



Record of Meeting | March 23, 2017

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in regular session on Thursday, March 23, 2017 in the Boardroom of Tollway Headquarters in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chairman Robert J. Schillerstrom and posted in accordance with the requirements of the Illinois *Open Meetings Act*. The Meeting was open to the public.

[Bolded entries indicate issues which may require follow-up to present or report to the Board.]

Call to Order / Pledge of Allegiance / Roll Call

Chairman Bob Schillerstrom called the Meeting to order at approximately 9:01 a.m., inviting attendees to rise and join in the Pledge of Allegiance. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Board Members Present:
Chairman Bob Schillerstrom
Director Jim Banks
Director Corey Brooks
Director Earl Dotson, Jr.
Director Joe Gomez
Director Craig Johnson
Director Neli Vazquez Rowland
Director James Sweeney

Board Members Not Present:
Governor Bruce Rauner <i>[ex officio]</i>
Secretary Randall Blankenhorn <i>[ex officio]</i>
Director David Gonzalez

The Board Secretary declared a quorum present.

Public Comment

Chairman Schillerstrom opened the floor for public comment.

The following members of the public expressed concerns about and offered suggestions for enhancing the level of participation by African Americans in Tollway project work:



- Robert Baker, president of the Save our Community Coalition, Chicago, Illinois
- Greg Hinton, The Gregory Group, Morton Grove, Illinois
- Paul McKinley, Voices of the Ex-Offenders (V.O.T.E), Chicago, Illinois
- Omar Shareef, African American Contractors Association, Chicago, Illinois

The following members of the public commented positively on Tollway diversity initiatives and encouraged the Board's continuing support of these efforts:

- Calvin Williams, Illinois Black Chamber of Commerce, Peoria, Illinois
- Sheila Morgan, Chicago Minority Supplier Development Council, Chicago, Illinois
- Matthew Cooper, Inner-City Underwriting Agency, Inc., Chicago, Illinois

The following members of the public expressed concerns regarding the potential widening of the central Tri-State Tollway (I-294) and encouraged process transparency:

- Richard McLaughlin, Western Springs, Illinois
- Jeff Ziegler, Western Springs, Illinois
- Jerry Mejdrich, Hinsdale, Illinois
- Bill Seith, Hinsdale, Illinois
- Lois Mejdrich, Hinsdale, Illinois
- Virginia Robin, Hinsdale, Illinois
- Loretta Scelsi, Western Springs, Illinois
- Vicky Van Alphen, Western Springs, Illinois

Additionally, Michael Gilbert, SDV Office Systems, Downers Grove, Illinois, addressed the Board. Mr. Gilbert commended the Tollway for its successful efforts to enhance participation of veterans in Tollway project work.

Chairman Schillerstrom thanked the speakers for their comments.

Chairman's Items

Item 1: Approval of the Minutes of the regular Board of Directors meeting held February 23, 2017.

Chairman Schillerstrom called for a motion to approve **Chairman's Item 1**, the Minutes of the regular Board of Directors meeting held on February 23, 2017, as presented. Director Gomez made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if



there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom called for a vote. The motion was PASSED unanimously.

Chairman Schillerstrom stated that without objection, action on Chairman's Item 2, the Minutes of the Executive Session of the Board of Directors meeting held on February 23, 2017, will be deferred until after consideration in the Executive Session.

COMMITTEE REPORTS

Chairman Schillerstrom asked the chairs of the following committees of the Board if they had any report to provide on the committees' recent activities:

Finance, Administration & Operations Committee

Committee Chair Gomez updated the Board on the Finance, Administration and Operations Committee ("FAO Committee") meeting held Wednesday, March 15, 2017, providing the following highlights:

Mike Colsch, Chief Financial Officer, presented to the Committee the unaudited financial results for 2016. Revenue was \$1.2 million less than estimated for the year, operating expenditures were \$12.6 million less than budgeted, and capital expenditures were \$63 million less than estimated. Mr. Colsch will provide additional details for the Board later at the Meeting.

FINANCE presented one item which the FAO Committee approved for placement on the full Board agenda: an award of contract to First Data Merchant Services LLC to provide merchant card processing services for I-PASS and violation transactions. The contract is for a four (4) year period, including a period of transition from the current processor, in an amount not to exceed \$69 million. About \$3.5 million or 5% of the contract value is retained by the processor, and 95% of the value of the contract reflects fees passed through to card companies, including MasterCard, Visa and Discover.

PROCUREMENT presented four items which the FAO Committee reviewed and approved for placement on the full Board agenda:

- One request to utilize a Department of Central Management Services (CMS) master contract to purchase maintenance and support of the Tollway's existing Cisco software and hardware devices on the network.
- One award of a Tollway request for proposal to purchase technical assistance to assist small and diverse businesses with various tasks to enable them to be more competitive.
- Two awards of Tollway invitations for bid to purchase reclosable fasteners on an as-



needed basis and to purchase repair services for the Tollway's John Deere off-road and mowing equipment.

