I-90)	277,186	223,395	(53,791)	-19.4%
Veterans Memorial Tollway (I-355)	9,170	1,471	(7,699)	-84.0%
Open Road Tolling (ORT)	1,968	433	(1,535)	-78.0%
Systemwide Improvements	95,236	59,140	(36,095)	-37.9%
Tri-State Tollway (I-294)/I-57 Interchange	43,643	17,232	(26,411)	-60.5%
Elgin O'Hare Western Access	82,237	92,773	10,535	12.8%
Illinois Route 53/120/Other Planning Studies	2,514	639	(1,876)	-74.6%
<b>Move Illinois and CRP Subtotal</b>	<b>\$524,959</b>	<b>\$403,537</b>	<b>(\$121,422)</b>	<b>-23.1%</b>
"Other" Capital Projects	24,750	23,641	(1,109)	-4.5%
<b>Capital Program Subtotal</b>	<b>\$549,709</b>	<b>\$427,177</b>	<b>(\$122,532)</b>	<b>-22.3%</b>
Intergovernmental Agreement Reimbursements and Other Adjustments <sup>(2)</sup>	-	(4,543)	(4,543)	N/A
<b>Total Capital Program Expenditures</b>	<b>\$549,709</b>	<b>\$422,634</b>	<b>(\$127,075)</b>	<b>-23.1%</b>

<sup>(1)</sup> Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2014.

<sup>(2)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.

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

# Revenue

## *2014 Budget Realized*

(\$ thousands)

	2014	YTD	% Budget
	Budget	Actual	Realized
Toll Revenue and Evasion Recovery	\$1,005,000	\$485,884	48.3%
Concessions	2,200	1,060	48.2%
Investment Income	2,000	327	16.3%
Miscellaneous	5,800	5,594	96.4%
<b>Total Revenue</b>	<b>\$1,015,000</b>	<b>\$492,864</b>	<b>48.6%</b>

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

# Maintenance and Operations

## *2014 Budget Realized*

(\$ thousands)

	2014 Budget	YTD Actual	% Budget Realized
<b>Payroll and Related Costs</b>	<b>\$160,592</b>	<b>\$80,109</b>	<b>49.9%</b>
<b>Group Insurance</b>	<b>30,058</b>	<b>14,425</b>	<b>48.0%</b>
<b>Contractual Services</b>	<b>61,065</b>	<b>25,382</b>	<b>41.6%</b>
<b>Materials/Operational Supplies/Other Expenses</b>	<b>7,536</b>	<b>3,043</b>	<b>40.4%</b>
<b>Utilities</b>	<b>5,950</b>	<b>3,099</b>	<b>52.1%</b>
<b>All Other Insurance</b>	<b>10,483</b>	<b>4,994</b>	<b>47.6%</b>
<b>Parts and Fuel</b>	<b>6,492</b>	<b>3,853</b>	<b>59.4%</b>
<b>Equipment/Office Rental and Maintenance</b>	<b>15,691</b>	<b>7,799</b>	<b>49.7%</b>
<b>Recovery of Expenses</b>	<b>(2,411)</b>	<b>(1,440)</b>	<b>59.7%</b>
<b>Total Maintenance and Operations Expenditures</b>	<b>\$295,456</b>	<b>\$141,264</b>	<b>47.8%</b>

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

# Capital Program 2014 Projections Realized

(\$ thousands)

	2014 Projection	YTD Actual <sup>(1)</sup>	% Projection Realized
Tri-State Tollway (I-94/I-294/I-80)	\$9,448	\$3,509	37.1%
Reagan Memorial Tollway (I-88)	10,569	4,945	46.8%
Jane Addams Memorial Tollway (I-90)	729,153	223,395	30.6%
Veterans Memorial Tollway (I-355)	10,164	1,471	14.5%
Open Road Tolling (ORT)	3,977	433	10.9%
Systemwide Improvements	249,167	59,140	23.7%
Tri-State Tollway (I-294)/I-57 Interchange	80,108	17,232	21.5%
Elgin O'Hare Western Access	282,786	92,773	32.8%
Illinois Route 53/120/Other Planning Studies	5,000	639	12.8%
<b>Move Illinois and CRP Subtotal</b>	<b>\$1,380,373</b>	<b>\$403,537</b>	<b>29.2%</b>
"Other" Capital Projects <sup>(2)</sup>	55,000	23,641	43.0%
<b>Capital Program Subtotal</b>	<b>\$1,435,373</b>	<b>\$427,177</b>	<b>29.8%</b>
<b>Intergovernmental Agreement Reimbursements and Other Adjustments<sup>(3)</sup></b>	<b>-</b>	<b>(4,543)</b>	<b>N/A</b>
<b>Total Capital Program Expenditures</b>	<b>\$1,435,373</b>	<b>\$422,634</b>	<b>29.4%</b>

<sup>(1)</sup> Capital Program Actual included accrued expenses for which payments have not been made as of June 30, 2014.

