

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
May 26, 2011

The Illinois State Toll Highway Authority met in regular session on Thursday, May 26, 2011 at approximately 10:00 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 James Banks

Director Tom Canham

Director Bill Morris

Director George Pradel

Director Maria Saldana

Director Carl Towns

Absent:

Governor Pat Quinn

Secretary Gary Hannig

Chair Wolff called the meeting to order and introduced Captain Jesernik to give a presentation on Memorial Day Safety.

Safety Update (Memorial Day)

Captain Jesernik indicated that the State Police will heighten patrol efforts over the Memorial Day weekend via car, motorcycle and airplane. The State Police has also set up seatbelt enforcement zones and “texting while driving” details to promote public safety on the highways over the holiday. He also indicated that twenty traffic safety presentations to educate over ten thousand teens were conducted over the last month in preparation for prom, graduation and summer activities.

Governor Quinn declared May 25, 2011 as Missing Children’s Day in Illinois to celebrate the progress made in safeguarding children. As a result, the State Police has partnered with Tollway Communications on kid identification and child seat safety initiatives. Additionally, the State

Police will provide security for the Vietnam moving wall tribute displayed at the New Lennox American Legion.

Q1 Performance Measurement Report

Executive Director Kristi Lafleur introduced Shana Whitehead, Acting Chief of Business Systems, to present an update on the Performance Improvement Initiatives. Executive Director Lafleur explained that the goal is to set targets to measure the Tollway's progress moving forward.

Ms. Whitehead started the presentation by reviewing the purpose of the performance improvement measurements including: tracking success of key initiatives throughout 2011; improving alignment with leading practices; improving transparency; and improving accountability. Status updates on the performance improvements will be distributed at Board meetings quarterly. The performance improvement initiatives that will be tracked include: establishing customer campaign to keep I-PASS accounts up-to-date; evaluate and update violations fines and fees structure; establishing fleet account solutions; establishing automated credit card expiration dates updates; and decrease average length of calls to call center. Key accomplishments and upcoming tasks for each of the initiatives, as well as next steps, are highlighted in the attached presentation.

Chair Wolff asked whether the Tollway could automatically update license plate information received from the Secretary of State (SOS). Ms. Whitehead indicated due to legal considerations it would be best to have the driver confirm the license plate information before charging tolls to that driver.

Chair Wolff suggested that the Tollway ask SOS to add check box to their license applications indicating the driver's permission to share the license plate information with the Tollway. Ms. Whitehead indicated that the Tollway is working toward that solution.

Quarterly Financial Review of the 1st Quarter ending March 31, 2011

Executive Director Lafleur introduced Mike Colsch, Chief of Finance, to present the Quarterly Financial Review for the first quarter of 2011.

Mr. Colsch noted that per the Board's request the 2011 budget was based on conservative revenue estimates and therefore the decrease revenues have not negatively impacted the 2011 budget. The budget was made based on \$684M in revenue comprised primarily of toll revenue and recovery of toll evasion. Revenues exceeded the budgeted amount by \$3.5 M. Vehicle traffic grew by 1.2% over Q1 2010 and commercial traffic grew by 6.4% over Q1 2010.

Mr. Colsch indicated that operating expenses were approximately 1% under budget. He attributed this decrease to lower and delayed utility costs and improved management of business system contracts. Fuel costs and materials/supply costs were over budget for Q1 2011 and will be monitored closely over the remainder of the year.

Regarding the affect of gas prices on traffic revenue growth, Mr. Colsch indicated that higher gas prices have resulted in decreased passenger vehicle traffic during March through May of 2011 compared to the same time period in 2010.

Mr. Colsch outlined the 2011 toll revenue outlook as follows:

Toll revenue growth is projected to be 1.2 percent or \$7 million above the 2010 actual revenue. Due to the better than expected revenue growth in Q1 2011, little to no growth is required to meet budgeted revenue target for the rest of the year. However, continued high fuel prices may contribute to a modest shortfall in toll revenue for the remainder of the year. To date, efforts to reduce nonpayment of tolls, such as with Indiana customers, have largely offset the negative impact of reduced traffic due to higher fuel prices. Assuming improved economic conditions and moderation in fuel price increases, the Tollway should be able to exceed the 2011 budget estimate.

Chair Report:

Director Morris moved for approval of the Minutes of the Regular Board Meeting and Executive Session held on April 28, 2011 and the Special Board Meeting Minutes held on March 16, 2011; seconded by Director Towns. The motion was approved unanimously.

Director Canham provided an update on the Oases Working Group meeting held on Monday May 23, 2011. At the meeting, staff gave an update on the transition of the gas stations to 7-Eleven and reported no customer complaints related to the transition.

