

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE
REGULAR BOARD MEETING**

November 20, 2014

The Illinois State Toll Highway Authority (the “Tollway”) met in regular session on Thursday, November 20, 2014, at approximately 9:00 a.m. in the Board Room of the Tollway’s Central Administration Building, in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Authority upon call and notice of the Meeting executed by Chair Paula Wolff and posted in accordance with the requirements of the Open Meetings Act.

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

Chair Paula Wolff stated that this is the regularly scheduled meeting of the Board of the Tollway and asked the Board Secretary to call the roll. Those Directors present and absent were as follows:

Present:

Chair Paula Wolff

Director Jim Banks

Director Terry D'Arcy

Director David Gonzalez

Director Mark Peterson

Director Jeff Redick

Director Tom Weisner

Director Earl Dotson, Jr. (entered at 9:04 a.m.)

Not Present:

Governor Pat Quinn

Acting Secretary Erica Borggren

Director James Sweeney

PUBLIC COMMENT

Chair Wolff called the meeting to order and opened the floor for public comment. No public comment was offered.

CHAIR'S ITEMS

Chair Wolff called for a motion to approve the minutes of the Regular Board meeting and Executive Session held on October 23, 2014. Director Banks made a motion to approve; seconded by Director Weisner. The motion was approved unanimously.

STANDING COMMITTEE REPORTS

Chair Wolff asked the Chairs of the following standing committees to provide reports on the committees' recent activities.

Finance, Administration and Operations Committee

Director Peterson updated the Board on the **Finance, Administration and Operations Committee (“FAO Committee”)** meeting held Wednesday, November 12, 2014.

FINANCE presented three items that were approved and placed on the consent agenda. The first item presented is a 180-day extension of the collections contract with NCO Financial Services in order to provide sufficient time for the new vendor, Law Enforcement Systems, LLC, to finalize contract terms and develop interfaces with the Tollway’s violation system. The second item presented is a cyber liability insurance policy with Beazley Insurance Company providing \$10 million of coverage subject to a \$500,000 retention. The final item presented is a third and final renewal of the Tollway property insurance program at a total premium of \$820,281.00.

Additionally, the Finance department presented to the Committee the Quarterly Financial Review for the 3rd Quarter of 2014. Through September, revenues exceeded estimates by \$9.4 million, operating expenses were on track with the budget, and capital expenditures totaled \$816 million through September - a record amount for the first three quarters of a fiscal year.

Lastly, an amendment to replace Raymond A. James & Associates with George K. Baum & Company in the Underwriting Group for the Series 2006A advance refunding will be presented for Board consideration and action.

PROCUREMENT presented three items which were approved by the FAO Committee to be placed on the consent agenda. The first item presented is a an order against CMS Master Contract to purchase Oracle software licensing support and maintenance for the Tollway’s existing Oracle software licenses for another year. The second item presented is an award of a Tollway Invitation for Bid (“IFB”) for EMC equipment, maintenance, support and services for five years. And lastly, the third item presented is an award of an IFB to three vendors for a one-time purchase of asphalt-repair equipment. Each vendor was the lowest bidder on the three line items which were solicited.

ENGINEERING placed 19 items on the Board agenda for consideration.

Of these, 16 Engineering items were presented to the FAO Committee, reviewed and placed on the consent agenda.

Four of these items presented by Engineering are construction contract awards:

- One award for the installation of ramp queue detection equipment and dynamic message signs along the Jane Addams Memorial Tollway (I-90).
- One award for roadway improvements associated with the Elgin O’Hare Western Access Project (“EOWA”).
- Two awards are for rebuilding and widening of the mainline pavement on the eastern portion of the Jane Addams Memorial Tollway (I-90). Engineering offered a combination bid option for these two contracts to create competition and opportunities for economies of scale in a strategy to achieve lower bid prices. The

result of this strategy was that the Tollway saved \$630,000. These savings were prorated between the two contracts.

Six of these items presented by Engineering are professional services contracts, and include 5 new sub-consultants:

- One acceptance of proposal from Civiltech Engineering, Inc., for construction management associated with construction of Wood Dale Road over Illinois Route 390, work associated with EOWA.
- One acceptance of proposal from Geo Services, Inc. for geotechnical assistance services upon request system-wide.
- One acceptance of proposal from Interra, Inc., for materials engineering services upon request system-wide.
- One acceptance of proposal from Parsons Transportation Group, Inc., for construction management services upon request for various work along the Jane Addams Memorial Tollway (I-90) and system-wide.
- One acceptance of proposal from Rubinos & Mesia Engineers, Inc., for design services upon request for the Jane Addams Memorial Tollway (I-90) and system-wide.
- Engineering is requesting one of the professional service contracts presented at Committee, an acceptance of proposal from Delta Engineering Group, LLC / CH2M Hill, Inc., for the design of Intelligent Transportation Systems and fiber optic design services, be deferred.

Three of these items presented by Engineering are partial releases of retainage with minor work remaining to be completed.

Three of these items presented, reviewed and approved by the Committee to be placed on the consent agenda, are final releases of retainage for completed contracts. All completed work on these items has been performed in accordance with Tollway contract requirements and has been accepted.

Additionally, two professional services contracts for construction management on the Jane Addams Memorial Tollway (I-90), recently finalized, will be presented for Board consideration and action.

Lastly, a change order/extra work order to provide for winterization of the Higgins Road Bridge project on the Jane Addams Memorial Tollway (I-90) will be presented for Board consideration and action.

Customer Service & Planning Committee

Director Weisner updated the Board on the **Customer Service & Planning Committee (“CSP Committee”)** meeting held Tuesday, November 18, 2014.

Business Systems presented one item to the CSP Committee, which was reviewed and approved to be placed on the consent agenda, for three one-year renewals of the State Use contract with Printer’s Mark, a subsidiary of Transitions Mental Health Services located in Rock Island, Illinois. Printer’s Mark is responsible for printing and mailing the Tollway’s violation notices and I-PASS-related correspondence.

Aaron Lawlor, Chairman of Lake County, and Chris Meister, Co-chair of the Illinois Route 53/120 Project Finance Committee, provided an update on the Illinois Route 53/120 Project Finance Committee’s progress. The total estimated refined project cost is \$2.35 - \$2.65 billion. Of this total,

the estimated cost of the Illinois Route 53/120 Blue Ribbon Advisory Council innovations are \$325 - \$400 million.

The Illinois Route 53/120 Project Finance Committee is considering value capture and a county gas tax as a means of supporting their local contribution. These ideas will both require new legislation and Lake County has committed to championing that effort in Springfield. The Illinois Route 53/120 Project Finance Committee is also considering a variety of tolling strategies, such as indexing and traffic management as well as a re-balancing of tolls along I-94 in Lake County, to help fund the project. Collectively these recommendations are estimated to generate \$495 - \$663 million; a majority of that coming from their recommendation for a tolling strategy along I-94. A significant estimated funding gap of about \$1.6 billion remains for the Illinois Route 53/120 Project Finance Committee to address. The Illinois Route 53/120 Project Finance Committee hopes to complete and submit their final recommendation to the Tollway Board early next year.

A presentation was provided by Business Systems on the Commercial Vehicle Strategic Plan. Commercial vehicle rates are planned to increase on January 1, 2015. Recognizing that commercial vehicles are an important customer to the Tollway, staff conducted an industry survey to understand how the Tollway can better meet their needs. The feedback suggested that the Tollway needs to continue to prioritize congestion relief in order to help companies maintain efficient operations. Additionally, drivers would like to see more truck parking on the Tollway system.

Staff also provided an overview of the current excess land disposal process and Tollway authorization to dispose of excess land. The agency

receives 10-20 annual requests to declare and dispose of excess right-of-way (“ROW”). Based on this demand, staff felt it constructive to develop and document a consistent approach which will serve to guide those who approach the agency in the future.

The CSP Committee discussed the following objectives and opportunities to update existing Tollway policies regarding excess ROW:

- Updates must comply with regulations.
- A policy goal is to balance support for local economic development with the need for Tollway revenue.
- There was some consideration given to opportunities to sell or lease excess land for other income-producing uses, i.e. “the last mile” network connections, towers, etc.
- There was also general support for offering a direct sale of excess land to a government agency for consolidation with adjacent parcels to allow for a broader development. However, Tollway staff and the Board will consider factors including how land is to be used.
- Three basic tenets of land value assessment:
 - Value of land
 - Impact of future development on Tollway
 - Residuals from development
- Studies to present how land will be used and projected outcomes, including support from other local government stakeholders, may be required. This would be comparable to Tollway Interchange Policy requirements.
- Policy should not be overly burdensome for the requesting party.

