



Minutes of the
Executive Session of the Board of Directors Meeting

CONFIDENTIAL

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed to unauthorized personnel except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

Record of Closed Meeting | November 19, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:56 a.m. on Thursday, November 19, 2015 to discuss Tollway matters related to the performance of specific employees, the purchase of real property, potential or pending litigation and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)1, 2(c)5, 2(c)11 and 2(c)21 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director Jim Banks	Michael Stone (Chief of Staff)
Director Corey Brooks	David Goldberg (General Counsel)
Director Earl Dotson, Jr.	Rocco Zuccherro (Deputy Chief of Eng. for Planning)
Director Joseph Gomez	Paul Kovacs (Chief Engineer)
Director David Gonzalez	Christi Regnery (Board Secretary)
Director Craig Johnson	Liz Oplawski (Deputy General Counsel)
Director Nick Sauer	Mike Colsch (Chief of Finance)

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on October 22, 2015. He inquired of the Board whether there were any questions, concerns or requests for amendment. Hearing nothing, he advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.



Directors discussed land acquisition activities and related pending litigation

Augmenting Funds for Land Acquisition for the EOWA Project (Engineering Item 15): Staff advised that the agency is seeking Board authorization to release the remaining funds from the land acquisition budget established for the Elgin O'Hare Western Access ("EOWA") Project. Staff explained that the proposed resolution, amending prior resolutions, would authorize an increase of allocated funds by \$200 million, to a total of \$360 million, to pay for any and all land acquisition costs, fees, and expenses necessary to acquire all real estate and interests in real estate needed for the EOWA Project. Staff noted that dependent upon actual land acquisition costs and expenses, there remains the possibility the Board may be asked in the future to consider an increase to the land acquisition funding for the EOWA Project.

A Director requested confirmation that the resolution proposed would not alter the current Tollway process by which individual parcels are identified for acquisition and considered by the Board. Staff confirmed.

EOWA Land Acquisition Activities – Canadian Pacific Railway: David Goldberg, General Counsel, provided background and updated the Board on the status of land acquisition negotiations with Canadian Pacific Railway ("CPR"). He reported that a meeting was recently held with CPR management, at their request, to discuss the acquisition by the Tollway of real estate interests located at their Bensenville Freight Yard which are needed in connection with the EOWA Project. He outlined that during the meeting, the Tollway discussed its appraisal which includes approximately \$13-\$15 million for the real estate interests sought, and an additional \$35 million for railyard modifications to restore CPR after construction. *[Discussion related to land acquisition and litigation strategy are redacted.]* Directors and staff then discussed potential Tollway defenses and response to the CPR lawsuit, the implication to the Tollway's strategy for acquiring the subject parcels, and potential alternatives which might advance the project without the subject parcels. *[Discussion related to land acquisition and litigation strategy are redacted.]*

[Mr. Zucchero and Mr. Kovacs departed the Executive Session at this time.]

Directors discussed pending litigation matters

Marro v. Tollway: General Counsel then provided a summary of the longstanding case of *Marro v. Illinois State Toll Highway Authority*, a wrongful termination claim made in 2011 by former husband and wife Tollway employees. He reminded the Board that the Plaintiffs' termination was a consequence of an investigation completed in 2010 by the Tollway's former Inspector General which found things like misuse of a company vehicle and that Tollway employees were used to



perform work on the Plaintiffs' personal residence. He refreshed the Board on certain challenges that the investigation created from a litigation standpoint. He added that one of the Plaintiffs also filed a workers' compensation claim for a knee injury sustained from a fall on the stairs at Tollway Headquarters.

General Counsel reported that, with a trial date nearing, the court set a settlement conference for December 3, 2015. *[Discussions related to litigation and litigation strategy are redacted.]*

Liz Oplawski, Deputy General Counsel, reminded the Board that defense of the lawsuit was long ago tendered to AIG, the Tollway's employment practices liability insurer and, consequently, the insurance carrier will be participating in the settlement conference. She noted that while the insurance carrier's view of the case and the limit under which they have been authorized to settle are not entirely known, it is believed their interest would be to settle with the Plaintiffs.

A Director inquired about the economics involved given the existence of insurance. Ms. Oplawski responded that the Tollway is fully responsible for the workers' compensation costs and there is a \$250,000 self-insured retention under the AIG policy, of which approximately \$100,000 has been expended to-date by the Tollway for outside attorneys. She further explained that this leaves the Tollway's portion of future liability in the civil matter at approximately \$150,000, with the insurance carrier liable for the remainder.

The Board and staff discussed the logistics for the settlement conference, the negotiating process anticipated to be employed by the insurance provider and the prospects and potential outcomes of litigating the case. *[Discussions related to litigation and litigation strategy are redacted.] [Ms. Oplawski departed the Executive Session at this time.]*

Civil Litigation Settlement – *Marsha Pickens v. Tollway* (Legal Item 2): General Counsel then provided a summary of the case of *Marsha Pickens v. Illinois State Toll Highway Authority*, a discrimination claim made by a former Tollway employee after a workplace "pushing incident" in 2013 that involved a co-worker and for which the Plaintiff was arrested and subsequently discharged by management based on information in a report generated from the investigation made by the Tollway's former Inspector General.. He advised that although grounds for the Plaintiff's termination in this matter are clearly defensible, based on some aspects of the investigation conducted by the Tollway's Office of Inspector General ("OIG"), and other factors, the Legal Department is recommending that the Tollway accept a final settlement reached through court-ordered mediation with the Plaintiff in the amount of \$45,000 (\$30,000 to Plaintiff and \$15,000 to Plaintiff's attorney), an amount significantly below Plaintiff's demand and potential trial exposure.



After a brief discussion with staff of the OIG's involvement in this matter, the Board expressed consensus in support of accepting final settlement of the claim as presented.

[Mr. Colsch departed the Executive Session at this time.]

Settlement Agreement – Dunteman/Fiala/Herlihy Tri-Venture (Legal Item 3): General Counsel briefed the Board on the proposed settlement of a Tollway claim under contract I-07-5476 with R.W. Dunteman Co./James Fiala Paving/Herlihy Mid-Continent Co. Tri-Venture (the "Tri-Venture"). He explained that the Tri-Venture constructed a retaining wall along the east side of Interstate 355 (I-355) in 2008 and, for unclear reasons, a section of the wall has deteriorated – requiring replacement of approximately 3,300 block system units. He continued that although the one-year warranty provided by the Tri-Venture has expired, the supplier, Service Konstruktion Supply Inc., has agreed to supply the replacement materials at no additional cost to the agency and, furthermore, the Tollway and the Tri-Venture have agreed to split equally the labor costs of \$99,400, the Tollway's share being \$49,700.

A Director inquired whether the blocks at issue were unique to the subject section and, if not, whether there is any implication to the remainder of the retaining wall. Engineering staff responded that although the same blocks were used universally, no similar issues have been found during examination of the remaining wall, causing engineers involved to believe the deterioration experienced was the result of a defective batch of block system units installed exclusively at the subject section.

A Director asked whether the vendor's insurance coverage might offer relief. Staff responded that the Tri-Venture's insurance carrier was approached, however, they were not accommodative, citing the expiration of the warranty period. The Board then expressed consensus in support of accepting final settlement of the claim as presented.

A Director inquired whether litigation settlements are expensed from a dedicated "tort" fund. Staff responded that there is no specific fund for approved legal settlements and that the costs are accommodated otherwise within the Tollway's budget.

[All remaining staff departed the Executive Session at this time.]

Directors met without Executive Director Bedalov to discuss personnel matters

Directors discussed personnel matters including the 6-month performance evaluation of the Executive Director.

[Director Dotson departed the Executive Session at approximately 11:45 a.m.]



Minutes of the
Executive Session of the Board of Directors Meeting

Re-Enter Public Session

[Ms. Regnery, Board Secretary, re-entered the Executive Session at this time.]

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Johnson made such a motion; seconded by Director Gomez. Chairman Schillerstrom asked if there were 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 Gomez, Director Banks, Director Brooks, Director Gonzalez, Director Sauer, Chairman Schillerstrom (7)

Nays: None (0)

The motion PASSED.

At approximately 11:53 a.m. the Board re-entered the public session of the Meeting.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



CONFIDENTIAL

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed to unauthorized personnel except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

Record of Closed Meeting | December 17, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 12:22 p.m. on Thursday, December 17, 2015 to discuss Tollway matters related to the performance of specific employees, the purchase of real property, and potential or pending litigation, pursuant to exceptions provided in Sections 2(c)1, 2(c)5, and 2(c)11 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director Jim Banks	Michael Stone (Chief of Staff)
Director Joseph Gomez	David Goldberg (General Counsel)
Director David Gonzalez	Christi Regnery (Board Secretary)
Director Craig Johnson	
Director Nick Sauer	
Director Jim Sweeney	

Directors discussed pending litigation matters

Marro v. Tollway (Legal Items 5 and 6): David Goldberg, General Counsel, updated the Board on the case of *Marro v. Illinois State Toll Highway Authority*, a wrongful termination claim made in 2010 by former husband and wife Tollway employees. He reported that at the December 3, 2015 settlement conference, the parties which included the Tollway's employment practices liability insurer (AIG), reached a tentative agreement, *[Discussions related to litigation and*



litigation strategy are redacted.] The Board expressed consensus in support of authorizing global settlement of this matter, as presented.

Directors discussed pending litigation

General Counsel updated the Board on the case of *Midwest Fence Corp. v. Illinois State Toll Highway Authority*, a constitutional challenge to federal and state programs designed to benefit disadvantaged business enterprises (“DBEs”) in the highway construction industry. He reminded the Board that in March, the United States District Court, Northern District of Illinois, granted complete summary judgment for all defendants in this matter: the federal government, the Illinois Department of Transportation (“IDOT”) and the Illinois State Toll Highway Authority; however, the Plaintiff subsequently filed notice of appeal with the United States Court of Appeals for the Seventh Circuit, before which the matter currently resides. He reported that oral arguments have now been scheduled by the Seventh Circuit for January 12, 2016, noting that the potential of this case to serve as precedent may draw some national media attention.

Directors discussed land acquisition activities and related pending litigation

EOWA Land Acquisition Activities – Canadian Pacific Railway: General Counsel updated the Board on the status of land acquisition negotiations with Canadian Pacific Railway (“CPR”). *[Discussion related to land acquisition and litigation strategy are redacted.]*

In addressing an approach which might initiate development of the project’s northern elements first, Directors and staff discussed land acquisition activities around O’Hare International Airport (the “Airport”) required for the EOWA Project. Turning attention to dealings with O’Hare, staff expressed disappointment with the Airport’s \$190 million appraisal, and emphasized that significant aspects of the transaction remain, including how to deal with (and pay for) removing the large soil mounds in the middle section of the needed parcels and resolution on the disposition of one of the Airport’s diagonal runways, 14R/32L.

General Counsel advised that the Legal Department is currently constructing the Tollway’s strategy for response to the pending Federal lawsuit filed by CPR, due on January 7, 2016, and that the Board will be kept apprised of any developments.

Directors discussed pending litigation

General Counsel stated he wished to make the Board aware that the Tollway has been recently served with a lawsuit related to potential overtime for agency Toll Collectors in the few minutes



Minutes of the
Executive Session of the Board of Directors Meeting

they spend before and after working in their booths. He advised that the Legal Department's assessment of the lawsuit has just begun and that further information will be forthcoming.

[Tollway staff in attendance departed the Executive Session at this time.]

Directors met without Executive Director Bedalov to discuss personnel matters

Re-Enter Public Session

[Tollway staff re-entered the Executive Session at this time.]

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Sweeney made such a motion; seconded by Director Sauer. Chairman Schillerstrom asked if there were any questions, concerns or requests for discussion. The motion PASSED unanimously.

At approximately 12:50 p.m. the Board re-entered the public session of the Meeting.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



Minutes of the
Executive Session of the Board of Directors Meeting

CONFIDENTIAL

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed to unauthorized personnel except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

Record of Closed Meeting | January 25, 2016

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:25 a.m. on Monday, January 25, 2016 to discuss Tollway matters related to the performance of specific employees and the appointment of legal counsel, the purchase of real property, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)1, 2(c)5, 2(c)11 and 2(c)21 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director Jim Banks	David Goldberg (General Counsel)
Director Corey Brooks	Christi Regnery (Board Secretary)
Director Joe Gomez	Paul Kovacs (Chief Engineer)
Director David Gonzalez	Rocco Zuccherro (Deputy Chief of Eng. for Planning)
Director Craig Johnson	Mike Woodward (Land Acquisition Manager)
Director Nick Sauer	

Directors discussed land acquisition activities

Rocco Zuccherro, Deputy Chief of Engineering for Planning, welcomed and introduced Mike Woodward, the Tollway's recently-hired Land Acquisition Manager.



Identification of Real Estate Parcels (Engineering Items 12 and 13): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of three (3) parcels in which various real estate interests are sought, all located within Cook County, as described in Engineering Item 12. Staff additionally provided a summary table of the Central Tri-State Tollway (I-294) Project parcel identification report noting the addition of one (1) parcel in which permanent easement is sought, located within Cook County, as described in Engineering Item 13. Staff advised that only the newly identified parcels highlighted in yellow are subject of the amended resolutions for which Board consideration is being requested at the Meeting. Staff also clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

[Mr. Kovacs, Mr. Zuccherro and Mr. Woodward departed the Executive Session at this time.]

Directors discussed the minutes of closed session meetings

Chairman Schillerstrom raised for consideration the Minutes of the Executive Sessions of the Board of Directors meetings held on November 19, 2015 and December 17, 2015. He inquired of the Board whether there are any questions, concerns or requests for amendment. Hearing nothing, he advised that Board action on these Minutes will occur upon return to the regular session of the Meeting.

Chairman Schillerstrom then raised for consideration the Minutes of the Executive Sessions of the Board of Directors held from April 2009 through October 2015. He explained that, pursuant to the Illinois *Open Meetings Act*, the Board is required to periodically review the written minutes of all closed meetings and make a determination, which is then reported in an open session, that the need for confidentiality still exists as to all or part of those minutes or that the minutes or portions thereof no longer require confidential treatment and can be released publically. Chairman Schillerstrom confirmed that Directors have received for their review the Executive Session Minutes from April 2009 to October 2015 showing content proposed by General Counsel for public release and continued redaction. He inquired of the Board if there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom advised that Board action on these Minutes will occur upon return to the regular session of the Meeting.

Directors discussed a workers' compensation settlement



A Workers' Compensation Settlement (Legal Item 5): General Counsel reminded Directors that workers' compensation claims, which have advanced to a phase when preliminary settlement (permanency award) has been negotiated for an amount exceeding \$50,000, are brought to the Board for consideration. He then provided a summary of the workers' compensation claim by Douglas Balder for injuries sustained while performing his duties as an Illinois State Police District 15 Trooper. He reminded Directors that a truck driver caused the devastating accident near Aurora in January 2014 that killed Tollway worker Vincent Petrella and severely injured Trooper Balder.

General Counsel reported that a negotiated settlement between the parties has been reached for \$144,332, representing a benefit of 40 percent of the value of the "man as a whole", an amount which is below the initial settlement demand of \$180,415, representing a benefit of 50 percent of the value of the "man as a whole".

[Discussions related to litigation and litigation strategy are redacted.] General Counsel also noted that Trooper Balder has filed a civil case against the truck driver and trucking company, which is pending before the Circuit Court of Cook County. He explained that the Tollway would retain its lien rights to reimbursement, under Section 5(b) of the Workers' Compensation Act, for up to 75% of the amounts paid Trooper Balder in workers' compensation, including lost wages, disability and medical benefits (in excess of \$1.8 million to-date). He explained that should Trooper Balder's civil case progress sufficiently, the Board would be solicited for input regarding the lien amount the Tollway might seek against any award or settlement.

Citing the severe injuries suffered, Directors and staff discussed the percentage of the value of the "man as a whole" which was negotiated. Directors and staff additionally discussed the pending civil case and implication to the Plaintiff's potential award or settlement of exercising the Tollway's lien rights to reimbursement. Staff advised that the Board has discretion in assigning the lien amount the Tollway might seek against any award or settlement.

The Board expressed consensus in support of authorizing settlement of the workers' compensation matter as presented.

Directors discussed appointment of outside counsel and pending litigation

General Counsel reminded the Board that the Tollway has been recently served with a lawsuit, *Stivers v. Illinois State Toll Highway Authority*, related to potential overtime for agency Toll Collectors in the few minutes they spend before and after working in their booths. He provided a brief summary of the case and advised that the Legal Department is requesting the appointment of the law firm of Franczek Radelet to serve as Special Assistant Attorney General to the Toll



Highway Bureau, a condition required to represent the agency in court. He advised it is also necessary and desirable for the Tollway to utilize the professional skills of Franczek Radelet to provide counsel regarding any appropriate operating changes related to this matter and on other employment related matters that may arise from time to time. He noted this appointment represents an area which has historically been performed by outside counsel when such assistance was required and that Franczek Radelet has successfully represented the Tollway in other employment related matters.

A Director asked if the Illinois Attorney General has approved the appointment of Franczek Radelet to serve in the capacity of Special Assistant Attorney General. Staff responded affirmatively.

A Director inquired about Franczek Radelet's billing rates under the agreement. Staff responded that the agreed-upon hourly rate for law firm partners is \$200.

The Board expressed consensus in support of authorizing the appointment of outside counsel as presented.

Directors discussed a pending litigation matter

Settlement – Property Damage – AAM International, Inc. (Legal Item 7): Staff provided a summary of a property damage claim filed by the Tollway which emanates from a single vehicle accident that occurred in 2013 at a Toll Plaza, causing extensive damage to Tollway property in the amount of \$116,354.25. Staff explained the accident occurred as a result of actions of the driver of a vehicle owned by AAM International, Inc.; however, the Tollway's damages exceed the \$50,000 of available insurance proceeds. Staff added that research has revealed that the company and its owners have no other policies or assets available, limiting prospects that further legal action would be cost-effective. Staff stated the Legal Department is therefore recommending that the Tollway accept settlement in the amount of \$50,000, the full amount of the limited insurance proceeds available.

A Director inquired about the agency's practice in regards to pursuing claims personally against the driver of a commercial vehicle. Staff responded that claims against the driver would not typically be pursued in this circumstance, unless a reasonable expectation for recovery can be established.

A Director inquired whether the driver of the vehicle was injured. Staff responded in the negative.

Directors discussed personnel matters



Chairman Schillerstrom raised for consideration increases proposed to salaries of non-union Tollway employees, consisting of approximately 200 individuals in mostly managerial positions. Chairman Schillerstrom advised that upon further consideration with senior management, a determination was made that a merit-based application of raises with a 4% maximum (and an effective date of February 1, 2016) would be most appropriate, rather than across-the-board increases.

A Director asked the time elapsed from the last broad implementation of salary increases for these employees. Staff responded approximately three years.

Directors and staff discussed the practice of annual evaluations and the performance strategies and various pay models used previously and considered by senior management. Staff advised that a merit-based salary increase matrix, which also considers the promotions in the intervening period and consequent salary increases received, is being recommended to the Board as most appropriate.

The Board expressed consensus in support of authorizing the salary increases as presented.

Directors discussed land acquisition activities and related pending litigation

Staff updated the Board on land acquisition and related activities around the O'Hare International Airport (the "Airport") to advance the Elgin O'Hare Western Access ("EOWA") Project. Staff reported that a tentative agreement has recently been reached with Airport leadership to acquire the needed real estate interests for approximately \$95 million, representing a significant reduction from the \$190 million valuation asserted by the Airport and in proximity to the \$90 million currently budgeted by the Tollway. Staff highlighted that the tentative agreement also addresses significant aspects necessary to accommodate the Project, including disposition of one of the Airport's diagonal runways, 14R/32L, which would be decommissioned by the year 2019, and disposition of approximately 1 million cubic yards of surplus soil on the needed parcels. Staff noted that Airport management has indicated it will seek approval for the agreement from the Chicago Department of Aviation (CDA) Commissioner and the Chicago City Council.

Chairman Schillerstrom commented positively on the terms and the benefits of reaching agreement quickly with the Airport, *[Discussion related to land acquisition and litigation strategy are redacted.]* Staff then provided an update on the status of the CPR legal claim and related land acquisition negotiations, including identifying for the Board potential strategic objectives which may account for CPR's recent change in posture. Staff advised that the Legal Department has filed a motion to dismiss the pending Federal lawsuit filed by CPR. Chairman Schillerstrom



commented that the adjudication and appeal processes available to CPR have the potential to delay resolution by many years.

Chairman Schillerstrom and Executive Director Bedalov extended invitations to the Board to tour the EOWA Project area, requesting that Directors stay mindful of *Open Meetings Act* rules in their gatherings.

Directors discussed pending litigation

A Director inquired about the status of the settlement authorized by the Board in December of the matter of *Marro v. Illinois State Toll Highway Authority*. Staff responded that a settlement agreement has been reached between the parties, consistent with terms provided to the Board, and is currently being finalized.

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Banks made such a motion; seconded by Director Johnson. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Johnson, Director Gomez, Director Brooks, Director Gonzalez, Director Sauer, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED.

At approximately 10:55 a.m. the Board re-entered the public session of the Meeting.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



Minutes of the
Executive Session of the Board of Directors Meeting

CONFIDENTIAL

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed to unauthorized personnel except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

Record of Closed Meeting | February 25, 2016

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:25 a.m. on Thursday, February 25, 2016 to discuss Tollway matters related to the purchase of real property, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)5, 2(c)11 and 2(c)21 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director Jim Banks	David Goldberg (General Counsel)
Director Earl Dotson, Jr.	Mike Stone (Chief of Staff)
Director Joe Gomez	Paul Kovacs (Chief Engineer)
Director David Gonzalez	Rocco Zuccherro (Deputy Chief of Eng. for Planning)
Director Craig Johnson	Mike Woodward (Land Acquisition Manager)
Director Nick Sauer	Christi Regnery (Board Secretary)
Director James Sweeney	

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meetings held on January 25, 2016. He inquired of the Board whether there are any questions, concerns or requests for amendment. Hearing nothing, he advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.



Directors discussed land acquisition activities

Identification of Real Estate Parcels (Engineering Item 18): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of one (1) parcel, located within Cook County, in which fee simple title is sought, as described in Engineering Item 18. Staff advised that only the newly identified parcels highlighted in yellow are subject of the amended resolutions for which Board consideration is being requested at the Meeting. Staff also clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

[Mr. Kovacs, Mr. Zucchero and Mr. Woodward departed the Executive Session at this time.]

Directors discussed land acquisition activities and related pending litigation.

Final Settlement of Condemnation Litigation - Parcel EO-1B-12-012 (Legal Item 5): General Counsel provided a summary of a condemnation action filed by the Tollway which seeks fee simple title of a 5.5 acre parcel located in DuPage County, parcel EO-1B-12-012, needed in connection with the EOWA Project. He noted that the parcel is improved with a single family residence; however, the agreed highest and best use of the property is commercial. He then reported that a settlement agreement has been reached for the amount of \$2,572,906, an amount equal to the sum determined by the court as preliminary just compensation ("PJC"). General Counsel advised that the Legal Department, Land Acquisition Manager and outside counsel are recommending approval of a final settlement in this amount.

Directors and staff then discussed the difference in valuations reached by each of the parties in the lawsuit and the qualifications and historical performance of the appraisers used by the Tollway. Staff noted, in response to concerns raised by the Board, that although satisfied generally, the Land Acquisition team has an improved capacity to conduct real-time tracking of Tollway appraisal performance, relative to valuations asserted by other parties, and will perform periodic assessments to inform decision-making.

Final Settlement of Condemnation Litigation - Parcel EO-1A-12-026 (Legal Item 6): General Counsel provided a summary of a condemnation action filed by the Tollway which seeks partial fee taking and access control of vacant property located in DuPage County, parcel EO-1A-12-026, needed in connection with the EOWA Project. He explained that order vesting title was



previously obtained by ruling of a quick take condemnation hearing and upon the Tollway's deposit of PJC, as determined by the court, in the amount of \$5,060,420. He advised that the property owner has agreed to fully settle this matter for the sum awarded for PJC, and that the Tollway Legal Department, the Land Acquisition Manager and outside counsel are recommending approval of a final settlement in this amount.

Directors discussed a workers' compensation settlement

A Workers' Compensation Settlement - Frank Goshko (Legal Item 7): Staff then provided a summary of the workers' compensation matter of Frank Goshko, a Tollway employee who suffered accepted injuries to his shoulder and ribs while performing his duties as an equipment operator/laborer. Staff reported that a negotiated settlement between the parties has been reached for \$55,152.75 - representing a 15% loss of the person as a whole, which is below the initial settlement demand of a 20% loss of the person as a whole. Staff advised that both the Legal department and outside counsel are recommending approval of the settlement agreement reached.

The Board expressed consensus in support of authorizing settlement of the workers' compensation matter as presented.

Directors discussed land acquisition activities and related pending litigation

EOWA Land Acquisition - O'Hare International Airport: General Counsel updated the Board on land acquisition activities around the O'Hare International Airport (the "Airport") to advance the EOWA Project. He reported that the Legal Department is working to develop, in collaboration with counsel for the Airport, an intergovernmental agreement ("IGA") which would memorialize the handshake deal recently reached with Airport leadership to acquire the needed real estate interests for approximately \$96 million. General Counsel emphasized that finalizing an IGA is a priority of the Legal Department; however, its development is an involved process due to the need for approval of the agreement by additional parties, including the Chicago Department of Aviation (CDA) and the Chicago City Council.

Chairman Schillerstrom commented positively on the benefits of reaching agreement quickly, which include permitting a Tollway approach that would develop the northern elements of the facility first – *[Discussion related to land acquisition and litigation strategy are redacted.]*

EOWA Land Acquisition Activities – Canadian Pacific Railway: General Counsel then updated the Board on the status of land acquisition negotiations with CPR for real estate interests



located at their Bensenville Freight Yard. He reminded Directors that although no condemnation proceedings had been initiated by the Tollway, CPR preemptively sought in Federal district court an injunction to restrain the Tollway from condemning the property - in response to which the agency has filed a motion to dismiss. *[Discussion related to land acquisition and litigation strategy are redacted.]*

Chairman Schillerstrom commented that the adjudication and appeal processes available to CPR have the potential to delay resolution by many years. He advised that, consequently, the Tollway's preference continues to be to achieve a negotiated settlement.

[Discussion related to land acquisition and litigation strategy are redacted.] A Director commented on the implication to Airport negotiations of a report that several U.S. Representatives have indicated their intent to oppose decommissioning of the Airport's diagonal runway, 14R/32L, which is currently necessary to accommodate the EOWA Project.

Directors discussed pending litigation

General Counsel provided a brief update of the case, previously discussed with the Board, of *Stivers v. Illinois State Toll Highway Authority*, a group action suit filed under the *Fair Labor Standards Act*, related to potential underpayment of agency toll collectors for the few minutes they spend before and after working in their booths. He reported that internal discussions have been initiated of potential process changes and of litigation strategies for satisfactory resolution. He noted that the discovery process in this matter is involved and expected to take some time.

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Sauer made such a motion; seconded by Director Gomez. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Sauer, Director Gomez, Director Banks, Director Dotson, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

At approximately 10:48 a.m. the Board re-entered the public session of the Meeting.



ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Minutes of the
Executive Session of the Board of Directors Meeting

Meeting Date
February 25
2016



Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



CONFIDENTIAL

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed to unauthorized personnel except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

Record of Closed Meeting | March 23, 2016

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:50 a.m. on Wednesday, March 23, 2016 to discuss Tollway matters related to collective bargaining, the purchase of real property, potential or pending litigation, and the minutes of closed meetings, 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*.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director Corey Brooks	David Goldberg (General Counsel)
Director Earl Dotson, Jr.	Mike Stone (Chief of Staff)
Director Joe Gomez	Paul Kovacs (Chief Engineer)
Director David Gonzalez	Rocco Zuccherro (Deputy Chief of Eng. for Planning)
Director Craig Johnson	Mike Woodward (Land Acquisition Manager)
Director Nick Sauer	Christi Regnery (Board Secretary)
Director James Sweeney	Shana Whitehead (Chief of Business Systems)
	Dave Wilson (Chief of Operations)

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meetings held on February 25, 2016. He inquired of the Board whether there



are any questions, concerns or requests for amendment. Hearing nothing, he advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.

Directors discussed land acquisition activities

Identification of Real Estate Parcels (Engineering Item 11): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of nine (9) parcels, located within Cook or DuPage County, in which various real estate interests are sought. Staff advised that only the newly identified parcels highlighted in yellow are subject of the amended resolutions for which Board consideration is being requested at the Meeting. Staff also clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

A Director asked if, pending approval of the current additions, all needed real estate interests in Canadian Pacific Railway's Bensenville Freight Yard will have been formally identified as part of the DiBenedetto process. Staff responded affirmatively.

A Director asked for an update on the status of land acquisition activities around the O'Hare International Airport (the "Airport"). Staff responded that the Airport has been reviewing the intergovernmental agreement developed by staff. Staff advised that Airport management has recently indicated they have issue, not yet specified, with certain provisions of the agreement and are in the process of developing their comments to be shared with Tollway management next week.

[Mr. Kovacs, Mr. Zucchero and Mr. Woodward departed the Executive Session at this time.]

Directors discussed a workers' compensation settlement

A Workers' Compensation Settlement (Legal Item 5): General Counsel reminded Directors that workers' compensation claims, which have advanced to a phase when preliminary settlement has been negotiated for an amount exceeding \$50,000, are brought to the Board for consideration. He then provided a summary of the workers' compensation claim by Richard Hoepner for injuries sustained as a result of a fall, while performing his duties as a Tollway driver/messenger, where he struck his mouth against a metal rail and sustained serious oral injuries.



General Counsel reported that a negotiated settlement between the parties has been reached for \$85,000, a sum representing both a negotiated amount for remaining oral surgery required as a result of the injury and a permanency award benefit of 15 percent of the value of the “man as a whole”. General Counsel advised that both the Legal Department and outside counsel are recommending approval of the proposed settlement.

A Director asked whether the claimant has returned to his full duties at the Tollway. Staff responded affirmatively.

The Board expressed consensus in support of authorizing settlement of the workers’ compensation matter as presented.

[At this point, Ms. Whitehead, Mr. Wilson and attorney Mark Bennett of Laner Muchin, Ltd., entered the Executive Session.]

Directors discussed a matter related to collective bargaining

Collective Bargaining Issues with a New Approach for Tolling: With the expressed interest to solicit Board input and for the explicit purpose of setting future collective bargaining strategy, Executive Director Bedalov introduced Shana Whitehead, Chief of Business Systems, Dave Wilson, Chief of Operations, and outside counsel Mark Bennett, of the law firm of Laner Muchin, Ltd., to brief the Board on toll collector bargaining unit impacts from proceeding with a rollout of automatic toll payment machines (“ATPMs”).

Staff began with an overview of ATPM functionality in light of duties performed by the bargaining unit currently. Staff estimated Tollway cost savings through an expanded rollout of ATPMs at approximately \$30 million annually, primarily accomplished through toll collector headcount reduction. Staff clarified that any implementation of ATPMs at mainline Toll Plazas would be phased *[Discussions related to collective bargaining issues are redacted.]*

Directors and staff discussed the use of ATPMs by other tollway operators, their implication to rental car customers and approaches to maximize rental car use of transponders, potential drawbacks to ATPM usage, including credit card security risks and safeguards, and the importance of their thorough evaluation before rollout. Discussion additionally addressed anticipated timelines and milestones of a potential mainline rollout, the costs of the ATPMs (estimated at \$150,000 apiece) and the payback period (positive return on investment is estimated at 18 months), *[Discussions related to collective bargaining issues are redacted.]*

[Director Dotson departed the Meeting at approximately 12:30 p.m.]



Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Johnson made such a motion; seconded by Director Sauer. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Sauer, Director Brooks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED.

At approximately 12:35 p.m., the Board re-entered the public session of the Meeting.

Minutes taken by: _____ /s/ on original
Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



CONFIDENTIAL

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed to unauthorized personnel except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

Record of Closed Meeting | April 28, 2016

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:24 a.m. on Thursday, April 28, 2016 to discuss Tollway matters related to the performance of specific employees, collective bargaining, the purchase of real property, security procedures, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)1, 2(c)2, 2(c)5, 2(c)8, 2(c)11, and 2(c)21 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director James Banks	David Goldberg (General Counsel)
Director Corey Brooks	Mike Stone (Chief of Staff)
Director Earl Dotson, Jr.	Paul Kovacs (Chief Engineer)
Director Joe Gomez	Rocco Zuccherro (Deputy Chief of Eng. for Planning)
Director David Gonzalez	Mike Woodward (Land Acquisition Manager)
Director Craig Johnson	Christi Regnery (Board Secretary)
Director Nick Sauer	Lisa Williams (EEO/ADA Officer)
Director James Sweeney	Joe Kambich (Chief of Information Technology)
	Dave Wilson (Chief of Operations)

Directors discussed a personnel matter



Staff stated that Greg Bedalov, Executive Director, is seeking an appropriate waiver to the Tollway's "Employment of Relatives by Tollway Vendors" Policy, established to avoid the potential conflict of interest created when a Tollway employee has supervisory authority over vendors at which their immediate family members are employed. Staff reported that Mr. Bedalov's daughter has received an offer of summer internship with the Tollway's electric utility, ComEd. Staff clarified that the agency's contractual relationship with ComEd was established through an order against Department of Central Management Services ("CMS") master contract, not through a competitively bid Tollway letting and selection process. Staff also noted that the Executive Director played no role in securing the offer of internship and that Mr. Bedalov's daughter would not be assigned to any Tollway projects. Staff advised that the Tollway Ethics Officer, having reviewed the matter in detail, is recommending a waiver be granted. Staff then requested Board input regarding the waiver request.

Directors and staff discussed the internal policy and its application to the Executive Director. Upon conclusion of the discussion, the Board expressed consensus in support of granting the waiver request. **The Chairman requested that staff provide Directors a copy of the policy for their benefit.**

[Ms. Williams departed the Executive Session at this time.]

Directors discussed potential litigation

A Director inquired about the legal implication of the current all-male make-up of the Board in light of the Illinois *Gender Balanced Appointments Act*. Staff, noting the lack of established legal precedent, commented on the Tollway Board's circumstance of staggered appointments in relation to the *Act*. Additionally, staff advised its understanding that the Governor's Office interprets the *Act* to apply to the sum of all appointments statewide, not to a specific agency's board at one point in time.

[Mr. Kambich, Mr. Kipp, Mr. Haughey, and Mr. Knoll entered the Executive Session at this time.]

Directors discussed security procedures

Staff, highlighting the high priority and resources dedicated to the agency's information security, advised the Board that the Tollway performs quarterly assessments of its information technology security in order to best mitigate security threats. Joe Kambich, Chief of Information Technology, then introduced consultants Ed Kipp and Matt Haughey of SDI Enterprises, and Felix Knoll of eSentire, Inc.



Staff and outside consultants then provided a presentation on the IT security challenges faced, the assessment conducted of the agency's information security in the first quarter of 2016, and the Tollway's ongoing data security strategy. During the presentation, staff reported that the current assessment indicates the agency's data security meets with accepted standards for "Industry Best Practice" and the agency's overall posture was found to be strong with only a handful of medium- and low-risk shortcomings identified. Mr. Knoll discussed the context of how his firm assigns letter grades to assess an organization's security readiness.

Directors and staff then discussed specific aspects of the Tollway's computer systems, the security challenges faced, grading criteria and issues identified by the assessment, as well as the Tollway's data security strategy and information technology disaster recovery plan. During the course of the discussion, Directors inquired about the scope of the Tollway's cyber liability insurance coverages. **Staff responded that this information will be provided for Directors post-meeting.**

[Mr. Kambich, Mr. Kipp, Mr. Haughey, and Mr. Knoll departed the Executive Session at this time.]

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on March 23, 2016. He inquired of the Board whether there are any questions, concerns or requests for amendment.

Director Gonzalez requested that he be correctly listed as being present for the Executive Session held on March 23, 2016.

Hearing nothing further, Chairman Schillerstrom advised that Board action on the Minutes, amended to indicate the presence of Director Gonzalez, will occur upon return to the regular session of the Meeting.

[Mr. Kovacs, Mr. Zuccherro and Mr. Woodward entered the Executive Session at this time.]

Directors discussed land acquisition activities

Identification of Real Estate Parcels (Engineering Item 9): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of three



(3) parcels, located within Cook / DuPage County, in which various real estate interests are sought. Staff noted that the provided Record Owner and Engineering Report additionally includes identification of an ownership change, highlighted in blue. Staff advised that only the newly identified parcels highlighted in yellow are subject of the amended resolutions for which Board consideration is being requested at the Meeting. Staff also clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

[Director Brooks departed the Meeting during Executive Session at approximately 11:17 a.m.]

[Mr. Kovacs, Mr. Zuccherro and Mr. Woodward departed the Executive Session at this time.]

[Mr. Wilson entered the Executive Session at this time.]

Directors discussed pending litigation

General Counsel provided an update of the case, previously discussed with the Board, of *Stivers v. Illinois State Toll Highway Authority*, a class action suit filed under both the Federal *Fair Labor Standards Act* (“FLSA”) and the *Illinois Wage Payment and Collection Act*, related to potential underpayment of agency toll collectors for the few minutes they spend before and after working in their booths. *[Discussion related to litigation and litigation strategy are redacted.]*

[Director Gomez departed the Meeting during Executive Session at approximately 11:34 a.m.]

[Mr. Wilson departed the Executive Session at this time.]

Directors discussed a workers’ compensation settlement

A Workers’ Compensation Settlement – Scott Soldwisch (Legal Item 6): General Counsel provided a summary of the workers’ compensation claim by Scott Soldwisch for injuries sustained to his head from a fall while performing his duties as an equipment operator/laborer. He reported that a negotiated settlement between the parties has been reached for \$54,124.50, representing a permanency award benefit of 15 percent of the value of the “man as a whole”. General Counsel advised that both the Legal department and outside counsel are recommending approval of the settlement agreement reached.

The Board expressed consensus in support of authorizing settlement of the workers’ compensation matter as presented.



Directors discussed pending litigation

General Counsel next reported that a civil lawsuit has been filed on behalf of the four parties injured (one fatally) in the accident which occurred April 4th at a Tollway construction worksite on the Jane Addams Memorial Tollway (I-90). He then commented on background he learned regarding collective liability coverages of the various entities involved. Staff then reported that the state's Chief Procurement Officer ("CPO"), with jurisdiction over the Tollway, in view of a protest submitted to her office, has recently indicated that she is reconsidering her temporary suspension from state work of Omega Demolition Corp. of Elgin, which employed the worker who was killed.

Staff and Chairman Schillerstrom then provided an overview of the findings of the Tollway's preliminary investigation of the accident, noting that serious professional deficiencies were identified with the bridge demolition company, Omega Demolition Corp. Staff advised that the findings prompted the Tollway's Chief Engineer to revoke authorization for this party to be present on Tollway worksites for the time being.

General discussion then occurred regarding potential litigation ramifications and anticipated future activities in the aftermath of this matter. The Chairman and other directors emphasized that safety must be paramount in the agency's handling of the situation generally, and in dealing with specific actors connected to the incident. **Chairman Schillerstrom requested that the Board be kept apprised of any developments in this matter.**

Directors discussed collective bargaining

Mike Stone, Chief of Staff, reported that staff recently met with the Service Employees International Union ("SEIU") Local 73 and engaged in a conversation about the broad range of possible outcomes and timeframes of automatic toll payment machine ("ATPM") testing and subsequent implementation strategies. Staff noted that the preliminary dialog helped to address questions, dispel rumors and was well-received by the SEIU.

Directors discussed land acquisition activities and related pending litigation

EOWA Land Acquisition Activities – Canadian Pacific Railway: Staff reported that Canadian Pacific Railway, in furtherance of their stated refusal to sell to the Tollway real estate interests located at their Bensenville Yard, has most recently submitted a letter to the Tollway indicating that their 6.7 acre parcel, needed to advance northern elements of the EOWA Project, is not available for Tollway purchase. Staff then updated the Board on the status of the Tollway's



current two-pronged approach for advancing resolution, which simultaneously pursues both judicial relief and a negotiated settlement.

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Sweeney made such a motion; seconded by Director Banks. Chairman Schillerstrom called for a vote. The motion PASSED by unanimous vote of those Directors present; Directors Brooks and Gomez having earlier departed the Meeting.

At approximately 12:04 p.m., the Board re-entered the public session of the Meeting.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



CONFIDENTIAL

This document contains confidential information of the Illinois State Toll Highway Authority (the "Tollway"). Access to and use of this information is strictly limited and controlled by the Tollway. This document may not be copied, distributed, or otherwise disclosed to unauthorized personnel except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by the Tollway.

Record of Closed Meeting | May 26, 2016

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:34 a.m. on Thursday, May 26, 2016 to discuss Tollway matters related to the performance of specific employees, collective bargaining, the purchase of real property, potential or pending litigation and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)1, 2(c)2, 2(c)5, 2(c)11, and 2(c)21 of the Illinois Open Meetings Act.

