

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
May 24, 2012**

The Illinois State Toll Highway Authority met in regular session on Thursday, May 24, 2012, 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 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 Terry D'Arcy

Director David Gonzalez

Director Mark Peterson

Director Jeff Redick

Director James Sweeney

Director Carl Towns

Director Tom Weisner (joined at 9:10)

Absent:

Governor Pat Quinn

Secretary Schneider

Director Jim Banks

Chair Wolff called the meeting to order. Executive Director Kristi introduced the co-chairs of the I-90 Corridor Planning Council - Steve Ernst, Executive Director of the Rockford Metropolitan Agency for Planning, and Don Kopec, Deputy Director of Chicago Metropolitan Agency for Planning - to highlight recommendations from the Corridor Planning Council as shown in the attached [Planning Council resolution](#).

Chair Wolff thanked Mr. Kopec and Mr. Ernst for leading the Planning Council and providing the report to the Board and acknowledged other Planning Council members in attendance. She then asked staff whether there were open questions regarding providing transit on I-90. Ms. Lafleur responded that one of the open questions is determining where

the access points for transit could be accommodated along the Tollway. Rocco Zuccherro, Deputy Chief of Engineering, added that other open issues include: developing a strategy for obtaining right-of-way to build park-n-ride facilities for transit commuters and determining where the demand for transit service exists.

Chair Wolff asked whether there is a model in the country for incorporation of transit on toll or highway systems. Mr. Zuccherro responded that there are several models across the country in Los Angeles, Miami and Minneapolis.

Chair Wolff then opened the floor to public comment. No public comment was offered. Chair Wolff requested a motion to approve the minutes of the Regular Board Meeting and Executive Session held on April 26, 2012. Director Redick made a motion to approve the minutes; seconded by Director Sweeney. The motion was approved unanimously.

STANDING COMMITTEE REPORTS

Chair Wolff asked each Chair of the standing committees to provide reports on the committee's recent activities.

Finance Administration Operations Committee

Director Peterson, Chair of the Finance Administration Operations Committee, indicated that the Committee met the previous week on May 16. He indicated that the financial results presented to the Committee for the quarter ending March 31, 2012 were favorable as revenues exceeded the quarterly estimate by \$3.5 million. Operating expenses were \$2.4 million less than budgeted. Capital expenditures were \$25.7 million less than estimated, primarily due to scheduling and timing issues including procurement process delays.

Director Peterson also indicated that the Tollway Investment Policy was updated. The policy was updated to include clarifications or modifications to the current investment policy which was last updated in 2006. Policy changes included: the addition of the Deputy Chief of Finance; deletion of the Chief Accountant as Authorized Investment Officers; authorization of the trustee to provide brokerage services as provided in their contract; and a requirement to file Statements of Economic Interests with the Secretary of State by Authorized Investment Officers (and others involved in investment decisions),. Other changes to authorized investments and reporting requirements consistent with the requirements of the Public Funds Investment Act, Toll Highway Act and Tollway Trust Indenture were included in the policy also.

The Committee approved an item to close inactive or completed improvement requirements that were established in relation to Tollway improvement projects that pre-dated the Congestion Relief Program. Projects funded pursuant to these resolutions have been completed, have been included in subsequent capital programs or have been discontinued. Finance is recommending that the Board act to close these resolutions and authorize any funds currently on deposit in the Improvement Account to be utilized for the CRP and/or Move Illinois Program.

Director Peterson also noted that, as part of the resolution that was recently passed further delegating the Board's approval authority for routine CMS led procurements under \$250,000, the Tollway entered into two contracts that met this criterion and will post these items on the Tollway's website today.

Re-cap of the Quarterly Financial Review Presentation

Director Peterson introduced Mike Colsch, Chief of Finance, to provide a re-cap of his presentation on quarterly financial results for the quarter ending March 31, 2012 as shown in the [attached presentation](#).

Chair Wolff commented that investment income has consistently been overestimated. **She suggested that investment income projections should be more conservative going forward.**

Director Weisner asked for more detail about the higher-than-projected revenue performance for the quarter. Mr. Colsch indicated that passenger vehicle traffic was expected to decline by 5.9 percent overall for the year due to the toll increase. However, passenger vehicle traffic declined only 2.2 percent during the first quarter. He also noted that the 6.1 percent increase in commercial traffic was higher than expected. As a result, the actual toll revenue for the first quarter increased by 45.5 percent.

Chair Wolff asked whether the toll increase has impacted traffic on the arterial roads. Mr. Colsch responded that he has not received any information about the impact to arterial roads to date. However, he noted that one of the assumptions in the traffic projections is that, as passenger vehicles leave the Tollway system, commercial vehicles have more incentive to be on the Tollway system. He added that he does not think this assumption alone accounts for the 6.1 percent increase in commercial traffic experienced on the Tollway in the first quarter.

Director Sweeney asked to what extent road construction impacts a driver's decision to use the Tollway. Kareem El-Domiaty, Traffic Engineer from AECOM, responded that decreased traffic due to drivers avoiding construction zones was considered in the 2012 traffic projection models but it is difficult to attribute the traffic changes to one particular variable.

EXECUTIVE DIRECTOR UPDATE

Ms. Lafleur introduced Captain Perez to give an update on the Tollway's plans for traffic safety over the Memorial Day weekend.

Captain Perez indicated that the Tollway is restricting construction activity and suspending all temporary construction lane closures over the holiday weekend to better serve its customers. The Illinois State Police (ISP) is reminding customers to drive safely when traveling in construction work zones throughout the Illinois Tollway system.

Captain Perez also indicated that the ISP is participating in a program for kids' identification and safety seat inspection throughout the summer. Upon request, certified police officers will inspect child safety seats to ensure that the seats are not defective and are installed properly. The ISP will also issue identification cards to parents for their children and store this children identification. The identification cards are useful to police when they need to identify or locate missing children.

Lastly, Captain Perez noted that, effective January 1, 2012, all passengers must wear seat belts regardless of age or seating position in the vehicle. The ISP will conduct safety checks throughout the weekend to enforce this safety requirement.

Update on Route 53/120 Blue Ribbon Advisory Council

Ms. Lafleur indicated that the Illinois Route 53/120 Blue Ribbon Advisory Council (BRAC) completed nine months of discussion and deliberation with the approval of a resolution and final report. The report recommends that the Illinois Tollway move forward with a new, 21st Century tolled parkway to serve the needs of residents and businesses in

Central Lake County. She added that the Council's resolution represents a significant step forward in realizing a new roadway that has been discussed for generations.

The BRAC report outlines specific design principles and environmental commitments that could make this facility a national model for balancing mobility needs and environmental concerns. The Council acknowledges that more work is needed to develop detailed plans and to address funding needs.

Advisory Council members, as well as members of the public and other community and interest groups, praised the Tollway's decision to create the Council and to stay true to an open, transparent process. Some even called the process itself a national model.

Ms. Lafleur noted that a final version of the report is being completed to incorporate some slight changes discussed at the meeting last week. The Council Co-Chairs will present the final report at the June Board Meeting.

Fox River Tour

Ms. Lafleur indicated that she and other Tollway staff took a walking tour conducted by Steve Byers of the Illinois Nature Preserve Commission of the high quality natural areas surrounding I-90 on the east side of the Fox River. Among the sites visited were Trout Park Nature Preserve and the Fox River Country Day School.

Both sites (approximately 17 acres) are the only remaining forested fen complexes in the State making them very unique natural resources to the region. She explained that a fen is a unique wetland system that is

dependent on a specific chemical composition of its ground water discharges that feed/source the complex.

Ms. Lafleur indicated that this tour gave her first-hand knowledge of how Tollway construction activity can impact the natural environment. Design and construction challenges for this project include: avoiding impacts to the delicate forested fens, temporary diversion of the public away from this highly utilized area, limited construction access and minimizing impacts to the river as part of the Fox River Bridge demolition and reconstruction.

Ms. Lafleur encouraged Board members who wished to go on a similar tour to reach out to Rocco Zuccherro for more information.

Move Illinois Status Reports

Ms. Lafleur indicated that the Tollway is in the process of transitioning to new monthly and quarterly capital program reports. The first monthly capital program report will be distributed in June, and the first quarterly capital program report will be distributed in July.

Ms. Lafleur invited Directors to provide feedback on the new format. Mock-ups of the new layouts were provided in hard copy at this meeting.

Construction Networking Event

Ms. Lafleur indicated that the Illinois Tollway hosted a free Construction Networking Event to provide an opportunity for businesses to learn how to participate in upcoming projects. The event provided small businesses involved in the heavy-highway construction industry the opportunity to establish or build relationships with larger construction contractors currently doing business with the Tollway.

The networking event attracted more than 200 professionals – general contractors, specialty subcontractors, trucking firms and suppliers of construction materials – from throughout the Chicago area. Top executives from more than a dozen prime construction firms and officials from several local assistance agencies, minority business and industry organizations participated in the networking portion of the event.

Ms. Lafleur noted that this was the first major construction networking event hosted by the newly created Illinois Tollway Department of Diversity and Strategic Development. She commended them for doing a great job.

Circle Interchange Update

Ms. Lafleur reminded Directors that Governor Quinn and IDOT announced a joint venture of AECOM and TranSystems to perform Phases I and II Engineering for reconstruction of the Circle Interchange. The project is estimated to cost approximately \$40 million to identify the scope of the improvements and the potential cost and construction schedule.

Ms. Lafleur indicated that no funding for construction has been identified at this time, but this is an exciting step forward that will ultimately assist the Tollway in its efforts to address the needs of the I-90 Corridor from Chicago to Rockford.

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** resolutions:

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

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

Director Peterson moved for adoption of the Finance Items 1-2 resolution; seconded by Director Towns. The motion was approved unanimously.

Chair Wolff called for a motion adopting the following **Business Systems** resolutions:

Item 1: Renewal of the Contract for the Toll Revenue Management and Maintenance Program (TRMMP) to Electronic Transaction Consultants Corp. (ETCC), by \$TBD from \$104,899,092 to TBD. (Tollway RFP)

Ms. Lafleur indicated that discussion of this item will be deferred to Executive Session.

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

Item 1: Increase of Contract 11-0122 to A-1 Corporate Hardware, d/b/a, A-1 Lock, Incorporated for the purchase of Hirsch System – Locks & Lock Parts, increasing the contract dollar limit by \$270,000.00 from \$150,000.00 to \$420,000.00. (CMS Master Contract)

Item 2: 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 3: 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 4: 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 5: 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).

Director Peterson moved for adoption of the **Procurement** resolutions; seconded by Director D'Arcy. 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. 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 moved for adoption of the **Engineering Item 1** resolution; seconded by Director Redick. The motion was approved unanimously.

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. (Recusal by Director Towns)

Director Gonzalez noted that although the vendor has committed to meeting the 18 percent DBE goal set by the Tollway for this contract, only 25% of the DBE goal will be met with African-American and Hispanic-owned subcontractors. Ultimately, only \$525,000 of the \$11 million contract will go to African-American and Hispanic-owned subcontractors. Director Gonzalez suggested that staff stress to prime contractors the importance of not only meeting the DBE goal but also distributing subcontracting opportunities among minority-owned subcontractors.

Chair Wolff thanked Director Gonzalez for his input and indicated that the Tollway will commission a new study to assess the availability and utilization of minority-owned contractors for construction and professional service contracts. Ms. Lafleur indicated that appropriate utilization of minority firms will be part of ongoing discussions within the Finance Administration Operations and Strategic Planning Committees.

Director Peterson moved for adoption of the resolution for **Engineering Item 2**; seconded by Director Weisner. The motion was approved by

Directors D'Arcy, Peterson, Redick, Sweeney, Weisner, and Chair Wolff; opposed by Director Gonzalez.

Item 3: Final Release of Retainage on Contract No. I-07-5539 to R.W. Dunteman Company, Rosemont, IL 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 \$229,105.92.

Director Peterson moved for adoption of the resolutions for **Engineering Items 13**; seconded by Director Gonzalez. The motion was approved unanimously.

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

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

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.

Director Towns moved for adoption of the resolutions for **Legal Items 1 and 5**, and deferred discussion of **Legal Items 2, 3, 4 & 6** to the

Executive Session; seconded by Director D'Arcy. The motion was approved unanimously.

At approximately 10:25 am, General Counsel David Goldberg indicated a need to discuss personnel matters, bargaining matters and pending litigation in Executive Session pursuant to Section 2(c)(1), 2(c)(2) and Section 2(c)(11) of the Open Meetings Act.

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

At approximately 11:20 am, the Board re-entered the public session of the Board Meeting.

Chair Wolff called for a motion to approve the resolution for **Business Systems Item 1** for the 3rd renewal option with ETCC in the amount of \$12 million. Director Redick made the motion seconded by Director Sweeney. The motion was approved unanimously.

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

Chair Wolff called for a motion to approve the resolution for **Legal Item 2** in the amount of \$131,000. Director Peterson made the motion seconded by Director Gonzalez. The motion was approved unanimously.

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

Chair Wolff called for a motion to approve the resolution for **Legal Item 3** in the amount of \$125,000. Director Weisner made the motion; seconded by Director D'Arcy. The motion was approved unanimously.

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

Chair Wolff called for a motion to approve the resolution for **Legal Item 4** in the amount of \$287,459.65. Director Sweeney made the motion; seconded by Director Redick. The motion was approved unanimously.

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

Chair Wolff called for a motion to approve the resolution for **Legal Item 6** as discussed in Executive Session in the amount \$450,000. Director D’Arcy made the motion; seconded by Director Weisner. The motion was approved unanimously.

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

The meeting was adjourned at approximately 11:25 am.

Minutes taken by: _____

Tranece Artis
Board Secretary