



Record of Meeting | April 22, 2021

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance, Administration and Operations (“FAO”) Committee meeting on Thursday, April 22, 2021. 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. 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 9:50 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

Committee Members Not Present:
Director James Sweeney

Other Directors Present:
Director James Connolly
Director Stephen Davis
Director Jacqueline Gomez
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 March 25, 2021, as presented. Director Paddock made a motion to approve the Minutes, seconded by Director Perinar. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Paddock, Director Perinar, Director Gallagher, Committee Chair McConnaughay (4)

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 Paula Blonski, Senior Manager of Insurance Risk & Loss Control, to present the Tollway's Risk Management Program. [See attached presentation.](#)

Upon conclusion of the presentation, Committee Chair McConnaughay noted for Directors that consideration of Finance Item 1 will be deferred to a future meeting.

Executive Director Alvarez stated that the meeting agenda contains 17 items for the Committee's consideration. He then proceeded to the presentation of items for consideration.

Items for Consideration

Facilities & Fleet Operations

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



Item 1: Award of Contract 19-0150R to Stenstrom Petroleum Services Group for the purchase of Underground Fuel Storage Tank Monitoring System Services in an amount not to exceed \$474,700.00 for an initial three-year term and a possible two-year renewal term in an amount not to exceed \$316,466.67 (Tollway Invitation for Bid).

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

Yeas: Director Paddock, Director Perinar, Director Gallagher, Committee Chair McConnaughay (4)

Nays: (0)

The motion PASSED.

Engineering

Executive Director Alvarez called on Manar Nashif, Acting Chief Engineering Officer, to present to the Committee the following Engineering items:

Item 1: Award of Contract RR-21-4563 to Robe, Inc. for Plaza Modifications on the Veterans Memorial Tollway (I-355) from Mile Post 1.90 to Mile Post 4.42 (Plaza 99 Spring Creek) in the amount of \$568,483.46.

Item 2: Award of Contract RR-21-4573 to Robe, Inc. for Plaza Modifications on the Jane Addams Memorial Tollway (I-90) from Mile Post 53.6 to Mile Post 79.5 in the amount of \$2,016,064.40.

Item 3: Award of Contract RR-21-4574 to Western Remac, Inc. for Plaza Improvements on the Tri-State Tollway (I-294) from Mile Post 38.25 (Plaza 29 Touhy Avenue) to Mile Post 42.0 (Plaza 33 Irving Park Road) in the amount of \$1,104,175.60.

Item 4: Award of Contract RR-21-4562 to Robe, Inc. for Plaza Modifications on the Reagan Memorial Tollway (I-88) from Mile Post 116.5 to Mile Post 119.0 (Plaza 61 Aurora), from Mile Post 85.0 to Mile Post 86.25 (Plaza 66 DeKalb) and from Mile Post 55.25 to Mile Post 57.75 (Plaza 69 Dixon) in the amount of \$1,778,909.58.



Item 5: Award of Contract RR-20-4551 to City Escape Garden & Design, LLC for Landscape Plantings on the Tri-State Tollway (I-294) from Mile Post 38.0 (O'Hare Oasis) to Mile Post 39.3 (UPRR) in the amount of \$233,274.59.

Item 6: Award of Contract RR-20-4553 to Cardinal State, LLC for Landscape Planting Improvements on the Reagan Memorial Tollway (I-88) from Mile Post 117.2 (Fox River) to Mile Post 140.0 (I-294) in the amount of \$792,133.74.

Item 7: Award of Contract RR-20-4554 to Martam Construction, Inc. for Box Culvert Construction on the Tri-State Tollway (I-294) from Mile Post 27.8 (Ogden Avenue) to Mile Post 29.5 (Cermak Road) in the amount of \$15,896,363.61.

Item 8: Award of Contract RR-20-4555 to Lorig Construction Company for Bridge Replacement on the Tri-State Tollway (I-294) Plainfield Road over I-294 and Flagg Creek from Mile Post 24.3 to Mile Post 24.6 in the amount of \$21,283,514.09.

Item 9: Award of Contract I-19-4475 to Dunnet Bay Construction Company for I-57 Widening over CSX and B & O CT Railroad Bridges and I-57 for Restriping in the amount of \$20,793,926.70.

