

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY**  
**MINUTES OF THE REGULAR BOARD MEETING**  
**August 23, 2012**

The Illinois State Toll Highway Authority met in regular session on Thursday, August 23, 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

Absent:

Governor Pat Quinn

Secretary Schneider

Director Jim Banks

Chair Wolff called the meeting to order and opened the floor for 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 July 26, 2012. Director Weisner made a motion to approve the minutes; seconded by Director Redick. The motion was approved with affirmative votes from Directors D’Arcy, Peterson, Redick, Sweeney, Towns, Weisner and Chair Wolff. Director Gonzalez abstained from voting on the meeting minutes because he was not present at the Board meeting held on July 26, 2012.

## STANDING COMMITTEE REPORTS

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

### **Finance Administration Operations Committee**

Director Peterson indicated that the Committee last met on August 15, 2012. He indicated that Mike Colsch, Chief of Finance, presented the unaudited quarterly financial results for the second quarter at the committee meeting and that Mr. Colsch will summarize that report for the Board after the standing committee reports are complete.

Finance requested approval of two pools of underwriters selected through a Request for Proposal (RFP) issued in May 2012. The pool of senior and co-senior managing underwriters and remarketing agents is comprised of 14 firms all of which met the technical scoring requirement and agreed to the pricing proposal presented by the Tollway. The co-manager pool is comprised of 17 firms. Initially, the 18 highest scoring firms were considered for award, but one firm rejected the pricing that was accepted by the senior managers. Twenty-one percent of the senior manager pools are MBE firms (3 firms).

Engineering presented three construction awards that totaled \$7.7 million. Each contractor committed to meeting the contract diversity goals. Two of these contracts represent unbundled work as the estimates and resulting bids were below the \$5 million limit.

Legal presented 7 items to the committee. Two of those items are related to land acquisitions and will be discussed in Executive Session today.

## **Strategic Planning Committee**

Director Weisner indicated that the last committee meeting was held on August 15, 2012. The committee discussed making adjustments to the current thresholds in the Interchange Cost-sharing Policy that could facilitate cost-sharing on interchange projects with local governments in the current economic environment. The policy would maintain the 50 percent contribution requirement from the local government but provide flexibility in other contract terms. He indicated that the draft policy is posted on the website for public comment which will be accepted online through September 4, 2012. The public comments received will be distributed to the committee and staff for consideration prior to finalization of the policy at the next Strategic Planning Committee meeting scheduled on October 17, 2012.

Regarding the proposed Route 53/IL 120 project, Director Weisner indicated that staff provided an in-depth presentation on the proposed project which included discussion of cost estimates and potential funding scenarios. He indicated that a key next step for this project includes the development of a comprehensive land use plan by Lake County and CMAP to ensure the roadway is compatible with future development in the area. The Tollway will also participate in the process and will likely contribute funds to that effort.

## **Customer Service Committee Meeting**

Director Redick indicated that the Customer Service Committee was scheduled to be held on July 26 but was cancelled due to extended discussion in the preceding Board meeting. He indicated that the meeting has been rescheduled to September 20, 2012.

Chair Wolff reminded the Directors of the Tollway's accomplishments over the last year including the approval of the Move Illinois Capital Program, and she thanked staff for all the hard work in the last year and also encouraged staff to find some time for vacation to get refreshed in preparation for the coming year.

## EXECUTIVE DIRECTOR UPDATE

### Quarterly Financial Review

Ms. Lafleur introduced Mike Colsch, Chief of Finance, to summarize the results of the 2<sup>nd</sup> Quarter Financial Report as shown in the [attached presentation](#). Toll revenue exceeded budget by \$1.6 million, maintenance and operations was \$4 million below budget, and the capital program remains under budget largely due to postponed project starts related to the procurement process.

Chair Wolff asked how this report could affect future bond issues for the Move Illinois Capital program. Mr. Colsch responded that with respect to the Tollway's credit analysis - the higher than expected traffic flow should be viewed positively by the market and the evasion recovery issue could be explained as a one-time event. However, he added that there may be concern about the Tollway's ability to complete projects on time given the procurement challenges seen to date. Also, the timing and amount of bond issues needed early on may be affected due to delays in project starts.

