



## Record of Meeting | December 13, 2018

The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Finance, Administration and Operations Committee Meeting on Thursday, December 13, 2018 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 Directors.]*

## Call to Order / Pledge of Allegiance / Roll Call

Committee Chair Dotson called the meeting to order at approximately 9:00 a.m., stating that this is the regularly scheduled meeting of the Finance, Administration and Operations Committee (“FAO Committee”) of the Tollway Board of Directors. He invited attendees to rise and join in the Pledge of Allegiance. Committee Chair Dotson then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Earl Dotson, Jr.
Director Jim Banks
Director David Gonzalez
Director Craig Johnson
Director Brad Stephens

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

## Public Comment

Committee Chair Dotson opened the floor for public comment. No public comment was offered.

## Committee Chair’s Items

Committee Chair Dotson called for a motion to approve **Committee Chair’s Item 1**, the Minutes of the regular Finance, Administration and Operations Committee meeting held on November 15, 2018, as presented. Director Banks made a motion for approval; seconded by Director Gonzalez.



Committee Chair Dotson asked if there are any questions, concerns or requests for amendment. Hearing nothing, Committee Chair Dotson called for a vote. The motion was PASSED unanimously.

Having no further items, Committee Chair Dotson called on Executive Director Liz Gorman.

### **Executive Director's Items**

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Executive Director Gorman stated that she has no items to report to the Committee.

### **Items for Consideration**

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#### **Finance**

Committee Chair Dotson called on Mike Colsch, Chief Financial Officer, to present to the Committee the following Finance items.

Prior to presentation of the items, Mr. Colsch summarized for the Committee the Quarterly Financial Review for the 3<sup>rd</sup> quarter ending September 30, 2018, noting that a more detailed presentation will be provided at next week's meeting of the full Board.

#### *Item 1: Approval of the Final 2019 Budget.*

Mr. Colsch noted that the 2019 Budget is unchanged from the Tentative Budget with the exception of updating the timing of the next bond sale. Mr. Colsch then updated the Committee on the Tollway's most recent bond transactions. He reported that having encountered favorable market conditions, the Tollway recently executed an issue of revenue bonds, previously authorized by the Board, to advance refund the Tollway's higher-rate Build America Bonds. He highlighted that the pricing achieved will result in excess of \$2.8 million in Tollway savings on a net present value basis, exceeding the originally targeted savings of \$2.2-\$2.5 million. He further reported that the agency also refunded its 2007A and a portion of its 2008 bonds to convert synthetic fixed rate debt to traditional fixed rate bonds, eliminating interest rate risks associated with swap structures. He highlighted that the resulting increase to borrowing costs (including swap termination costs) of approximately 30 basis points was within the targeted range of 25-35 basis points.

#### *Item 2: Extension of the Credit Facilities supporting the Authority's 2007A-1b and 2007A-2d Bonds.*

Director Gonzalez asked if the agency is expecting to refund in 2019 the variable rate bonds which would be supported by these liquidity agreements. Mr. Colsch responded in the negative, clarifying that these bonds may be targeted for refunding in the future.



*Item 3: Renewal of Contract 09-0138 for the Employee Health Benefit Programs with Blue Cross Blue Shield of Illinois for the 2019-2020 plan year (Tollway Request for Proposal).*

Director Johnson asked in what proportion do Tollway employees opt for the PPO vs. HMO plans which are offered by the agency. Mr. Colsch responded that participation is split approximately equally between these offered health benefit programs.

*Item 4: Award of Contract 18-0158 to Unum Group for the Employee Life Insurance Benefit Program in an amount not to exceed \$900,000.00 for a three-year period.*

*Item 5: Award of Contract 18-0156 to EyeMed Vision Care for the voluntary Employee Vision Insurance Program. Cost to the Tollway: \$0.*

Upon conclusion of the presentation of items, Committee Chair Dotson requested a motion to consolidate for consideration and action Finance Items 1 through 5. Director Banks made a motion to consolidate; seconded by Director Johnson. Committee Chair Dotson called for a vote. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Dotson called for a motion to approve placement of **Finance Items 1 through 5** on the December Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Stephens made a motion for approval; seconded by Director Banks. Committee Chair Dotson asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Dotson called for a vote. The motion was PASSED unanimously.

