

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
November 17, 2011**

The Illinois State Toll Highway Authority met in regular session on Thursday November 17, 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 Jim Banks

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

Chair Wolff called the meeting to order. Executive Director Kristi Lafleur reminded the Board that earlier this year, the Tollway reached out to high school artists in the twelve counties served by the Tollway to design the cover of the complimentary 2012 Tollway Map. Ms. Lafleur announced that the winners of the art contest sponsored by the Tollway, US Equities and Blick Art Materials were present at the Board Meeting. The artwork of the grand prize winner, Lewis Cafaro will be featured on the 2012 Tollway Map cover. She also presented plaques to the winners of the three contest categories – Distracted Driving – Dominicka Rog, Green Transportation- Ashley Miyagawa and Tollway of the Future- Kaylee Sherrod.

Chair Wolff then opened the floor for public comments. No public comments were offered.

Chair Wolff asked for a motion to approve the minutes from the Board Meeting and Executive Session held on September 29, 2011 and the Board Meeting held on October 31, 2011. Director Banks moved to approve the minutes; seconded by Director Gonzalez. The motion was approved unanimously.

Due to time constraints, Director Peterson declined giving a verbal report on the Finance Administration Operations (FAO) Committee meeting held before the Board meeting. Chair Wolff noted that a presentation on the non-revenue transponders was given at the FAO meeting and the topic will be discussed by the Directors during the Executive Session. She added that the Board does not vote on this policy but the discussion will ensure that the Board is clear on the direction that management is going on this issue.

Chair Wolff thanked the staff for organizing the public hearing and open house on the 2012 Tentative Budget and indicated that some interesting comments were received from the open house. She also thanked the staff and Board for participating in the Board Orientation meeting on November 7.

Chair Wolff announced the new Committee Chairs and members as shown below:

FINANCE ADMINISTRATION OPERATIONS

Chair – Director Peterson
Director Banks
Director Gonzalez

STRATEGIC PLANNING

Chair – Director Weisner
Director Sweeney
Director Towns

CUSTOMER SERVICE

Chair – Director Redick
Director D’Arcy
Director Towns

AUDIT

Chair – Director Gonzalez
Director Weisner
Chair Wolff

EXECUTIVE COMMITTEE

Chair – Chair Wolf
Director Gonzalez Director Peterson
Director Redick Director Weisner

She added that the Executive Committee would meet directly after the Board Meeting to discuss the process for the Executive Director's performance evaluation.

Ms. Lafleur thanked everyone who attended the budget events - public hearing held on November 15 and the open house held on November 16. She indicated that despite the Tollway's efforts to inform the public of the events through newsletters and the media, the public participation was low. Of the four people who attended the public hearing on November 15, two of them provided public comments. Of the 12 oases customers who visited the open house, seven signed in as participants and four submitted written comments. Three members of the public logged onto the live webcast of the public hearing on November 15. No comments were submitted to the Tollway via email through the Tollway's website.

The comments received are summarized below:

- One commenter asked about the upcoming toll rate changes.
- Three customers commented on the need for signage on the Tollway for hotels and services and provided some suggestions for signage.
- One customer suggested improvements be made on the connection between the Tri-State Tollway and I-290 and the connection between the Jane Addams Memorial Tollway and the Kennedy Expressway.
- One customer complimented the Tollway on its budget and operations.

Ms. Lafleur indicated that the Tollway's tentative budget along with a webinar are posted online so the public still has an opportunity to review them and submit comments.

Ms. Lafleur indicated that the negotiations for the call center contract are ongoing. The Tollway is working through the State Use Program to secure call center services with a nonprofit organization. She also indicated that the Tollway will likely ask for a short extension of the existing call center contract to ensure continuous service during the toll increase implementation in January.

Chair Wolff asked Directors whether they had any concerns or questions about the 2012 Tentative Budget. Director Gonzalez noted that the Tollway will likely be under-budget in 2011 by approximately \$50 - 60 million due to headcount vacancies, insurance savings and lower than expected capital expenditures. He suggested that the Tollway consider lowering the 2012 bond issue by \$50-60 million to minimize financing costs. Ms. Lafleur indicated that management will consider that option. However, management is also considering accelerating the start time of projects scheduled later in the Move Illinois capital plan to 2012 to take advantage of the relatively low cost of borrowing now compared to unknown rates in the later years of the program and competitive construction prices. Management will work with the Board to examine the advantages of starting the projects earlier. Mr. Colsch, Chief of Finance, indicated that some of the savings in 2011 were anticipated and included in the cash flow calculations for the 2012 capital program.

Ms. Lafleur reminded the Board that shortly after they approved the 2012 Tentative Budget in October, management received a notice from the State Employee Retirement System (SERS) indicating that the Tollway's required 2012 contribution would be increased by \$1.6 million in the second half of the Tollway's fiscal year. Ms. Lafleur indicated that this increase can be accommodated in the 2012 Budget. Chair Wolff added that, as a result, the 2012 Final Budget that will be presented in December for the Board's approval will look slightly different than what was presented in the 2012 Tentative Budget presented in October. Ms. Lafleur added that this change was reflected in the budget presented to the public at the budget events earlier that week.

Director Weisner asked whether all state agencies are impacted by the increased SERS contribution. Ms. Lafleur responded that all state agencies that participate in the SERS program are impacted.

Director Gonzalez asked for clarification on the issuance costs. Mr. Colsch indicated that the \$10 million line item referenced by Director Gonzalez also included interest and refunding costs.

Director Sweeney asked whether staff expected a negative impact on interest due to the default in Jefferson County, Alabama. Mr. Colsch indicated that there was an uptick initially that has been corrected over that last couple of days in the market. This indicates that the Jefferson County default is seen as an isolated incident.

Chair Wolff indicated that a policy related to setting the level of the reserve account is on the Board action items list and will be addressed by the Finance Administration Operations Committee. She also indicated that the Committee Chairs will have an opportunity to review the work plans set previously for their respective committees and make adjustments as needed. Ultimately, the work plans will provide a timeline for committee work over the next year and, for those major issues that come from committees to the full board, the timeline for some of the work of the board.

***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: Approval to establish funding for the Improvement Account for Move Illinois.

Director Peterson moved for adoption of the Finance resolutions; seconded by Director Towns. The motion was approved unanimously.

Item 2: Amend resolution number 19257 to extend the merchant card services with Vantiv, American Express and Discover for a ninety-day period and increase the upper limit by \$5.5 million, from \$48.8 million to \$53.3 million. (recusal by Director Peterson)

Director Banks moved for adoption of this amendment; seconded by Director Towns. The motion was approved unanimously.

Item 3: Extension of the four Financial Advisory Services Agreements, for a ninety day period beginning January 1, 2012 to March 30, 2012.

Director Towns moved for adoption of this extension; seconded by Director Banks. The motion was approved unanimously. Chair Wolff called for a motion adopting the **Information Technology** resolutions listed below:

Item 1: Award of Contract No. 11-0347 to Electronic Transaction Consultants Corporation (ETCC) for Disaster Recovery / Technology Refresh Implementation Services in an amount not to exceed \$462,000.00. (Sole Source)

Item 2: Award of Contract No. 11-0350 to Mythics for additional Oracle software licensing and support, in an amount not to exceed \$1,600,000.00. (Emergency Purchase)

Item 3: Award of Contract No. 11-0362 to Kronos Incorporated for 2 years of continued support and maintenance of the Tollway's electronic

time & attendance system, in an amount not to exceed \$201,761.17.
(Sole Source)

Director Banks moved for adoption of the Information Technology resolutions; seconded by Director D'Arcy. The motion was approved unanimously. Chair Wolff called for a motion adopting the following **Engineering** resolutions:

Item 1: Proposal from Bloom Companies, LLC on Contract No. RR-11-5639 for Design Upon Request Systemwide in the amount of \$1,000,000.

Item 2: Proposal from Bloom Companies, LLC on Contract No. RR-11-5639 for Design Upon Request Systemwide in the amount of \$1,000,000.

Item 3: Proposal from J.A. Watts, Inc. on Contract No. RR-11-9113 for Intelligent Transportation Systems (ITS) Service Upon Request Systemwide in the amount of \$500,000.

Item 4: Proposal from DLZ Illinois, Inc. on Contract No. RR-11-5640 for Construction Management Services and Materials Engineering Services Upon Request Systemwide in the amount of \$1,250,000.

Item 5: Proposal from Chicago Testing Laboratory on Contract No. RR-11-5643 for Construction Management Services and Materials Engineering Services Upon Request Systemwide in the amount of \$1,250,000.

Item 6: Proposal from Dynasty Group, Inc. on Contract No. RR-11-9111 for Construction Inspection Services Upon Request Systemwide in the amount of \$500,000.

Item 7: Proposal from Engineering Enterprises, Inc. on Contract No. RR-11-5641 for Surveying Services Upon Request Systemwide in the amount of \$300,000.

Item 8: Proposal from Aero-Metric, Inc. on Contract No. RR-11-5642 for Aerial Mapping Upon Request Systemwide in the amount of \$500,000.

Item 9: Final Release of Retainage on Contract No. RR-05-5428 to Lorig Construction Company for Roadway and Bridge Rehabilitation on the Tri-State Tollway Edens Spur (I-94) Milepost 25.4 (I-294 Northbound Overpass) to Milepost 30.0 (Edens Expressway) in the amount of \$736,247.45.

Item 10: Final Release of Retainage on Contract No. RR-08-5475 to K-Five Construction Corp./James D. Fiala Paving Co. (Joint Venture) for Roadway and Bridge Rehabilitation on the Veterans Memorial Tollway (I-355) Milepost 12.3 (I-55) to Milepost 21.8 (Finley Road) in the amount of \$54,000.

Item 11: Final Release of Retainage on Contract I-10-5607 to Plote Construction, Inc. for Reconstruction and Widening on the Reagan Memorial Tollway (I-88) Milepost 119.5 to Milepost 120.0 (Farnsworth Avenue) in the amount of \$171,155.45.

Item 12: Authorization in the amount of \$13,000,000 for right-of-way acquisitions related to future improvements on the Jane Addams Memorial Tollway (I-90) at the IL Route 47 Interchange.

Director Gonzalez moved for adoption of the Engineering resolutions; seconded by Director Towns. The motion was approved unanimously. Chair Wolff indicated that discussion of the following **Administration** item will be deferred to the Executive Session.

Item 1: Approval of Collective Bargaining Agreement with Metropolitan Alliance of Police, Chapter 336.

Chair Wolff called for a motion adopting the following **Legal** resolutions listed below.

Item 1: An Intergovernmental Agreement with the Illinois Department of Transportation (Halsted Street). Cost to the Tollway: \$0.

Item 2: Workers Compensation Settlement – Michelle Costabile. Cost to the Tollway: \$94,186.75.

Item 3: Identification of Real Estate Parcels – Kane County. Cost to the Tollway: \$0.

Item 4: Identification of Real Estate Parcels – Cook County. Cost to the Tollway: \$0.

Item 5: 350 Green Electric Fuel Re-Charging Stations. Cost to the Tollway: \$0.

Director Weisner moved for adoption of the Legal resolutions; seconded by Director D'Arcy. The motion was approved unanimously.

At approximately 10:25 a.m., Acting General Counsel Elizabeth Looby indicated a need to discuss personnel matters, collective bargaining and litigation that under the Open Meetings Act would qualify for Executive Session pursuant to Section 2(c) (1), Section 2(c) (2), and Section 2(c) (11) of the Open Meetings Act.

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

At approximately 11:10, the Board re-entered the public session of the Board Meeting.

Chair Wolff called for a motion adopting the following **Administration** resolutions listed below.

Item 1: Approval of Collective Bargaining Agreement with Metropolitan Alliance of Police, Chapter 336.

Director Banks moved for adoption of the collective bargaining agreement; seconded by Director Weisner. The motion was approved unanimously.

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

The meeting was adjourned at approximately 11:15 a.m.

Minutes taken by: _____

Tranece Artis
Board Secretary