

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE
CUSTOMER SERVICE & ELECTRONIC
TOLLING/STRATEGIC PLANNING COMMITTEE**

May 21, 2014

The Illinois State Toll Highway Authority (the “Tollway”) held the Customer Service & Electronic Tolling/Strategic Planning Committee Meeting on Wednesday, May 21, 2014 at approximately 11:06 a.m. at the Central Administration Building in Downers Grove, Illinois.

Committee Members Present:

Committee Co-Chair Tom Weisner

Committee Co-Chair Jeff Redick

Director Jim Banks

Director Earl Dotson Jr.

Director James Sweeney

Committee Members Absent:

None

Also Attending:

Chair Paula Wolff

CHAIR – STRATEGIC PLANNING

Committee Co-Chair Weisner called for a motion to approve the Minutes of the Customer Service Committee Meeting held on January 16, 2014, and Minutes of the Regular Customer Service Committee

Meeting and Executive Session held on March 20, 2014. Committee Co-Chair Redick made a motion to approve; seconded by Director Sweeney. The motion was approved unanimously.

Committee Co-Chair Weisner then called on Kristi Lafleur, Executive Director.

EXECUTIVE DIRECTOR

Executive Director Lafleur commended Committee Co-Chair Weisner for organizing the “Shave for the Students” campaign to help defray medical costs for two young students.

Executive Director Lafleur introduced Aimee Lee, Senior Manager of Strategic Planning, for the first portion of a presentation providing an overview and update on the feasibility analysis of the Illinois Route 53/120 Project. [See attached presentation.](#)

Ms. Lee then introduced Chris Meister, Co-Chair of the Illinois Route 53/120 Project Finance Committee, for the second portion of the presentation providing a mid-term update.

Mr. Meister presented the Illinois Route 53/120 Project Finance Committee’s update on the Route 53/120 Project, dividing his comments into five points:

- 1) Progress is better than anticipated although not recommending the Tollway Board move the project forward at this time due to the unresolved local funding gap.

- 2) Lake County communities are engaged and committed to moving the project forward.
- 3) They recognize the magnitude of this infrastructure project and acknowledge the exceptional investment of effort and commitment by all parties.
- 4) The project speaks to the need in Illinois to have predictable program of capital maintenance and infrastructure.
- 5) The magnitude of expansion of the service area and the margin of funding gap are substantial and will require innovative thinking to overcome.

Mr. Meister then introduced Doug Whitley, Co-Chair of the Illinois Route 53/120 Project Finance Committee.

Mr. Whitley informed the Committee of efforts to impress on Illinois Route 53/120 Project Finance Committee members, which is comprised of local mayors, Lake County officials and other stakeholders, that Federal funding for this project is unlikely and that substantial local funding will be critical. Mr. Whitley also stated that the project will not be possible without a capital program funded by the State of Illinois of \$400 to \$500 million.

PUBLIC COMMENT

At this time, Committee Co-Chair Weisner called for public comment.

Mr. Rob Sherman, of Buffalo Grove, addressed the Committee. Mr. Sherman expressed his concern that those who will be asked to pay for the project were not included on the Illinois Route 53/120 Blue Ribbon Advisory Council (“BRAC”). He stated that the people who will use the

roadway should also have been included as stakeholders in the project.

Mr. Sherman stated that he believes if northwest Cook County stakeholders had participated, BRAC would have come to a different consensus as to the configuration of this project. Mr. Sherman suggested the speed limit be raised to 70 mph. Mr. Sherman further suggested finding solutions to minimize the cost of the project. Mr. Sherman then expressed concern regarding cross-jurisdictional taxation.

Mr. Whitley stated the Illinois Route 53/120 Project Finance Committee is aware of the points raised by Mr. Sherman and expect to address these issues in the coming weeks. He noted the Illinois Route 53/120 Project Finance Committee's intention to meet with the President of the Cook County Board of Commissioners, who has created a special advisory task force directed towards the evaluation of Cook County roads, and with McHenry County officials prior to the Finance Committee's next meeting.

EXECUTIVE DIRECTOR (continued)

Committee Co-Chair Weisner noted the completion of the Tollway's survey regarding extending Illinois Route 53, and asked staff to discuss the results of the survey. Ms. Lee responded that the travel demand forecasting provided as part of her presentation was drawn from the "willingness to pay" survey data. The survey data suggests a market with travelers that have higher-than-average household incomes, assign a higher value to time, and have a higher willingness to pay.

