

# **THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY**

## **MINUTES OF THE AUDIT COMMITTEE**

**May 27, 2010**

The Illinois State Toll Highway Authority-Audit Committee met on Thursday, May 27, 2010 at approximately 9:30 a.m. in the Board Room of The Illinois State Toll Highway Authority's Administration Building in Downers Grove, Illinois.

Directors in attendance were as follows:

Chair Paul Wolff

Director George Pradel

Director Jim Banks

Director Jim Roof

Director Tom Weisner

Director Maria Saldaña

Director Bill Morris

Director Carl Towns

Chair Wolff called the meeting to order and called for a motion to approve the Minutes of the Audit Committee Meeting held on April 29, 2009. Director Roof moved for approval; seconded by Director Banks. The motion was approved unanimously.

Chair Wolff called Mike Colsch to provide a report on the First Quarter Financials.

Executive Director Lafleur stated that Mike Colsch will also present on our upcoming bond sale to refinance approximately half of our 2008 Series A

Synthetic fixed rate bonds.

Mike Colsch presented the Quarterly Financial Review for the 1<sup>st</sup> Quarter ending March 31, 2010 (attached).

Director Morris asked for the Wilbur Smith projections for the months in 2010 ending in April. Mr. Colsch stated that the total traffic transactions estimated was down approximately 6.5% for the entire year. Director Morris noted that we were behind in our transaction counts. Mr. Colsch stated that this was anticipated because the recession impacted commercial vehicle traffic and the recovery would impact it as well.

Mr. Colsch stated that Wilbur Smith feels comfortable with that in preparing for the bond sale, our annual expected toll revenues from toll transactions does not need to be revised downward although there was a shortfall of revenue for the first quarter due to evasion of tolls, evasion recovery and a shortfall in investment income. The estimates have been revised internally going forward with the Tollway's financial plan. Mr. Colsch provided details on allocation.

Director Morris asked how the estimates for investment income were developed with the differences between last year's investment income and the current increased estimates.

Mr. Colsch provided that the 2% rate earned on the Tollway's current portfolio accounts for the increased estimates. Further discussion was held on the rates earned in the long term.

Mr. Colsch provided information on the Congestion Relief Program funds.

Chair Wolff asked that Mr. Colsch provide the directors with the process regarding going to the market with Tollway bonds.

Mr. Colsch provides information on the process the Tollway goes through

when bringing bonds to market. The pricing date is June 10<sup>th</sup> and will continue to be monitored.

Director Saldaña asked for the bond series. Mr. Colsch informed the Board it was 2008A. A discussion ensued about the bond rates.

Director Weisner asked about the percentage of large commercial trucks making up Tollway revenue. Mr. Colsch stated that commercial vehicles make up approximately 37% of the tolls.

Chair Wolff clarified that 90% of the tolls were made up of passenger vehicles and Tier 4 vehicles. Mr. Colsch states that passenger vehicles comprise 56%.

Director Canham asked if there was a reason that toll evasions were not declining as rapidly as first thought. Mr. Colsch stated that the system improvements and replacement of failing transponders are the reasons the toll evasions are not declining as rapidly as first thought.

Chair Wolff summarized the meeting and Mr. Colsch concurred with the summary.

Chair Wolff called for a motion to adjourn. Director Canham moved for approval; seconded by Director Saldaña. The motion was approved unanimously. Meeting adjourned.

Minutes taken by: \_\_\_\_\_  
Marlene Y. Rodriguez-Vick