



Record of Meeting | November 19, 2020

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance, Administration and Operations (“FAO”) Committee meeting on Thursday, November 19, 2020. The meeting was held pursuant to the By-Laws of the Tollway upon call and notice of the meeting executed by Chairman Willard S. Evans, Jr. and posted in accordance with the requirements of the Open Meetings Act, 5 ILCS 120/1, *et seq.*

Due to necessary precautions relating to COVID-19, in accordance with the Gubernatorial Disaster Proclamation and current conditions, and consistent with the Open Meetings Act, it was determined by Chairman Willard S. Evans, Jr. that an in-person meeting of the body was neither practical nor prudent. In compliance with all conditions of Section 7(e) of the Open Meetings Act, 5 ILCS 120/7(e), the Committee meeting was conducted by audio conference, without the physical presence of a quorum of the members. A telephone access number was provided for members of the public to monitor and/or participate in the meeting.

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

Call to Order / Roll Call

Committee Chair McConnaughay called the meeting to order at approximately 9:57 a.m. She then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Karen McConnaughay
Director Alice Gallagher
Director Scott Paddock
Director Gary Perinar
Director James Sweeney

Committee Members Not Present:
None

Other Directors Present:
Director James Connolly
Director Stephen Davis
Chairman Willard S. Evans, Jr.



The Board Secretary declared a quorum present.

Public Comment

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

Committee Chair's Items

Committee Chair McConnaughay entertained a motion to approve **Committee Chair's Item 1**, the Minutes of the regular FAO Committee meeting held on October 15, 2020, as presented. Director Gallagher made a motion to approve the Minutes, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

Having no further items, Committee Chair McConnaughay called on Executive Director José Alvarez.

Executive Director's Items

Executive Director Alvarez introduced Cathy Williams, Chief Financial Officer, to provide the Quarterly Financial Review for the period ending September 30, 2019. [See attached presentation.](#)

Upon conclusion of the presentation, Executive Director Alvarez noted that the meeting agenda contains 15 items for the Committee's consideration. He then proceeded to the presentation of items for consideration.

Items for Consideration

Finance

Executive Director Alvarez called on Cathy Williams, Chief Financial Officer, to present to the Committee the following Finance item:



Item 1: Renewal of Contract 13-0092 with Law Enforcement Systems, LLC and Harris & Harris, Ltd. for the purchase of Collections and Collection Litigation Services in an aggregate amount not to exceed \$1,500,000.00 (Tollway Request for Proposal).

Upon conclusion of the item presentation, Committee Chair McConnaughay entertained a motion to approve placement of **Finance Item 1** on the November Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Gallagher made a motion to approve this item, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

Facilities and Fleet Operations

Executive Director Alvarez called on Dave Donovan, Chief of Facilities and Fleet Operations, to present to the Committee the following item:

Item 1: Award of Contract 20-0077 to Miles Chevrolet, LLC for the purchase of Sports Utility Vehicles in an amount not to exceed \$367,470.00 (Order Against CMS Master Contract).

Upon conclusion of the item presentation, Committee Chair McConnaughay entertained a motion to approve placement of **Facilities and Fleet Operations Item 1** on the November Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Gallagher made a motion to approve this item, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

Information Technology

Executive Director Alvarez called on Joe Kambich, Chief of Information Technology, to present to the Committee the following Information Technology item:



Item 1: Award of Contract 20-0176 to CDW Government LLC for the purchase of Maintenance and Support for Cisco SmartNet and IronPort Software and Hardware in an amount not to exceed \$1,969,547.60 (Order Against DoIT Master Contract).

Upon conclusion of the item presentation of item, Committee Chair McConnaughay entertained a motion to approve placement of **Information Technology Item 1** on the full November Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Gallagher made a motion to approve this item, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

Engineering

Executive Director Alvarez called on Paul Kovacs, Chief Engineering Officer, to present to the Committee the following Engineering items:

Item 1: Award of Contract RR-19-4473 to Natural Creations Landscaping, Inc. for Landscape Planting Improvements on the Tri-State Tollway (I-94) from Mile Post 11.50 (IL Route 120) to Mile Post 22.10 (IL Route 22) in the amount of \$999,000.00.

Item 2: Award of Contract RR-19-4468 to Natural Creations Landscaping, Inc. for Landscape Planting Improvements on the Reagan Memorial Tollway (I-88) from Mile Post 53.80 (IL Route 26) to Mile Post 76.00 (IL Route 251) in the amount of \$1,349,840.20.

Item 3: Award of Contract RR-20-4545 to K-Five Construction Corporation for Systemwide Pavement Repairs, Systemwide and on the Tri-State Tollway (I-294) between Mile Post 17.00 (95th Street) and Mile Post 40.00 (Balmoral Avenue) in the amount of \$4,096,789.06.

