

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

May 16, 2012

The Illinois State Toll Highway Authority held a Finance Administration Operations (FAO) Committee Meeting on Wednesday, May 16, 2012 at approximately 8:40 a.m. at the Central Administration Building in Downers Grove, Illinois.

Directors Present:

Committee Chair Mark Peterson

Director Terry D'Arcy

Director David Gonzalez (arrival 8:50 am)

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

Committee Chair Peterson welcomed Director D'Arcy to the Finance Administration Operations Committee (FAO) and indicated that he is replacing Director Banks on the committee due to an ongoing scheduling conflict.

Committee Chair Peterson then called for a motion to approve the minutes of the Finance Administration Operations Committee Meeting and Executive Session held on Wednesday, April 18, 2012. Committee Chair Peterson made the motion to approve the minutes; seconded by Director D'Arcy. The motion was approved unanimously.

## EXECUTIVE DIRECTOR

Executive Director Kristi Lafleur indicated that up to three emergency procurement items that did not appear on the May FAO Agenda will appear on the May Board Meeting Agenda. She indicated that an emergency procurement to acquire PCI (Payment Card Industry) consulting services is needed to secure customer credit card information and complete a compliance analysis and report due on September 20, 2012. Due to the unexpected departure of an IT employee who previously handled this work, the Tollway must obtain the services of a Qualified Security Assessor (QSA) to perform this scope of work. If QSA services are not obtained, handling of credit card transactions may be at risk which would be problematic for Tollway operations.

Director Peterson asked whether the staff intends to use the consulting services indefinitely or to eventually hire staff to handle that function. Ms. Lafleur responded that staff ultimately intends to fill this position with full-time staff because it is important to maintain this expertise in-house.

The second emergency procurement scheduled for the May Board meeting is a contract with A-1 Lock which provides hardware and parts for the Tollway security system for approximately \$270,000.

Lastly, Ms. Lafleur indicated that an emergency procurement may be needed to replace or amend the contract for nature conservancy mitigation services approved last month by the Board. The previously approved contract did not include the costs associated with prevailing wages. **As a result, the Tollway may need to introduce a new contract to the Board to include these higher costs.**

## Quarterly Financial Review for the Quarter ending 3/31/12

Committee Chair Peterson called on Mike Colsch, Chief of Finance, to present the quarterly financial review for the 1<sup>st</sup> Quarter ending March 31, 2012 as shown in the [attached presentation](#).

Committee Chair Peterson asked about the Operating Reserve balance in 2011 compared to 2012. Mr. Colsch responded that the Operating Reserve balance was \$17 million at the end of 2011. Based on the 2012 budget allocation, the Operating Reserve will be \$27 million by the end of this year. Director D'Arcy asked whether an upper limit had been set for the Operating Reserve balance. Mr. Colsch responded that the maximum allowable Operating Reserve balance is equal to 30% of the Operating Expenditures. Based on current Operating Expenditures, he estimated the upper limit of the Operating Reserve at approximately \$80 million.

Regarding the Capital Program expenditures for 2012, Mr. Colsch noted that the Tollway will likely spend less this year than previously projected due to procurement-related delays. **Ms. Lafleur added that staff will keep the Board updated on the Capital Program progress.**

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

*Item 1: Review and approval of an Updated Investment Policy.*

Mr. Colsch reviewed the updates to the investment policy as shown in the [attached presentation](#). Committee Chair Peterson asked David Goldberg, General Counsel, whether he had an opportunity to review the updated investment policy, particularly, the Ethics and Conflicts of Interest section. Mr. Goldberg responded affirmatively and indicated that the Tollway Ethics Officer, Lisa Williams, is prepared to address

any ethical issues related to the investment policy with assistance from the Legal team as needed.

Director D'Arcy made a motion for approval of **Finance Item 1**; seconded by Director Gonzalez. The motion was approved unanimously.

*Item 2: Approval to Close Out Portions of the Improvement Requirement Established Prior to the Congestion-Relief Program.*

Regarding Item 2, Director Gonzalez asked for clarification about the expenditure amount to be cleared for the Congestion-Relief program. Mr. Colsch responded that only \$944 million of the \$1.4 billion authorized by the Board was used for the Congestion Relief Program. The remaining authorization for approximately \$456 million is no longer needed for the Congestion Relief Program.

Director Gonzalez made a motion for approval of **Finance Item 2**; seconded by Director D'Arcy. The motion was approved unanimously.

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

*Item 1: Award of Contract 12-0030 to White House Equipment Sales, LLC, for the purchase of Portable Air Compressors in an amount not to exceed \$160,050.00 (CMS Contract for the Tollway).*

*Item 2: Award of Contract 12-0081 to Rahn Equipment Company, for the purchase of Roadway Sweepers, Tow Behind in an amount not to exceed \$47,988.00 (CMS Contract for the Tollway).*

*Item 3: Award of Contract 12-0027 to White House Equipment Sales, LLC, for the purchase of Remote Control Mowers in an amount not to exceed \$255,000.00 (CMS Contract for the Tollway).*

*Item 4: Award of Contract 12-0093 to Blue Apple Health, LLC, for the purchase of Stroke Screening Services in an amount not to exceed \$59,250.00 (Tollway Invitation for Bid).*

*Item 5: Award of Contract 12-0101 to Fox Valley Fire & Safety Company, for the purchase of Fire Alarm Inspections and Repairs in an amount not to exceed \$98,255.00 (Tollway Invitation for Bid).*

*Item 6: Award of Contract 12-0067 to Talaris, Inc., for the purchase of Coin Counting Replacement Parts, in an amount not to exceed \$100,000.00 (Tollway Sole Source).*

Committee Chair Peterson noted that Items 1 and 2 were added to the agenda in error as they do not require Board Approval per the delegation of authority resolution approved at last month's Board meeting. Mr. Donato presented Items 3-6 to the Directors for approval.

Director D'Arcy made a motion for approval of **Procurement Items 3-6**; seconded by Director Gonzalez. The motion was approved unanimously.

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

*Item 1: Award of Contract No. I-12-4036 to Curran Contracting Company for Shoulder Widening on the Jane Addams Memorial (I-90)*

*M.P. 27.6 (Mosquito Creek) to M.P. 45.3 (Sandwald Road) in the amount of \$17,563,632.81.*

Director Peterson asked when Curran Contracting last received a contract from the Tollway. **Mr. Kovacs responded that he would have to follow-up to get that information.**

Director Peterson asked whether the Tollway should consider raising the DBE commitment goal for contracts with a limited pool of prime contractors. Ms. Lafleur responded that the DBE commitments are determined based on the utilization and availability of minority firms for each category of goods or services obtained by the Tollway.

*Item 2: Award of Contract No. I-12-4034 to William Charles Construction Company, LLC / Plote Inc. / Rock Road Companies (Tri-Venture) for Shoulder Widening on the Jane Addams Memorial Tollway (I-90) M.P. 18.3 (Kishwaukee River) to M.P. 27.6 (Mosquito Creek) in the amount of \$11,363,636.72.*

Director Gonzalez noted that only one vendor, William Charles Construction, responded to this invitation to bid and that the vendor plans to meet its 18% DBE commitment primarily with women-owned subcontracting firms. Director Gonzalez suggested that staff stress to prime contractors the importance of distributing subcontracting opportunities among other minority-owned subcontractors.

Director Gonzalez made a motion for approval of **Engineering Items 1-2**; seconded by Director D'Arcy. The motion was approved unanimously.

*Item 3: Final Release of Retainage on Contract No. I-07-5539 to R.W. Dunteman Company for Bioswale Stormwater/Water Quality Treatment on the Tri-State Tollway (I-294) M.P. 42.2 (Touhy Ave) to M.P. 52.2 (Sanders Road Overpass) in the amount of \$247,518.57.*

*Item 4: Final Release of Retainage on Contract No. I-09-5588 to Plote Construction, Inc. for Roadway and Bridge Rehabilitation on the Jane Addams Tollway, (I-90) M.P. 54.18 (Elgin Toll Plaza 9) to M.P. 78.07 (Des Plaines River Road) in the amount of \$394,391.60.*

