

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
January 26, 2012**

The Illinois State Toll Highway Authority met in regular session on Thursday, January 26, 2012, at approximately 9:00 a.m. in the Board Room of The Illinois State Toll Highway Authority's 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 will require follow-up to present to the Board.

Chair Wolff stated that this is the regularly scheduled meeting of the Board of The Illinois State Toll Highway Authority 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 Carl Towns

Director Tom Weisner

Absent:

Governor Pat Quinn

Secretary Schneider

Chair Wolff called the meeting to order and opened the floor for public comment. Rob Sherman of Sherman Advocacy presented eight points. Among them, he expressed concern about the variation in toll rates along the Tollway. He asked the Board to consider eliminating surcharges on various stretches of the Tollway after the construction of the section has been paid for.

In response to Mr. Sherman's comments, Chair Wolff invited him to forward his concerns in writing to the Board Secretary. She indicated that staff could respond to his specific concerns when that information is received in writing. Director Gonzalez added that, because of the quality of the Tollway roads and maintenance, users are willing to pay

more to use the Tollway. He indicated that setting a schedule to eliminate surcharges on the Tollway would be premature due to unknown factors such as operating and maintenance costs.

Chair Wolff called for a motion to approve the minutes of the Regular Board Meeting and Executive Session held on December 15, 2011. Director D'Arcy noted that he was not present for the Executive Session in December 2011. Director Banks made a motion to approve the minutes; seconded by Director Towns. The motion was approved unanimously.

STANDING COMMITTEE REPORTS

Chair Wolff asked each Chair of the standing committee to provide reports on the committee's recent activities. Director Peterson, Chair of the Finance Administration Operations Committee, indicated that the committee reviewed the FAO Work Plan and agreed upon timelines for considering each strategic issue on the Work Plan. He noted that each Director has received a copy of the FAO Work Plan.

Director Weisner, Chair of the Strategic Planning Committee, indicated that the committee met last month and discussed its Work Plan with the new committee members. The first strategic decision under consideration by the committee is the Traffic Noise and Abatement Policy. To ensure transparency and allow for public input, he indicated that staff is currently finalizing a procedure for posting proposed policies online and accepting comments from the public online. He indicated that staff expects this online feature to be available in February for posting of the Traffic Noise Policy. The feedback from the public will then be considered when that policy is finalized shortly thereafter.

Director Redick, Chair of the Customer Service Committee and Director Gonzalez, Chair of the Audit Committee, indicated that their respective committees had not met since the last report to the Board in December 2011. The Customer Service Committee is scheduled to meet in February and the Audit Committee is scheduled to meet in March.

EXECUTIVE UPDATE

Executive Director Lafleur introduced Lieutenant Luis Gutierrez as the new Acting Commander of the State Police replacing Captain Jesernik who retired at the end of 2011.

Ms. Lafleur then provided a brief update on the progress of the Route 53 Blue Ribbon Advisory Council (BRAC). She indicated that BRAC and its working groups continue to meet with the goal of delivering a report later this Spring. The next big event for this group will be to gather on February 9 for a day-long workshop to determine a vision for what a potential project would look like. The public is also invited to attend.

The meeting will be held downtown Chicago at the offices of Chicago Metropolitan Agency for Planning (CMAP) and will include an overview and discussion with national and in-house transportation and planning experts. The group will also have a chance to consider a range of corridor scenarios and share their thoughts and recommendations for transportation performance, land use, and environmental issues.

The input and feedback from this workshop will help to narrow the vision and guide the direction of what will move forward for further study.

Ms. Lafleur then provided an update on the status of the I-90 Corridor Council activities. She indicated that the Tollway has completed its transit value planning study for the Jane Addams Memorial Tollway (I-90) with the RTA. The recommendations from the study included: (1) expand cross section to accommodate future rail; (2) consider direct access ramps; (3) refine eastern terminal and connection at Kennedy Expressway; and (4) when beneficial, use manage lane for transit services.

Ms. Lafleur indicated that the I-90 Corridor Council will begin building on this research with a study funded by the FHWA grant received last fall. This next phase will look at design options and determine costs to implement managed lanes with expanded transit service on the Tollway and identify how to integrate transit along the entire corridor.

The I-90 Corridor Council has been coordinating with the transit agencies and discussing what a 21st century I-90 corridor should look like. Also, the group will consider how the Tollway's improvements can transition into the Kennedy Expressway.