Next steps include researching other agencies' practices and drafting a Tollway Policy for review and distribution to Committee members by mid-2015.

Chair Wolff thanked the Committee Chairs and the members of the Committees for their work.

Chair Wolff commended staff on this year's successful construction season, highlighting the innovations contributed, including the combination bid strategy, and the positive ways in which the Tollway conducts business, including the purchase of products and services from not-for-profit agencies that employ persons with significant disabilities, such as The Chicago Lighthouse.

Chair Wolff commended the volunteers who serve on the Illinois Route 53/120 Project Finance Committee for their work in furtherance of the project and their efforts to address the funding gap.

Chair Wolff thanked staff for their participation in the recent 2015 Tentative Budget public review and comment process.

Chair Wolff then called on Kristi Lafleur, Executive Director.

EXECUTIVE DIRECTOR

Executive Director Lafleur welcomed the finalists, and their guests, of the Tollway's Student 2015 Illinois Tollway Map Cover Art Contest. Ms. Lafleur stated that participants in this year's contest were asked to use their talents to remind drivers of the dangers of tired, reckless driving on Illinois roadways. Ms. Lafleur further stated that the grand prize winner's

artwork will be featured on the cover of the 2015 Tollway map, which is distributed to more than 125,000 customers. Executive Director Lafleur thanked the high school art students for their time, talents, and creativity. She further thanked the sponsors of the 2015 Illinois Tollway Map Cover Contest – CBRE/U.S. Equities Realty and Blick Art Materials – and introduced Richard Jacobsohn, of Blick Art Materials, and David Myles, CBRE/U.S. Equities Realty Vice President.

Executive Director Lafleur then announced the third runner-up Kevin McDonald from Reavis High School in Burbank; the second runner-up Claire Kozik from Downers Grove North High School in Downers Grove; the first runner-up Cassandra Flick from James B. Conant High School in Hoffman Estates; and the winner, Jessica Karlic from Lincoln-Way West High School in New Lenox.

The students, and their art teachers, were congratulated by Executive Director Lafleur and Chair Wolff.

[At approximately 9:24 a.m., the meeting was adjourned to allow for photographs with the contest finalists and their guests. The meeting resumed at approximately 9:30 a.m.]

Executive Director Lafleur reported on the recent Tollway events held to seek public review and comment on the 2015 Tentative Budget. Ms. Lafleur noted that revisions to the budget, if any, will be incorporated and the Final 2015 Budget will be presented for review and approval of the Board in December. Executive Director Lafleur then introduced Mike Colsch, Chief of Finance, and Cathy Williams, Deputy Chief of Finance, to present the Quarterly Financial Review for the 3rd Quarter of 2014. [See attached presentation.](#)

Director Redick asked for the amount, of the \$248 million negative variance reported in Capital Program spending, attributed to bid savings and for the amount attributed to schedule modifications. Ms. Williams responded that \$84 million is related to bid savings and closeout savings, and \$151 million is related to schedule modifications.

At the conclusion of the presentation, Mr. Colsch reported to the Board the recent successful completion of the \$400 million Series 2014C new money bond issue. Mr. Colsch stated that the Tollway's bond ratings were confirmed, with stable outlook, by each of the three bond rating agencies and that the bond issuance achieved a yield to call of 3.4% and a yield to maturity of 4.1%. Mr. Colsch added that of the \$452 million in proceeds from the Series 2014C bond issue, approximately \$424 million will be available on December 4, 2014 to fund Move Illinois projects, with the remainder to be placed in reserve. Mr. Colsch noted that the Tollway is continuing to work on a bond issuance to refund as much as \$292 million of Series 2006A bonds at an estimated present value savings of \$25 - \$29 million.

Chair Wolff commended the Finance team for their efforts in the recent successful Series 2014C bond issue and their oversight and management of the Tollway's Budget, as represented by the savings achieved this year in Capital Program and Maintenance and Operations spending.

Executive Director Lafleur then introduced Rocco Zuccherro, Deputy Chief of Engineering for Planning, to present an update on the Elgin O'Hare Western Access Project ("EOWA"). [See attached presentation.](#)

Chair Wolff asked if the non-I-PASS (cash and other payment options not utilizing a transponder) toll rates on the EOWA corridor are expected to be comparable to the rest of the Tollway system. Mr. Zuccherro responded

affirmatively, noting that the final toll rates are established by the Business Rules, which will be presented to the Board at a future date for review and approval.

Chair Wolff asked Mr. Zuccherro to elaborate on the meetings held with the communities surrounding the EOWA project. Mr. Zuccherro responded that surrounding communities are represented at periodic, often quarterly, Local Advisory Committee meetings where a dialogue is held and feedback is sought by the Tollway on various facets of the plan, for example, maintenance of traffic, tolling plans, and aesthetic enhancements. Mr. Zuccherro stated this important feedback is then incorporated into planning. Executive Director Lafleur added that Local Advisory Committee feedback was influential in the development of the current Illinois Route 390 Tolling Plan.

Chair Wolff expressed her view that community outreach efforts, such as the Local Advisory Committee meetings, offer important insights into Tollway project impact on local economic development and help build community relationships needed to insure the successful implementation of Tollway projects.

Chair Wolff inquired about the timing for Board approval of the Business Rules that will establish Illinois Route 390 toll rates. Executive Director Lafleur responded that Board approval is anticipated to be sought sometime in 2015.

Chair Wolff asked if the Illinois Route 390 tolling plan is expected to be a subject for discussion at the CSP Committee prior to presentation to the Board of the Business Rules for review and approval. Executive Director Lafleur responded affirmatively.

CONSENT AGENDA

Chair Wolff reminded the Board and guests that items on the consent agenda were previously reviewed in detail in Committee.

Chair Wolff then began the consent agenda by calling for a motion to approve the following **Finance resolutions**:

Item 1: Emergency extension of Contract 09-0065 for Collections and Collection Litigation Services with NCO Financial Services, Inc. in an amount not to exceed \$450,000.00 (Tollway Request for Proposal).

Item 2: Award of Contract 13-0118 for Cyber Liability Insurance with Beazley Insurance Company in an annual amount not to exceed \$130,111.00 (Tollway Request for Proposal). Recusal: Director Redick

Item 3: Renewal of Contract 11-0195 for the Property Insurance Program with RSUI Indemnity Company and Chubb Insurance Company through Mesirow Insurance Services for a combined annual premium of \$820,281.00 (Tollway Request for Proposal). Recusal: Director Redick

Item 4: Amendment of Resolution No. 20481 to replace Raymond A. James & Associates with George K. Baum & Company in the Underwriting Group for the Series 2006A Advance Refunding.

Mr. Colsch presented this item to the Board for consideration and approval that had not been presented at Committee.

Mr. Colsch stated that on October 23, 2014 the Board approved Resolution No. 20481 authorizing the assignment of an underwriting group of nine financial firms to underwrite a bond issue to refund the Tollway's Series 2006A Bonds. Due to a clerical error, Raymond James & Associates, Inc. was inadvertently included as a Co-Manager in the Underwriting Group in place of the intended George K. Baum & Company. An amendment to Resolution No. 20481 is requested to correct the Underwriting Group.

Director Banks made a motion for approval of **Finance Item 1**; seconded by Director D'Arcy. The motion was approved unanimously.

Director Banks made a motion for approval of **Finance Items 2 and 3**; seconded by Director Weisner. The motion was approved by all voting Directors with Director Redick recusing himself.

Director Peterson made a motion for approval of **Finance Item 4**; seconded by Director D'Arcy. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Procurement resolutions**:

Item 1: Award of Contract 14-0159 to Mythics, Inc. for the purchase of Oracle Software Licensing Support and Maintenance in an amount not to exceed \$1,126,912.06 (Order Against CMS Master Contract).

Item 2: Award of Contract 14-0087 to Sentinel Technologies, Inc. for the purchase of EMC Equipment, Maintenance, Support, and Services in an amount not to exceed \$7,975,000.00 (Tollway Invitation for Bid).