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

<sup>(3)</sup> Intergovernmental Agreement Reimbursements were for work performed in prior periods.

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

# Revenue

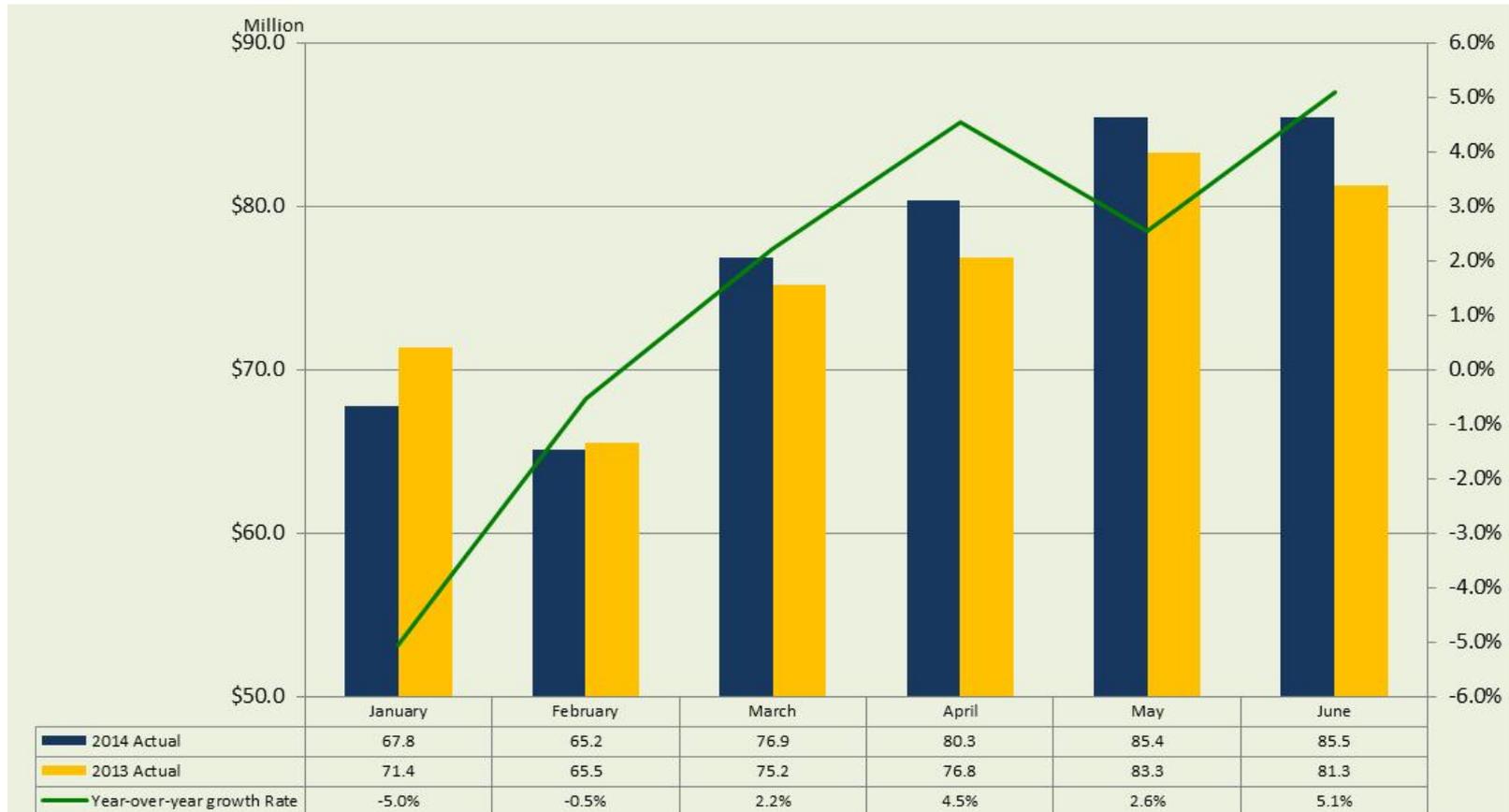
## 2014 vs. 2013 Second Quarter Actual

(\$ thousands)

	Second Quarter		Variance	
	2013	2014	\$	%
Toll Revenue and Evasion Recovery	\$253,780	\$263,150	\$9,371	3.7%
Concessions	580	529	(51)	-8.9%
Investment Income	223	203	(21)	-9.2%
Miscellaneous	1,151	3,009	1,857	161.3%
<b>Total Revenue</b>	<b>\$255,735</b>	<b>\$266,891</b>	<b>\$11,156</b>	<b>4.4%</b>

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

# Monthly Toll Revenue – 2014 vs. 2013 Year-to-Date



# Maintenance and Operations

## *2014 vs. 2013 Second Quarter Actual*

(\$ thousands)

	Second Quarter		Variance	
	2013	2014	\$	%
Payroll and Related Costs	\$36,129	\$37,896	\$1,767	4.9%
Group Insurance	6,864	7,377	513	7.5%
Contractual Services	11,517	13,393	1,876	-16.3%
Materials/Operational Supplies/Other Expenses	765	997	232	30.4%
Utilities	1,961	1,613	(349)	-17.8%
All Other Insurance	2,280	2,425	145	6.4%
Parts and Fuel	1,769	1,618	(151)	-8.6%
Equipment/Office Rental and Maintenance	3,151	2,989	(162)	-5.1%
Recovery of Expenses	(581)	(708)	(127)	-21.9%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$63,856</b>	<b>\$67,600</b>	<b>\$3,745</b>	<b>5.9%</b>

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

# Capital Program 2014 vs. 2013 Second Quarter Actual

(\$ thousands)

	2nd Qtr		Variance	
	2013	2014	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$7,910	\$1,286	(\$6,624)	-84%
Reagan Memorial Tollway (I-88)	2,580	4,769	2,189	85%
Jane Addams Memorial Tollway (I-90)	59,939	158,593	98,654	165%
Veterans Memorial Tollway (I-355)	3,076	1,444	(1,632)	-53%
Open Road Tolling (ORT)	2,247	421	(1,827)	-81%
Systemwide Improvements	23,093	39,100	16,007	69%
Tri-State Tollway (I-294)/I-57 Interchange	9,357	10,786	1,429	15%
Elgin O'Hare Western Access	11,323	52,419	41,096	363%
Illinois Route 53/120/Other Planning Studies	24.19	324	300	N/A
<b>Move Illinois and CRP Subtotal</b>	<b>\$119,549</b>	<b>\$269,142</b>	<b>\$149,593</b>	<b>125%</b>
"Other" Capital Projects	6,246	12,460	6,214	99%
<b>Capital Program Subtotal</b>	<b>\$125,795</b>	<b>\$281,603</b>	<b>\$155,807</b>	<b>124%</b>
<b>Intergovernmental Agreement Reimbursements and Other Adjustments</b>	<b>(\$9,197)</b>	<b>(\$4,584)</b>	<b>\$4,613</b>	<b>50%</b>
<b>Total Capital Program Expenditures</b>	<b>\$116,598</b>	<b>\$277,019</b>	<b>\$160,421</b>	<b>138%</b>

<sup>(1)</sup> 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 - *Projection vs. Actual*

	Projections	Actual	Variance	(millions) Variance %
<b>PASSENGER VEHICLES</b>				
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%
April	60.5	61.0	0.6	0.9%
May	64.9	65.4	0.5	0.8%
June	64.0	64.7	0.8	1.2%
	<b>356.7</b>	<b>353.0</b>	<b>(3.8)</b>	<b>-1.1%</b>
<b>2014 ALL COMMERCIAL VEHICLES (TIER 2-4)</b>				
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%
April	8.2	8.4	0.3	3.2%
May	8.5	8.8	0.3	3.5%
June	8.5	8.8	0.3	3.7%
	<b>47.5</b>	<b>48.5</b>	<b>1.0</b>	<b>2.0%</b>
<b>2014 ALL VEHICLES</b>				
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%
April	68.7	69.5	0.8	1.2%
May	73.5	74.3	0.8	1.1%
June	72.4	73.5	1.1	1.5%
	<b>404.2</b>	<b>401.4</b>	<b>(2.8)</b>	<b>-0.7%</b>