Item 4: Award of Contract I-20-4542 to Aldridge Electric, Inc. for Lighting Material Fabrication on the Tri-State Tollway (I-294) from Mile Post 17.8 (95th Street) to Mile Post 24.29 (I-55) and Mile Post 32.4 (St. Charles Road) to Mile Post 33.5 (North Avenue) in the amount of \$1,868,263.00.

Item 5: Award of Contract I-19-4476 to Plote Construction, Inc. / Dunnet Bay Construction Company, (JV) for Roadway and Bridge Widening and Reconstruction on the Tri-State Tollway (I-294) at Eisenhower Expressway (I-290) and St. Charles Road in the amount of \$30,738,139.41.



Item 6: Award of Contract I-20-4518 to Walsh Construction Company II, LLC for Roadway Reconstruction and Widening on the Tri-State Tollway (I-294) from Mile Post 19.3 (Plaza 39) to Mile Post 22.3 (75th Street) in the amount of \$70,518,407.28.

Item 7: Amendment to Extra Work Order on Contract I-19-4449 to Plote Construction, Inc. / Dunnet Bay Construction Company, (JV) for Roadway and Bridge Widening and Rehabilitation on the Tri-State Tollway (I-294) from Mile Post 36.3 (Wolf Road) to Mile Post 39.8 (Balmoral Avenue) in the amount of \$181,627.16 (increasing upper limit of Contract from \$63,217,667.09 to \$63,399,294.25).

Item 8: Acceptance of Proposal from ESI Consultants, Ltd. on Contract I-18-4698 for Supplemental Design and Construction Management Services Upon Request on Elgin O'Hare Western Access (I-490) in an amount of \$1,990,462.94 (increasing upper limit of Contract from \$7,000,000.00 to \$8,990,462.94).

Item 9: Award of Contract 20-0062 to Cicero Mfg. & Supply Co., Inc. for the purchase of Ceratech Fast-Setting Cement in an amount not to exceed \$353,900.00 for an initial three-year term and a possible three-year renewal term in an amount not to exceed \$353,900.00 (Tollway Invitation for Bid).

Upon conclusion of the presentation of items, Committee Chair McConnaughay entertained a motion to consolidate for consideration and action Engineering Items 1 thru 9. Director Gallagher made a motion to consolidate these items, seconded by Director Paddock. Committee Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

The motion to consolidate these items having carried, Committee Chair McConnaughay entertained a motion to approve **Engineering Items 1 thru 9**. Director Gallagher made a motion to approve these items, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chair McConnaughay (5)

Nays: (0)



The motion PASSED.

Legal

Executive Director Alvarez requested that consideration of Legal Items 2 and 3 be deferred until the Executive Session of the full Board of Directors meeting. He then called on Kathleen R. Pasulka-Brown, General Counsel, to present the remaining Legal Item to the Committee:

Item 1: Approval of an Intergovernmental Agreement with the Village of Oak Brook (“Village”). Cost to the Tollway: \$0.

Item 2: Amendment to Land Acquisition Resolution 22101 for the Tri-State Tollway Project (I-294) to amend Exhibit A; adding seventeen (17) parcels that may need to be acquired by condemnation. See ISTHA v. DiBenedetto. Cost to the Tollway: As discussed in Executive Session.

Item 3: Approval of Continued Suspension of Toll Violation Payment and Settlement Guidelines. Cost to the Tollway: As discussed in Executive Session.

Upon conclusion of the item presentation, Committee Chair McConnaughay stated that without objection, consideration of Legal Items 2 and 3 will be deferred.

Committee Chair McConnaughay then entertained a motion to approve placement of **Legal Item 1** on the November Board of Directors meeting agenda with the Committee’s recommendation for approval by the Board. Director Gallagher made a motion to approve this item, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

Adjournment

There being no further Committee business, Committee Chair McConnaughay entertained a motion to adjourn. Director Gallagher made a motion to adjourn, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:



Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

The Meeting was adjourned at approximately 10:38 a.m.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

Budget vs Actual - September 30, 2020

(Preliminary and Unaudited)

Cathy Williams

November 19, 2020



2020-Original Budget vs. Current Forecast

CATEGORY	(\$ millions)			% CHANGE
	ORIGINAL BUDGET	CURRENT FORECAST*	\$ CHANGE	
Revenue	\$1,535	\$1,270	(\$265)	(17%)
M&O Expenditures	\$380	\$365	(\$15)	(4%)
Debt Service Transfers	\$450	\$426	(\$24)	(5%)
Capital Expenditures	\$1,462	\$1,094	(\$367)	(25%)

Original Budget approved on December 5, 2019

Revenue

- Impact from COVID-19

Reduced operating costs

- Customer service costs
- Fees

Reduction in capital expenditures


- Schedule changes
- Timing of right-of-way agreements

*As part of 2021 Budget process the Tollway finalized 2020 estimates for revenue and capital expenditures.