In addition, the I-90 Corridor Council will take a look at the various access points and interchanges that could be considered to provide transit access for commuters and communities in the corridor.

As part of its work, the I-90 Corridor Council has created a smaller, breakout group to look at financing options for improvements on the Kennedy and ways to leverage other revenue sources for local access. These could include public, as well as private sources, and local finance districts.

Ms. Lafleur indicated that the Council's review should be complete this spring. She noted that the Board will receive a report including findings, recommendations and next steps for the I-90 Corridor.

Chair Wolff commended Ms. Lafleur and staff for coordinating the above mentioned advisory planning councils and the 2010 & 2011 Earth Day Transportation Summits. She indicated that those efforts have greatly improved coordination among regional transportation agencies on major projects and initiatives. She also noted that plans are underway for the next Earth Day Transportation Summit in April.

Chair Wolff asked Director Peterson whether there were any contract items that he wanted to highlight before the Board considered the Consent Agenda. Director Peterson indicated that there were two noteworthy items presented by the Finance Department related to health and property insurance. He noted that the FAO committee approved a payment to Central Management Services (CMS) in the amount of \$4,896,962.13 for a total of 921 enrollees in the Retiree Health Insurance Program. He also noted that the Tollway's property insurance cost increased by 9 percent this year – not due to increased insurance rates but due to the increased insured value of the Tollway related largely to increased revenue projections.

Director Peterson also mentioned that there was a lot of discussion about Engineering Items 2 and 3 which were both awarded to the William Charles Construction/Curran Contracting Company in the amount of nearly \$54 million. The need in the future to increase competition, unbundling contracts and providing additional outreach to DBE firms were a part of that discussion.

Regarding retiree health benefits, Director Weisner asked whether the Tollway is paying into a large State pool designed to cover those costs. Mr. Colsch responded that the Tollway participates in the State Retiree Health Insurance Program and pays a pro-rata share of the healthcare premiums for qualified Tollway retirees.

Director Weisner asked about the coverage level for the State's Retiree Health Insurance Program. Mr. Colsch responded that he has not seen information indicating the percentage of funding available from the State for its current health insurance obligation. He added that the retiree health insurance costs are not paid out of a retirement trust account; instead, it is paid directly by the State and the Tollway reimburses the State.

Director Sweeney asked whether the Tollway could fund retiree health insurance on its own rather than through CMS. Mr. Colsch responded that current law requires that the Tollway participate in the State program.

Chair Wolff added that the Board has considered in the past asking the General Assembly to change the statute by allowing the Tollway to administer its own retiree health insurance plan. **Chair Wolff added that staff should look into what the costs would be to fund such a program prior to seeking changes from the General Assembly.**

Ms. Lafleur added that the FAO Committee Work Plan will consider insurance costs and could look to add this to that section of the plan.

Consent Agenda

Chair Wolff began the consent agenda (which consisted of items reviewed earlier in detail by Committees) by calling for a motion adopting the following **Finance** resolution:

Item 1: Approval of the Retiree Health Insurance Payment to CMS for the 2011 Annual Payment in the amount of \$4,896,962.13.

Item 2: Award of Contract 11-0195 with RSUI Indemnity Company and Chubb Insurance Company through Mesirow Insurance Services for the Property Insurance Program for the combined annual premium of \$746,114 (Tollway RFP).

Item 3: Increase of initial term compensation limit with The Bank of New York Mellon Trust Company, N.A. for Bond Trustee Services by \$8,000 from \$110,000 to \$118,000 and renew for a one-year period of May 1, 2012 to April 30, 2013 and, effective with such renewal, increase the upper limit of compensation from \$118,000 to \$155,000. (Tollway RFP).

Director Banks moved for adoption of the Finance resolutions; seconded by Director D'Arcy. The motion was approved unanimously. Chair Wolff called for a motion adopting the following **Business Systems** resolutions:

Item 1: Award of Contract 11-0054RR to Craftsman Custom Metals for the manufacture of Automatic Coin Machine (ACM) cabinets, in the amount of \$89,934.00. (Tollway IFB)

Director Weisner moved for adoption of the Business Systems resolution; seconded by Director Towns. The motion was approved

unanimously. Chair Wolff called for a motion adopting the following **Procurement** resolutions:

Item 1: Award of Contract 12-0061 to CDW-G for the purchase of Microsoft Software Assurance/Select Agreement Maintenance, in an amount not to exceed \$97,295.29 (CMS Master Contract).