Item 3: Award of Contract 13-0052 to KM International, Inc.; McCann Industries, Inc.; and Cummings, McGowan & West, Inc. (d.b.a. CMW Equipment) for the purchase of Asphalt-Repair Equipment in an aggregate amount not to exceed \$861,905.00 (Tollway Invitation for Bid).

Director Dotson made a motion for approval of **Procurement Items 1 through 3**; seconded by Director Redick. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Business Systems resolution**:

Item 1: Renewal of Contract 11-0214 to Transitions, NFP (d.b.a. The Printer's Mark) for the purchase of Printing and Mailing Services in an amount not to exceed \$5,340,000.00 (State Use Program).

Director Redick made a motion for approval of **Business Systems Item 1**; seconded by Director Dotson. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Engineering resolutions**:

Item 1: Award of Contract I-14-4198 to Aldridge Electric, Inc. for Ramp Queue Detection and Dynamic Message Sign (DMS) Installation on the Jane Addams Memorial Tollway (I-90) from Milepost 17.1 (I-39) to Milepost 52.5 (Randall Road), in the amount of \$2,522,122.38.

Item 2: Award of Contract I-13-4621 to R.W. Dunteman Company for Roadway Improvements on Illinois Route 390 at Milepost 13.1 (Hamilton

Lakes Drive, Park Boulevard, Pierce Road, and Ketter Drive), in the amount of \$4,887,978.73.

Item 3: Award of Contract I-14-4210 to Lorig Construction Company for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 73.3 (Oakton Street) to Milepost 75.1 (Wolf Road), in the amount of \$54,880,569.09.

Item 4: Award of Contract I-14-4211 to Lorig Construction Company for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 75.1 (Wolf Road) to Milepost 76.6 (Mannheim Road), in the amount of \$46,754,351.69.

Item 5: Acceptance of Proposal from Burns & McDonnell Engineering Co., Inc., on Contract I-14-4186 for Construction Management Services for Roadway, Retaining Wall and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 73.3 (East of Oakton Street) to Milepost 76.6 (East of Lee Street), in an amount not to exceed \$15,000,000.00.

Mr. Kovacs presented this item to the Board for consideration and approval that had not been presented at Committee.

Mr. Kovacs noted that bids recently received for the Tollway's second request for proposal that includes a combination bid option, indicate this strategy continues to encourage bid competition and offer cost savings potential. Mr. Kovacs added that a third offering with a combination bid option is planned.

Chair Wolff asked what additional staff work may be required when offering a combination bid option. Mr. Kovacs responded that the combination bid option does require additional staff time, but savings achieved merit the extra effort. Mr. Kovacs added that much of the most effort-intensive work, in development and implementation of the combination bid strategy, is now concluded and, therefore, additional time requirements going forward in the review and processing of combination bid options, should the Tollway continue to offer, are expected to lessen.

Director Banks inquired regarding Tollway savings achieved as a result of the combination bid strategy. Mr. Kovacs responded that the first combination bid offering resulted in Tollway savings of \$630,000.

Director Peterson inquired which subconsultant is to provide construction management services on this contract. Mr. Kovacs responded that the nine subconsultants listed on the item summary will be providing construction management services. Mr. Kovacs added that Land Surveying Services, Inc., is a certified prime consultant (mentor) in the Illinois Department of Transportation's ("IDOT's") Construction/Consultant Mentor Protégé Program and may contribute a leading role to IDOT certified subconsultants (protégés).

Item 6: Acceptance of Proposal from Parsons Brinckerhoff, Inc / GSG Consultants, Inc. (D/MBE) / GSG Materials Testing, Inc. (D/MBE) (JV), on Contract I-14-4187 for Construction Management Services for Roadway, Retaining Wall and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (East of Oakton Street), in an amount not to exceed \$7,239,470.82.

Mr. Kovacs presented this item to the Board for consideration and approval that had not been presented at Committee.

Chair Wolff noted the significant number of respondents to this solicitation. Mr. Kovacs commented positively on the healthy bid competition received in response to Tollway professional services solicitations.

Director Peterson requested confirmation that the award amount is under the project budget. Mr. Kovacs confirmed.

Item 7: Acceptance of Proposal from Civiltech Engineering, Inc., on Contract I-14-4637 for Construction Management Services for Bridge Construction on Illinois 390 at Milepost 14.8 (Wood Dale Road), in an amount not to exceed \$2,986,500.00.

Item 8: Acceptance of Proposal from Delta Engineering Group, LLC (D/MBE) / CH2M Hill, Inc. (JV), on Contract I-14-4638 for Intelligent Transportation Systems (ITS) and Fiber Optic Design Services Upon Request on Illinois 390 from Milepost 11.2 (Meacham/Medinah Road) to Milepost 15.8 (IL 83) and Systemwide, in an amount not to exceed \$4,000,000.00.

Mr. Kovacs requested this item be deferred until a future meeting.

Item 9: Acceptance of Proposal from Geo Services, Inc. (D/MBE), on Contract I-14-4639 for Geotechnical Services Upon Request, Systemwide, in an amount not to exceed \$3,000,000.00.

Item 10: Acceptance of Proposal from Interra, Inc. (D/MBE), on Contract RR-14-4195 for Materials Engineering Services Upon Request, Systemwide, in an amount not to exceed \$3,750,000.00.

Item 11: Acceptance of Proposal from Parsons Transportation Group, Inc., on Contract I-14-4194 for Construction Management Services Upon Request on the Jane Addams Memorial Tollway (I-90) and Systemwide, in an amount not to exceed \$5,000,000.00.

Item 12: Acceptance of Proposal from Rubinos & Mesia Engineers, Inc. (D/MBE), on Contract I-14-4196 for Design Services Upon Request on the Jane Addams Memorial Tollway (I-90) and Systemwide, in an amount not to exceed \$3,000,000.00.

Item 13: Change Order/Extra Work Order on Contract I-13-5683 to Dunnet Bay Construction Company for Roadway and Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 61.3, in the amount of \$240,433.75.

Mr. Kovacs presented this item to the Board for consideration and approval that had not been presented at Committee:

Mr. Kovacs stated this change order/extra work order is to provide for the utilization of winter construction methods in concrete bridge deck work at the Higgins Road Bridge being performed as part of the Jane Addams Memorial Tollway (I-90) Reconstruction and Widening Project.

Chair Wolff asked for elaboration on the anticipated use of these winter construction methods. Mr. Kovacs responded that utility delays pushed the concrete bridge deck work into the winter months. Mr. Kovacs further

responded that specifications allow for concrete to be poured and cured below 45°F utilizing the prescribed winter construction methods. Mr. Kovacs added that performing this work during winter months will keep the project moving and minimize the overall impact of the delay and avoid additional work-around costs on upcoming mainline contracts.

Director Peterson requested confirmation that the vendor is anticipated to meet Diversity Program goals established for this contract. Mr. Kovacs responded affirmatively.

Item 14: Partial Release of Retainage on Contract I-12-4078 to Acura, Inc. (D/MBE), for Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) at Milepost 42.3 (US 20 Bridge), by \$244,317.98 from \$284,317.98 to \$40,000.00.

Item 15: Partial Release of Retainage on Contract RR-13-4125 to Lorig Construction Company for Corridor Repairs and Bridge Rehabilitation on the Tri-State Tollway (I-294) from Milepost 0.0 (IL 394) to Milepost 48.9 (Willow Road), and the Tri-State Tollway (I-94) from Milepost 10.5 (IL 21) to Milepost 30.0 (Edens Expressway), by \$291,355.65 from \$341,355.65 to \$50,000.00.

Item 16: Partial Release of Retainage on Contract I-13-4163 to Lorig Construction Company for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 26.5 (Johnson Road) and Milepost 28.8 (Shattuck Road), by \$228,163.82 from \$278,163.82 to \$50,000.00.

Item 17: Final Release of Retainage on Contract RR-13-4138 to Herlihy Mid-Continent Company for Bridge and Noise Wall Repairs on the

Veterans Memorial Tollway (I-355) from Milepost 3.8 (167th Street) to Milepost 26.3 (Prairie Path).

Item 18: Final Release of Retainage on Contract I-13-4159 to John Burns Construction Company for Fiber Optic Relocation on the Jane Addams Memorial Tollway (I-90) from Milepost 56.8 (IL 25) to Milepost 68.15 (I-290).