Item 10: Extra Work Order on RR-16-4258 to William Charles Construction Company, LLC for Maintenance Facility Building Construction at Maintenance Facility M-7 (Rockford) on the Jane Addams Memorial Tollway (I-90) at Mile Post 15.2 (Business US 20) in the amount of \$287,000.00 from \$28,212,692.92 to \$28,499,692.92.

Item 11: Award of Contract 20-0172 to John Thomas, Inc. for the purchase of Crash Attenuator Parts in an amount not to exceed \$1,000,000.00 (Order Against CMS Master Contract).

Item 12: Authorization to enter into a "Public Highway Overpass Agreement," "Real Estate Swap Agreement" and "Flyover Easement Agreement" with the Union Pacific Railroad for work associated with the Central Tri-State Project (I-294).

Director Gomez applauded the award of four Small Business Initiative contracts and commended staff for their work to implement the program.

Upon conclusion of the presentation of items, Committee Chair McConnaughay entertained a motion to consolidate for consideration and action Engineering Items 1 thru 12. Director Paddock made a motion to consolidate these items, seconded by Director Perinar. Committee Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:



Yeas: Director Paddock, Director Perinar, Director Gallagher, Committee Chair McConnaughay (4)

Nays: (0)

The motion PASSED.

The motion to consolidate these items having carried, Committee Chair McConnaughay entertained a motion to approve placement of **Engineering Items 1 thru 12** on the April Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Paddock made a motion to approve these items, seconded by Director Perinar. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Paddock, Director Perinar, Director Gallagher, Committee Chair McConnaughay (4)

Nays: (0)

The motion PASSED.

Legal

Executive Director Alvarez requested that consideration of Legal Items 2 thru 4 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 a multi-party Intergovernmental Agreement with the Illinois Department of Transportation, Cook County, DuPage County, the Village of Franklin Park and the City of Northlake for work associated with the Elgin O'Hare Western Access Project and the Central Tri-State Project (I-294). Cost to the Tollway: \$0.

Item 2: Authorization to Enter a Litigation Settlement Agreement, Property Owner – Bailey Development, LLC, Tollway Parcel No. WA-1D-12-039. Cost to the Tollway: As discussed in Executive Session.

Item 3: Authorization to Enter into Mediation. Cost to the Tollway: As discussed in Executive Session.

Item 4: Authorization to Enter a Workers' Compensation Settlement – John Bocskovits. 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 thru 4 will be deferred.

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

Yeas: Director Paddock, Director Perinar, Director Gallagher, Committee Chair McConnaughay (4)

Nays: (0)

The motion PASSED.

Adjournment

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

Yeas: Director Paddock, Director Perinar, Director Gallagher, Committee Chair McConnaughay (4)

Nays: (0)

The motion PASSED.

The Meeting was adjourned at approximately 10:31 a.m.

A handwritten signature in cursive script that reads "Christi Regnery".