*Item 5: Final Release of Retainage on Contract No. RR-09-5591 to F.H. Paschen, S.N. Nielsen & Assoc., LLC for Bridge Rehabilitation on the Tri-State Tollway (I-294) from M.P. 1.2 (Chicago Road) to M.P. 24.2 (I-55 Ramps) and on the Tri-State Tollway (I-94) M.P. 20.3 (Everett Road) in the amount of \$79,292.73.*

*Item 6: Final Release of Retainage on Contract No. RR-11-5626 to R W Dunteman Company for Systemwide Roadway Repairs and Improvements on the Tri-State Tollway (I-294) M.P. 0.0 (Ford/Calumet Expressway) to M.P. 44.5 (Ballard Road), and on the Tri-State Tollway (I-94) M.P. 1.4 (Old U.S. Route 41) to M.P. 11.0 (IL Route 120/Belvidere Road) in the amount of \$136,779.00.*

*Item 7: Final Release of Retainage on Contract No. RR-11-5628 to John Burns Construction Company for Systemwide Toll Plaza Violation Enforcement System Camera Wash System in the amount of \$224,036.39.*

*Item 8: Final Release of Retainage on Contract No. RR-10-9012 to RoadSafe Traffic Systems, Inc. for Systemwide Pavement Marking on the*

*Reagan Memorial Tollway (I-88), Jane Addams Memorial Tollway (I-90), Tri-State Tollway and Edens Spur (I-294/I-94) & Veterans Memorial Highway(I-355) in the amount of \$132,919.94.*

Mr. Kovacs indicated that although Item 8 appeared on the publicly posted agenda, the Engineering and Diversity teams need additional time to evaluate the vendor's DBE commitment shortfall. The Committee agreed to postpone consideration of this item to the June FAO Committee meeting.

Director D'Arcy made a motion for approval of **Engineering Items 3-7**; seconded by Director Gonzalez. The motion was approved unanimously.

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

*Item 1: An Intergovernmental Agreement with IDOT and the County of Cook. Cost to the Tollway: To be Determined.*

Director D'Arcy made a motion to approve **Legal Item 1**; seconded by Director Gonzalez. The motion was approved unanimously.

*Item 2: A Workers Compensation Settlement – Joe Kordik. Cost to the Tollway: To be Determined.*

*Item 3: A Workers Compensation Settlement – Gary Michalowski. Cost to the Tollway: To be Determined.*

*Item 4: A Workers Compensation Settlement – David Mendygral. Cost to the Tollway: To be Determined.*



*Item 5: Amended Identification of Real Estate Parcels – Cook County.  
Cost to the Tollway: \$0*

*Item 6: Approval of Preliminary Just Compensation – Final Just  
Compensation. Cost to the Tollway: To be determined.*

Mr. Goldberg recommended that discussion of **Legal Items 2-6** be deferred to Executive Session.

Ms. Lafleur introduced Michael Stone, Chief of Staff, to review the worker's compensation and worker safety programs at the Tollway as shown in the [attached presentation](#).

At approximately 9:40 a.m., General Counsel David Goldberg indicated a need to discuss litigation, pending litigation, purchase of real property and personnel matters in Executive Session pursuant to Section 2(c)(1), 2(c)(5) and 2(c)(11) and other applicable provisions of the Open Meetings Act.

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

At approximately 10:25 a.m., the Board re-entered the public session of the Board Meeting.

Committee Chair Peterson called for a motion to approve **Legal Items 2-4**. Director Gonzalez made the motion; seconded by Director D'Arcy. The motion was approved unanimously.

Committee Chair Peterson called for a motion to approve **Legal Item 5**

subject to discussion in Executive Session. Director Gonzalez made the motion; seconded by Director D'Arcy. The motion was approved unanimously.

Committee Chair Peterson called for a motion to defer discussion of **Legal Item 6** to the Executive Session of the full Board. Director Gonzalez made the motion; seconded by Director D'Arcy. The motion was approved unanimously.

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

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

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

Tranece Artis  
Board Secretary  
Illinois State Toll Highway Authority