ENGINEERING presented four items, which were each reviewed and approved by the Committee for placement on the Board agenda with a recommendation for approval:

- One construction contract award as part of the Tollway's Small Business Initiative for installation of closed circuit television (CCTV) cameras and other miscellaneous related work at nine locations systemwide.
- One construction contract award for bridge and retaining wall repairs along the Tri-State Tollway (I-294) won utilizing bid credits from the Earned Credit Program.
- One construction contract award for a new maintenance facility in Marengo (M-6). Of the \$28.6 million award, more than \$10.3 million (36.14%) is committed to diverse, veteran or small firms.
- One professional service contract award for design corridor management and design services for the central Tri-State Tollway (I-294). Of the \$33 million, more than \$10.8 million (33%) is committed to diverse or veteran firms.

LEGAL presented one item which was approved for placement on the Board agenda: an intergovernmental agreement ("IGA") with the Illinois Department of Transportation (IDOT). The IGA provides the Tollway with reimbursement from IDOT for its sealing of the entire 127th Street bridge deck over southbound I-294 Ramp A. The reimbursement amount is estimated at \$58,721.00.

Customer Service & Planning Committee

Committee Chair Schillerstrom updated the Board on the Customer Service & Planning Committee meeting held Monday, March 13, 2017, providing the following highlights:

The Committee and staff are working to identify ways to improve I-PASS toll collection operations and maximize revenue collection. At this month's meeting, staff provided the Committee a presentation regarding video tolling and collections. The presentation included information on the amount of unpaid tolls, reviewed efforts to reduce unpaid tolls and improve the efficiency of revenue collection, and presented recommendations for future actions. Among the recommendations were a program to encourage transponder use, a potential video tolling fee, and changes to collection policies. As a result of questions related to each of the recommendations, the Committee deferred consideration of these recommendations and requested that staff develop a comprehensive report to be submitted to the Committee for review at the next meeting.



The Committee also reviewed an intergovernmental agreement with the Chicago Metropolitan Agency for Planning (CMAP) regarding development of planning-level vision document for northeastern Illinois expressway system. The objective is to identify and establish a bold long-term vision for the entire system regardless of ownership to help chart a course for future capital programs. The Committee recommended this item for placement on the full Board agenda; however, issues have since been identified which are unresolved. Consideration of this item is therefore to be deferred to a future meeting.

[End of Committee Reports]

Having no further items, Chairman Schillerstrom called on Executive Director Greg Bedalov.

Executive Director's Items

OIG Summary Activity Report: Executive Director Bedalov introduced T.J. Hengesbach, Tollway Inspector General, to present the Office of Inspector General Summary Activity Report for the period of September 1, 2016 to February 28, 2017. [See attached report.](#)

Director Dotson asked the implication of two vacant positions to performance of the Office of Inspector General ("OIG"), and the reason for revising the job description for these positions. Mr. Hengesbach responded that the OIG is prioritizing complaints while working quickly to fill the vacant positions. He further responded that the job description was revised to provide additional clarity and to identifying skill sets important to a modern investigative organization.

2016 Fiscal Year Budget vs. Actual Review: Executive Director Bedalov introduced Mike Colsch, Chief Financial Officer, to present the fiscal year-end financial review, comparing the budget to actual (preliminary and unaudited) results for the fiscal year ending December 31, 2016. [See attached presentation.](#)

Director Johnson inquired about overall 2016 toll revenues and whether a year-over-year comparison is made by routes: Illinois Route 390, Jane Addams Memorial, Tri-State, Reagan Memorial, and Veterans Tollways. **Executive Director Bedalov responded that comprehensive traffic and revenue data is available and a breakout of toll revenues by route will be furnished to Directors post-meeting.**

Director Vazquez Rowland asked about the negative variance to budget of the Toll and Evasion Recovery line-item. Mr. Colsch responded that a portion of the negative variance is related to a delay in issuance of Notices of Toll Violation which occurred during transition of the back office system. He noted that additional recovery related to 2016 activity may be forthcoming.



Director Vazquez Rowland inquired about the negative variance to budget of Payroll and Related Costs, and whether unfilled positions are impacting performance of toll and evasion recovery. Mr. Colsch responded that the negative variance is a result of more positions remaining unfilled in 2016 than estimated. He noted that enhanced efforts are underway to fill vacant positions at the agency. Chairman Schillerstrom highlighted that the Customer Service & Planning Committee is currently working with staff to develop a comprehensive approach to improve I-PASS toll collection operations and maximize revenue collection. The Chairman additionally commented on the complexities of hiring at the agency.

Director Dotson asked the cause for 2016 capital program expenditures coming in \$94.3 million less than estimate. Mr. Colsch responded that the negative variance is a result primarily of the timing of payments for closeout work on I-90 and for EOWA land acquisition activities, both which varied slightly from anticipated schedule. Paul Kovacs, Chief Engineering Officer, highlighted that all major projects were delivered.

Illinois State Police Heroism: Executive Director Bedalov praised the life-saving efforts of Illinois State Police District 15 Troopers Raymond Kurut and Matthew Dumais, who recognized overdose symptoms and revived a non-responsive driver who crashed on the northbound Tri-State Tollway (i-294).