## Procurement

Committee Chair Dotson called on John Donato, Chief of Procurement, to present to the Committee the following Procurement items:

*Item 1: Award of Contract 17-0018R to Hillside Auto Body & Service, Inc. for the purchase of Medium- and Heavy-Duty Truck Body Shop Repairs, Vehicle Painting, and Replacement Parts in an amount not to exceed \$152,750.00 (Tollway Invitation for Bid).*

Committee Chair Dotson called for a motion to approve placement of **Procurement Item 1** on the December Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Banks made a motion for approval; seconded by Director Stephens. Committee Chair Dotson asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Dotson called for a vote. The motion was PASSED unanimously.



## Engineering

Committee Chair Dotson called on Paul Kovacs, Chief Engineering Officer, to present to the Committee the following Engineering items:

*Item 1: Award of Contract I-18-4437 to Semper Fi Yard Service, Inc. for Tree Removal on the Tri-State Tollway (I-294) from Mile Post 17.8 (95th Street) to Mile Post 33.0 (Lake Street), in the amount of \$1,510,088.20.*

Mr. Kovacs requested that consideration of Engineering Item 1 be deferred until a later date.

*Item 2: Award of Contract RR-18-4425 to Madison Construction Company for M-2 Maintenance Facility Renovation and Addition, on the Tri-State Tollway (I-294) at Mile Post 29.5, in the amount of \$9,659,337.00.*

*Item 3: Award of Contract I-16-4274 to Curran Contracting Company for Illinois Route 47 Interchange, on the Reagan Memorial Tollway (I-88) from Mile Post 108.8 to Mile Post 109.9, in the amount of \$14,058,392.88.*

*Item 4: Award of Contract I-18-4392 to Curran Contracting Company for Interchange Construction, on the Jane Addams Memorial Tollway (I-90) at Illinois Route 23 (IL 23) in the amount of \$20,122,221.99.*

*Item 5: Award of Contract I-18-4699 to F.H. Paschen S.N. Nielsen & Associates, LLC for Ramp Construction, on the Jane Addams Memorial Tollway (I-90) from Mile Post 73.20 (Elmhurst Road) to Mile Post 74.50 (Mount Prospect Road) and Elgin O'Hare Western Access (I-490) at Mile Post 6.25, in the amount of \$19,486,606.72.*

*Item 6: Award of Contract RR-18-4441 to Dunnet Bay Construction Company for Noise Abatement Wall Construction, on the Tri-State Tollway (I-294) at Mile Post 46.1 (Southbound over Central Road) and Mile Post 44.9 (Northbound over Ballard Road), in the amount of \$1,603,782.20.*

*Item 7: Acceptance of Proposal from exp US Services, Inc., on Contract I-18-4380 for Construction Management Services on the Tri-State Tollway (I-294) from Mile Post 35.3 (Grand Avenue) to Mile Post 36.3 (Wolf Road), in an amount not to exceed \$13,499,986.41.*

*Item 8: Acceptance of Proposal from Stantec Consulting Services, Inc., on Contract I-18-4409 for Construction Management Services Upon Request Systemwide, in an amount not to exceed \$3,000,000.00.*



Item 9: Acceptance of Proposal from Techknow Engineering, on Contract I-18-4413 for Temporary Intelligent Transportation Systems (ITS) Relocation on the Tri-State Tollway (I-294), in an amount not to exceed \$2,307,000.00.

Item 10: Acceptance of Proposal from Wood Environment & Infrastructure Solutions, Inc. (formerly AMEC Foster Wheeler Environment & Infrastructure, Inc.) / Jacobs Engineering Group, Inc. / RM Chin & Associates, Inc., on Contract I-13-4103 for Supplemental Construction Management, for Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) from Mile Post 68.2 (IL Route 53) to Mile Post 78.6 (Kennedy Expressway), in an amount of \$307,229.56 from \$18,600,000.00 to \$18,907,229.56.

