

## **Illinois State Toll Highway Authority Minutes of the Finance-Administration Committee Meeting December 16, 2010**

The Illinois State Toll Highway Authority held a Finance-Administration Committee Meeting on Thursday, December 16, 2010 at approximately 8:30 a.m. at the Central Administration Building in Downers Grove, Illinois. Directors on the Committee in attendance were as follows:

Committee Chairman James Banks  
Director Bill Morris  
Director Tom Weisner

Committee Chairman Banks called the meeting to order. Director Morris moved to approve the Minutes of the Finance-Administration Committee meeting held on November 18, 2010; seconded by Director Weisner. The motion was approved unanimously.

Committee Chairman Banks called upon Joe Kambich, Chief of Information Technology. Mr. Kambich requested approval of the following for the Consent Agenda:

Commercial Tower Co-Location Agreement with Business Only Broadband (BOB) at PL 36. Monthly Revenue \$1441.00.

Commercial Tower Co-Location Agreement with Paetec at PL 25. Monthly Revenue \$442.00.

Director Weisner asked if the Tollway reserves space on towers specifically for its own use. Mr. Kambich answered that the Tollway would never lease space that would impact the Tollway negatively.

Executive Director Lafleur noted that staff is looking at preparing the same types of parameters instituted for permits as for Co-Location agreements.

Director Morris moved to approve said Agreements; seconded by Director Weisner. The motion was approved unanimously.

Executive Director Lafleur told the Committee that there were recent changes in the federal law governing healthcare that ultimately will have an impact on the Tollway. The Tollway is required to allow parents to keep dependents under the age of 26 on their insurance plan. **Staff is preparing a presentation for the February Board meeting on the impact of those changes on the Tollway healthcare plan.**

Committee Chairman Banks called upon Mike Colsch, Chief of Finance. Mr. Colsch requested approval of the following for the Consent Agenda:

Approval of the Employee Health Benefit Programs with Blue Cross and Blue Shield of Illinois for the 2010-2011 plan year.

Director Morris noted that in the future having employees pick up part of the cost of health insurance needs to be seriously considered.

Director Saldaña asked if Tollway employees pay a share of their healthcare premium. Mr. Colsch answered that no, they pay only deductibles and co-pays. Executive Director Lafleur noted that many public agencies are now asking employees to share a portion of the healthcare cost, and that there are different opportunities for cost savings.

Director Weisner moved to approve said Program; seconded by Director Morris. The motion was approved unanimously.

Mr. Colsch then requested approval of the following:

Amend Resolution No. 18976 reauthorizing the Refunding of the Synthetic Fixed Rate Bonds and the designation of the Underwriting

Group, which current resolution expires on December 31, 2010.

Director Morris told the Committee that Fitch had recently issued a report indicating that liquidity issues would be a continuing problem, and that prudent action is needed to fix the interest rate on these types of bonds. He suggested revaluating the target interest rate used by the Tollway in the financing of its capital program.

Director Morris moved to approve said amendment; seconded by Director Weisner. The motion was approved unanimously.

Executive Director Lafleur introduced the 2011 budget presentation, noting that it was very similar to the tentative budget approved by the Board in October. This budget prioritizes customer and frontline service, while reducing operating expenses by 3.9 percent, eliminating 106 vacant positions, and reducing contractual services by 10 percent.

Mr. Colsch gave a presentation on the 2011 budget. He began with budget highlights: modest revenue growth, reductions in both the Maintenance and Operations and Capital program areas. The budget priorities remain public safety, customer service, accountability, and green initiatives. The budget prioritizes expenses in this order: maintenance and operations, debt service, renewal and replacement accounts (used to fund capital items).

**Director Morris requested that in the future, staff pick a payroll date and illustrate the actual staff headcount on that date from year to year.** Director Morris then complimented the staff on their work on the 2011 budget.

Director Morris moved to approve said Budget; seconded by Director Weisner. The motion was approved unanimously.

Director Weisner complimented Chair Wolff and Executive Director

Lafleur on their progress towards transparency and accountability.

Committee Chairman Banks called upon Scott Sims, Acting Chief of Procurement. Mr. Sims requested approval of the following for the Consent Agenda:

Award of Contract No. 10-0168 to Westside Tractor Sales Company for John Deere Parts, in an amount not to exceed \$42,500.00 (CMS Master Contract).

Renewal to Contract No. 09-0010 to Enterprise Oil Company and D-A Lubricant Company for Lubricants, Greases and Oils (Virgin), increasing the contract upper limit by \$139,500.00, from \$140,100.00 to \$279,600.00 (CMS Master Contract).

Award of Contract No. 10-0169 to Kent Manufacturing Company for Reclosable Fasteners, in an amount not to exceed \$143,000.00 (CMS Contract for the Tollway).

Director Weisner moved to approve said Awards; seconded by Director Morris. The motion was approved unanimously.

**Director Morris asked that in the future staff add footnotes to item summary sheets analyzing bid outliers.**

Mr. Sims then requested approval of the following:

Renewal to Contract No. 09-0048 to Pollution Control Industries, Incorporated for Hazardous Waste Removal Services, increasing the contract upper limit by \$50,000.00, from \$50,000.00 to \$100,000.00 (Tollway IFB).

**Director Morris asked that staff add more information and explanation to the item summary sheets.** Executive Director Lafleur

responded that staff will do a better job of clarity going forward.

Director Morris moved to approve said Renewal; seconded by Director Weisner. The motion was approved unanimously.

Mr. Sims introduced Chief of Communications, Wendy Abrams, to give a presentation on the Traffic Incident Management System (TIMS) partnership agreement for in-kind marketing. Ms. Abrams provided an update on the results of the RFP to provide in-kind advertising and promotional support in exchange for access to the Tollway's camera system. This partnership allows the Tollway to build awareness of key messages while providing information to media outlets to help educate customers about roadways, I-PASS accounts, weather conditions, etc. The partnership also helps promote new initiatives, like the transponder replacement program. In addition to NBC5 Chicago, the Tollway will also work with Fox Chicago. These partnerships will provide the Tollway with a promotional and advertising package worth an estimated \$4.2 million.

Director Saldaña asked where the ads currently run, and what the content is. Ms. Abrams answered that currently ads featuring information on H.E.L.P. trucks are running on NBC. Director Saldaña asked who creates the ads. Ms. Abrams answered that they are written and produced in-house by the Communications Department's own video team.

Director Saldaña asked if the Tollway had ever tried to partner with an organization like Google, for Google Maps. Executive Director Lafleur responded that yes, such partnerships have been discussed. Director Weisner added that he appreciated the work the staff has done in leveraging existing assets.

Mr. Sims then requested approval of the following:

Award of Contract No. 10-0140 to WMAQ/NBC5 and WFLD/FOX Chicago for TIMS Partnership Agreement – In-Kind Marketing (Tollway RFP).

Director Pradel moved to approve said Award; seconded by Director Morris. The motion was approved unanimously.

Mr. Sims then requested approval of the following:

Award of Contract No. 10-0172 to CGN & Associates for Electronic Tolling Technology Audit, in an amount not to exceed \$314,240.00 (Tollway RFP).

Executive Director Lafleur noted that one of the recommendations of the Customer Service Working Group was the need for this audit.

Director Morris asked why the lowest bidder was not awarded the contract. Mr. Sims responded that this procurement approach was not for the lowest bid but rather was a request for proposals. The proposals were evaluated on a 175 point scale using both technical and financial criteria. Under an RFP, the contract is awarded to the bidder with the greatest number of points scored rather than the lowest bid.

Director Morris moved to approve said Award; seconded by Director Weisner. The motion was approved unanimously.

Director Morris noted that this audit was critical to make sure the system is functioning in such a way that if there are errors they are caught before sending out public notices.

Committee Chairman Banks called upon Stan Ryniewski, Chief of Business Systems. Mr. Ryniewski requested approval of the following for the Consent Agenda:

Award of Contract No. 10-0063 to SEPS, Inc. for replacement of multiple Uninterruptable Power Source (UPS) units in the amount of \$607,271.00.

Director Saldaña asked why minority participation was marked as “not applicable” on the item summary sheet for this contract. Mr. Sims answered that the dollar value of the contract does not qualify for Small Business or BEP goals. Executive Director Lafleur responded that with this contract, the decision was made to train Tollway employees to do the maintenance for the UPS units in-house; therefore, there is not a lot of room for ongoing maintenance or something similar that would provide for significant subcontractor participation.

Chair Wolff asked Mr. Ryniewski to explain the alternate bid process. Mr. Ryniewski explained that the alternate bids are comparable to Tollway specifications but are more energy-efficient units. Executive Director Lafleur added that vendors have the opportunity to bid to the specification, but they may submit more than one bid if they feel that there is a piece of equipment that meets the Tollway’s specifications but also has additional value.

Director Pradel moved to approve said Award; seconded by Director Morris. The motion was approved unanimously.

Executive Director Lafleur gave a brief overview of the upcoming partnership with Argonne National Laboratory. She noted that the two projects that the Tollway and Argonne would be partnering on related to fleet management as well as energy generation through solar panels. She introduced Angela LaPorte, Senior Environmental Planner, to give a presentation on the upcoming partnership.