Director Johnson commented on the potency of synthetic heroin and suggested District 15 consider issuing to troopers additional quantities of the overdose medication naloxone hydrochloride.

HACIA Awards: Executive Director Bedalov reported the Tollway received its second "Project of the Year Award" from the Hispanic American Construction industry Association (HACIA), in recognition of the work done to deliver the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project on time and within budget. Mr. Bedalov highlighted that Governor Rauner also attended the event and added his support for the great work being done to deliver the *Move Illinois* capital program and the commitment and efforts of the Tollway Board and staff to promote and support diversity throughout the agency.

2016 Annual Report: Executive Director Bedalov invited Directors and the public to view the Tollway's [2016 Annual Report](#) on the Tollway's website. He thanked the Communications Department for the outstanding interactive review of 2016 successes and accomplishments.



March 2017 Diversity Statistics: Executive Director Bedalov provided the following diversity statistics for Tollway procurements to be presented in the current month:

ENGINEERING has three construction contracts totaling \$28.6 million and one professional engineering services contract totaling \$33 million, which include:

- Three firms doing business with the Tollway for the first time.
- One Partnering for Growth (P4G) mentoring commitment.
- One small business set-aside contract awarded as part of the Tollway's Small Business Initiative.

Of the \$61.6 million in recommended Engineering contract awards, nearly \$22.9 million, or 37 percent, is committed to small, veteran-owned or disadvantaged firms.

In addition, three contracts include commitments for both veteran and disadvantaged business enterprise (DBE) participation. Veteran commitments range from 1.6 to 4.5 percent per contract and DBE commitments range from 29 to 35 percent per contract:

- One prime contractor is a certified veteran-owned firm.
- One subcontractor is certified as both veteran-owned and D/MBE.
- 12 subcontractors are certified as D/M/WBEs.
- Four subconsultants are certified veteran-owned firms.
- 11 subconsultants are certified as D/M/WBEs.

PROCUREMENT has four goods and services contracts totaling \$4.7 million to present this month. These contracts include:

- Five firms doing business with the Tollway for the first time as a prime vendor firm registered as a small business.
- Eight firms meeting or exceeding veteran goals.
- Eight firms meeting or exceeding Illinois Business Enterprise Program (BEP) goals.

Tollway Staff Announcements: Executive Director Bedalov reported the resignation (effective in April) of David Goldberg, General Counsel, who has been offered a new opportunity with a private firm in Chicago. He thanked Mr. Goldberg for his significant achievements at the agency and extended good wishes for success in his future endeavors.

Items for Consideration

Finance



Item 1: Award of Contract 15-0054 to First Data Merchant Services LLC for the purchase of Merchant Card Processing Services in an amount not to exceed \$69,000,000.00 (Tollway Request for Proposal).

Chairman Schillerstrom called for a motion to approve **Finance Item 1**. Director Banks made a motion for approval; seconded by Director Brooks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Vazquez Rowland suggested that to foster additional commitment to diversity, where applicable (to publically traded companies), a firms Environmental, Social and Governance (ESG) rating be included in item summaries and potentially weighted in Board considerations and procurement protocols. **Chairman Schillerstrom requested that staff examine including ESG ratings in item summary information.**

Hearing nothing further, Chairman Schillerstrom called for a roll call on the pending motion, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Johnson, Director Vazquez Rowland, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion was PASSED.

Procurement

Item 1: Award of Contract 16-0156 to CDW Government LLC for the purchase of Cisco Smart Net Maintenance and Support in an amount not to exceed \$436,967.53 (Order Against CMS Master Contract).

Chairman Schillerstrom called for a motion to approve **Procurement Item 1**. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Banks, Director Brooks, Director Gomez, Director Vazquez Rowland, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion was PASSED.



Item 2: Award of Contract 16-0031 to Chicago Minority Supplier Development Council, Inc.; Griggs Mitchell & Alma of IL, LLC (d.b.a. GMA Construction Group); HACIA Scholarship and Education Foundation; The Mexican American Chamber of Commerce of Illinois, Inc. (d.b.a. The Illinois Hispanic Chamber of Commerce, Inc.); Illinois State Black Chamber of Commerce, Inc.; Inner-City Underwriting Agency, Inc.; and Prairie State College for the purchase of Technical Assistance for Developing Businesses in an aggregate amount not to exceed \$3,935,994.00 (Tollway Request for Proposal).

Chairman Schillerstrom called for a motion to approve **Procurement Item 2**. Director Gomez made a motion for approval; seconded by Director Vazquez Rowland. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Vazquez Rowland, Director Banks, Director Brooks, Director Dotson, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion was PASSED.

Item 3: Award of Contract 16-0149 to R.S. Hughes Company, Inc. (d.b.a. Saunders) for the purchase of Reclosable Fasteners in an amount not to exceed \$155,000.00 (Tollway Invitation for Bid).

Chairman Schillerstrom called for a motion to approve **Procurement Item 3**. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Banks, Director Brooks, Director Gomez, Director Vazquez Rowland, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion was PASSED.

Item 4: Award of Contract 16-0127 to West Side Tractor Sales Co. and Buck Bros., Inc. for the purchase of John Deere Off-Road Equipment Repairs in an aggregate amount not to exceed \$145,159.50 (Tollway Invitation for Bid).

Chairman Schillerstrom called for a motion to approve **Procurement Item 4**. Director Banks made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if



there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Johnson, Director Brooks, Director Dotson, Director Gomez, Director Vazquez Rowland, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion was PASSED.

Engineering

Item 1: Award of Contract RR-16-9193 to Demarc Electric and Communications, LLC for CCTV Camera Construction, on the Tri-State Tollway (I-294) at Milepost 18.2 (south of 87th Street), Milepost 25.0 (Hinsdale Oasis), Milepost 42.8 (Des Plaines River), Milepost 44.0 (Rand Road) and Milepost 48.9 (Willow Road); on the Reagan Memorial Tollway (I-88) Milepost 139.5 (Roosevelt Road) and Milepost 140.2 (Eisenhower Expressway); on the Veterans Memorial Tollway (I-355) Milepost 18.4 (Maple Avenue) and Milepost 20.7 (Finley Road), in the amount of \$1,420,781.24.

Chairman Schillerstrom called for a motion to approve **Engineering Item 1**. Director Dotson made a motion for approval; seconded by Director Vazquez Rowland. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Vazquez Rowland, Director Banks, Director Brooks, Director Johnson, Director Sweeney, Chairman Schillerstrom (7)

Abstentions: Director Gomez (1)

Nays: None (0)

The motion was PASSED.

Item 2: Award of Contract RR-15-4240 to Lorig Construction Company for Bridge Joint and Retaining Wall Repairs, on the Tri-State Tollway (I-294) Milepost 31.3 (Butterfield Road) to Milepost 39.3 (Canadian Pacific Railroad), in the amount of \$4,140,184.23. [Recusal: Director Sweeney]

Director Sweeney stated he wishes to recuse himself from participating in the decision regarding this item.



Chairman Schillerstrom called for a motion to approve **Engineering Item 2**. Director Johnson made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Dotson, Director Banks, Director Brooks, Director Vazquez Rowland, Chairman Schillerstrom (6)

Abstentions: Director Gomez (1)

Recusals: Director Sweeney (1)

Nays: None (0)

The motion was PASSED.

Item 3: Award of Contract RR-16-4285 to Stenstrom General Contractor Design/Build, Inc., (d.b.a. Stenstrom General Contractor Design/Build Group) for Reconstruction and Site Improvements on the Jane Addams Memorial Tollway (I-90) at Maintenance Facility M-6 (Marengo) at Milepost 41.9 (US 20 Ramps), in the amount of \$23,063,000.00.

Chairman Schillerstrom called for a motion to approve **Engineering Item 3**. Director Vazquez Rowland made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Vazquez Rowland, Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Sweeney, Chairman Schillerstrom (7)

Abstentions: Director Gomez (1)

Nays: None (0)

The motion was PASSED.

Item 4: Acceptance of Proposal from AECOM Technical Services, Inc, on Contract RR-16-4265 for Design Corridor Management, on the Tri-State Tollway (I-294), in an amount not to exceed \$32,993,500.00.

Chairman Schillerstrom called for a motion to approve **Engineering Item 4**. Director Vazquez Rowland made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:



Yeas: Director Vazquez Rowland, Director Banks, Director Dotson, Director Johnson, Director Sweeney, Chairman Schillerstrom (6)

Abstentions: Director Brooks, Director Gomez (2)

Nays: None (0)

The motion was PASSED.

Director Gomez commented it is his understanding that a Board member served on the professional services bulletin ("PSB") selection committee related to each of the Engineering awards on the agenda. He noted that because he was not previously made aware of this participation, he has elected to abstain from voting on these items. Director Brooks clarified that only one item on the Meeting agenda (Engineering Item 4) was the subject of the PSB (16-3) selection committee on which he served, and he abstained from voting on this item.

Legal

Item 1: Approval of an Intergovernmental Agreement with the Chicago Metropolitan Agency for Planning (CMAP) regarding a study of northeastern Illinois freeway and tollway systems. Cost to the Tollway: \$1,000,000.00.

Chairman Schillerstrom advised the Board that this IGA has some elements which are currently unresolved. He stated that consideration of **Legal Item 1**, therefore, will be deferred to a future meeting. Director Johnson inquired concerning the standing of the recommendation for approval which was made at Committee. Chairman Schillerstrom clarified that should amendments be made to the IGA, a revised item would be presented at Committee, otherwise, the item will be re-presented to the full Board for consideration.

Item 2: Approval of an Intergovernmental Agreement with the Illinois Department of Transportation (IDOT) under which IDOT is reimbursing the Tollway for sealing the entire 127th Street bridge deck over southbound I-294 Ramp A. Cost to the Tollway: IDOT will reimburse the Tollway an estimated \$58,721.00.

Chairman Schillerstrom called for a motion to approve **Legal Item 2**. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Banks, Director Brooks, Director Gomez, Director Vazquez Rowland, Director Sweeney, Chairman Schillerstrom (8)



Nays: None (0)

The motion was PASSED.

Item 3: Authorization to enter into a Litigation Settlement – Guida v. ISTHA. Cost to the Tollway: As discussed in Executive Session.

Chairman Schillerstrom stated that without objection, action on Legal Item 3, concerning a litigation settlement, will be deferred until after consideration in the Executive Session.

Executive Session

Chairman Schillerstrom called for a motion to enter Executive Session pursuant to exceptions provided in Sections 2(c)2, 2(c)5, 2(c)11, and 2(c)21 of the Illinois *Open Meetings Act* to consider Tollway matters related to collective bargaining, the purchase of real property, potential or pending litigation, and the minutes of closed meetings. Director Dotson made a motion, pursuant to the sections specified, to enter Executive Session; seconded by Director Vazquez Rowland. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Vazquez Rowland, Director Banks, Director Brooks, Director Gomez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion was PASSED.

At approximately 10:48 a.m., the Board entered into Executive Session.

Return from Executive Session and Action (if any)

At approximately 11:30 a.m., the Board re-entered the public session of the Meeting.

Chairman's Item 2: Approval of the Minutes of the Executive Session of the Board of Directors meeting held February 23, 2017.

Chairman Schillerstrom called for a motion to approve **Chairman's Item 2**, the Minutes of the Executive Session of the Board of Directors meeting held on February 23, 2017, as presented. Director Banks made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for amendment.



Director Vazquez Rowland stated she wishes to clarify for the record that, after consulting with the Tollway Ethics Officer, she has determined her recusal at the February Board meeting (on Contract RR-14-5704 for supplemental construction management services) was unnecessary.

Hearing nothing further, Chairman Schillerstrom called for a vote on the pending motion. The motion was PASSED unanimously.

Item 3: Authorization to enter into a Litigation Settlement – Guida v. ISTHA. Cost to the Tollway: As discussed in Executive Session.

Chairman Schillerstrom called for a motion to approve **Legal Item 3**, authorizing staff to enter into a litigation settlement of the matter of *Guida v. ISHTHA*, consistent with terms discussed in the Executive Session. Director Banks made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Gomez, Director Brooks, Director Dotson, Director Johnson, Director Vazquez Rowland, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion was PASSED.

Unfinished Business

Director Gomez raised for discussion the practice of Board members serving on selection committees which review and evaluate firms bidding for professional services contracts. The Chairman and other Directors expressed various points of view on the issue. At the conclusion of the discussion, **Chairman Schillerstrom requested that Board members be kept apprised of selection committee memberships and that staff provide Directors with a legal memo on points for future consideration relative to Directors serving on such committees.**

Directors then discussed the merits of, and how best to address, criticisms made during public comment of the agency's diversity efforts. Chairman Schillerstrom emphasized the importance to the Board of public comment and noted his preference to provide a broad latitude to commentators. Director Vazquez Rowland suggested that to avoid misinterpretation, a formal criteria be established for membership on the Tollway's Diversity Advisory Council. She also



suggested that the agency capture the total capacity of contractors by diversity group as a reference to allow the Tollway to better benchmark diversity achievements.

Adjournment

There being no further business before the Board, Chairman Schillerstrom requested a motion to adjourn. Motion to adjourn was made by Director Gomez, seconded by Director Banks. Chairman Schillerstrom called for a vote. The motion was PASSED unanimously.

The Meeting was adjourned at approximately 12:20 p.m.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



2016 Year End Budget to Actual Review

(Preliminary and Unaudited)

March 23, 2017

Mike Colsch



2016 Revenue

Total revenue was **\$1.2 million less than estimate**

<i>(\$ millions)</i>	<u>Rev.Est.(Oct)</u>	<u>Actual</u>	<u>\$ Var.</u>	<u>% Var.</u>
Toll and Evasion Recovery	\$1,287.0	\$1,280.8	(\$6.2)	
Concessions	2.2	2.3	\$0.1	
Investment Income	5.0	6.5	\$1.5	
Miscellaneous	5.8	9.2	\$3.4	
Total Revenue	\$1,300.0	\$1,298.8	(\$1.2)	-0.1%

2016 Transactions

- **Commercial vehicles**
 - Grew 4.2 percent year-over-year
- **Passenger vehicles**
 - Grew 5.9 percent year-over-year
- **Total Transactions**
 - Grew 5.7 percent year-over-year and 0.5 percent from projection

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on March 23, 2017



2016 Maintenance and Operations

M and O expenses were \$12.6 million lower than budget

Key drivers

(\$ millions)	<u>Budget</u>	<u>Actual</u>	<u>\$ Var.</u>	<u>% Var.</u>
Payroll and Related Costs	\$166.7	\$161.5	(\$5.2)	
Group Insurance	36.4	33.8	(2.7)	
Contractual Services	67.0	67.4	0.4	
Materials/Oper.Supplies	7.8	6.8	(1.0)	
Utilities	8.1	7.4	(0.7)	
All Other Insurance	12.1	6.6	(5.5)	
Parts and Fuel	7.3	5.4	(1.9)	
Equip.Rental/Maintenance	17.8	22.2	4.5	
Other Misc. Expenses	1.0	0.9	(0.0)	
Recovery of Expenses	(2.3)	(2.8)	(0.4)	
Total	\$321.8	\$309.2	(\$12.6)	-3.9%

- Payroll and related costs
- Workers' compensation insurance
- Group insurance
- Parts and fuel
- Equipment/office rental and maintenance

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on March 23, 2017



2016 Capital Program

Capital Program expenses were \$94.3 million less than estimate

(\$ millions)	<u>Projection</u>	<u>Rev.Est. (Oct)</u>	<u>Act.</u>	<u>\$ Var.</u>	<u>% Var.</u>
Tri-State Tollway (I-94/I-294/I-80)	\$68.0	\$58.2	\$39.7	(\$18.4)	
Reagan Memorial Tollway (I-88)	105.3	81.1	83.5	2.4	
Jane Addams Memorial Tollway (I-90)	577.4	560.3	547.7	(12.7)	
Veterans Memorial Tollway (I-355)	7.7	10.2	7.9	(2.3)	
Open Road Tolling (ORT)	5.2	3.4	2.6	(0.7)	
Systemwide Improvements	189.7	126.9	119.7	(7.3)	
Tri-State Tollway (I-294)/I-57 Interchange	1.5	4.0	1.7	(2.2)	
Elgin O'Hare Western Access	383.6	337.8	315.9	(21.9)	
Other Emerging Projects	5.8	0.8	0.5	(0.3)	
Move Illinois and CRP Subtotal	\$1,344.2	\$1,182.6	\$1,119.2	(\$63.4)	-5.4%
"Other" Capital Projects	60.0	64.0	64.6	0.6	0.9%
Capital Program Subtotal	\$1,404.2	\$1,246.6	\$1,183.8	(\$62.8)	-5.0%
Agreement Reimbursements and Other Adjustments	-	-	(31.4)	(31.4)	N/A
Total Capital Program Expenditures	\$1,404.2	\$1,246.6	\$1,152.3	(\$94.3)	-7.6%

Note: Numbers may not add to totals due to rounding

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2016 Summary

- Revenue was \$1.2 million less than estimate
- Maintenance and operations expenditures were \$12.6 million, or 3.9 percent, less than budget
- Debt service transfers were \$15.9 million, less than budget, on track with the October estimate
 - Primarily due to refinancing savings and later than anticipated bond issuance
- Capital Program expenditures totaled \$1.2 billion and were \$94.3 million, or 7.6 percent, less than October estimate

Appendix



2016 Revenue – Fourth Quarter

(\$ thousands)

	4th Qtr		Variance	
	October Estimate	Actual	\$	%
Toll Revenue and Evasion Recovery	\$321,966	\$315,765	(\$6,201)	-1.9%
Concessions	509	562	54	10.5%
Investment Income	1,449	2,979	1,530	105.5%
Miscellaneous	1,227	4,655	3,428	279.3%
Total Revenue	\$325,152	\$323,961	(\$1,190)	-0.4%

Note: Numbers may not add to totals due to rounding

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2016 Maintenance and Operations – Fourth Quarter

(\$ thousands)

	4th Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$41,723	\$41,682	(\$41)	-0.1%
Group Insurance	9,217	8,521	(696)	-7.6%
Contractual Services	17,518	18,019	501	2.9%
Materials/Operational Supplies/Other Expenses	3,432	2,997	(436)	-12.7%
Utilities	2,064	1,992	(72)	-3.5%
All Other Insurance	3,140	2,531	(609)	-19.4%
Parts and Fuel	2,826	1,753	(1,073)	-38.0%
Equipment/Office Rental and Maintenance	4,812	6,965	2,153	44.7%
Other Miscellaneous Expenses	233	277	44	18.8%
Recovery of Expenses	(618)	(750)	(132)	-21.4%
Total Maintenance and Operations Expenditures	\$84,347	\$83,986	(\$361)	-0.4%

Note: Numbers may not add to totals due to rounding

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2016 Capital Program – Fourth Quarter

(\$ thousands)

	4th Qtr		Variance	
	Revised Estimate	Actual ⁽¹⁾	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$16,921	\$5,667	(\$11,255)	-66.5%
Reagan Memorial Tollway (I-88)	23,562	21,271	(2,291)	-9.7%
Jane Addams Memorial Tollway (I-90)	114,837	90,290	(24,548)	-21.4%
Veterans Memorial Tollway (I-355)	6,913	4,742	(2,171)	-31.4%
Open Road Tolling (ORT)	2,820	1,018	(1,802)	-63.9%
Systemwide Improvements	52,560	34,473	(18,087)	-34.4%
Tri-State Tollway (I-294)/I-57 Interchange	1,990	124	(1,866)	-93.8%
Elgin O'Hare Western Access	105,386	93,915	(11,470)	-10.9%
Other Emerging Projects	288	38	(251)	-86.9%
Move Illinois and CRP Subtotal	\$325,278	\$251,539	(\$73,739)	-22.7%
"Other" Capital Projects	25,622	26,181	558	2.2%
Capital Program Subtotal	\$350,900	\$277,719	(\$73,181)	-20.9%
Intergovernmental Agreement Reimbursement and other Adjustments ⁽²⁾	-	(1,763)	(1,763)	N/A
Total Capital Program Expenditures	\$350,900	\$275,956	(\$74,944)	-21.4%

⁽¹⁾ Capital Program Actual included accrued expenses for which payments have not been made as of December 31, 2016.

⁽²⁾ Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.



Note: Numbers may not add to totals due to rounding

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2016 Capital Program – Estimate vs. Actual

Elgin O’Hare Western Access Project

- Schedule changes and right-of-way impacts (\$21.9) million

Tri-State Tollway (I-294)

- Schedule changes due to timing of design and master plan between 95th street and Balmoral Avenue (\$18.4) million

Jane Addams Memorial Tollway (I-90)

- Spending less than estimated due to impact of utility relocations and timing of close out activities (\$12.7) million

Systemwide

- Schedule changes (\$7.3) million



Revenue – 2016 vs. 2015

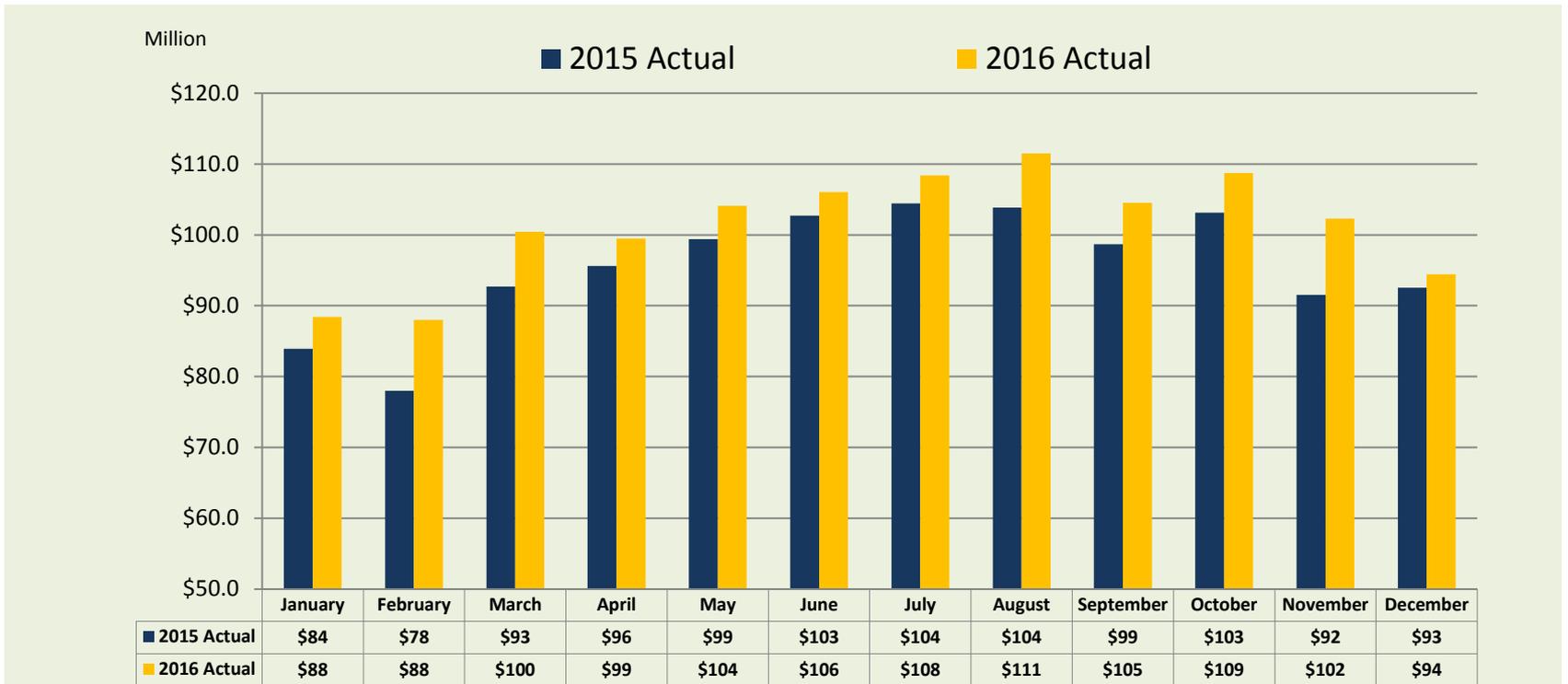
(\$ thousands)

	2015	2016	Variance	
			\$	%
Toll Revenue and Evasion Recovery	\$1,210,953	\$1,280,799	\$69,846	5.8%
Concessions	2,118	2,254	136	6.4%
Investment Income	1,846	6,530	4,683	253.6%
Miscellaneous	5,547	9,228	3,681	66.4%
Total Revenue	\$1,220,463	\$1,298,810	\$78,346	6.4%

Note: Numbers may not add to totals due to rounding



Monthly Toll Revenue 2016 vs. 2015



Note: Numbers may not add to totals due to rounding

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Maintenance and Operations – 2016 vs. 2015

(\$ thousands)

	2015	2016	Variance	
			\$	%
Payroll and Related Costs	\$160,800	\$161,478	\$678	0.4%
Group Insurance	32,364	33,763	1,399	4.3%
Contractual Services	62,443	67,384	4,941	7.9%
Materials/Operational Supplies/Other Expenses	7,277	6,772	(506)	-6.9%
Utilities	7,535	7,434	(100)	-1.3%
All Other Insurance	8,217	6,611	(1,606)	-19.5%
Parts and Fuel	6,361	5,412	(949)	-14.9%
Equipment/Office Rental and Maintenance	14,825	22,231	7,406	50.0%
Other Miscellaneous Expenses	988	927	(61)	-6.2%
Recovery of Expenses	(2,330)	(2,772)	(442)	-19.0%
Total Maintenance and Operations Expenditures	\$298,479	\$309,239	\$10,760	3.6%

Note: Numbers may not add to totals due to rounding

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Capital Program – 2016 vs. 2015

(\$ thousands)

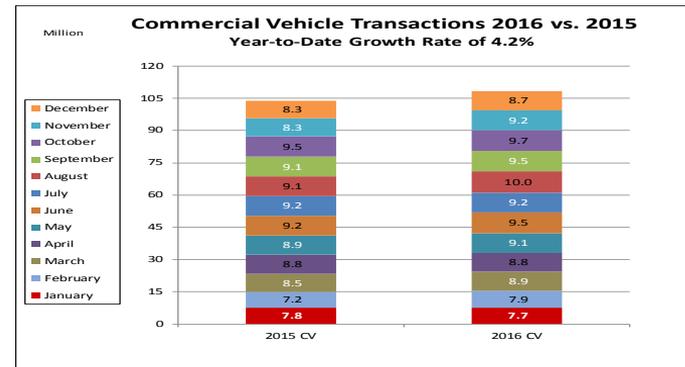
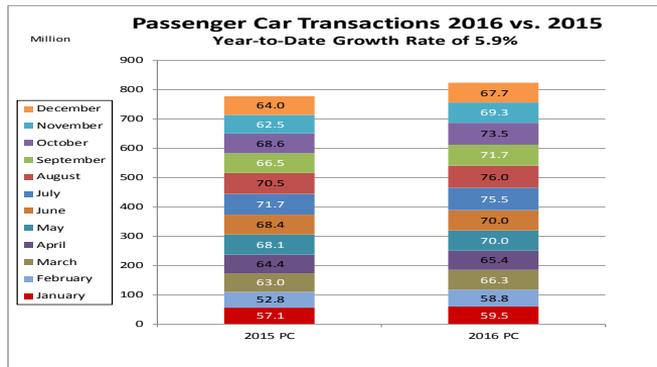
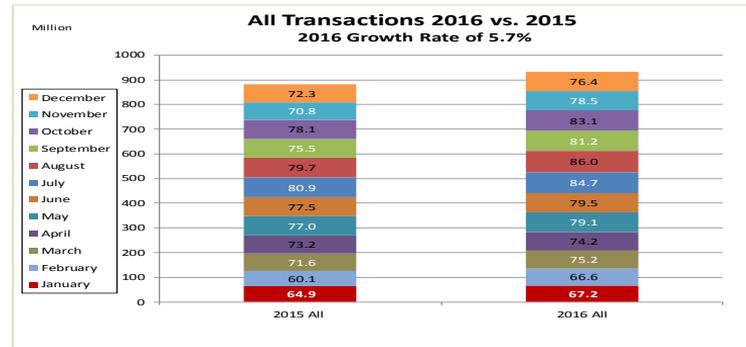
			Variance	
	2015	2016	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$11,433	\$39,739	\$28,306	248%
Reagan Memorial Tollway (I-88)	98,447	83,498	(14,949)	-15%
Jane Addams Memorial Tollway (I-90)	824,381	547,657	(276,724)	-34%
Veterans Memorial Tollway (I-355)	671	7,869	7,197	NM
Open Road Tolling (ORT)	2,341	2,614	273	12%
Systemwide Improvements	156,719	119,675	(37,044)	-24%
Tri-State Tollway (I-294)/I-57 Interchange	10,333	1,730	(8,602)	-83%
Elgin O'Hare Western Access	367,709	315,937	(51,772)	-14%
Other Emerging Projects	1,341	481	(860)	-64%
Move Illinois & CRP Subtotal	\$1,473,375	\$1,119,200	(\$354,175)	-24%
"Other" Capital Projects	50,107	64,558	14,451	29%
Capital Program Subtotal	\$1,523,482	\$1,183,759	(\$339,724)	-22%
Agreement Reimbursements and Other Adjustments	(9,967)	(31,440)	(21,473)	NM
Total Capital Program Expenditures	\$1,513,515	\$1,152,318	(\$361,197)	-24%

Note: Numbers may not add to totals due to rounding

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2016 vs. 2015 Transactions – Year Over Year



Note: Numbers may not add to totals due to rounding



THANK YOU