Director Canham indicated that staff has not yet decided whether to approve the billboards proposed for the Oases and the due diligence process is continuing. Staff is developing conditions to accompany any Tollway approval of the billboards to provide reasonable protections that the billboards will be lawful, safe and appropriate.

Director Canham indicated that the working group received a report from Oases pavilion property manager, SFI, that while foot traffic is up, the revenues are fairly flat. They also reported that several additional vendors are joining the Oases pavilions in the next few months.

The Tollway has engaged SFI in discussions to see if there is a way to accelerate needed long-term improvements to the parking areas, which will benefit Tollway customers and reduce short-term or short-lived investment in patchwork maintenance.

Chair Wolff clarified that a final decision had not been made on whether to grant permission for SFI/CBS Outdoors to erect electronic billboards on the Oases. She opened the floor for additional comments about the status of the Oases. Director Morris commented that he has visited several of the Oases locations and has noticed that they are significantly cleaner over the last few months.

Chair Wolff announced the Committee Chairs and members of the new Board committees scheduled to start in July as follows:

Finance Administration Operations

Committee Chair: Director Saldana

Committee Members: Directors Canham and Morris

Customer Service and Electronic Tolling Committee

Committee Chair: Director Morris

Members: Directors Pradel and Towns

Strategic Planning and Program Design Committee

Committee Chair: Director Weisner

Committee Members: Directors Canham and Saldana

Audit Committee

Committee Chair: Director Banks

Committee Members: Director Morris and Chair Wolff

Executive Committee

Committee Chair: Chair Wolff

Committee Members: Directors Banks, Morris, Saldana and Weisner

Chair Wolff will be an ex-officio member of all of the committees.

Chair Wolff also reminded the Directors that the June Board Meeting date has been moved from June 23 to June 30.

Chair Wolff then opened the floor to public comment from Jack Ronan, private citizen. During his public comments, Jack Ronan advocated for evaluation of security measures at Tollway public meetings.

Executive Director Report:

Executive Director Lafleur gave a presentation highlighting accomplishments at the Tollway over the past year.

Year in Review

The goals for the past 12 months included: increasing collaboration with regional transportation and planning agencies; promoting the regional economy; fostering environment responsibility and sustainability; increasing transparency and accountability; and enhancing customer service. The Tollway's progress toward each of the goals are highlighted in the attached presentation.

Diversity Hiring

Executive Director Lafleur introduced Lisa Williams, Equal Employment Officer and Ethics Officer, to give an update on diversity hiring and the Tollway's internship program.

Ms. Williams indicated that for the past three years the breakdown of the Tollway's workforce by gender, ethnic minorities and people with disabilities has remained roughly the same: 67% male, 33% female, 76% Caucasian, 24% minority and 14% of the workforce includes employees with disabilities. Under Executive Director Lafleur's leadership, diversity at the Tollway has already increased. Despite the net loss of approximately 100 employees due to retirement, resignation, termination, etc., diversity has increased in leadership positions (Department Chiefs, Deputy Chiefs, managers, supervisors etc.) for the following in the top tier: women (from 14.3% to 29.4%); African-Americans (from 7.1% to 11.8%). Of the Rutan-exempt employees hired in the past year, 33% have been African-American.

To continue this success several initiatives are underway including: involving the EEO office in the hiring process at earlier stages; enlisting the help of numerous organizations committed to advocating on behalf of women, ethnic minorities and people with disabilities; examining whether hidden barriers to hiring diverse candidates exist and creating a formal internship program to provide a diversity pipeline of employees.

Ms. Williams acknowledged Directors Morris and Towns for their assistance in identifying key recruitment sources and invited other Directors to contact her with input also.

Electronic Tolling Audit

Executive Director Lafleur informed the Board that the findings from the electronic tolling audit will be presented at the June Board meeting. This audit was commissioned in response to the Tollway's discovery of system concerns related to the Indiana violations.

Automatic Coin Machines

At the April Board meeting, Executive Director Lafleur informed the Board that the vendor for the Tollway's Automatic Coin Machines had gone out of business, leaving the Tollway with only one year's worth of spare parts to continue maintenance of its existing units. Since then, Executive Director was informed that another company purchased the intellectual property rights for the Automatic Coin Machines and their component parts, and will take over the manufacturing of those parts for the foreseeable future.

International Bridge, Tunnel and Turnpike Association (IBTTA) Board Application

Executive Director Lafleur mentioned that IBTTA asked her to apply to join their Board of Directors. The organization's priority is helping members stay abreast of trends that will help the toll industry emerge as one of the most important forces in highway finance and operations around the world.