Committee Co-Chair Weisner asked for confirmation that demand for the roadway remained firm even when survey participants were

presented with the prospect of lowered speeds and increased tolls. Ms. Lee responded affirmatively and noted that the speed variable was surveyed in terms of travel time and the participant's willingness to pay to achieve particular travel time savings. **Executive Director Lafleur stated that the Route 53/120 Project survey results are to be presented in more detail to the Committee at a later time.**

Director Sweeney asked if the survey results inform the effects on the funding gap of the reduction in revenue and volumes expected as a result of the proposed reduction in speed. Ms. Lee responded in the negative. Executive Director Lafleur responded that the survey comments' section did provide a level of feedback on participant perceptions of speed limits.

Director Sweeney commented that it would be unfair to ask the rest of the region to bear the costs of the unique amenities added to this project by local communities.

Discussion ensued on the unique elements proposed, financing of large capital projects, bridging the funding gap and expectations for the local contribution component of the Illinois Route 53/120 Project.

Committee Co-Chair Weisner expressed concern regarding local funding commitment, by comparing the requested unique elements, and local funding commitment to the purchase of a new automobile, with buyers often enthusiastic when ordering extra features, but less so when presented with the price tag.

Chair Wolff commented that this project had stalled for many years and was reinvigorated by Governor Quinn, despite controversy and defined

challenges, as part of his agenda for regional improvement. She expressed the Tollway's commitment to the project and reliance on the efforts of all of the participants. Chair Wolff further stated the Tollway's level of contribution will be in keeping with past Tollway projects but cannot be determined until the interests and scope of participation of the local communities are clearly defined.

Committee Co-Chair Weisner commented that, while the funding gap is significant, current progress is also significant and the project can be made successful with innovative thinking.

CHAIR – CUSTOMER SERVICE & TOLLING

Committee Co-Chair Redick introduced Shana Whitehead, Chief of Business Systems, for a presentation on Tollway fleet management operations, implementation of customer service initiatives and the new back office system. [See attached presentation.](#) Chair Wolff departed.

Director Dotson inquired as to the source of feedback used to identify enhancements to fleet customer service operations. Ms. Whitehead responded that the sources are website intercept surveys and direct email surveys using the Tollway fleet customer database. Rocco Zuccherro, Deputy Chief of Engineering for Planning, added that Tollway staff are in regular contact with trucking organizations who provide feedback as well.

Committee Co-Chair Redick then called on Ms. Whitehead to present the following **Business Systems** item:

Item 1: Renewal of Contract 05-0014 to Electronic Transaction Consultants Corporation (ETCC) for the purchase of Toll Revenue Management and Maintenance Program (TRMMP) in an amount not to exceed \$11,977,895.00 (Tollway Request for Proposal).

Ms. Whitehead stated that this item is a renewal of the contract for support to maintain the current TRMMP system until completion of the new back office system changeover. The amount represents a reduction from the previous renewal. Executive Director Lafleur noted that continuing need for services are anticipated beyond the final renewal, until completion of the transition to the new system.

Committee Co-Chair Redick stated the Customer Service Committee's intent to open the bidding process for future system management and maintenance contracts to provide for increased competition.

Committee Co-Chair Weisner inquired if TRMMP services by ETCC will be required after completion of the back office system transition. Executive Director Lafleur responded that some of the same types of services currently provided by ETCC will still be required after the transition but that these will be bid out through new Requests for Proposal ("RFP") at that time. Ms. Whitehead noted that the bulk of the transition to the new back office system is anticipated to be completed by the end of 2016.

Committee Co-Chair Weisner inquired if the goal is to narrow the providers of these services to a single entity. Ms. Whitehead responded that the objective is to divest from large single entity service contracts into multiple focused contracts matched to each provider's core competencies.

Committee Co-Chair Redick commented that there is a planned overlap of services anticipated through the back office system transition with the intent of offering redundancy and to insure a seamless transition for Tollway customers.

Director Banks made a motion for approval of **Business Systems Item 1**; seconded by Director Sweeney. The motion was approved unanimously to move to the full Board consent agenda.