REVENUE



September 2020 YTD - Revenue

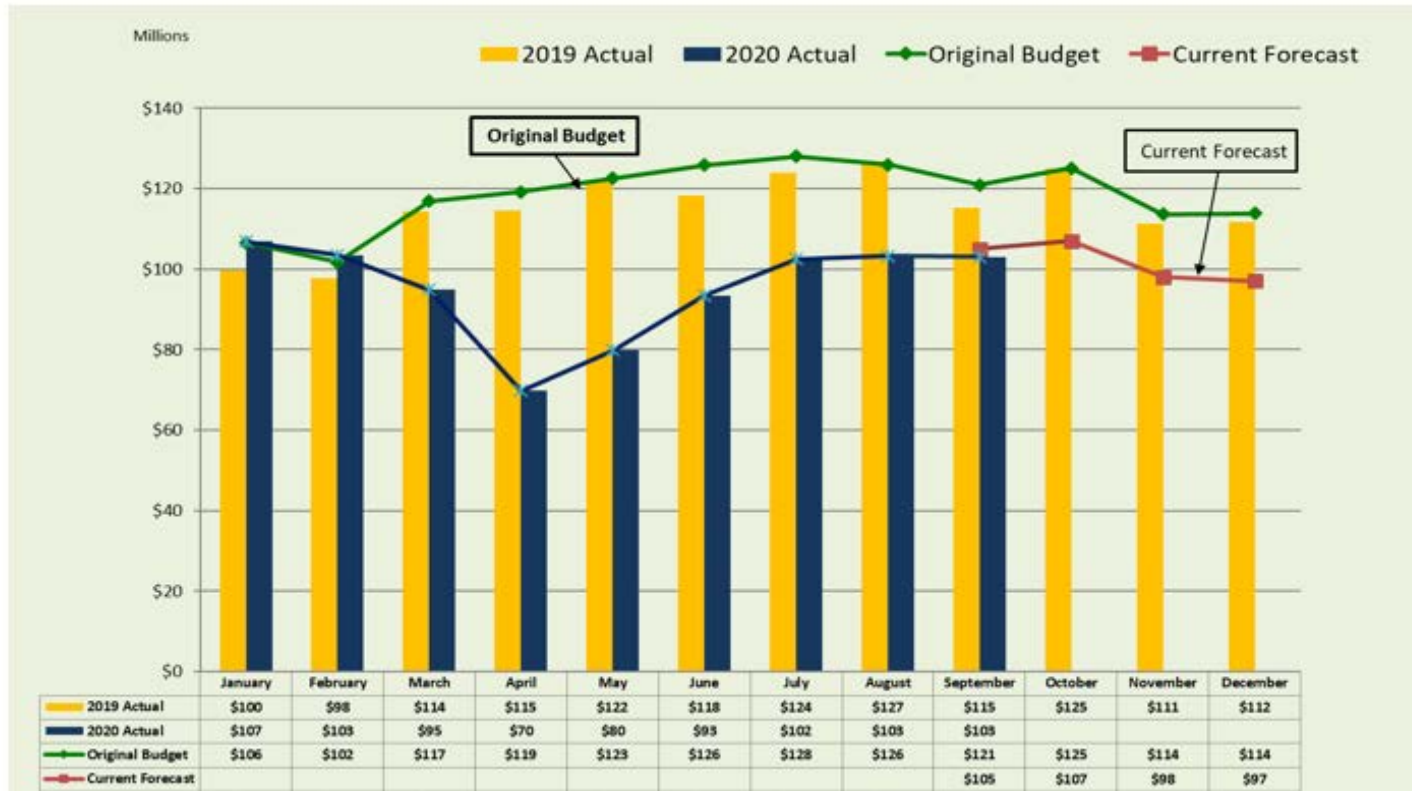
CATEGORY	ORIGINAL BUDGET*	(\$ millions)			% CHANGE
		CURRENT FORECAST*	ACTUAL	\$ CHANGE	
Total Revenues	\$1,153.8	\$943.0	\$943.1	\$0.1	0.0%
					
Toll Revenue and Evasion Recovery	\$1,123.8	\$916.4	\$915.7	(\$0.7)	(0.1%)
Concessions	\$1.5	\$1.0	\$1.1	\$0.1	5.6%
Investments	\$22.5	\$12.6	\$12.6	\$0.0	0.4%
Miscellaneous	\$6.0	\$13.0	\$13.7	\$0.7	5.2%

Note: Numbers may not add to totals due to rounding.