Ms. Lafleur requested a letter of recommendation so that her application can be considered. Chair Wolff commented that this is a wonderful professional development opportunity for Kristi. Director Roof reminded the Board that the Tollway hosted the IBTTA meetings in Chicago eighteen months ago. He indicated that the IBTTA's invitation to Kristi reflected well on her as well as the Tollway.

Legislative Update

Ms. Lafleur informed the Board that Senate Resolution 220 had passed that week. This bill encourages furthering the effort to create a comprehensive pavement preservation and maintenance plan in Illinois and recommends that Illinois Department of Transportation (IDOT) and the Tollway develop full scale pavement preservation programs.

Ms. Lafleur indicated that the Tollway has been working on pavement preservation for some time and have done this work successfully on I-90. The goal is to achieve the longest possible life from our pavement. The first round of pavement preservation on our new pavements will begin in 2017. This will be followed by periodic maintenance and rehabilitations every eight to ten years in an attempt to obtain a 78 year life from all new pavement.

Ms. Lafleur also provided a brief update on legislation that was either initiated by the Tollway or is being closely monitored by the Tollway. Each of the following bills have passed both house. All of the following bills have passed both houses.

HB 1889 - Electronic Toll Compatibility

HB 1889 requires that the electronic toll collection systems on highways and bridges in the state be compatible with the Tollway's system.

The bill also permits – but does not require – IDOT or another government entity to enlist the Tollway's assistance. For example, the Tollway could provide toll collection and/or violation enforcement services for a tolled road or bridge.

This provision allows those entities to benefit from the Tollway's development of a robust electronic tolling platform rather than having to build their own tolling platforms from scratch.

HB 3342 - I-PASS Privacy Protection

HB 3342 establishes a default rule supporting the Tollway's privacy statement that it will not sell or rent any personal data and allows the Tollway to store I-PASS data to the extent it is necessary to run its

business. It also requires that the Tollway will establish and publicize a formal privacy policy before the end of this year.

The Tollway does not share non-aggregated I-PASS customer data with anyone other than the customer, except in response to a subpoena or to assist law enforcement when there is a public safety emergency.

The provisions in this bill enhance the “locational privacy” of Tollway customers by preventing the dates, times and places where they travel on the system from being publicly disclosed.

Chair Wolff commented that she appreciated the work that Tom Bamonte and staff did on this legislation to protect the privacy of Tollway users.

Elgin O’Hare West Bypass Council Update

Ms. Lafleur introduced Rocco Zuccherro, Deputy Chief of Engineering, to give an update on the status of the Elgin O’Hare West Bypass project. The EOWB created four committees to meet the council’s goals, including – Diversity, Sustainability, Economic Development and Finance. Highlights of the work for each committee can be found on the attached presentation.

The EOWB’s next steps include: working with IDOT to understand project costs, reviewing all possible financing scenarios; collecting community input on this project and others; and making recommendations to the Governor by the end of the year.

Director Morris recommended that the study of financing strategies presented by the Tollway encompass other projects in addition to the EOWB project. Executive Director Lafleur indicated that they have been careful to indicate that the EOWB is an important project but one of many projects being considered by the Tollway. Director Morris also asked whether TIF or impact districts along that corridor have been considered as revenue sources for the capital projects. Executive Director Lafleur indicated that the initial modeling of the Tollway’s value capture analysis indicates that communities are interested in

having TIF modeling including property taxes which provides \$150 million. **Director Morris suggested that sales taxes should be included in the value capture analysis in addition to the property taxes.**

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 resolutions:

Award of the Merchant Card Services Contract for a period of three years in the amount not to exceed \$35 million.

Director Banks moved for adoption. Seconded by Director Morris. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Renewal of the Contract for the Toll Revenue Management and Maintenance Program (TRMMP) to Electronic Transaction Consultants Corp. (ETCC), increasing the contract upper limit by \$12,059,012 from \$92,840,080 to \$ 104,899,092. (Tollway RFP)

Award of Contract to Systems Development Integration, Inc. (SDI) for Project Management & Technology Planning in the amount of \$2,491,272. (Tollway RFP)

Director Banks moved for adoption. Seconded by Director Roof. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Renewal of Contract No. 10-0100 to Allied Tube and Conduit for Tubular Steel Posts, increasing the contract upper limit by \$75,000.00, from \$75,000.00 to \$150,000.00 (CMS Master Contract).

Award Contract No. 11-0056 to Pitney Bowes, Incorporated for Integrated Document Printer/Inserter System, in an amount not to exceed \$84,893.00 (CMS for Tollway).

Award Contract No. 11-0065 to Hillside Auto Body & Services, Incorporated, Maggio Truck Center, Naperville Towing Service, Incorporated, E & R Towing & Garage, Incorporated, O'Hare Truck Service d/b/a O'Hare Towing Service, and Ernie's Wrecker Service, Incorporated for Towing Services for Tollway Vehicles, in an amount not to exceed \$77,887.50 (Tollway IFB).