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



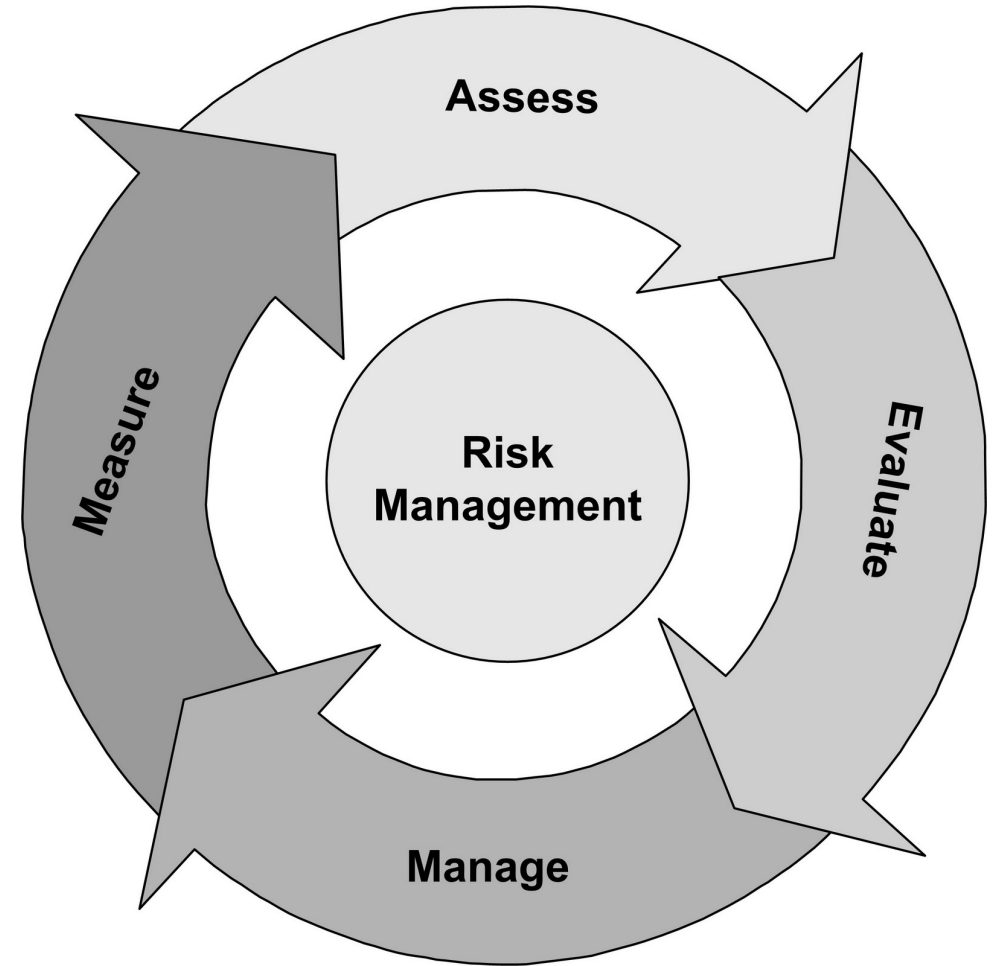
Illinois Tollway Risk Management Program

April 22, 2021

Risk Management Philosophy

The Illinois Tollway's Risk Management Program seeks to identify, assess and manage risks within Tollway's risk appetite framework and in accordance with the applicable statutes.

The goal is to reduce the uncertainty associated with the execution of the Tollway's vision to relieve congestion and improve mobility, focus on our customers and strengthen cultural and environmental vitality, all within a fiscally responsible manner.



Applicable Statutes

605 ILCS Act 10 Tollway Highway Act

Allows the Authority to be subject to civil action to recover damages for injury to person or property without any form of tort immunity unlike the state and most public bodies.

Trust Indenture Section 715 Maintenance of Insurance

The Authority shall at all times maintain, to the extent reasonably obtainable, the following kinds and the following amounts of insurance, such variations shall be reasonably required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductible as are ordinarily required.

Certificates by the Consulting Engineer made pursuant to this section shall be in writing and filed with the Authority and Trustees annually within 30 days of the close of each fiscal year.



Illinois Tollway Key Statistics

Property

- 294 miles/2,290 lane miles
- 684 bridges
- 188 total facilities
- 778 vehicles/1,571 other equipment

Customers

- 5.7 million I-PASS accounts
- 2.8 million daily toll transactions

Contracts Summary - *Move Illinois Program (2012-2020)*

- 367 construction contracts
- 274 Professional engineering service contracts



Illinois Tollway Statistics

Information Technology

- 89 toll plazas, 13 maintenance sites and 3 offices
- 1,500 physical and virtual servers
- More than 1,500 network devices
- 6,800+ user accounts

Employees

- 2020 Budgeted headcount 1,462
- 689 HMO/570 PPO
- Average 140 workers' compensation claims per year



Risks and Vulnerabilities

Liability risks (property and commercial)

- All bridges, buildings and facilities as well as loss of toll revenues due to damage for the Tollway assets
- Injuries to persons and properties
- Contractor's liability/claims

Cyber risk

- Data losses caused by cyber-attacks, viruses, and other threats
- Lawsuits against the agency that result from data breaches or the failure to protect sensitive information

Solutions

- Insurance
- Safety
- Risk transfer guidelines



Risks and Vulnerabilities

Workers' compensation

- Claims and reserves

Employee Benefits

- Medical, dental and vision claims
- Self-funded

Solutions

- Safety
- Wellness

Illinois Tollway Insurance Programs

Cyber Liability

Property Insurance

General Liability

Contractor Insurance-transfer

Rolling Owner-Controlled Insurance Program

Equipment Breakdown

Employee Benefits

Public Officials and Employment Practices Liability

Workers' Compensation



Cyber Liability

Cyber liability protects the agency against data losses caused by cyber-attacks, viruses, and other threats.

It covers lawsuits against the agency that result from data breaches or the failure to protect sensitive information that belongs to our customers

Threats – Network security, employee sensitive information and cyber extortion

Note: Customer information tokenized in 2015

Cyber Liability Coverage

Insurance Company - Travelers Casualty and Surety Company of America

Policy period - January 1, 2021-2022

Premium - \$141,730

- | | |
|---------------------------------------|--------------|
| • Policy Aggregate Limit of Liability | \$10,000,000 |
| • Business Interruption | \$10,000,000 |
| • Regulatory Defense | \$10,000,000 |
| • Cyber Extortion | \$10,000,000 |



Property Insurance

The Tollway's property insurance protection includes:

- Blanket insurance coverage – all bridges, buildings and facilities as well as loss of toll revenues due to damage – for Tollway assets
- Separate coverage for the central administration facility, its contents and related EDP equipment as insured through an office building insurance policy

The Tollway's engineering consultants annually certify that insurance proposals received are in accordance with the requirements of the indenture

Property Insurance Coverage

Insurance Companies – RSUI, Westchester and Chubb

Policy period – April 1, 2021-2022

Premium – \$1,740,855

- \$200,000,000 loss limit (subject to \$1,000,000 deductible per loss)
- Earthquake coverage limit is \$100,000,000
- Flood coverage limit is \$50,000,000
- Coverage for Central Administration facility coverage insures to the replacement cost of the building, as well as coverage for the EDP equipment



Commercial Liability Coverage

Insurance Company – Lexington Insurance Company

Policy period - June 1, 2020-2021

Premium - \$1,796,973

- First layer \$5,000,000
- Excess layers total \$145,000,000 in aggregate
 - Hallmark Specialty Insurance Company
 - Allied World Assurance Company
 - Endurance American Specialty Insurance Company
 - Aspen Specialty Insurance Company
 - Westchester Surplus Lines Insurance Company
 - Great American Ins Company
 - Axis Surplus Insurance Company
 - RSUI Indemnity Company
 - Berkley National Insurance Company
 - Arch Insurance Company



Risk Transfer – Contractors' Insurance

Required contractor coverages include

- Commercial general liability
- Automobile liability
- Workers' compensation and employer's liability
- Excess/umbrella liability
- Contractor's pollution liability
- Builder's risk
- Railroad protective (as required by contract)
- Professional liability

Rolling Owner-Controlled Insurance Program

Removing barriers to prime contracting opportunities for small businesses



Provides General Liability insurance coverage on small business contracts, removing a barrier for participation on prime opportunities.



This allows the Tollway to level the playing field for small and diverse businesses and allows more contractors to pursue prime opportunities.

Equipment Breakdown

Insurance Company – Federal Insurance Company

Policy period – August 1, 2020-2021

Premium – \$14,120



- Equipment breakdown insurers the agency's assets against damage due to electrical injury including artificially generated current, mechanical breakdown, explosion of steam vessels and piping
- Coverage also includes business income loss

Employee Benefits

Current vendor is Aetna

Two programs, self-insured with stop loss coverage

One PPO program and one HMO program

Current contract expires March 1, 2025, after all renewals



Employee Benefits

Basic term life insurance and AD&D provided at no cost to employees

Dental insurance provided at no additional cost to employees

Optional coverages available include supplemental life insurance, AD&D coverage and voluntary vision



Public Officials & Employment Practices Liability

General Liability policy provides coverage at full limits for the Board of Directors, as well as all employees acting in their official capacity.

As required by Section 7 of the Toll Highway Act, the Tollway procures and maintains a Public Employees Schedule Bond in favor of the People of the State of Illinois, approved by the Governor and Attorney General in the following amounts:

- Board Chairman - \$100,000
- Executive Director - \$100,000
- Directors - \$25,000
- Board Secretary - \$25,000
- Assistant Board Secretary - \$25,000



Workers' Compensation

The Tollway instituted a self-insured Workers' Compensation Program in May 1988.

An independent third party actuary annually prepares a fund reserve amount, which is reviewed and recommended by the consulting engineers.

Corvel, the third party administrator, adjusts the claims.

Claim counts – Average 140 claims per year

Funding for the 2020-2021 program year is \$6,689,000



Thank You