Director Dotson inquired if the Tollway RFP to offer transponder sales in the Rockford area has been posted. Ms. Whitehead replied that the RFP is currently under review. She noted her intent to request Director Dotson's assistance with outreach in the Rockford area when the RFP is posted.

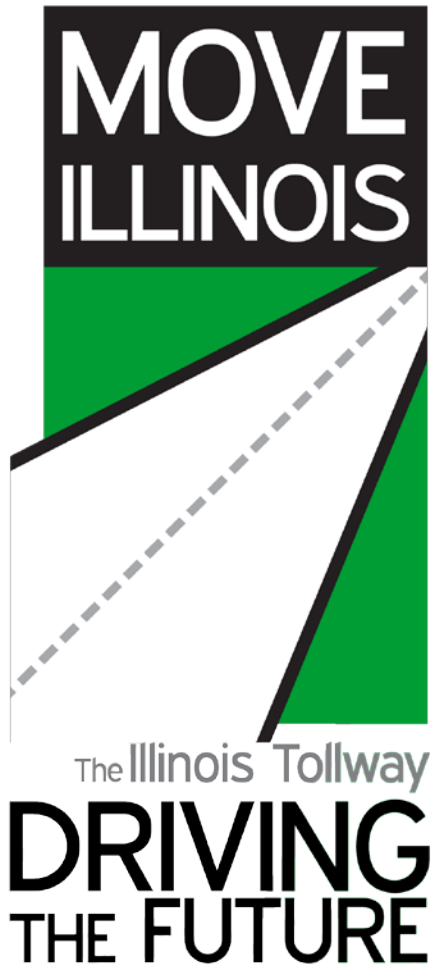
There being no further business, Committee Co-Chair Redick requested a motion to adjourn. Motion to adjourn was made by Director Dotson; seconded by Director Banks. The motion was approved unanimously.

The meeting was adjourned at approximately 12:28 p.m.



Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



Illinois Route 53/120 Project Update

May 21, 2014

Agenda

- ▶ **Project cost overview**
- ▶ **Roadway performance**
- ▶ **Project funding gap**
- ▶ **Midterm report**
- ▶ **Feedback to Finance Committee**

Project Capital Cost Estimates

BRAC Analysis

□ \$2.39 - \$2.71 billion

Feasibility Analysis

□ \$2.56 - \$2.87 billion

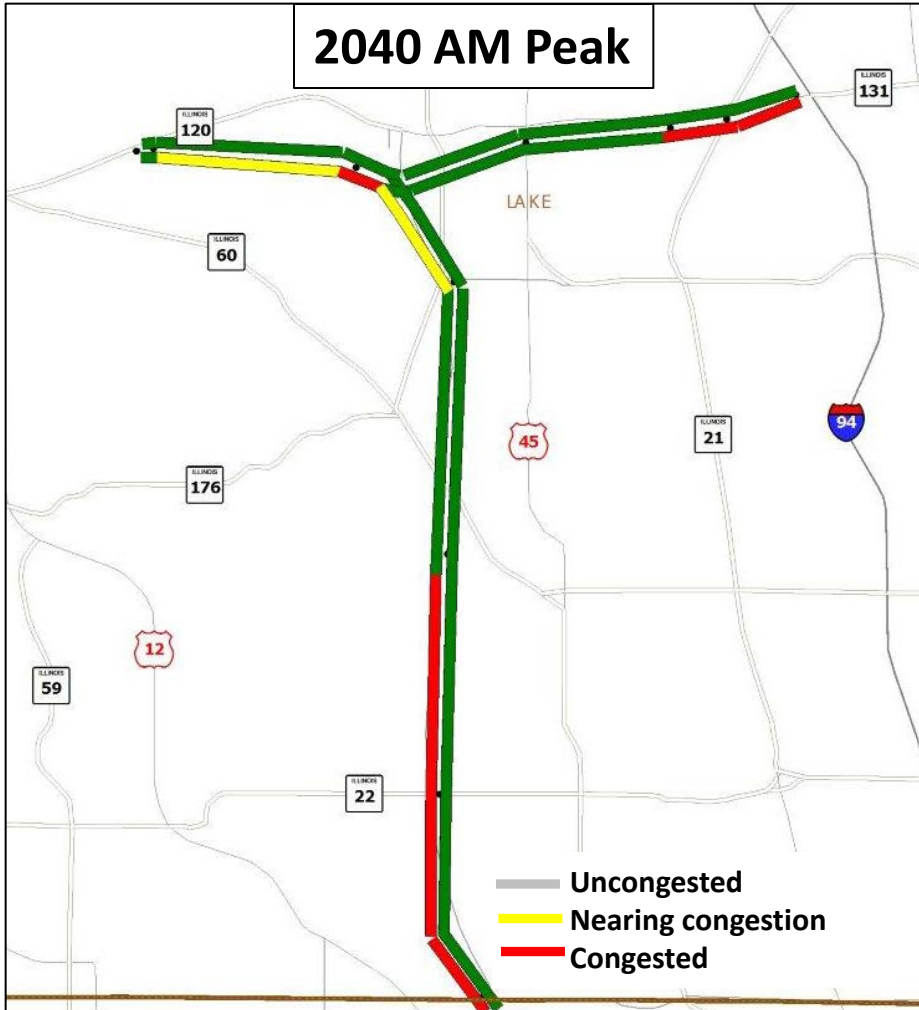
Feasibility Analysis

- ▶ Includes Blue Ribbon Advisory Committee recommendations
- ▶ Feasibility analysis work at greater level of detail
- ▶ Items based on quantities instead of assumed percentages
- ▶ Overall higher level of confidence
- ▶ All costs based on 2020 dollars

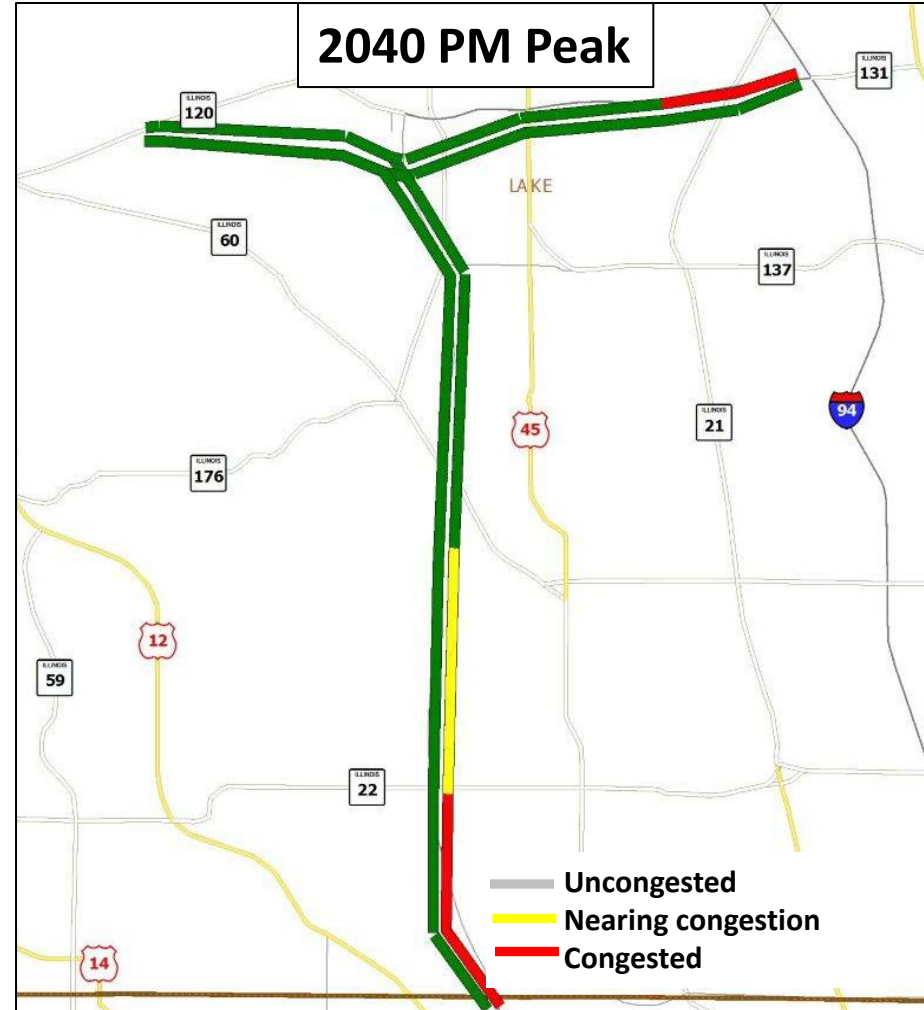
Roadway Performance



2040 AM Peak

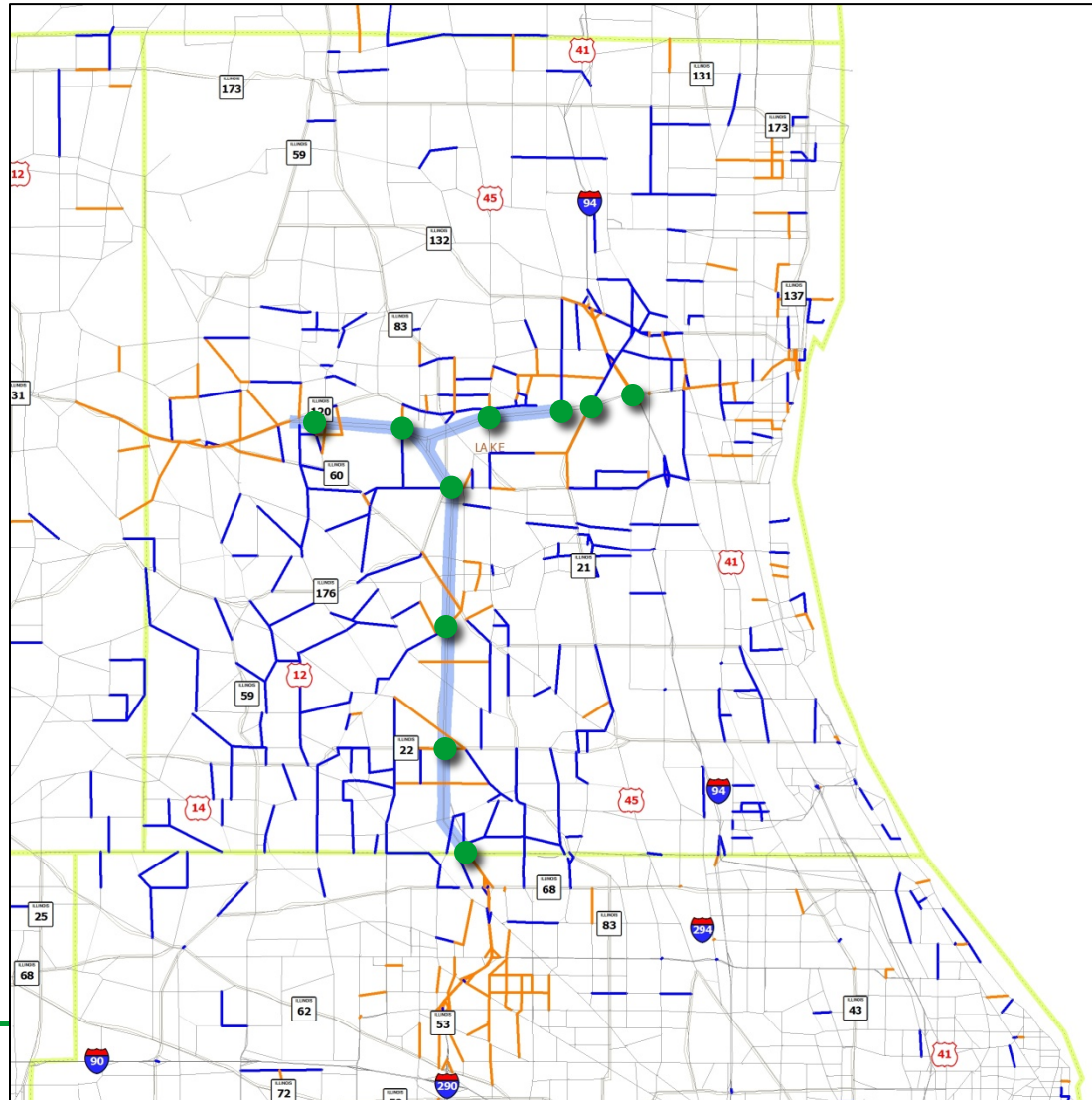


2040 PM Peak



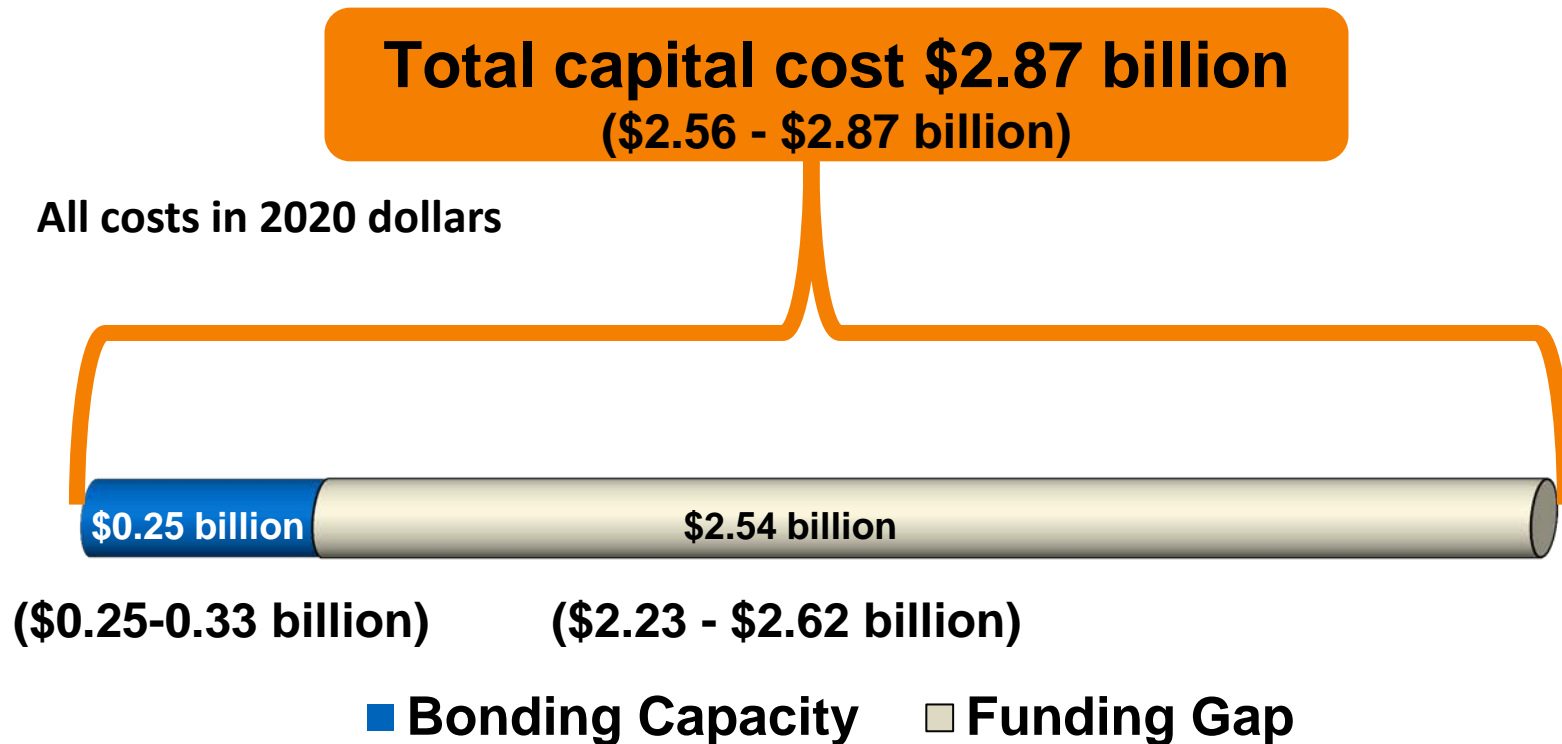
Project Performance

- ▶ Relieves congestion on Lake County roads
- ▶ Draws traffic away from surrounding arterials
- ▶ Achieves as much as 30 percent travel time savings



	> Mean average increase in volume
	> Mean average decrease in volume
	Interchange location

BRAC Recommendation Funding Gap



*Bonding assumes 25 year term, 1.5x and 2x coverage

Project Finance Committee Background

- ▶ **Tasked with developing a recommendation to the Tollway for how the project could be funded**
- ▶ **Primarily comprised of local mayors, Lake County officials and other stakeholders**
- ▶ **Has met five times since October 2013**
 - ▶ Early meetings - Background and education oriented
 - ▶ Last two meetings - Initial discussions on project funding

Preliminary Finance Committee Feedback

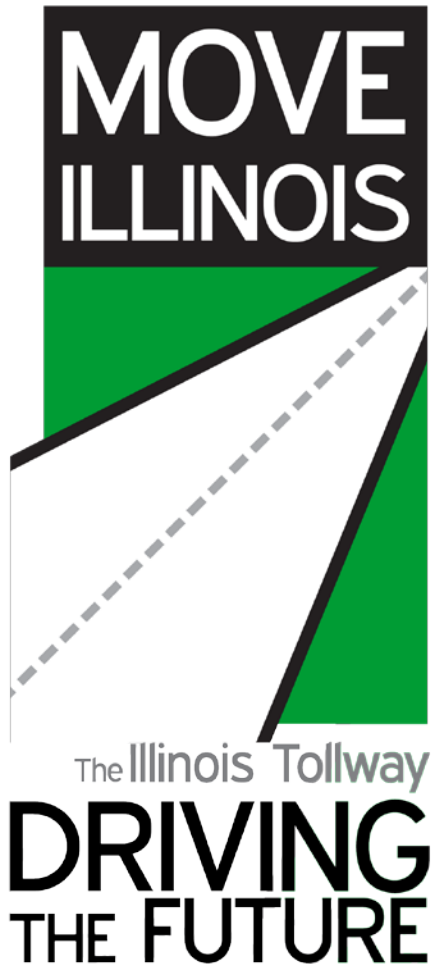
- ▶ **Overall approach to project funding**
 - ▶ “A regional problem needs a regional solution”
 - ▶ Main source of funding to be the Tollway system
- ▶ **Local contribution**
 - ▶ Could be 10-20 percent of the project cost
 - ▶ Restructuring of tolls in Lake County to be considered part of local contribution
- ▶ **Additional potential local sources**
 - ▶ County taxing options
 - ▶ Value capture

Preliminary Finance Committee Feedback

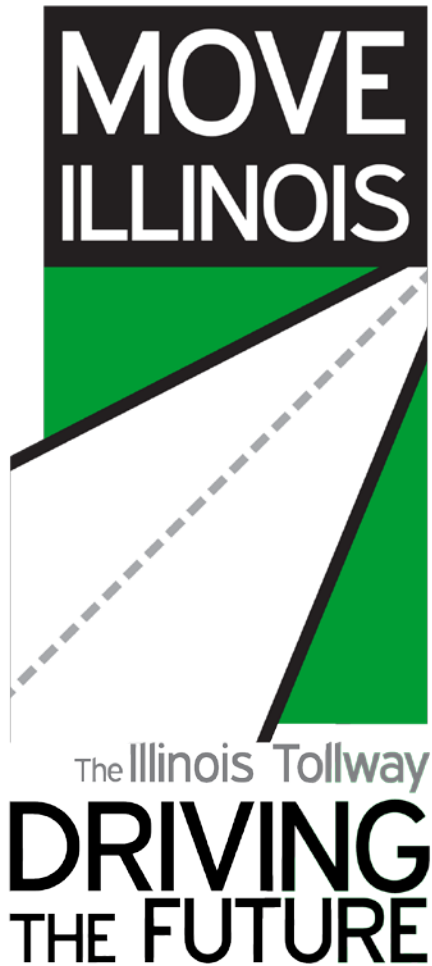
- ▶ **Tollway systemwide contributions**
 - ▶ Support for systemwide toll indexing and congestion pricing
- ▶ **Project cost reductions**
 - ▶ Requires further discussion

Questions and Feedback to Finance Committee

- ▶ **Guidance on local contribution**
- ▶ **Opportunities for system changes or pilot projects?**
- ▶ **General reaction to midterm update?**
- ▶ **Suggested next steps**



QUESTIONS AND ANSWERS



THANK YOU