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

# 2014 vs. 2013 Transactions

(millions)

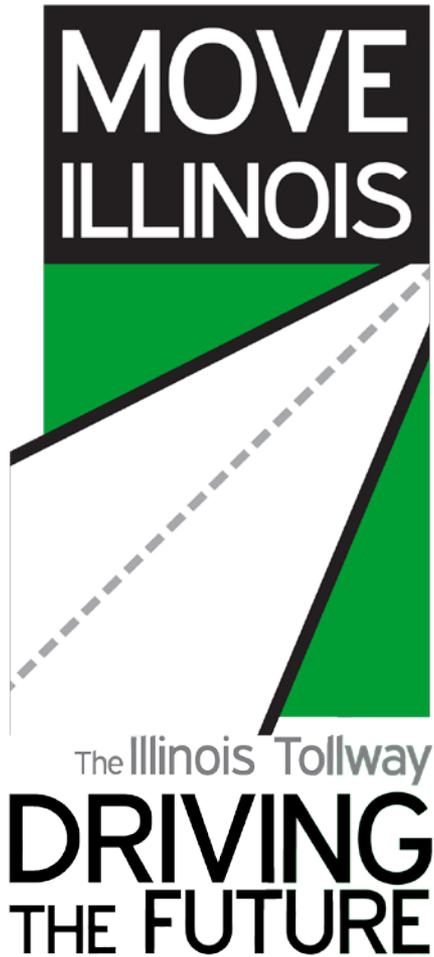
	2014 Transactions	% Change 2014 to 2013	2014 Transactions	% Change 2014 to 2013
	<b>PASSENGER VEHICLES (TIER 1)</b>		<b>LARGE COMMERCIAL VEHICLES (TIER 4)</b>	
January	51.7	-5.2%	5.3	0.0%
February	50.6	0.6%	5.1	3.9%
March	59.4	2.0%	5.7	6.5%
April	61.0	3.8%	6.0	6.8%
May	65.4	2.8%	6.1	4.2%
June	64.7	4.0%	6.0	9.6%
	<b>353.0</b>	<b>1.4%</b>	<b>34.2</b>	<b>5.2%</b>
	<b>ALL COMMERCIAL VEHICLES (TIER 2-4)</b>		<b>ALL VEHICLES</b>	
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%
April	8.4	6.5%	69.5	4.1%
May	8.8	4.3%	74.3	2.9%
June	8.8	9.0%	73.5	4.5%
	<b>48.5</b>	<b>5.4%</b>	<b>401.4</b>	<b>1.9%</b>

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



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**THANK YOU**



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# Construction Bid Package Strategy

August 2014

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# Agenda

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- ▶ **Jane Addams Memorial Tollway (I-90) eastern segment construction challenges**
- ▶ **Benefits of bid package strategy**
- ▶ **Recommend combination bid option**
- ▶ **Implementation I-90 eastern segment**
- ▶ **Discussion/next steps**

# Eastern Segment Construction Challenges

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- ▶ **Largest construction years in Tollway's history**
  - ▶ \$1.4 billion in 2014, \$1.6 billion anticipated for 2015
- ▶ **Heavier daily travel volume during peak hours**
  - ▶ 3-4 times more traffic than on western segment
- ▶ **Compact construction area**
  - ▶ Eastern segment has additional lane of traffic now and will be widened
- ▶ **Compressed construction schedule with complex projects**
  - ▶ Creation of new interchanges
  - ▶ Transit accommodations/coordination with Pace
  - ▶ Implementation of active traffic management
- ▶ **Challenging maintenance of traffic (MOT)**
- ▶ **Complex logistics/coordination required**
  - ▶ Movement of equipment and materials in work zone

# Flexible Bid Package Strategy

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- ▶ **Competition fosters more competitive bid prices**
  - ▶ May attract additional prime bidders
  - ▶ Provide new subcontracting opportunities
  - ▶ Opportunity to implement new small business goals
- ▶ **Optimize schedule**
  - ▶ Provide contractor flexibility
    - ▶ Means and methods
    - ▶ Staging and operations
    - ▶ Better coordination of operations in confined space
- ▶ **Potential cost savings**
  - ▶ Economy of scale
  - ▶ Maximize efficiencies

# Developing Flexible Bid Packages

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## *Goal to meet schedule and maintain budget*

- ▶ **Considered lessons learned from previous work**
  - ▶ Tri-State Tollway (I-294) Reconstruction and Widening Project
  - ▶ I-90 Fox River Bridge Project
  - ▶ Illinois Route 390/I-290 Interchange Project
- ▶ **Researched other agencies**
- ▶ **Reviewed legal and procurement policies**
- ▶ **Implementation process**
  - ▶ Identify viable locations
  - ▶ Consider various bid package strategies
  - ▶ Develop packages and goals
  - ▶ Educate industry
  - ▶ Advertise bids

# Other Agency Experience With Combination Bids

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- ▶ **Chicago Department of Transportation Skyway Project (2002 and 2003)**
  - ▶ Used combination bid option (same method the Tollway is recommending)
  - ▶ Average bid package was \$20 million to \$25 million
  - ▶ Estimated savings of 6 percent



# JCAR Permits Combination Bids

## Section 6.190 Combination Bids for Construction Contracts

- ▶ A combination bid is a total bid received on two or more contract items. No combination bids other than those specifically established by the department will be considered. Separate bid forms will be issued for each contract item in the combination. Bids may be submitted on the combination as well as on the separate contract items of the combination. The CPO reserves the right to make awards on combination bids or separate contract item bids.
- ▶ If a combination bid is submitted on two or more contract items, separate bids on each individual contract shall also be submitted, and unless separate bids are so submitted, the combination bid will not be considered. If the bidder intends to submit a combination bid, the bidder shall state, in the place provided in the bid form, the amount of the combination bid for the entire combination.
- ▶ If a combination bid is submitted on any stipulated combination, and errors are found to exist in computing the gross sum bid on any one or more of the individual bids, corrections will be made by the CPO and the amount of the combination bid will be corrected so that it will be in the same proportion to the sum of the corrected gross sum bid as the combination bid submitted was to the sum of the gross sum bid submitted.
- ▶ The following provisions govern combination bidding:
  - ▶ When a combination bid is submitted and awarded for two or more contract items, the combination bid price will be prorated against each contract item in proportion to the bid price submitted for each individual contract item.
  - ▶ Separate contracts will be executed for each individual contract item included in the combination.
  - ▶ The completion time for all contracts awarded on a combination bid will be the latest completion time designated in any of the contracts included in the combination, unless otherwise provided in the contracts.

# Identified Locations: I-90 Eastern Segment

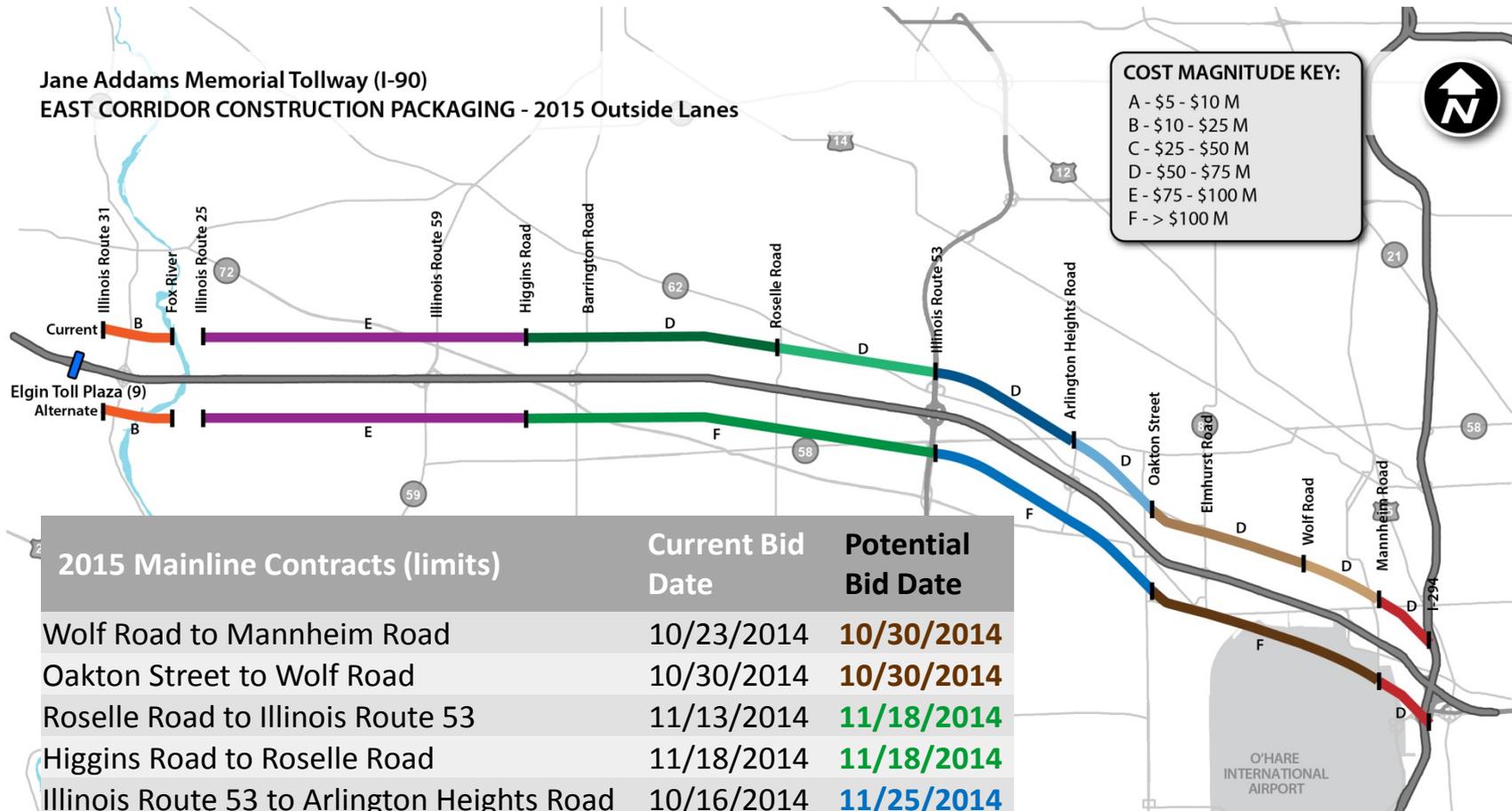
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- ▶ **Good timing - contracts advertising this fall**
  - ▶ 2015 mainline roadway (outside lanes)
- ▶ **Feasible to build and provide access**
  - ▶ Unified designers for the bid packages
  - ▶ Opportunity to bid adjacent mainline contracts
  - ▶ Optimize the schedule



# Alternate Construction Contract Packages

Jane Addams Memorial Tollway (I-90)  
EAST CORRIDOR CONSTRUCTION PACKAGING - 2015 Outside Lanes



**COST MAGNITUDE KEY:**

- A - \$5 - \$10 M
- B - \$10 - \$25 M
- C - \$25 - \$50 M
- D - \$50 - \$75 M
- E - \$75 - \$100 M
- F - > \$100 M

2015 Mainline Contracts (limits)	Current Bid Date	Potential Bid Date
Wolf Road to Mannheim Road	10/23/2014	<b>10/30/2014</b>
Oakton Street to Wolf Road	10/30/2014	<b>10/30/2014</b>
Roselle Road to Illinois Route 53	11/13/2014	<b>11/18/2014</b>
Higgins Road to Roselle Road	11/18/2014	<b>11/18/2014</b>
Illinois Route 53 to Arlington Heights Road	10/16/2014	<b>11/25/2014</b>
Arlington Heights Road to Oakton Street	11/25/2014	<b>11/25/2014</b>
Illinois Route 31 to Fox River Bridge	12/16/2014	
Illinois Route 25 to Higgins Road	12/4/2014	
Mannheim Road to Tri-State Tollway	12/11/2014	

# Recommendation: Combination Bid

*Offer contractors opportunity to bid on two specified 2015 adjacent contracts with a combination bid option*

## ▶ Potential bidding process

- ▶ Contractors have the opportunity to bid both contracts as advertised
- ▶ Contractors have the opportunity to submit one combination bid, only if they submit bids for both contracts
- ▶ Considering limiting joint ventures to two firms

## ▶ Special provision in contract documents will specify award determination

- ▶ Look at lowest bid combination (contract 1 and contract 2)
- ▶ \$46 million + \$49 million = \$95 million
- ▶ Lowest bid is \$94 million

Bidder	Contract 1 (millions)	Contract 2 (millions)	Combo Bid (millions)
Bidder A	\$50	\$50	\$98
Bidder B	<b>\$46</b>	--	n/a
Bidder C	\$47	<b>\$49</b>	--
<b>Bidder D</b>	<b>\$52</b>	<b>\$53</b>	<b>\$94</b>

# Next Steps/Discussion

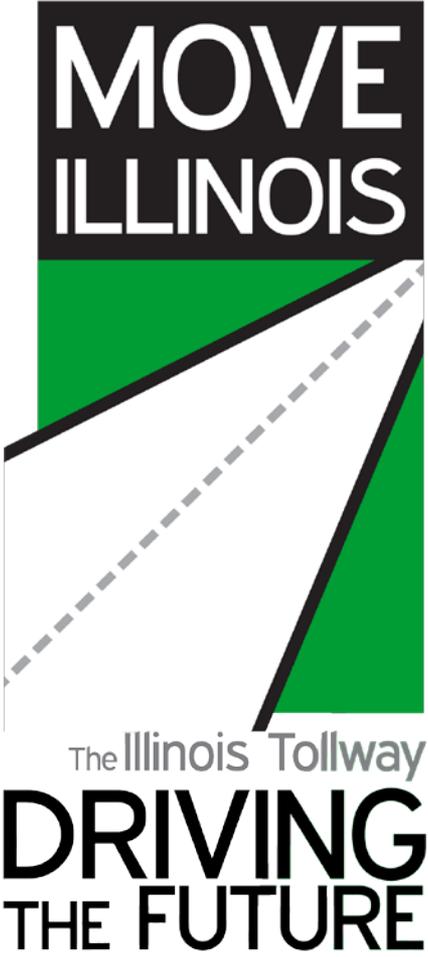
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## ▶ Next Steps

- ▶ Gather input from the Board of Directors
- ▶ Educate the industry
- ▶ Advertise bids

## ▶ Discussion

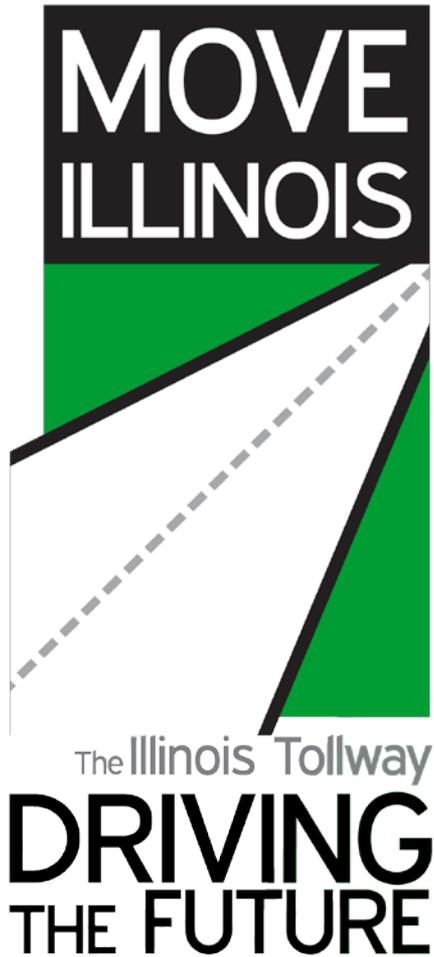
- ▶ Should we limit the joint ventures to two firms?
- ▶ Is the magnitude of bid packages acceptable?
- ▶ Is this bid package strategy a possibility for other corridors?



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**THANK YOU**

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# Expanding Access to I-PASS

August 28, 2014

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# Tri-State Tollway (I-294)/I-57 Interchange Opening in October

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- ▶ **First interstate-to-interstate connection on the Tollway system where there is no toll collection point for customers who wish to pay cash**
- ▶ **More than 87 percent of Tollway transactions are I-PASS**
- ▶ **Above average I-PASS penetration in Chicago Southland communities**
- ▶ **Goal: Provide everyone the opportunity to benefit from the new interchange and make traveling on it as easy as possible**

# I-PASS or Pay Online



**Plaza 42 Toll Rates for Cars and Motorcycles**

Regular Rate = \$1.50  
 Discounted *I-PASS* Rate = 75 cents

Truck rates range from \$1.50 to \$4.00 during daytime hours, with overnight discounts offered.



# New Customer Service Initiatives

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- ▶ **Extended, limited-time toll payment offer**
- ▶ **Temporary I-PASS Customer Service Center in Midlothian**
- ▶ **I-PASS roadshow tour in the Chicago Southland**
- ▶ **Extensive outreach and information dissemination through community posts and local advertising**
- ▶ **Focus group research with non-I-PASS customers to test understanding of all-electronic tolling roadway signage**

# Key Focus Group Finding

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- ▶ **For some, cost of I-PASS is a barrier**
- ▶ **Initial investment - \$40 pre-payment plus \$10 or \$20 deposit – is seen as an obstacle**
- ▶ **Major shift in opinion when initial cost of I-PASS is reduced**
- ▶ **Nearly all subjects indicated they would consider getting I-PASS if it cost less**

# Key Comparative Practices

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- ▶ **Florida SunPass** – \$25 per transponder for purchase, \$10 prepaid tolls.
- ▶ **Indiana Toll Road** – \$1 per transponder per month, \$10 prepaid tolls.
- ▶ **Pennsylvania Turnpike** – \$3 annual fee per transponder, \$35 in prepaid tolls per transponder. Manually replenished accounts pay an extra \$10 deposit per transponder.
- ▶ **New Jersey Turnpike** – \$10 transponder deposit, credited to account as tolls if auto-replenished, plus \$25 in prepaid tolls/auto-replenishment, plus \$1 monthly fee.
- ▶ **Chicago Transit Authority** – \$5 purchase fee that is converted to transit value upon registration, \$.05 - \$5 prepaid transit value, depending on location of purchase.

# Key Considerations

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- ▶ **Programming complexity and associated system risk**
- ▶ **Capacity to absorb customer service inquiries**
- ▶ **Extent of analysis and testing needed for complex changes**

# Current I-PASS Cost Structure

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- ▶ **Deposit for transponder:**
  - ▶ \$10 deposit (auto-replenish)
  - ▶ \$20 deposit (manual)
- ▶ **Initial pre-payment for tolls: \$40**
- ▶ **Minimum auto-replenishment for tolls: \$40**

# Putting I-PASS On Sale

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- ▶ **Proposed I-PASS “Sale” – October 1 through December 31, 2014**
- ▶ **Discounted cost structure**
  - ▶ Deposit for transponder: **\$10** (auto-replenishment or manual)
  - ▶ Initial pre-payment for tolls: **\$20**
  - ▶ Minimum auto-replenishment for tolls: **\$20**
- ▶ **For existing manual replenishment customers, a \$10 deposit refund will automatically be applied to their I-PASS account balances in the form of a credit**
- ▶ **All existing customers can lower their minimum auto-replenishment upon request**

# Anticipated Impacts

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- ▶ **Implementation costs – approximately \$20,000 in programming resources**
- ▶ **Customer Call Center – hard to determine, will monitor impact on call center activity**

# Anticipated Benefits

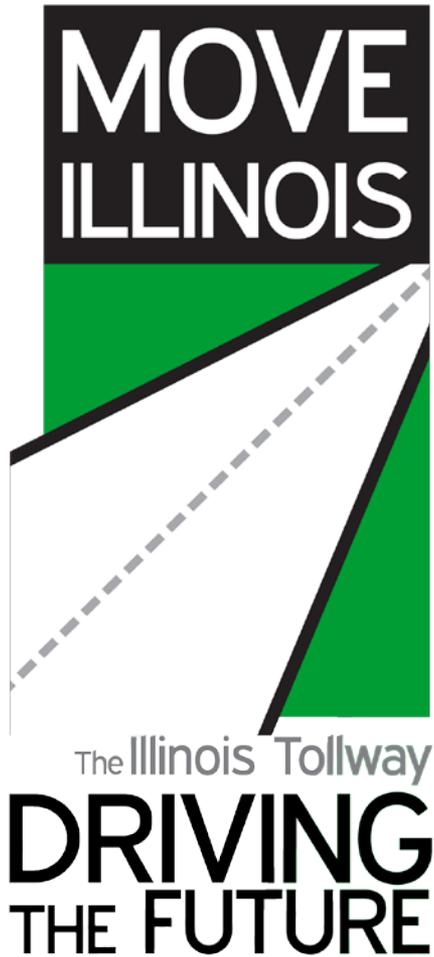
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- ▶ **Eliminate barrier to getting I-PASS**
- ▶ **Encourage I-PASS participation in advance of the Tri-State Tollway (I-294)/I-57 Interchange opening in October**
- ▶ **Help support successful long-term I-PASS participation**
- ▶ **Continue to support customers who prefer more varied (often smaller) manual replenishments, similar to transit cards**

# Moving Forward

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- ▶ **Currently reviewing business rules for future implementation**
- ▶ **Will review option to convert initial transponder deposit into tolls, like transit fare cards**
- ▶ **Will review “incentive program” to reward accounts in good standing with lower auto-replenishment amount**
- ▶ **Other ideas?**



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**THANK YOU**

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