Item 2: Award of Contract 12-0003 to Prairie International Inc. for the purchase of Snow Plow Trucks, in an amount not to exceed \$1,601,094.00 (CMS Master Contract).

Item 3: Renewal of Contract 10-0169 to Kent Manufacturing for the purchase of Reclosable (Velcro) Fasteners, in an amount not to exceed \$110,000.00 (CMS for Tollway Contract).

Item 4: Renewal of Contract 11-0059 to Gillie Hyde Ford for the purchase of Ford Auto and Light Truck Parts, in an amount not to exceed \$170,000.00 (CMS for Tollway Contract).

Item 5: Renewal of Contract 10-0175 to Great Northern Lumber Inc. for the purchase of Lumber and Plywood, in an amount not to exceed \$25,000.00 (CMS for Tollway Contract).

Item 6: Renewal of Contract 08-0001 to Meade Electric Company for the purchase of Traffic & Security Monitoring and Management System Maintenance, in an amount not to exceed \$900,000.00. (Tollway RFP)

Item 7: Increase of Contract 11-0005 to Civiltech Engineering, Inc., Santacruz Associates and Hanson Professional Services, Inc. for the purchase of Land Acquisition Services, increasing the contract dollar limit by \$150,000.00 from \$300,000.00 to \$450,000.00 (Tollway RFP).

Item 8: Increase of Contract 11-0075 to Oak Brook Mechanical Services, Inc. for the purchase of Replacement of Boilers, Chillers, Switches and Louvers, increasing the contract upper limit by \$65,000.00 from \$1,277,000.00 to \$1,342,000.00 (Tollway IFB).

Item 9: Increase of Contract 08-0051 to Meridian Systems for the purchase of Web Based Project Management, increasing the contract upper limit by \$68,400.00 from \$2,631,701.00 to \$2,700,101.00 (Sole Source).

Item 10: Award of Contract 12-0044 to Cartegraph Systems Inc. for the purchase of Cartegraph Software Maintenance, in an amount not to exceed \$41,557.00 (Sole Source).

Director Towns moved for adoption of the Procurement resolutions; seconded by Director Peterson. The motion was approved unanimously. Chair Wolff called for a motion adopting the resolutions for the following **Engineering Items:**

Item 1: Award of Contract No. RR-10-5613 to Herlihy Mid Continent Company for Bridge Rehabilitation on the Tri-State Tollway (I-80/I-294) from Milepost 0.0 (I-94/IL Route 394) to Milepost 5.3 (167th Street) and the Tri-State Tollway (I-94) at Milepost 15.2 (Atkinson Road) in the amount of \$561,821.01.

Director Peterson moved for adoption of the resolution for Engineering Items 1; seconded by Director Gonzalez. The motion was approved unanimously.

Item 2: Award of Contract No. RR-10-5614 to William Charles Construction Company/Curran Contracting Company (JV) for Roadway and Bridge Rehabilitation on the Reagan Memorial Tollway (I-88) from Milepost 76.1 (IL Route 251) to Milepost 91.4 (Annie Glidden Road) in the amount of \$23,608,676.70. (Recusal by Director Towns)

Item 3: Award of Contract No. RR-10-5615 to William Charles Construction Company/Curran Contracting Company (JV) for Roadway and Bridge Rehabilitation on the Reagan Memorial Tollway (I-88) from Milepost 91.4 (Annie Glidden Road) to Milepost 113.6 (IL Route 56) in the amount of \$30,739,235.98. (Recusal by Director Towns)

Director D'Arcy moved for adoption of the resolution for Engineering Items 2-3; seconded by Director Banks. The motion was approved unanimously.

Item 4: Award of Contract No. RR-10-5620 to Allied Landscaping Corporation for Landscape and Improvements on the Tri-State Tollway (I-294 and I-94), from Milepost 30.5 (Roosevelt Road) to Milepost 52.0 (Sanders Road Overpass); Milepost 0.0 (Wisconsin State Line) to Milepost 25.0 (Lake-Cook County Road); and the Jane Addams Tollway (I-90), from Milepost 49.25 to Milepost 49.5 (at IL Route 72) and Milepost 68.0 to Milepost 68.5 (at I-290/IL Route 53) in the amount of \$432,070.50.