Item 19: Final Release of Retainage on Contract I-13-4160 to John Burns Construction Company for Fiber Optic Relocation on the Jane Addams Memorial Tollway (I-90) from Milepost 68.15 (I-290) to Milepost 78.5 (River Road Plaza).

Director D'Arcy made a motion for approval of **Engineering Items 1 through 4**; seconded by Director Dotson. The motion was approved unanimously.

Director Dotson made a motion for approval of **Engineering Items 5 through 7 and Items 9 through 12**; seconded by Director Weisner. The motion was approved unanimously.

Chair Wolff stated that **Engineering Item 8** would be deferred until a future meeting.

Director Weisner made a motion to approve **Engineering Items 13 through 19**; seconded by Director D'Arcy. The motion was approved unanimously.

At approximately 10:25 a.m., David Goldberg, General Counsel, indicated the need to discuss Tollway matters related to personnel matters,

collective bargaining matters, sale of securities, and litigation matters, pursuant to Sections 2(c)(1), 2(c)(2), 2(c)(7) and 2(c)(11) of the Illinois Open Meetings Act. Director Weisner made the motion to enter into Executive Session; seconded by Director Peterson. The motion was approved unanimously.

At approximately 11:10 a.m., the Board re-entered the public session of the Board meeting.

There being no further business, Chair Wolff requested a motion to adjourn. Motion to adjourn was made by Director Peterson; seconded by Director Redick. The motion was approved unanimously.

The meeting was adjourned at approximately 11:12 a.m.



Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

STUDENT ART CONTEST

TIRED DRIVING



BLICK
art materials

CBRE

U.S. Equities Realty is now part
of CBRE, Inc.

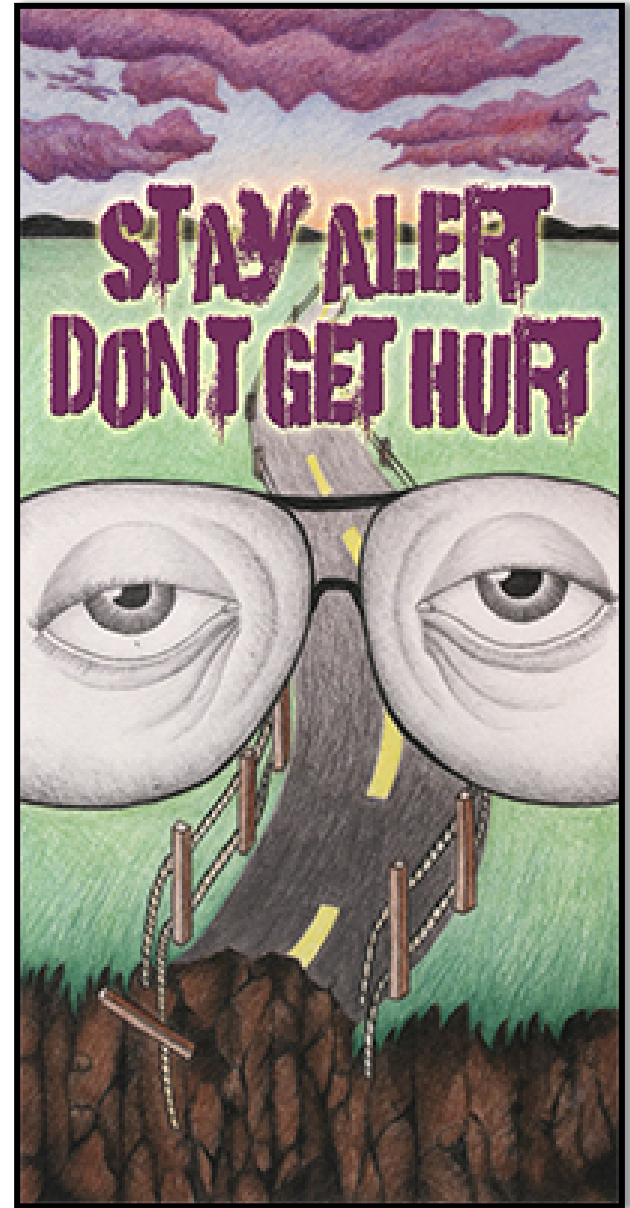
**STUDENT
ART
CONTEST**

Third Runner-Up

Kevin McDonald

Reavis High School

Burbank, Illinois



**STUDENT
ART
CONTEST**

Second Runner-Up

Claire Kozik

Downers Grove North High School
Downers Grove, Illinois

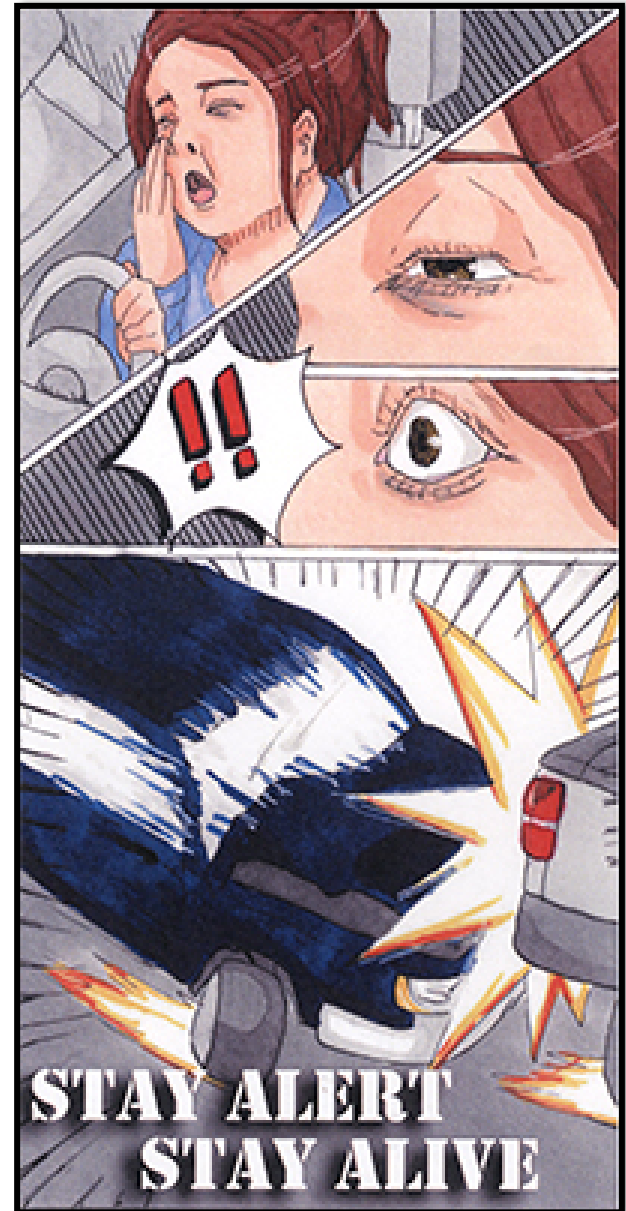


**STUDENT
ART
CONTEST**

First Runner-Up

Cassandra Flick

James B. Conant High School
Hoffman Estates, Illinois



**STUDENT
ART
CONTEST**

Grand Prize Winner

Jessica Karlic

Lincoln-Way West High School
New Lenox, Illinois



STUDENT ART CONTEST

Thank you
to all participants



**2014 Third Quarter
Budget to Actual Review**
(Preliminary and Unaudited)

November 20, 2014

2014 Year-to-Date Highlights

Original Budget to Actual Comparisons

Strong second and third quarter revenues offset winter impact

Revenue - \$773.1 million

- ***\$9.4 million more than budget***

- ✓ Toll revenue and evasion recovery 1 percent more than budget
 - ***Commercial vehicle transactions 2.2 percent higher than projection***
 - ***Passenger vehicle transactions 0.5 percent lower than projection***
- ✓ Miscellaneous revenue \$3.9 million more than budget

Maintenance and Operations

- ***\$945 thousand less than budget***

- ✓ 2014 revised annual M and O budget includes a supplemental increase of \$3.5 million for winter-related payroll, materials and fuel

Capital Program - \$816.4 million

- ***Highest year-to-date spending in Tollway history***

Note: Revenue estimates for 2014 increased by \$7 million in the 2015 Tentative Budget