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

Executive Session Attendance

Table with 2 columns: Board Members Present and Staff Present for all or portions of the Meeting. Lists names and titles of attendees.

Directors discussed land acquisition activities

Identification of Real Estate Parcels (Engineering Item 8): Pursuant to Tollway obligation (arising from the eminent domain matter of ISTHA v. DiBenedetto) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Elgin



O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of three (3) parcels, each located within DuPage County, in which various real estate interests are sought. Staff advised that only the newly identified parcels highlighted in yellow are subject of the amended resolution for which Board consideration is being requested at the Meeting. Staff also clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

[Mr. Kovacs, Mr. Zucchero and Mr. Woodward departed the Executive Session at this time.]

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on April 28, 2016. He inquired of the Board whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.

[Sally Scott and Bill Pokorny, both of the Franczek Radelet law firm, entered the Executive Session at this time.]

Directors discussed pending litigation

General Counsel provided a brief background on the case, previously discussed with the Board, of *Stivers v. Illinois State Toll Highway Authority*, a class action suit filed under both the Federal *Fair Labor Standards Act* and the Illinois *Wage Payment and Collection Act*, related to potential underpayment of agency toll collectors for the few minutes they spend before and after working in their booths. He reported that mediation has been scheduled for June 22, 2016.

General Counsel introduced attorneys Sally Scott and Bill Pokorny, of the law firm of Franczek Radelet (engaged by the agency to assist in this matter), who then briefed the Board on the litigation risk exposure and merits of the case. Outside counsel advised how the Plaintiff's claims have been assessed with expert analysis. *[Discussions related to litigation and litigation strategy are redacted.]*

[Ms. Oplawski, Ms. Scott and Mr. Pokorny departed the Executive Session at this time.]

Directors discussed potential and pending litigation



Staff provided an update on matters related to the tragic accident which occurred April 4th at a Tollway construction worksite on the Jane Addams Memorial Tollway (I-90) at Touhy Avenue, and which has giving rise to a civil action on behalf of the four parties injured (one fatally). Staff reminded Directors of the findings of the Tollway's preliminary investigation of the accident, explaining that serious professional deficiencies were identified with the work performed by the bridge demolition company, Omega Demolition Corp ("Omega"). Staff stated that the findings prompted the Tollway's Chief Engineer to revoke authorization for this party to be present on Tollway worksites for the time being. Staff noted that the state's Chief Procurement Officer ("CPO") has recently rescinded her suspension from state work of Omega, and that Omega has engaged legal representation to advance discussions with the Tollway (under threat of litigation).

[Mr. Kovacs re-entered the Executive Session at this time.]

Staff further reported that a Tollway prime contractor, FH Paschen SN Nielsen, which has engaged Omega as a subcontractor on another Tollway contract, has informed the Tollway of extra costs (\$617,000) it expects to be paid due to required changes. Staff advised that FH Paschen SN Nielsen has threatened litigation if the Tollway refuses.

[Director Dotson departed the Meeting during the Executive Session at approximately 11:58 a.m.]

Directors and staff then discussed the basis and merits of the claim as well as the various actions available to the Tollway in response and their implication to project schedules and costs. Additional discussion occurred regarding the ramification and anticipated outcome of potential litigation, as well as potential negotiating strategies for successful resolution. Upon conclusion of the discussion, the Board expressed consensus that staff should pursue a negotiated settlement of the claim as discussed.

[Mr. Kovacs departed the Executive Session at this time.]

Directors discussed a personnel matter

Chairman Schillerstrom explained that because his daughter currently resides at his home and is employed (in an administrative role) at OMEGA & Associates, Inc. (a Tollway vendor), a waiver is needed to comply with the Tollway's internal "Employment of Relatives by Tollway Vendors" Policy. He advised that the Tollway Ethics Officer, having reviewed the matter in detail, has recommended a wavier be granted. The Board expressed concurrence.

Directors discussed collective bargaining



Staff provided a status update on the procurement of automatic toll payment machines (“ATPMs”) for testing purposes, reporting that the Tollway has developed a request for proposal which is currently being reviewed by the state’s CPO. Staff further reported that in order to inform a strategy for best mitigating the impact to Tollway unionized employees of potential workforce reductions, the Tollway is reaching out to transportation agencies that have experience with reductions-in-force due to technology.

Directors and staff discussed the merits and limits of potential strategies which might be used to ease transition (should ATPM testing advance to a phase where toll collector reductions are contemplated), particularly in light of union contract issues, including methods to incentivize attrition through early retirement options.

Directors discussed land acquisition activities and related pending litigation

Land Acquisition - O’Hare International Airport: Staff provided an update on the status of land acquisition activities around the O’Hare International Airport (the “Airport”) to advance the EOWA Project, highlighting that the Tollway and Airport management have recently reached preliminary agreement on provisions of an intergovernmental agreement (“IGA”), which is anticipated to be presented in the near-term to the Tollway Board and subsequently to the Chicago City Council for consideration of approval.

A Director inquired about dealing with the large soil mounds at issue in the middle of the needed parcels. Staff provided an overview of the tentative deal term to address this aspect, highlighting that an equitable resolution appears to have been reached.

Land Acquisition - Canadian Pacific Railway: Staff reported that while the agency continues to simultaneously pursue both judicial relief and a negotiated settlement, there has been no movement in negotiations to acquire needed real estate interests from Canadian Pacific Railway. Staff advised that in furtherance of a condemnation approach, the Legal Department is preparing a thorough filing for submission in advance of potential adjudication before the Surface Transportation Board (“STB”).

[Discussions related to litigation and litigation strategy are redacted.]

Re-Enter Public Session



There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Johnson made such a motion; seconded by Director Banks. Chairman Schillerstrom called for a vote. The motion PASSED by unanimous vote of those Directors present; Director Dotson having earlier departed the Meeting.

At approximately 12:50 p.m., the Board re-entered the public session of the Meeting.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority