

**The Illinois State Toll Highway Authority
Minutes of the Finance-Administration Committee Meeting**

December 17, 2009

The Illinois State Toll Highway Authority held a Finance-Administration Committee Meeting on Thursday, December 17, 2009 at approximately 9:50 a.m. at the Central Administration Building in Downers Grove, Illinois. Those in attendance were as follows:

Chair Paula Wolff	Mr. Paul Kovacs
Director Tom Canham	Mr. Mike Colsch
Director Bill Morris - phone	Mr. Albert Murillo
Director George Pradel	Mr. Stan Ryniewski
Director Jim Roof	Mr. Jeff Redding
Director Maria Saldaña	Mr. Tom Bamonte
Director Carl Towns	Mr. Ed Vargas
Director Tom Weisner	Capt. Jesernik
Mr. Mike King	Ms. Trudy Steinhauser
Mr. Andrew Boron	

Chair Wolff stated that Director Weisner would serve as the Committee Chairman for today's meeting and she and Director Towns would also serve on today's committee.

Acting Committee Chairman Weisner called for a motion to approve the Minutes of the November 19, 2009 Finance-Administration Committee Meeting.

Director Pradel moved for approval; seconded by Director Towns.

Acting Committee Chairman Weisner called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Finance-Administration Committee Meeting
December 17, 2009

Acting Committee Chairman Weisner then called on the Chief of Finance. Mr. Mike Colsch briefed the Committee on the Employee Health Benefits Program.

In August the Tollway issued an RFP for administration of its self-insured PPO Health, Dental and Optical Program and procurement of an HMO Health Benefit Program. The proposals were received in October and were reviewed by an evaluation team. Seven proposals were received offering services for some or all of the components of the program. Four of the proposals offered stand-alone coverage for dental or pharmacy services while three provided broader claims administration for medical and dental.

The proposal from BlueCross/BlueShield was evaluated as the best proposal by the evaluation team and scored the highest for the medical PPO and dental programs and was the only program that included a fully insured HMO. BlueCross/BlueShield provides the broadest network of providers. It also will make payments to providers from its funds to be reimbursed by the Tollway within 60 days of receipt of the invoice.

Last month the Board asked several questions relating to the BlueCross/BlueShield program as well as employee participation. Staff was also asked to look at the State program and how that compares to the Tollway's program. Current costs for the State's self-insured program are higher than the Tollway's cost for its self-insured program, while the state HMO rates are very similar to the Tollway rates. The cost participation by State employees through premiums appears to average between 10% and 15% of the cost while Tollway employees are not assessed a monthly premium.

Finance-Administration Committee Meeting
December 17, 2009

The Departments of Finance and Administration recommended accepting the BlueCross/BlueShield proposal on the basis of the recommendation of the evaluation team and the assessment that it is the most economically beneficial to the Tollway.

Director Canham stated that during previous discussions with Mr. Colsch on this issue, it was mentioned that going forward, the Tollway would provide all the employees with at least HMO coverage but at some point have the employee pay a higher rate if they prefer PPO coverage. Director Canham would like to have further discussion on this.

Acting Committee Chairman Weisner called for a motion approving this item for the Consent Agenda. Director Pradel moved for approval; seconded by Director Towns.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Mr. Colsch then presented the 2010 Final Budget (copy attached). Some of the changes that have occurred since the tentative budget was passed are as follows:

Major increases in the Operating Budget include a \$2.1 million increase in budgeted retirement contribution costs. The State Employees’ Retirement System notified the Tollway that the current 23% rate of payroll was increasing to 29%.

Contractual Services represents an increase in transponder distribution costs which reflect the Tollway’s effort to start replacing older transponders for new ones. It also reflects an increase in

Finance-Administration Committee Meeting
December 17, 2009

collection activity; an increase in credit card fees; and a fiber optic maintenance contract which was restructured to have the Tollway pay the maintenance charges directly and then get reimbursed by the companies.

After the presentation, Director Morris discussed the Operating Sub-Account which is funded at \$17 million or approximately 7% of the operations. He wants to increase this amount to at least \$22 million and would like the Board to discuss this policy in the next few months.

Mr. Colsch said according to the Toll Highway Act, the maximum the Tollway can set aside is 30%. At one point \$25 million was in this account but when the State started the administrative charge, the funds were withdrawn from this account.

Director Morris also questioned why the Internal Audit function was under the Investigations Unit. Internal Audit is really for the Chair and the Board to monitor programs, not to look into bad or corrupt behavior. He would like to discuss whether Internal Audit should function separately and have the Board consider this for next year's budget.

Acting Committee Chairman Weisner called for a motion approving the 2010 Final Budget for the Consent Agenda. Director Towns moved for approval; seconded by Director Pradel.

Acting Committee Chairman Weisner called for a voice vote, and there being "Ayes" and no "Nays", declared the motion carried.

Acting Committee Chairman Weisner then called on the Chief of Procurement. Mr. Albert Murillo requested approval of the following:

Finance-Administration Committee Meeting
December 17, 2009

Award of Contract 09-0010 to Enterprise Oil Company and D-A Lubricant Company for Lubricants, Greases and Oils (Virgin), in the amount of \$100,000 and \$6,600, respectively, for a total amount of \$106,600.

Award of Contract 09-0180 to Glass Specialty Company, Incorporated, for Automotive Glass Repair, in the amount of \$40,000.

Acting Committee Chairman Weisner called for a motion approving said Awards for the Consent Agenda. Director Towns moved for approval; seconded by Director Pradel.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Mr. John Benda and Mr. Tom Deldin presented an overview of the Fleet Management Program (copy attached).

Mr. Albert Murillo requested approval of a Dollar Limit Increase on Contract 08-0058 to Prairie International Truck, Incorporated for Snow Plow Trucks, by \$1,769,050.45 from \$4,093,129 to \$5,862,179.45.

Director Morris had previously asked for discussion on Tollway vehicles and stated that he was still doing research and would like additional information. He wants to make sure the Board is made aware of personal vehicle usage and that it is not being abused.

Acting Committee Chairman Weisner called for a motion approving said increase for the Consent Agenda. Director Towns moved for approval; seconded by Director Pradel.

Finance-Administration Committee Meeting
December 17, 2009

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Mr. Murillo then requested approval of a Dollar Limit Increase on Contract 08-0126 to Westside Tractor Sales Company for End Loaders – Front Wheel, by \$238,188 from \$928,752 to \$1,166,940.

Acting Committee Chairman Weisner called for a motion approving said increase for the Consent Agenda. Director Towns moved for approval; seconded by Director Pradel.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Mr. Murillo then requested approval of the following:

Renewal of Contract 06-0218 to Badger Truck Center, Incorporated, for General Motors Parts, by \$82,000 from \$230,000 to \$312,000.

Renewal of Contract 07-0155 to Unisource Worldwide, Incorporated, for Virgin, Recycled bond and Copier Paper, by \$44,000 from \$120,000 to \$164,000.

Award of Contract 09-0162 to Thelen Sand and Gravel, Incorporated, for Winter Roadway Abrasives in the amount of \$158,210.

Renewal of Contract 08-0096 to Midco Electric Supply, Incorporated, for Electronic Parts, by \$32,000 from \$29,000 to \$61,000.

Finance-Administration Committee Meeting
December 17, 2009

Award of Contract 09-0079R to Minneapolis Asphalt Systems LLC, for Asphalt Cold Patch, in the amount of \$34,500.

Award of Contract 09-0080 to American Disposal Services of Illinois, Incorporated, for Landfill Services, in the amount of \$205,000.

Acting Committee Chairman Weisner called for a motion approving said items for the Consent Agenda. Director Towns moved for approval; seconded by Director Pradel.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Acting Committee Chairman Weisner then called on the Chief of Business Systems. Mr. Stan Ryniewski gave a brief presentation on the renewal of the Consolidated Customer Service Center contract to TransCore LP, copy attached.

After discussion, Director Morris, Chairman of the Customer Service Sub-Committee, stated that the Sub-Committee supports the renewal of this contract but hopes to have this whole Service Center process reviewed by April. The Sub-Committee would then be in the position to recommend to the Board whether to start a new bidding process or go to the fifth year of the extension on the current contract. Another option to be looked at is bringing the Service Center in-house.

Acting Committee Chairman Weisner called for a motion approving the Renewal of Contract 06-0164 to TransCore LP for the Consolidated Customer Service Center for the period of January 1, 2010 through December 31, 2010, in the amount of \$15,000,000.

Finance-Administration Committee Meeting
December 17, 2009

Director Pradel moved for approval; seconded by Director Towns.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Acting Committee Chairman Weisner then called on the General Counsel. Mr. Tom Bamonte requested approval of the following:

Addendum to an Intergovernmental Agreement with the Illinois Department of Transportation and the Village of Bannockburn.

Intergovernmental Agreement with the Cook County Assessor’s Office.

Addendum to an Intergovernmental Agreement with the City of Lake Forest.

Addendum to an Intergovernmental Agreement with the Illinois Department of Transportation.

Amendment of Resolution No. 18852 to include the Village of North Aurora.

Acting Committee Chairman Weisner called for a motion approving said items for the Consent Agenda. Director Pradel moved for approval; seconded by Director Towns.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Finance-Administration Committee Meeting
December 17, 2009

Mr. Bamonte then requested approval of a Toll Violation Settlement with YRC Inc.

Acting Committee Chairman Weisner called for a motion approving said settlement for the Consent Agenda. Director Towns moved for approval; seconded by Director Pradel.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Mr. Bamonte then requested approval of an Amendment to Resolution No. 17882 increasing the upper limit of compensation to the law firm Laner, Muchin, Dombrow, Becker, Levin & Tominberg, Ltd., by \$115,000 from \$110,000 to \$225,000.

Acting Committee Chairman Weisner called for a motion approving said Amendment for the Consent Agenda. Director Pradel moved for approval; seconded by Director Towns.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Acting Committee Chairman Weisner then called on Captain Jesernik to present his agenda.

Captain Jesernik requested approval of the Purchase of Four Live Scan Machines and associated equipment in the amount of \$91,188.25.

Acting Committee Chairman Weisner called for a motion approving said purchase for the Consent Agenda. Director Pradel moved for approval; seconded by Director Towns.

Finance-Administration Committee Meeting
December 17, 2009

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

There being no further business, Acting Committee Chairman Weisner called for a motion to adjourn. Director Pradel moved to adjourn; seconded by Director Towns.

Acting Committee Chairman Weisner called for a voice vote, and there being “Ayes” and no “Nays”, declared the motion carried.

Meeting adjourned at approximately 11:10 a.m.

Minutes taken by: _____
Trudy Steinhauser