Year-to-Date 2014 – Revenue

Total revenue was \$9.4 million greater than the 2014 year-to-date budget

<i>(\$ millions)</i>	<u>Budget</u>	<u>Actual</u>	<u>\$ Var.</u>	<u>% Var.</u>
Toll and Evasion Recovery	\$756.3	\$762.7	\$6.5	0.9%
Concessions	1.6	1.6	0	-2.4%
Investment Income	1.5	0.7	(0.8)	-56.0%
Miscellaneous	4.3	8.1	3.9	90.6%
Total Revenue	\$763.7	\$773.1	\$9.4	1.2%

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

During the 3rd Quarter

- ✓ **Commercial vehicles**
 - Grew 6.1 percent year-over-year
 - 2.5 percent greater than budget
- ✓ **Passenger vehicles**
 - Grew 2.4 percent year-over-year
 - 0.4 percent greater than budget

Year-to-Date 2014 – Maintenance and Operations

Year-to-date budget does not reflect a supplemental increase of \$3.5 million, approved in October 2014, for winter-related costs

(\$ millions)	<u>Budget</u>	<u>Act.</u>	<u>\$ Var.</u>	<u>% Var.</u>
Payroll and Related Costs	\$119.1	\$119.8	\$0.8	0.6%
Group Insurance	22.1	22.3	0.2	0.7%
Contractual Services	42.7	39.8	(2.9)	-6.8%
Materials/Oper. Supplies	4.3	3.9	(0.4)	-8.8%
Utilities	4.3	5.1	0.8	19.4%
All Other Insurance	7.9	8.1	0.2	3.2%
Parts and Fuel	4.5	5.8	1.3	28.9%
Equip. Rental/Maintenance	11.9	11.4	(0.5)	-4.4%
Other Misc. Expenses	0.8	0.5	(0.3)	-38.5%
Recovery of Expenses	(1.9)	(2.0)	(0.1)	-6.4%
Total	\$215.6	\$214.7	(0.9)	-0.4%

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

Key Drivers

- ✓ **Winter related payroll costs**
- ✓ **Timing of purchases/payments**
 - Contractual services and Equip. maintenance
- ✓ **Utilities rates and new locations**

Year-to-Date 2014 – Capital Program

Capital Program spending at record level

(\$ millions)	<u>Proj.</u>	<u>Act.</u>	<u>\$ Var.</u>	<u>% Var.</u>
Tri-State Tollway	\$8.7	\$3.6	(\$5.1)	-58.7%
Reagan Memorial Tollway	7.9	9.5	1.6	20.0%
Jane Adams Memorial Tollway	542.2	455.5	(86.7)	-16.0%
Veterans Memorial Tollway	9.8	2.3	(7.5)	-76.8%
Open Road Tolling	3.6	1.3	(2.3)	-63.9%
Systemwide Improvements	196.8	116.9	(79.9)	-40.6%
Tri-State Interchange I-294/I-57	68.4	34.9	(33.5)	-49.0%
Elgin O'Hare Western Access	184.8	165.6	(19.1)	-10.4%
Illinois Route 53/120	3.8	1.1	(2.7)	-70.6%
Move Illinois and CRP	\$1,025.9	\$790.7	(\$235.2)	-22.9%
Other Capital Projects	38.5	38.5	0	0%
Capital Program Subtotal	\$1064.4	\$829.2	(\$235.2)	-22.1%
IGA Reim. and Other Adjust.	0	(12.8)	(12.8)	N/A
Total Capital Program	\$1,064.4	\$816.4	(\$248.0)	-23.3%

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

Third Quarter 2014 – Budget vs. Actual

Summary

- ❑ Revenue - \$7.8 million above target
 - *Increased traffic and miscellaneous revenue*
- ❑ Maintenance and operations - \$76 thousand more than budget
- ❑ Debt Service transfers - \$2.3 million less than budget
- ❑ Capital Program - \$393.8 million
 - *Highest quarterly spending in Tollway history*

Year-to-Date 2014 – Budget vs. Actual

Summary

- ❑ Revenue - \$9.4 million above target
 - *Strong second and third quarters offset negative impact from first quarter severe winter conditions*
- ❑ Maintenance and operations - \$945 thousand below budget
- ❑ Debt service transfers - \$14.7 million less than budget
- ❑ Capital Program - \$816.4 million
 - *Highest year-to-date spending in Tollway history*

Bond Pricing – Series 2014C Bonds

- **2014 Series C is the third new-money bond issuance to finance a portion of the *Move Illinois* Capital Program**
- **Rating agencies confirmed Tollway ratings in late October**
 - Fitch: "AA-" with stable outlook
 - Moody's: "Aa3" with stable outlook
 - S&P: "AA-" with stable outlook
- **\$400 million bond issue led by two senior managing underwriters on behalf of a ten-firm underwriting group**

Series 2014C Bonds (*continued*)

- **Bonds sold October 30th with 5 percent interest payments**
 - Settlement/funding expected December 4
- **Bond yield 3.4 percent to call date; 4.1 percent to maturity**
 - Call date January 1, 2025
 - Maturity dates January 1, 2027 – January 1, 2039
- **\$452 million of proceeds for *Move Illinois* project costs (\$424 million) and deposit to Debt Reserve (\$28 million)**
- **The three *Move Illinois* bond issuances have raised \$1.46 billion for project costs at average yields of 3.6 percent to call date and 4.2 percent to maturity**

Appendix

Revenue – Third Quarter 2014

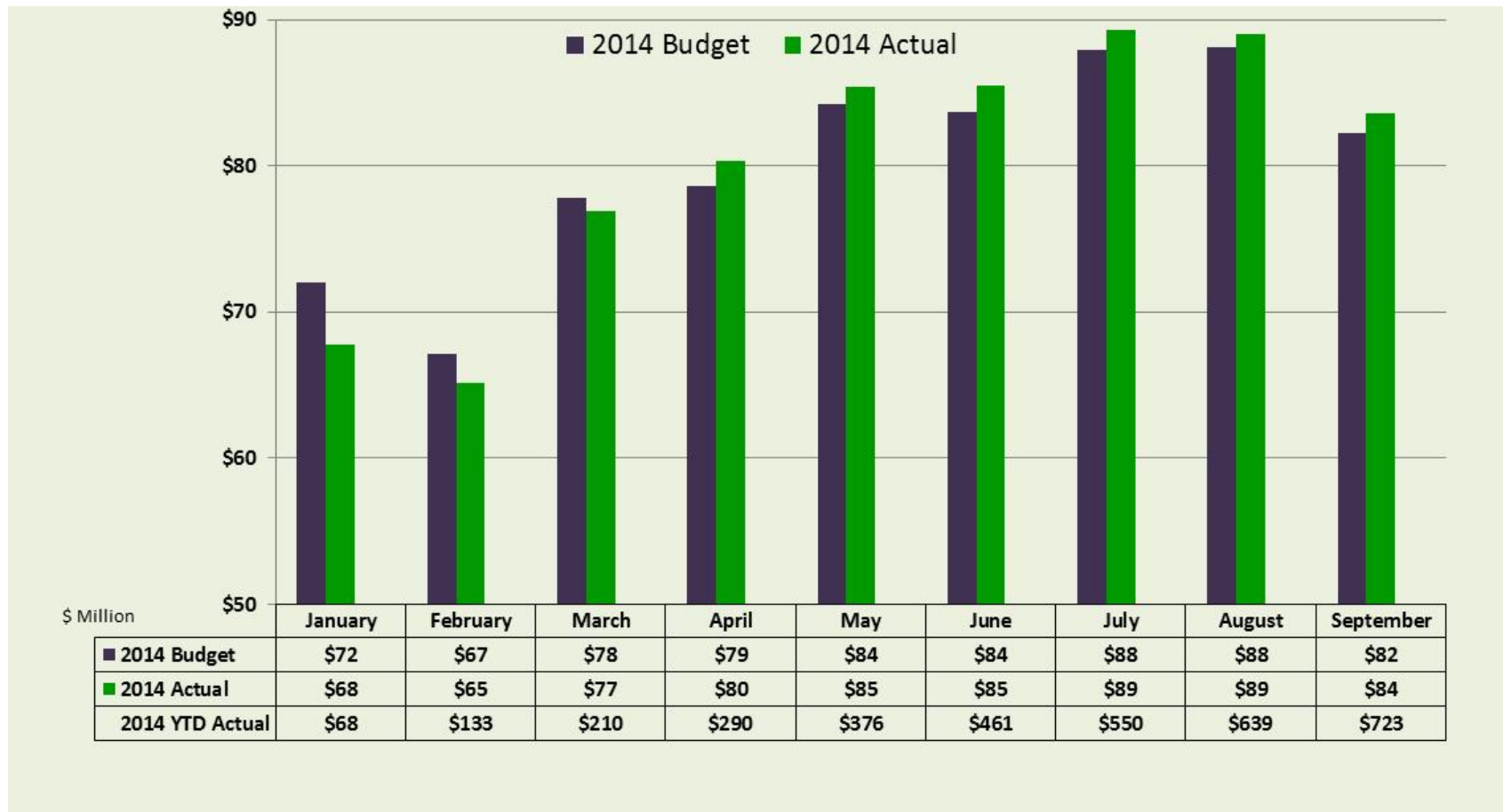
Budget vs. Unaudited Actual
Third Quarter 2014
(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$269,814	\$276,841	\$7,027	2.6%
Concessions	560	542	(18)	-3.2%
Investment Income	500	333	(167)	-33.4%
Miscellaneous	1,569	2,509	940	59.9%
Total Revenue	\$272,443	\$280,225	\$7,782	2.9%

