

Illinois State Toll Highway Authority

Minutes of the Audit Committee Meeting February 24, 2011

The Illinois State Toll Highway Authority held an Audit Committee Meeting on Thursday, February 24, 2010 at approximately 11:05 a.m. at the Central Administration Building in Downers Grove, Illinois.

Directors on the Committee in attendance were as follows:

Committee Chair Paula Wolff

Director James Banks

Director Jim Roof

Chair Wolff called the meeting to order. Director Banks moved to approve the minutes of the Audit Committee Meeting held on November 18, 2010; seconded by Director Roof. The motion was approved unanimously.

Executive Director Lafleur introduced Chief of Finance, Mike Colsch. Mr. Colsch gave a presentation on the Quarterly Financial Review Report for the Fourth Quarter of 2010.

Mr. Colsch indicated that there were some positive trends in the fourth quarter, which resulted in revenue outperforming the October estimate. Revenue totaled \$673 million, more than the October estimate by \$13 million. Operating costs and Capital Program expenses also were lower than the October estimate. Mr. Colsch then detailed both the October estimated M&O and Capital Program expenditures versus actual spending.

Executive Director Lafleur asked Mr. Colsch to update the Board on the restructuring of the Tollway's debt services. Mr. Colsch noted that last fall, some of the Tollway's financial advisors sought proposals for the

Tollway to replace about \$1.3 billion of bank agreements necessary to support variable-rate bonds. The first phase of that replacement occurred in February. \$400 million of replacements were done through three separate agreements. Currently, staff is working on replacing liquidity providers on roughly \$800 million of debt through seven different agreements with six different banks. Tollway staff continues to monitor the bond market for the opportunity to refinance these permanently into fixed-rate bonds.

Director Morris asked if an update on debt transactions could be added to the agenda for next month's Finance Committee meeting.

Chair Wolff thanked Mr. Colsch for his presentation.

There being no further business, Director Banks moved to adjourn; seconded by Director Roof. The motion was approved unanimously.

Meeting adjourned at approximately 11:25 a.m.

Minutes taken by: _____

Tranece Artis