Chair Wolff indicated that the quarterly financial report not only gives the Board an indication about the Tollway's performance compared to revenue projections and expense budget but it also has a broader implication as the Tollway prepares to go into the market with a bond

issue. She added that the second quarter financial performance seems as strong as the Tollway could have hoped prior to a bond issue.

Chair Wolff thanked everyone involved in making the projections and those responsible for ensuring the Tollway lived within its means.

### UIC Presentation

Ms. Lafleur indicated that the Tollway's lease for the customer call center space in Lisle will expire at the end of the year and that the Tollway has been searching for state owned property to move the call center to for the past year. After an exhaustive search, the Tollway identified space at the University of Illinois Chicago campus (UIC). If this intergovernmental agreement (IGA) is approved by the Board, UIC will begin to build-out the space to the Tollway's specifications.

Ms. Lafleur, then introduced Shana Whitehead, Chief of Business Systems, to provide an overview of the University of Illinois-Chicago (UIC) Partnership as shown in the [attached presentation](#).

Director Peterson asked whether the Tollway considered a longer lease with UIC – 20 years vs. 10 years. Ms. Whitehead responded that the 10 year lease term in the current Intergovernmental Agreement seemed ideal for the Tollway. Given the evolving technology, it might not be necessary to have as large of a space 20 years from now. Director Peterson asked whether an option to renew the lease could be included in the contract. Ms. Lafleur indicated that Legal could look into including an option to renew the lease after ten years but noted that most state property contracts have 10 year lease terms.

Director Peterson asked whether there is an out clause in the agreement that allows the Tollway to terminate the lease if needed. Ms. Whitehead responded affirmatively.

Director Weisner asked about the size of the UIC space. Ms. Whitehead responded that it is about 22,000 square feet compared to the current facility which is approximately 11,000 square feet. She added that the Tollway expects to need additional call center staff due to increased call volume associated with the Move Illinois Capital Projects.

Director Weisner asked about the number of state use employees needed for the new call center. Ms. Whitehead responded approximately 200.

Ms. Lafleur indicated that staff may need to return to the Board for approval of additional construction costs to build-out the call center space at UIC as the current cost estimates are preliminary. She also indicated that an extension of the current call center and lease contracts will likely be needed as UIC prepares the new call center space.

#### Diversity Events

Ms. Lafleur indicated that the Tollway will be participating in a few outreach events over the next week including the Black Contractors' Business Summit hosted by Congressman Bobby Rush at Chicago State University on Friday 8/24 and Saturday 8/25. Tollway staff will provide an overview of the its construction contract bidding and professional services selection processes and join a roundtable discussion with other local government agencies, particularly transportation agencies.

Also, on Wednesday 8/29, the Tollway will participate in the Community Information and Resource Fair hosted by the Illinois Department of Employment Security which is designed to provide south suburban communities with hands-on information about the wide range of human services and training resources available in the Chicago Southland region. The event will take place from 9:00 a.m. until 12:00 p.m. at the Rayday Lodge in Midlothian.

### State Police Report

Ms. Lafleur then introduced Captain Joseph Perez, District 15 Commander of the State Police, to give an overview of safety measures planned to address increased traffic on the roadways over the upcoming Labor Day weekend. She noted that 6.7 million vehicles are expected to travel the Tollway next Friday through Tuesday.

Captain Perez indicated that more than 12% of the traffic fatalities recorded in the month of September occurs over the 3-day Labor Day weekend. He indicated that the State Police will take the following measures to minimize fatalities: placing 40 additional officers on the road over the weekend, stationing squad cars one to two miles prior to construction zones and employing air patrol speeding detail. He also indicated that the State Police will be target drivers who are texting and driving, intoxicated or otherwise impaired as well as those who are not wearing seat belts.

### 2013 Student Art Map Contest

Ms. Lafleur announced that letters went out to more than 400 schools in the communities along the Tollway to invite them to participate in our second annual Student Art Map Contest. The Tollway will again partner with U.S. Equities and Blick Art Materials on this great program.

High school art students will be asked to create artwork based on the theme, *Remembering Our Veterans*. The winning artwork will be featured on 125,000 Illinois Tollway map covers and displayed in Tollway Oases.

The grand prize winner will receive a \$400 gift certificate from Blick Art Materials and a \$200 gift certificate from U.S. Equities to use at Oases restaurants and shops. Prizes will also be awarded to three runners up. Entries must be postmarked by October 5, 2012.

Ms. Lafleur invited the Directors to choose the winner by voting on the finalist's submissions, as done last year by the Directors. Staff plans to present the student awards at the November Board meeting.

### **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 financial firms to provide Underwriting and Remarketing services for an initial term of (3) three years with options to renew for up to (2) two years. (Recusal by Director D'Arcy)*

Director Sweeney moved for adoption of the resolution for **Finance Item 1**; seconded by Director Gonzalez. The motion was approved unanimously.

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

*Item 1: Renewal of Contract 11-0093 to Addison Building Materials Company and 84 Lumber Company for the purchase of Fast-Setting and Portland Cement Products in an amount not to exceed \$39,162.00 (Tollway Invitation for Bid).*

Director Towns moved for adoption of the resolution for **Procurement Items 1**; seconded by Director Gonzalez. The motion was approved unanimously.

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

*Item 1: Award of Contract I-12-4063 to Copenhaver Construction, Inc. for Building Removal and Site Grading on the Tri-State Tollway (I-294) at I-57, from Milepost 7.95 to Milepost 8.65, in the amount of \$871,740.00.*

*Item 2: Award of Contract RR-12-5649R to Curran Contracting Company for Intermittent Pavement Repairs and Microsurfacing Improvements on the Reagan Memorial Tollway (I-88) from Milepost 44.0 (U.S. Route 30) to Milepost 76.1 (IL Route 251), in the amount of \$5,227,040.11.*

*Item 3: Award of Contract RR-12-5651 to RoadSafe Traffic Systems, Inc., for Pavement Marking, Systemwide, in the amount of \$1,577,753.02.*

Director D'Arcy moved for adoption of the resolution for **Engineering Items 1-3**; seconded by Director Towns. The motion was approved unanimously.

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

*Item 1: An Intergovernmental Agreement with the Illinois Department of Transportation (Route 173). Cost to the Tollway: \$14,096,500 (estimated non-cash payment via credit to IDOT).*

*Item 2: An Intergovernmental Agreement with the Illinois Department of Central Management Services. Cost to the Tollway: \$0.*

*Item 3: An Intergovernmental Agreement with the Illinois Department of Transportation (Plaza 21). Cost to the Tollway: \$0 (IDOT to reimburse Tollway \$2,710,640.19).*

Director Weisner moved for adoption of the resolution for **Legal Items 1-3**; seconded by Director Gonzalez. The motion was approved unanimously.

*Item 4: An Intergovernmental Agreement with the University of Illinois (Call Center). Cost to the Tollway: Not to Exceed \$2,888,926.00 for build-out plus scheduled rent payments. (Recusal by Director Redick)*

Director Towns moved for adoption of the resolution for **Legal Item 4**; seconded by Director Sweeney. The motion was approved unanimously.

*Item 5: A First Amendment to an Intergovernmental Agreement with Will County and the Village of Woodridge. Cost to the Tollway: \$0.*

Director Peterson moved for adoption of the resolution for **Legal Item 5**; seconded by Director D'Arcy. The motion was approved unanimously.

*Item 6: DiBenedetto (Additional Identification of Real Estate Parcels).  
Cost to the Tollway: n/a*

*Item 7: Land Acquisition Approval of Litigation Settlement. Cost to the  
Tollway: As discussed in Executive Session.*

General Counsel recommended that discussion of **Legal Items 6-7** be deferred to Executive Session.

At approximately 10:00 a.m., General Counsel David Goldberg indicated a need to discuss personnel matters, potential purchase of real property and pending litigation in Executive Session pursuant to Section 2(c)(1), Section 2(c)(5) and Section 2(c)(11) of the Open Meetings Act.

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

At approximately 10:45 a.m., the Board re-entered the public session of the Board Meeting.

Chair Wolff called for motions to approve **Legal Items 6-7** as described below by General Counsel:

*Item 6: DiBenedetto (Additional Identification of Real Estate Parcels).  
Cost to the Tollway: n/a*

*Item 7: Land Acquisition Approval of Litigation Settlement. Cost to the  
Tollway: As discussed in Executive Session.*

Director Towns moved for adoption of the resolutions for **Legal Items 6-7**; seconded by Director Sweeney. 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 Redick. The motion was approved unanimously.

The meeting was adjourned at approximately 10:50 a.m.

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

Marlene Rodriguez-Vick  
Illinois State Toll Highway Authority