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

2014 Monthly Toll Revenue

Year-to-date toll revenue exceeded projections



Maintenance and Operations - Third Quarter 2014

Budget vs. Unaudited Actual
Third Quarter 2014
(\$ thousands)

	3rd Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$39,161	\$39,704	\$543	1.4%
Group Insurance	7,134	7,832	698	9.8%
Contractual Services	16,762	14,770	(1,992)	-11.9%
Materials/Operational Supplies/Other Expenses	860	902	41	4.8%
Utilities	1,420	2,012	592	41.7%
All Other Insurance	2,725	3,130	405	14.9%
Parts and Fuel	1,805	1,925	121	6.7%
Equipment/Office Rental and Maintenance	3,824	3,601	(223)	-5.8%
Other Miscellaneous Expenses	217	122	(95)	-43.9%
Recovery of Expenses	(592)	(604)	(13)	-2.2%
Total Maintenance and Operations Expenditures	\$73,316	\$73,393	\$76	0.1%

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

Capital Program - Third Quarter 2014

Budget vs. Unaudited Actual

Third Quarter 2014

(\$ thousands)

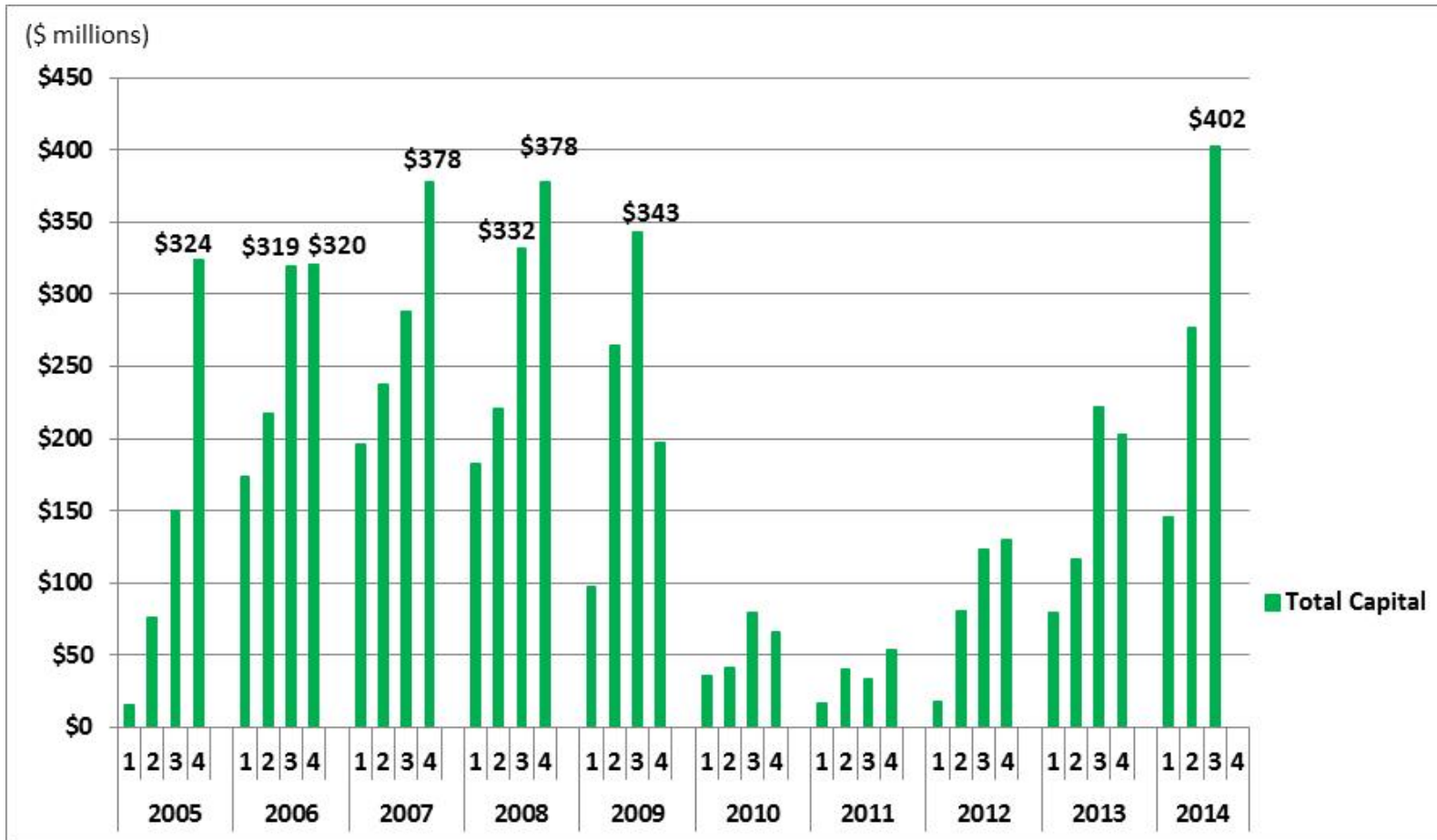
	3rd Qtr		Variance	
	Projection	Actual ⁽¹⁾	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$905	\$73	(\$833)	-92.0%
Reagan Memorial Tollway (I-88)	2,670	4,547	1,877	70.3%
Jane Addams Memorial Tollway (I-90)	264,986	232,107	(32,879)	-12.4%
Veterans Memorial Tollway (I-355)	633	805	172	27.1%
Open Road Tolling (ORT)	1,612	860	(752)	-46.7%
Systemwide Improvements	101,570	57,766	(43,804)	-43.1%
Tri-State Tollway (I-294)/I-57 Interchange	24,740	17,638	(7,101)	-28.7%
Elgin O'Hare Western Access	102,557	72,875	(29,681)	-28.9%
Illinois Route 53/120/Other Planning Studies	1,286	480	(806)	-62.7%
Move Illinois and CRP Subtotal	\$500,959	\$387,151	(\$113,807)	-22.7%
"Other" Capital Projects	13,750	14,853	1,103	8.0%
Capital Program Subtotal	\$514,709	\$402,004	(\$112,704)	-21.9%
Intergovernmental Agreement Reimbursement and Other Adjustments ⁽²⁾	-	(8,224)	(8,224)	N/A
Total Capital Program Expenditures	\$514,709	\$393,781	(\$120,928)	-23.5%

⁽¹⁾ Capital Program Actual included accrued expenses for which payments have not been made as of September 30, 2014.

⁽²⁾ Intergovernmental Agreement Reimbursements were for work performed in prior periods.