Award Contract No. 11-0066 to Safety-Kleen Systems, Incorporated for Parts Cleaning Machine Rental and Services, in an amount not to exceed \$37,618.56 (Tollway IFB).

Award Contract No. 11-0005 to Civiltech Engineering, Incorporated, Santacruz Associates, and Hanson Professional Services, for Land Acquisition Services, in an amount not to exceed \$300,000.00 (Tollway RFP).

Director Roolf moved for adoption. Seconded by Director Pradel. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolution:

Award Contract No. 11-0075 to Oak Brook Mechanical Services, Inc. for replacement of boilers, chillers, switches and louvers at the Central Administration Building, in an amount not to exceed \$1,277,000.00 (Tollway IFB).

Director Banks moved for adoption. Seconded by Director Roolf. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolution:

Approval of Collective Bargaining Agreement with Teamsters Local 700.

Director Banks moved for adoption. Seconded by Director Saldana. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Supplement to Contract RR-03-5142 with Delcan Corporation (formerly National Engineering Technology Corp.) for Design Services for Traffic and Incident Management Systems (TIMS) Systemwide, increasing the contract upper limit by \$385,000, from \$8,468,372 to \$8,853,372.

Supplement to Contract RR-09-5584 with Crawford, Murphy & Tilly, Inc. for Design Services for Roadway and Bridge Rehabilitation on the Tri-State Tollway (I-294) Milepost 26.9 (BNRR) to Milepost 30.0 (Cermak Road Plaza 35); and Reagan Memorial Tollway (I-88) Milepost 138.7 (Cermak Road), increasing the contract upper limit by \$141,342.10, from \$1,768,239.10 to \$1,909,581.20.

Change Order on Contract RR-07-5529 to Lorig Construction Company for Bridge Rehabilitation on the Tri-State Tollway (I-294) from Milepost 37.1 (Bensenville Railroad Yard Bridge) to Milepost 39.5 (Soo Line Railroad Bridge), in the amount of \$20,986.91.

Full Release of Retainage on Contract No. RR-09-5577 to IHC Construction Companies, LLC on the Reagan Memorial Tollway (I-88) Milepost 119.2 (Farnsworth Avenue) to Milepost 140.1 (I-294); Tri-State Tollway (I-294) Milepost 24.0 (Flagg Creek South) to Milepost 36.4 (Wolf Road); Jane Addams Memorial Tollway (I-90) Milepost 1.8 (Devon Plaza) to Milepost 15.2 (Barrington Road); and Veterans Memorial Tollway (I-355) Milepost 22.8 (Butterfield Road) in the amount of \$149,094.80.

Director Canham moved for adoption. Seconded by Director Roof. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolution:

An Intergovernmental Agreement with the RTA. Cost to the Tollway: \$0.

Director Canham moved for adoption. Seconded by Director Pradel. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

An Intergovernmental Agreement with the University of Illinois at Chicago – Focus Group. Cost to the Tollway: \$42,227.00

Workers Compensation Settlement – Richard Stoddard. Cost to the Tollway: \$79,000

Workers Compensation Settlement – Scott Macginnis. Cost to the Tollway: \$52,000

Workers Compensation Settlement – Howard Ziegler. Cost to the Tollway: \$63,000

Property Damage Claim Settlement – John Mangino, Jr. Paid to the Tollway: \$15,000.

Amending of Board Resolution No. 19374 – correcting dollar amount. Cost to the Tollway: \$500.00

Director Morris moved for adoption. Seconded by Director Canham. The motion was approved unanimously.

Regarding unfinished business, Chair Wolff announced that Director Roof submitted his resignation effective May 31, 2011. Executive Director Lafleur, Chair Wolff and Chief Engineer Kovacs presented gifts to him. Director Roof announced that he would become the Chairman of the Illinois Bankers Association in June and thanked the staff and fellow Board members.

There being no additional business she requested a motion to go into the Executive Session.

Tom Bamonte, General Counsel, requested that the Board enter into Executive Session pursuant to Sections 2(c)(1), 2(c)(2), and 2(c)(11) of the Open Meetings Act.

At approximately 12:00 p.m., Director Morris made a motion to re-enter into Executive Session, the Board having met in Executive Session immediately before the scheduled start of the Board meeting; seconded by Director Banks. The motion was approved unanimously.

(Whereupon the Board entered into Executive Session)

The Board came out of Executive Session at approximately 1:35 p.m.

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

Minutes taken by: _____

Tranece Artis
Board Secretary