Item 5: Award of Contract No. RR-10-5622 to Copenhaver Construction, Inc. for Landscape and Improvements on the Tri-State Tollway (I-294) from Milepost 12.0 (Cicero Avenue) to Milepost 30.0 (Cermak Plaza 35), and on the Reagan Memorial Tollway (I-88) from Milepost 80.2 (Locust Road) to Milepost 133.4 (Highland Avenue) in the amount of \$347,325.20.

Item 6: Acceptance of Proposal from Omega & Associates, Inc. on Contract I-11-4000 for Construction Management for the Jane Addams Memorial Tollway (I-90) at Milepost 46.4 (IL Route 47 Interchange) in the amount \$3,498,813.60.

Item 7: Acceptance of Proposal from IE Consultants, Inc. on Contract RR-10-5613 for Construction Management for Bridge Rehabilitation on the Tri-State Tollway (I-294) from Milepost 0.0 (IL Route 394) to Milepost 5.3 (167th Street); and Tri-State Tollway (I-94) at M.P. 15.2 (Atkinson Road) in the amount of \$244,717.48.

Item 8: Acceptance of Proposal from ESI Consultants, Ltd. on Contract I-11-5624 for Construction Management for Roadway Reconstruction and Widening on the Reagan Memorial Tollway (I-88) from Milepost 114.2 (Deerpath Road) to Milepost 113.3 (IL Route 56) in the amount of \$1,060,478.36.

Item 9: Acceptance of Proposal from Delcan Corporation on Contract RR-11-5644 for Infrastructure Services on the Jane Addams Memorial Tollway for Transit and Supporting Highway Infrastructure Study in the amount of \$782,226.51.

Item 10: Partial Release of Retainage on Contract No. I-09-5588 to Plote Construction, Inc. for Roadway and Bridge Rehabilitation on the Jane Addams Memorial Tollway (I-90) from Milepost 54.18 (Elgin Plaza 9) to Milepost 78.07 (Des Plaines River Road) by \$1,238,445.34 from \$1,632,836.94 to \$394,391.60.

Director Gonzalez moved for adoption of the resolution for Engineering Items 4-10; seconded by Director Banks. The motion was approved unanimously.

Item 11: Partial Release of Retainage on Contract No. RR-10-5617 to William Charles Construction Company, LLC/Rock Road Companies, Inc. (JV) for Roadway and Bridge Rehabilitation on the Jane Addams Memorial Tollway (I-90) from Milepost 17.0 (Newburg Road) to Milepost 45.0 (Sandwald Road) by \$1,214,779.59 from \$1,258,379.59 to \$43,600. (Recusal by Director Towns)

Director D'Arcy moved for adoption of the resolutions for Engineering Items 11; seconded by Director Peterson. The motion was approved unanimously. Chair Wolff called for a motion adopting the following **Legal** resolutions:

Item 1: A Second Intergovernmental Agreement Addendum with the University of Illinois. Cost to the Tollway: \$250,000. (Recusal by Director Redick)

Director Banks moved for adoption of the resolution for Legal Item 1; seconded by Director Towns. The motion was approved unanimously.

Item 2: A First Amendment to the Intergovernmental Agreement with the Regional Transportation Authority. Cost to the Tollway: \$0.

Item 3: A Workers Compensation Settlement – Walter Smith. Cost to the Tollway: \$375,000.

Item 4: A Personal Injury Settlement – Nicholas Conrad v. ISTHA. Cost to the Tollway: \$30,000.

Item 5: Expired Contracts Payments Resolution. Cost to the Tollway: \$0.

Director Peterson moved for adoption of the resolutions for Legal Items 2, 4, and 5 and deferred discussion of Legal Item 3 to Executive Session; seconded by Director D’Arcy. The motion was approved unanimously.

At approximately 9:50 a.m., Acting General Counsel Elizabeth Looby indicated a need to discuss personnel matters, collective bargaining and litigation that under the Open Meetings Act would qualify for Executive Session pursuant to Section 2(c)(1), Section 2(c)(2), and Section 2(c)(11) of the Open Meetings Act.

Director Redick made a motion to enter into Executive Session; seconded by Director D’Arcy. The motion was approved unanimously.

At approximately 11:25, the Board re-entered the public session of the Board Meeting.

Chair Wolff called for a motion to approve the resolution for Legal Item 3. Director Banks made the motion to approve; seconded by Director Gonzalez. The motion was approved unanimously.

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

The meeting was adjourned at approximately 11:30 a.m.

Minutes taken by: _____

Tranece Artis
Board Secretary