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

Capital Program – Historical Spending by Quarter 2005-2014



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

Capital Program - Third Quarter 2014

Projections vs. Actual

Key variance highlights

<input type="checkbox"/> Systemwide Improvements	
▪ schedule changes	(\$42.4) million
▪ project cost savings	(\$ 1.5)
<input type="checkbox"/> Jane Addams Memorial Tollway (I-90)	
▪ project cost savings	(\$36.6)
▪ schedule changes	\$ 3.7
<input type="checkbox"/> Elgin O'Hare Western Access	
▪ schedule changes	(\$29.7)
<input type="checkbox"/> Tri-State Tollway (I-294)/I-57 Interchange	
▪ schedule changes	(\$ 7.0)
▪ project cost savings	(\$ 0.1)

Capital Program - Third Quarter 2014

Projections vs. Actual

Key variance highlights

<input type="checkbox"/> Open Road Tolling	
▪ schedule changes	(\$ 0.8) million
<input type="checkbox"/> Illinois Route 53/120 Extension	
▪ schedule changes	(\$ 0.8)
<input type="checkbox"/> Tri-State Tollway (I-94/I-294/I-80)	
▪ schedule changes	(\$ 0.8)
<input type="checkbox"/> Reagan Memorial (I-88)	
▪ schedule changes	\$ 1.9
<input type="checkbox"/> Veterans Memorial (I-355)	
▪ schedule changes	\$ 0.2

Revenue

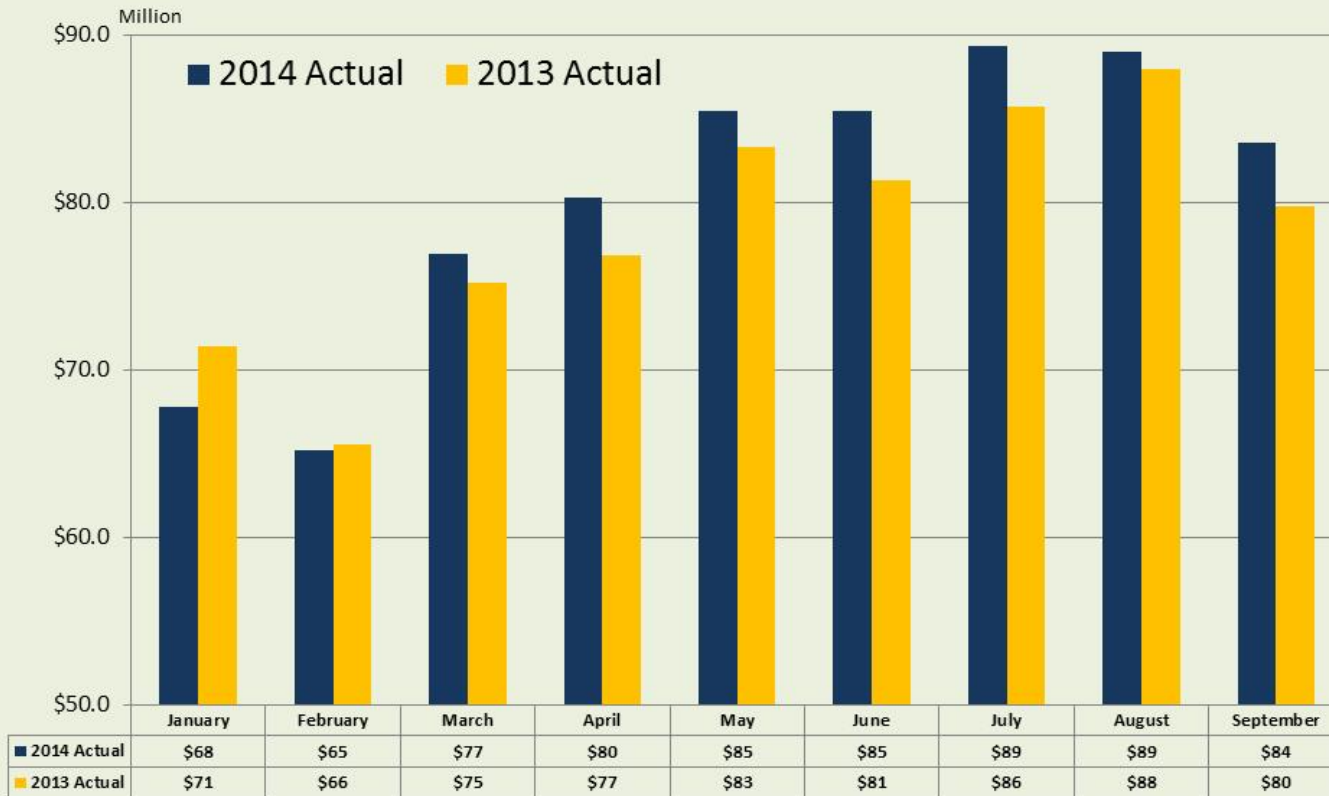
2014 vs. 2013 Year-to-Date Actual

(\$ thousands)

	YTD		Variance	
	2013	2014	\$	%
Toll Revenue and Evasion Recovery	\$747,333	\$762,724	\$15,391	2.1%
Concessions	1,737	1,602	(135)	-7.8%
Investment Income	719	660	(59)	-8.2%
Miscellaneous	2,912	8,103	5,191	178.3%
Total Revenue	\$752,701	\$773,089	\$20,389	2.7%

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

Monthly Toll Revenue – 2014 vs. 2013



Maintenance and Operations

2014 vs. 2013 Year-to-Date Actual

(\$ thousands)

	YTD		Variance	
	2013	2014	\$	%
Payroll and Related Costs	\$110,686	\$119,813	\$9,127	8.2%
Group Insurance	20,811	22,257	1,445	6.9%
Contractual Services	35,304	39,771	4,466	12.7%
Materials/Operational Supplies/Other Expenses	3,566	3,944	379	10.6%
Utilities	4,186	5,111	925	22.1%
All Other Insurance	10,069	8,124	(1,946)	-19.3%
Parts and Fuel	5,367	5,779	412	7.7%
Equipment/Office Rental and Maintenance	11,222	11,400	178	1.6%
Other Miscellaneous Expenses	631	503	(129)	-20.4%
Recovery of Expenses	(1,853)	(2,044)	(192)	-10.3%
Total Maintenance and Operations Expenditures	\$199,989	\$214,657	\$14,667	7.3%

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

Capital Program 2014 vs. 2013 Year-to-Date Actual

(\$ thousands)

	YTD		Variance	
	2013	2014	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$36,472	\$3,582	(\$32,890)	-90.2%
Reagan Memorial Tollway (I-88)	7,470	9,492	2,023	27.1%
Jane Addams Memorial Tollway (I-90)	210,704	455,502	244,798	116.2%
Veterans Memorial Tollway (I-355)	11,739	2,276	(9,464)	-80.6%
Open Road Tolling (ORT)	3,202	1,292	(1,910)	-59.6%
Systemwide Improvements	67,853	116,907	49,054	72.3%
Tri-State Tollway (I-294)/I-57 Interchange	31,718	34,870	3,152	9.9%
Elgin O'Hare Western Access	31,223	165,648	134,425	430.5%
Illinois Route 53/120/Other Planning Studies	143	1,119	976	N/A
Move Illinois & CRP Subtotal	\$400,524	\$790,688	\$390,164	97.4%
"Other" Capital Projects	26,374	38,493	12,120	46.0%
Capital Program Subtotal	\$426,897	\$829,181	\$402,284	94.2%
Intergovernmental Agreement Reimbursements and Other Adjustments	(\$9,827)	(12,766)	(\$2,939)	-29.9%
Total Capital Program Expenditures	\$417,070	\$816,415	\$399,345	95.8%

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

2014 Transactions - *Projection vs. Actual*

2014

Transactions (millions)

	Projections	Actual	Variance	Variance %
PASSENGER VEHICLES				
January	55.4	51.7	(3.7)	-6.6%
February	51.8	50.6	(1.2)	-2.4%
March	60.1	59.4	(0.7)	-1.2%
April	60.5	61.0	0.6	0.9%
May	64.9	65.4	0.5	0.8%
June	64.0	64.7	0.8	1.2%
July	66.6	67.5	0.8	1.3%
August	67.7	67.1	(0.6)	-0.8%
September	62.0	62.5	0.5	0.8%
	553.0	550.1	(3.0)	-0.5%
2014 ALL COMMERCIAL VEHICLES (TIER 2-4)				
January	7.5	7.4	(0.1)	-1.9%
February	7.0	7.1	0.1	0.8%
March	7.8	8.0	0.2	2.3%
April	8.2	8.4	0.3	3.2%
May	8.5	8.8	0.3	3.5%
June	8.5	8.8	0.3	3.7%
July	8.8	9.1	0.3	3.1%
August	8.7	8.9	0.2	2.1%
September	8.7	8.9	0.2	2.3%
	73.8	75.4	1.6	2.2%
2014 ALL VEHICLES				
January	62.9	59.1	(3.8)	-6.0%
February	58.8	57.7	(1.2)	-2.0%
March	67.9	67.4	(0.6)	-0.8%
April	68.7	69.5	0.8	1.2%
May	73.5	74.3	0.8	1.1%
June	72.4	73.5	1.1	1.5%
July	75.4	76.6	1.1	1.5%
August	76.4	76.1	(0.4)	-0.5%
September	70.7	71.4	0.7	1.0%
	626.8	625.4	(1.4)	-0.2%

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

2014 vs. 2013 Transactions

(millions)

	2014 Transactions	% Change 2014 to 2013	2014 Transactions	% Change 2014 to 2013
	PASSENGER VEHICLES (TIER 1)		LARGE COMMERCIAL VEHICLES (TIER 4)	
January	51.7	-5.2%	5.3	0.0%
February	50.6	0.6%	5.1	3.9%
March	59.4	2.0%	5.7	6.5%
April	61.0	3.8%	6.0	6.8%
May	65.4	2.8%	6.1	4.2%
June	64.7	4.0%	6.0	9.6%
July	67.5	3.5%	6.2	7.9%
August	67.1	0.5%	6.1	2.5%
September	62.5	3.2%	6.2	9.9%
	550.1	1.8%	52.7	5.7%
	ALL COMMERCIAL VEHICLES (TIER 2-4)		ALL VEHICLES	
January	7.4	1.2%	59.1	-4.5%
February	7.1	4.0%	57.7	1.0%
March	8.0	6.9%	67.4	2.5%
April	8.4	6.5%	69.5	4.1%
May	8.8	4.3%	74.3	2.9%
June	8.8	9.0%	73.5	4.5%
July	9.1	7.5%	76.6	4.0%
August	8.9	2.1%	76.1	0.7%
September	8.9	9.0%	71.4	3.9%
	75.4	5.7%	625.4	2.2%

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



THANK YOU



**Elgin O'Hare Western Access (EOWA) Project
Illinois Route 390 Tolling Plan**

November 20, 2014

EOWA Project Progress

- ▶ **Beam placement westbound I-290 to Illinois Route 390**



EOWA Project Progress

- ▶ Illinois Route 390 bridge over Mittel Boulevard



EOWA Project Progress

▶ Rohlwing Road Bridge over Illinois Route 390



EOWA Project Progress

► Elmhurst Road Interchange at I-90

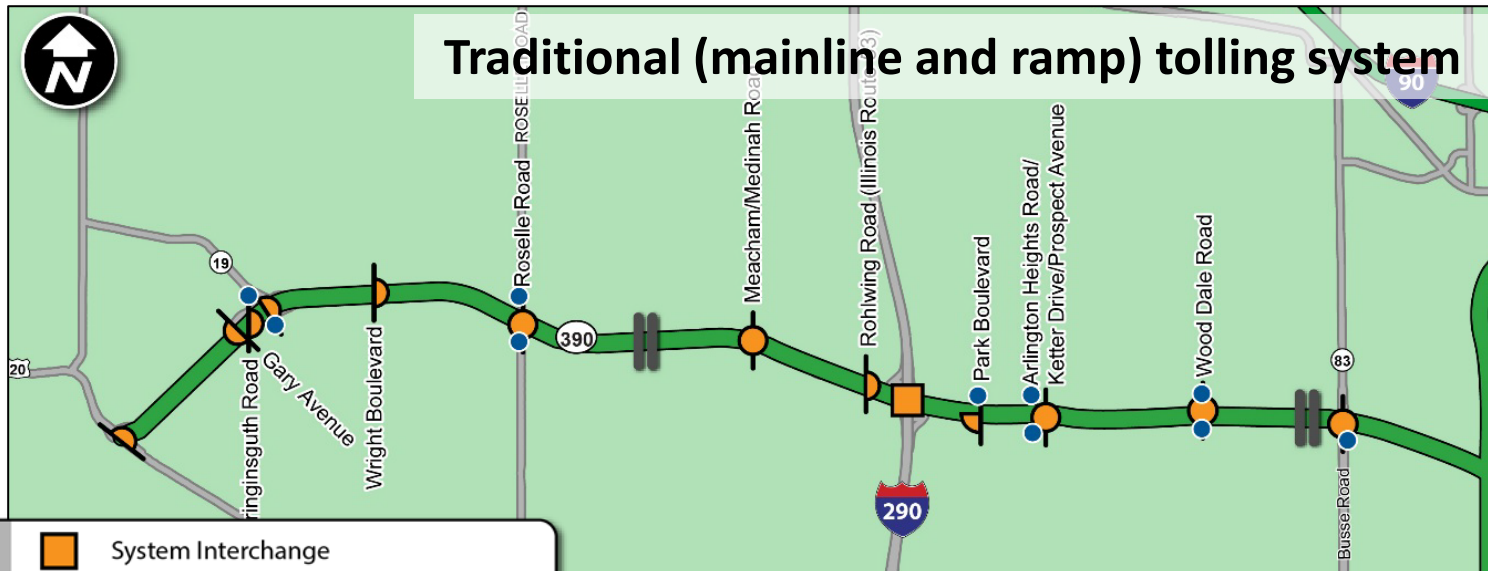


Elgin O'Hare Western Access Tolling

- ▶ **First all-electronic tolling (AET) roadways on the Tollway system**
- ▶ **Tolling along Illinois Route 390 expected to begin following construction of major roadway segments**
 - ▶ Illinois Route 390 from Lake Street (U.S. Route 20) to I-290 scheduled for completion end of 2015 – toll collection to begin in 2016
- ▶ **Details regarding tolling for the north-south corridor to be developed with future design**

Two Options for Tolling on Illinois Route 390

Traditional (mainline and ramp) tolling system



LEGEND

- System Interchange
- Full Interchange
- Partial Interchange
- Ramp All-Electronic Tolling Location
- Mainline All-Electronic Tolling Location

Mainline tolling system



Number of Entry and Exit Points is Unique



Illinois Route 390 Toll Rates and Locations



Benefits of Illinois Route 390 Tolling Plan

- ▶ **Broadly supported by local communities**
- ▶ **Tolls will be collected more frequently, but the amounts will be lower than at standard toll plazas along the Illinois Tollway**
- ▶ **Toll rates are approximately 20 cents per mile for passenger cars**
- ▶ **Greater number of mainline toll collection points located closer together will reduce the cost of shorter trips**
- ▶ **Rate paid for shorter trips will be as fair and equitable as the rate paid by a driver traveling the entire length of the corridor**
- ▶ **Local residents and others can continue using Illinois Route 390 for short trips, while gaining access to greater mobility throughout the region**

Elgin O'Hare Western Access and I-PASS

- ▶ **90 percent of drivers currently traveling in the Elgin O'Hare corridor have I-PASS**
- ▶ **Of those without I-PASS, nearly one quarter indicated that they would obtain one to use the new road once it opens**
- ▶ **For those who don't obtain I-PASS, the Tollway is exploring alternative payment methods:**
 - ▶ **Online and by mail post-payment**
 - ▶ **Online missed toll search**
 - ▶ **Potential temporary pass**



Next Steps

- ▶ **Continue Local Advisory Committee meetings and community outreach activities to keep the public informed**
- ▶ **Continue development of the north-south corridor tolling plan**
- ▶ **Continue to work to develop EOWA business rules that guide toll notification and violation structure**
- ▶ **Expect to present draft EOWA business rules to the Tollway Board in mid-2015**



THANK YOU



Appendix

Tolling Near the I-290 Interchange

- ▶ **Six (6) IDOT jurisdiction ramps in the I-290 interchange area**
 - ▶ Exit ramps from I-290 to Illinois Route 390
 - ▶ Exit ramps from I-290 to Rohlwing Road and Meacham Road/Medinah Road
 - ▶ Entrance ramp from Meacham Road/Medinah Road to I-290
 - ▶ Exit ramp from I-290 to Park Boulevard/Hamilton Lakes Drive
- ▶ **Traffic on IDOT jurisdiction roads will not be tolled**