Ms. LaPorte gave an overview of the projects Argonne will be collaborating on with the Tollway. The Tollway will assist with Argonne’s Midwest Photovoltaic Analysis Facility Initiative designed to

study multiple solar panel technologies. Argonne will be charged with evaluating how solar technologies perform under conditions specific to the Midwest region. Currently, this data is lacking. Tollway properties are being evaluated as potential test sites for this initiative. This will lay the foundation for further solar research.

Director Morris noted that the Illinois community college system is developing a green technology curriculum, and suggested that it be allowed to sit in on some of these meetings to give them the benefit of this research.

Ms. LaPorte told the Board that the second piece of the partnership is a fleet component. The Tollway and Argonne will be developing ways to reduce fuel consumption and vehicle idling, as well as studying vehicle aerodynamics for select vehicles and/or equipment within the Tollway's fleet.

Director Morris noted that he was disappointed that wind power was not being studied, and hoped that at some point it should be looked at as well.

Mr. Bamonte requested approval of the following for the Consent Agenda:

An Intergovernmental Agreement with the Argonne National Laboratory. Cost to the Tollway: \$250,000.

Chair Wolff disclosed that she is on the Board of the University of Chicago, which holds a contract with the Department of Energy to manage Argonne Laboratory. She noted that she had no monetary benefit from this agreement, but would recuse herself from the vote on the item.

Director Saldaña asked if Argonne had already done any work on fleet



evaluation. Executive Director Lafleur answered that one of Argonne's major research concentrations involved vehicles, and that the project with the Tollway would not be something new for them.

Director Morris asked if, down the road, Argonne were to begin selling some of this technology, would the Tollway receive any residual benefits. Tom Bamonte, General Counsel, answered that the Tollway is currently finalizing this issue in discussions.

Director Morris moved to approve said Agreement; seconded by Director Pradel. The motion was approved unanimously.

Mr. Bamonte then requested approval of the following:

An Intergovernmental Agreement with the Village of Oak Brook providing for the transmittal of an excess parcel to the Village of Oak Brook so the Village can construct a new connector road. Cost to the Tollway: \$0. Tollway to receive \$15,000.

Director Morris moved to approve said Agreement; seconded by Director Pradel. The motion was approved unanimously.

Mr. Bamonte then requested approval of the following:

Recovery of property damage from Kennedy Transportation. Cost to the Tollway: \$0. Tollway to receive \$75,000.

Director Morris moved to approve said settlement; seconded by Director Pradel. The motion was approved unanimously.

Mr. Bamonte then requested approval of the following:

Adoption of Violation Enforcement System (VES) Payment and Settlement Guidelines.

Mr. Bamonte noted that the guidelines set out the standard terms by which customers can resolve their toll violations. They also set up a settlement approval process and authority levels for toll violations that fall outside standard guidelines. Executive Director Lafleur noted that staff will be reducing this to an understandable description and posting it publicly for customers to see. Mr. Bamonte added that the guidelines also outline the process for writing off uncollectable accounts, and authorize Tollway business people to accept money in anticipation of settlement approvals.

Director Pradel moved to approve said Guidelines; seconded by Director Morris. The motion was approved unanimously.

**Director Morris asked for a presentation on the VES payment and settlement guidelines at the January Board meeting.** He added that he is not prepared to vote on these guidelines at the present moment without more information.

Chair Wolff noted that because the guidelines resulted from an audit finding and it is almost a new audit year, it would be better to have said policy on the books.

Director Morris suggested that this resolution be amended so that the policy adopted by the resolution expire by May 1, 2011.

Director Pradel moved to approve said Guidelines as amended; seconded by Director Morris. The motion was approved unanimously.

Mr. Bamonte then requested approval of the following:

Extension of Contract for Legal Counsel on Workers' Compensation issues. Cost to Tollway – \$115 per hour for Ganan & Shapiro, and \$120 per hour for Nyhan, Pfister Bambrick Kinzie & Lowry. The budgetary

impact will depend on the need for such services.

Director Pradel moved to approve said Extension; seconded by Director Morris. The motion was approved unanimously.

Mr. Bamonte then requested approval of the following:

Authorization for the execution of a settlement agreement with Frank Gonzalez. The cost to the Tollway is \$40,000.

Director Morris moved to approve said Extension; seconded by Director Weisner. The motion was approved unanimously.

There being no further business, Director Morris moved to adjourn; seconded by Director Weisner. The motion was approved unanimously. Meeting adjourned at approximately 10:10 a.m.

Minutes taken by:

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Jackie Diaz