* Expected revenue projections from CDM Smith



Monthly Toll Revenue 2020 vs. 2019



September 2020 YTD – Maintenance and Operations

CATEGORY	(\$ millions)			% CHANGE FROM BUDGET
	ORIGINAL BUDGET	ACTUAL	\$ CHANGE	
Total M&O	\$274.8	\$252.9	(\$21.9)	(8.0%)
				
Payroll and Related Costs	\$131.6	\$133.9	\$2.4	1.8%
Group Insurance	\$26.8	\$23.1	(\$3.6)	(13.6%)
Contractual Services	\$69.4	\$56.6	(\$12.8)	(18.4%)
Materials/Operational Supplies/Other Expenses	\$5.8	\$2.8	(\$3.0)	(51.4%)
Utilities	\$6.2	\$4.4	(\$1.8)	(28.7%)
All Other Insurance	\$8.5	\$7.2	(\$1.3)	(14.9%)
Parts and Fuel	\$4.1	\$4.2	\$0.2	3.9%
Equipment Maintenance	\$23.0	\$21.4	(\$1.6)	(6.9%)
Other Miscellaneous Expenses	\$1.2	\$0.5	(\$0.7)	(60.3%)
Recovery of Expenses	(\$1.7)	(\$1.4)	\$0.3	(16.9%)

Key Drivers

Contractual Services

- Reduced transactions and customer service costs

Group Insurance

- Lower claims and administrative fees

Materials, operational, supplies and equipment maintenance


- Not used or consumed during the pandemic



CAPITAL PROGRAM



September 2020 YTD – Capital Program

CATEGORY	ORIGINAL BUDGET	(\$ millions)			% CHANGE
		CURRENT FORECAST	ACTUAL	\$ CHANGE	
Total Capital	\$1,161.3	\$759.7	\$758.7	(\$1.0)	(0.1%)
					
Tri-State (I-94/I-294/I-80)	\$347.2	\$341.2	\$334.1	(\$7.1)	(2.1%)
Reagan Memorial (I-88)	\$23.6	\$25.8	\$33.7	\$7.9	30.5%
Jane Addams (I-90)	\$5.9	\$2.5	\$1.8	(\$0.7)	(28.4%)
Veterans Memorial (I-355)	\$10.8	\$13.9	\$8.6	(\$5.3)	(38.2%)
Systemwide	\$248.1	\$161.1	\$160.0	(\$1.1)	(0.7%)
Tri-State (I-294/I-57)	\$49.3	\$29.5	\$27.7	(\$1.9)	(6.3%)
Elgin O'Hare Project	\$473.3	\$251.9	\$259.8	\$7.9	3.1%
Other Emerging Projects	\$2.9	\$0.8	\$0.4	(\$0.4)	(50.0%)
Agreement Reimbursements and Other Adjustments	\$0.0	(\$67.0)	(\$67.4)	(\$0.4)	0.5%

Key Drivers

Spending on track with current estimate developed during the 2021 budgeting process

Timing of right-of-way payments, utility relocations and contract closeout process resulted in deviation from current estimate

- Central Tri-State Tollway Project
- I-490 Tollway Project
- Veterans Memorial Tollway

Reagan Memorial Tollway

- Advanced construction progress due to optimized staging





THANK YOU



APPENDIX

September YTD 2020 vs 2019



September YTD - Capital Program 2020 vs 2019

CATEGORY	(\$ millions)					
	2019		2020		2020 ACTUAL/ 2019 ACTUAL CHANGE	
	CURRENT FORECAST	ACTUAL	CURRENT FORECAST	ACTUAL	\$ CHANGE	% CHANGE
Tri-State (I-94/I-294/I-80)	\$244.6	\$239.0	\$341.2	\$334.1	\$95.2	39.8%
Reagan Memorial (I-88)	\$59.3	\$50.0	\$25.8	\$33.7	(\$16.4)	(32.7%)
Jane Addams (I-90)	\$5.9	\$3.8	\$2.5	\$1.8	(\$2.0)	(52.7%)
Veterans Memorial (I-355)	\$21.3	\$21.0	\$13.9	\$8.6	(\$12.5)	(59.2%)
Systemwide	\$258.5	\$235.7	\$161.1	\$160.0	(\$75.7)	(32.1%)
Tri-State (I-294/I-57)	\$8.6	\$3.4	\$29.5	\$27.7	\$24.3	N/A
Elgin O'Hare Project	\$94.4	\$114.0	\$251.9	\$259.8	\$145.8	127.9%
Other Emerging Projects	\$6.7	\$3.9	\$0.8	\$0.4	(\$3.4)	(89.0%)
Agreement Reimbursements and Other Adjustments	(\$0.7)	(\$3.1)	(\$67.0)	(\$67.4)	(\$64.3)	N/A
Total Capital Program Expenditures	\$698.6	\$667.7	\$759.7	\$758.7	\$91.0	13.6%