Item 11: Acceptance of Proposal from STV Incorporated, on Contract I-14-4189 for Supplemental Construction Management, for Roadway, Retaining Wall and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Mile Post 53.8 (Elgin Toll Plaza) to Mile Post 55.7 (Fox River), in an amount of \$66,854.00 from \$5,454,623.10 to \$5,521,477.10.

Item 12: Acceptance of Proposal from Knight E/A, Inc., on Contract I-14-4191 for Supplemental Construction Management, for Roadway, Retaining Wall and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Mile Post 56.8 (IL 25) to Mile Post 60.8 (West of Higgins Road), in an amount of \$177,398.62 from \$10,106,663.97 to \$10,284,062.59.

Item 13: Acceptance of Proposal from Gewalt Hamilton Associates, Inc./Atlas Engineering Group Inc., on Contract I-14-4193 for Supplemental Construction Management, for Roselle Road Interchange on the Jane Addams Memorial Tollway (I-90) at Mile Post 65.5 (Roselle Road Interchange), in an amount of \$121,845.00 from \$1,679,688.08 to \$1,801,533.08.

Item 14: Acceptance of Proposal from exp US Services, Inc., on Contract I-13-4104 for Supplemental Construction Management, for Bridge and Ramp Reconstruction on the Jane Addams Memorial Tollway (I-90) from Mile Post 56.1 to Mile Post 56.3 (IL 25), in an amount of \$133,500.00 from \$4,999,060.81 to \$5,132,560.81.

Item 15: Acceptance of Proposal from BCP Tollway Partners (JV), on Contract I-14-4190 for Supplemental Construction Management, on the Jane Addams Memorial Tollway (I-90) from Mile Post 60.8 (West of Higgins Road) to Mile Post 65.5 (Roselle Road), in an amount of \$200,000.00 from \$9,499,522.57 to \$9,699,522.57.

Item 16: Acceptance of Proposal from Tecma Associates, Inc., on Contract I-14-4192 for Supplemental Construction Management, for Interchange Improvements on the Jane Addams



*Memorial Tollway (I-90) at Mile Post 62.2 (Barrington Road), in an amount of \$500,000.00 from \$4,103,332.19 to \$4,603,332.19.*

*Item 17: Land Acquisition (Identification of Real Estate Parcels associated with the Central Tri-State Tollway). Cost to the Tollway: N/A*

Mr. Kovacs requested that consideration of Engineering Item 17, concerning land acquisition, be deferred to the Executive Session of the full Board meeting.

Upon conclusion of the presentation of items, Committee Chair Dotson stated that without objection, consideration of Engineering Items 1 and 17 will be deferred.

Committee Chair Dotson then requested a motion to consolidate for consideration and action Engineering Items 2 through 16. Director Banks made a motion to consolidate; seconded by Director Johnson. Committee Chair Dotson called for a vote. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Dotson called for a motion to approve placement of **Engineering Items 2 through 16** on the December Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Stephens made a motion for approval; seconded by Director Johnson. Committee Chair Dotson asked if there are any questions, concerns or requests for discussion. Hearing nothing, Committee Chair Dotson called for a vote. The motion was PASSED unanimously.

## Legal

*Item 1: Authorization to Enter into a Pre-Litigation Settlement – Judlau Contracting, Inc. Cost to the Tollway: As discussed in Executive Session.*

*Item 2: Authorization to Enter into a Property Damage Settlement. Cost to the Tollway: As discussed in Executive Session.*

Committee Chair Dotson stated that without objection, consideration of Legal Items 1 and 2, concerning litigation settlements, will be deferred to the Executive Session of the full Board Meeting.

## Adjournment

There being no further business before the Committee, Committee Chair Dotson requested a motion to adjourn. Motion to adjourn was made by Director Banks; seconded by Director Stephens. Committee Chair Dotson called for a vote. The motion was PASSED unanimously.





The Meeting was adjourned at approximately 9:35 a.m.

Minutes taken by: \_\_\_\_\_

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority