



Record of Meeting | January 21, 2026

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance & Audit Committee meeting on Wednesday, January 21, 2026, in the Boardroom of Tollway headquarters in Downers Grove, Illinois. The meeting was held pursuant to the By-Laws of the Tollway upon call and notice of the meeting executed by Chairman Arnaldo Rivera and posted in accordance with the requirements of the Open Meetings Act, 5 ILCS 120/1, *et seq.*

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

Call to Order / Roll Call

Chairman Rivera called the meeting to order at approximately 9:10 a.m. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Director James Connolly
Director Jacqueline Gomez
Director Scott Paddock
Chairman Arnie Rivera

Other Directors in Attendance:
Director Melissa Neddermeyer
Director James Sweeney
Director Mark Wright

Committee Members Not Present:
Director Manish Mehta

The Board Secretary declared a quorum present.

Public Comment

Chairman Rivera opened the floor for public comment. No public comment was offered.

Committee Chair’s Items

Chairman Rivera entertained a motion to approve **Committee Chair’s Item 1**, the minutes of the regular Finance & Audit Committee meeting held on December 18, 2025. Director Paddock made a motion to approve the minutes, seconded by Director Gomez. The motion PASSED unanimously by voice vote.



Having no further items, Chairman Rivera called on Executive Director Cassandra Rouse.

Executive Director

Executive Director Rouse introduced Chief Financial Officer Cathy Williams and Debt Manager Michael McIntyre to present an overview of the Tollway's Investment Policy and Debt Management Guidelines. [See attached presentation.](#)

Executive Director Rouse introduced Sr. Manager of Insurance Risk & Loss Control Paula Blonski to present an overview of the agency's Risk Management Program. [See attached presentation.](#)

After Committee discussion, Chairman Rivera thanked staff for their presentations.

Adjournment

There being no further Committee business, Chairman Rivera entertained a motion to adjourn. Director Paddock made a motion to adjourn, seconded by Director Gomez. The motion PASSED unanimously by voice vote.

The meeting was adjourned at approximately 9:44 a.m.

Minutes taken by: _____



Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



Investment Policy and Debt Management Guidelines

Cathy Williams
Chief Financial Officer
January 21, 2026

Investment Policy Review

Investment Policy - Purpose & Applicable Statutes/Documents

Purpose

- Document the statutes, policies and other documents governing investment of funds by the State Treasurer and the Illinois Tollway, and the parameters and objectives within which fund investments are made and managed

Applicable Statutes and other governing documents

- The Toll Highway Act (605 ILCS 10/)
- Deposit of State Moneys Act (15 ILCS 520/)
- Public Funds Investment Act (30 ILCS 235/)
- Trust Indenture between the Illinois Tollway and the Bond Trustee, under which all Illinois Tollway bonds have been issued
- Office of the State Treasurer investment policies
- Illinois Tollway investment policy

Investment Policy – Objectives & Authorized Investment Officers

Objectives

- Primary: Preservation of principal
- Secondary: Sufficient liquidity to meet operating and capital needs
- Secondary: Return on investments

Authorized investment officers

- Executive Director
- Chief Financial Officer
- Deputy Chief of Finance
- Controller

Investment Policy – Investments by Treasurer and ISTHA

- Illinois Tollway funds in the custody or control of the Office of the State Treasurer (“Treasurer”) are invested per the requirements of the Trust Indenture, the Deposit of State Moneys Act, the applicable Treasurer Investment Policy and Illinois Tollway Investment Policy. The Treasurer and the Tollway coordinate to ensure that such investments mature before Illinois Tollway’s anticipated need of funds
- Any investments of Illinois Tollway funds not in the custody or control of the Treasurer, i.e., funds held in certain locally held revolving accounts, are invested per the requirements of the Trust Indenture, the Public Funds Investment Act, and Illinois Tollway Investment Policy

Investment Policy – Allowable Investments

The following investments comport with the requirements of the Trust Indenture, the Deposit of State Moneys Act, the Public Funds Investment Act and the applicable Investment Policy of the State Treasurer:

- Federal Securities¹
- U.S. Agency Securities¹
- Money Market Funds² consisting of Federal Securities or U.S. Agencies
- Certificates of Deposit or Time Deposits
- Repurchase agreements³
- Treasurer’s Local Government Investment Pool⁴

¹Includes obligations unconditionally guaranteed by the U.S.; obligations secured by an irrevocable pledge of money or obligation unconditionally guaranteed by the U.S.; certificates of ownership or direct obligations of, or obligations unconditionally guaranteed by, the U.S. which are held in trust by a commercial bank; and interest obligations of the Resolution Funding Corporation, including interest obligations stripped by the Federal Reserve Bank of New York.

²Money Market Mutual Fund portfolios limited by Trust Indenture to investment in Federal Securities or U.S. Agency Securities.

³With respect to the Debt Service Account, Debt Reserve Account and Construction Fund: Repurchase Agreement investments must be continuously secured by Federal Securities and shall have a market value at all times at least equal to the amortized value of such repurchase agreements.

⁴Deposits from I-PASS customers; such funds not held under provisions of the Trust Indenture. The Treasurer’s “Illinois Funds” is rated AAAM by S&P.

Investment Policy – Investment Alternatives

Process to add other investment options

- Amendment of applicable statutes by General Assembly and Governor
- Amendment of investment policy or policies
- Amendment of Trust Indenture by holders of a majority of bond par amount outstanding
 - Trust Indenture amendments for bonds as widely held as the Tollway's typically accomplished by obtaining consents over time (3-5 years) as bonds mature, are refunded, and new bonds are issued
 - Timeframe dependent on amount of new money and refunding bond issuance

Investment Policy reviewed periodically

- Last amended in 2014

Investment Balances – Previous 7 Quarters (\$000s)

	9/30/2025	6/30/2025	3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Unrestricted Cash and Investment Balances	\$814,060	\$874,243	\$927,055	\$975,786	\$1,001,080	\$1,033,978	\$1,103,552
Restricted Cash and Investment Balances							
<i>Funds held by Trustee</i>							
For Debt Service & Other Bond-related Costs	229,511	\$252,097	138,157	233,932	123,330	247,672	126,537
For Debt Reserve	500,355	490,884	490,805	496,089	497,108	489,108	488,848
For Capital Project Costs	-	-	-	-	-	-	-
<i>Other Restricted Funds</i>							
For I-Pass Deposit Accounts	209,072	218,780	226,706	233,433	251,487	267,402	258,825
Total Restricted Cash and Investment Balances	938,937	961,761	855,667	963,453	871,925	1,004,182	874,211
Total Unrestricted and Restricted	\$1,752,997	\$1,836,004	\$1,782,723	\$1,939,239	\$1,873,005	\$2,038,159	\$1,977,763
Weighted Avg Inv Yield at Quarter-End	4.01%	4.06%	4.09%	4.15%	4.51%	4.65%	4.66%

Debt Management Guidelines

Debt Management Guidelines

1. Allowable uses of debt

- Finance capital expenditures
- Refinance prior debt

2. Board approval required

3. Tollway manages debt process; engages Financial Advisor for assistance

- Financial Advisors required to be registered with the SEC and MSRB as Municipal Advisor under the Municipal Advisor Rule from the Dodd-Frank Act

4. Bond sale process

- Option expected to deliver the best results (lowest cost)
- Negotiated sale: Underwriters selected pursuant to competitive procurement process; financial advisors, Tollway and underwriters work to structure the bonds to achieve broadest distribution to achieve low cost of capital
- Competitive sale: Broker-dealer with best bid (lowest interest cost) is awarded the bonds

5. Firm cannot serve as both Underwriter and Financial Advisor

6. Attorney General provides or appoints counsel for debt issuance

7. Strive to increase participation of diverse firms

Debt Management Guidelines (continued)

8. **Debt duration not to exceed 120 percent of the life of the assets financed**
9. **Continue to target Debt Service Coverage of 2X**
10. **Long-term cashflow projection provided to Board at least once annually; last presented via the Series 2025A bond Official Statement**
11. **Maintain highest possible ratings. S&P and Fitch currently rate Tollway bonds at AA- and Moody's at the equivalent Aa3; rating agencies require annual updates for years that do not include new bond issuance rated by the agencies**
12. **Comply with continuing disclosure requirements**
13. **Allowed to repurchase Tollway bonds in the secondary market**
14. **Comply with arbitrage rebate regulations**
15. **Adhere to Post-Issuance Compliance Procedures**
16. **Comply with Interest Rate Risk Management Guidelines contained within Debt Management Guidelines**

Debt Management Guidelines – Interest Rate Risk Management

- 1. Board Approval Required for Variable Rate Debt**
- 2. Purpose: Manage risks related to swaps and/or variable rate bonds and related liquidity agreements**
- 3. Assist in assessing risks compared to structure/cost of capital**
- 4. Assessment of Risk**
 - Liquidity reliance
 - Interest rate
 - Counterparty
 - Termination
- 5. Term of Risk Management Agreement may not exceed term of Debt**
- 6. Target Maximum Variable Rate Exposure**
 - Hedged + unhedged variable rate debt not to exceed 25 percent of outstanding debt
 - Unhedged variable rate debt not to exceed 15 percent of outstanding debt
- 7. Assessment of Liquidity Facilities**
 - Cost
 - Ratings
 - Counterparty Diversification
 - Term



THANK YOU



The background of the slide features a close-up, slightly blurred view of a desk. A black pen lies horizontally across the middle. In the foreground, a pair of black-rimmed glasses is visible. The surface appears to be a document or a desk with a grid pattern. The overall color palette is dominated by blues and greys, with a dark green border at the top and bottom.

ILLINOIS TOLLWAY

Risk Management Program

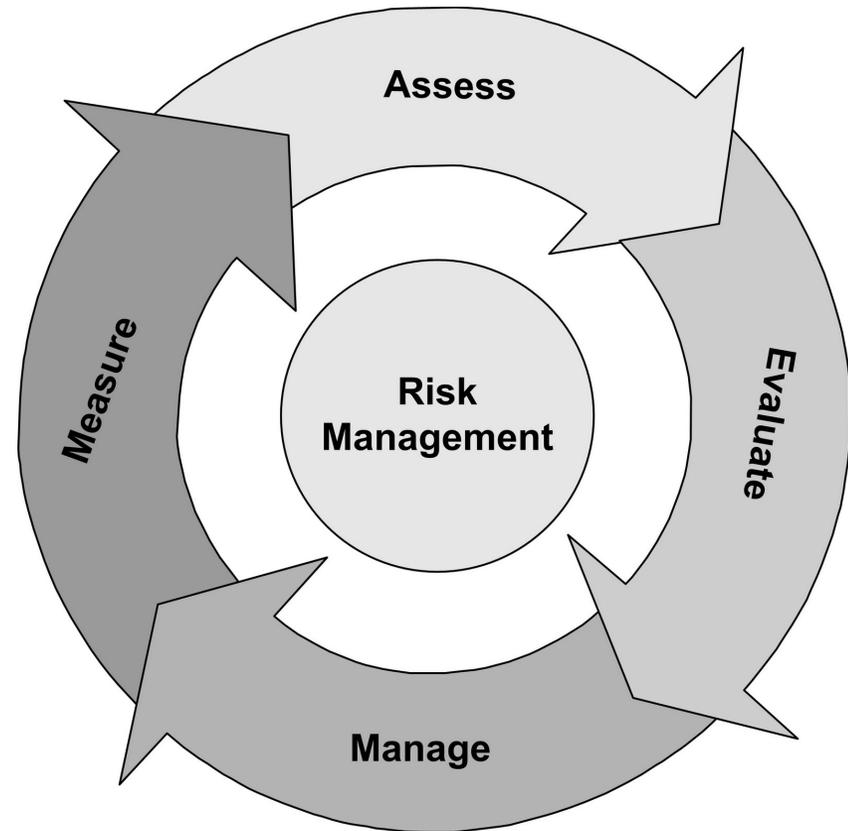
January 2026



RISK MANAGEMENT PHILOSOPHY

The Tollway's Risk Management Program seeks to identify, assess and manage risks within Tollway's risk appetite framework and in accordance with the applicable statutes

- The goal is to reduce the uncertainty associated with the execution of the Tollway's vision to relieve congestion and improve mobility, focus on our customers and strengthen cultural and environmental vitality, all within a fiscally responsible manner



APPLICABLE STATUTES

605 ILCS Act 10 Tollway Highway Act

- Allows the Tollway to be subject to civil action to recover damages for injury to person or property without any form of tort immunity, unlike the state and most public bodies

Trust Indenture Section 715 Maintenance of Insurance

- The Tollway shall at all times maintain, to the extent reasonably obtainable, the following kinds and the following amounts of insurance, such variations shall be reasonably required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductible as are ordinarily required
- Certificates by the Consulting Engineer made pursuant to this section shall be in writing and filed with the Tollway and trustees annually within 30 days of the close of each fiscal year

ILLINOIS TOLLWAY STATISTICS

Property

- 294 miles
- 691 bridges
- 200 total facilities
- 605 vehicles

Customers

- 5.5 million I-PASS accounts
- 4.8 million Pay By Plate accounts
- 2.8 million daily toll transactions

Move Illinois Program (2012-2025)

- 929 construction and professional services contracts



ILLINOIS TOLLWAY STATISTICS

Information technology

- 91 toll plazas, 12 maintenance sites and two offices
- 1,500 physical and virtual servers
- More than 1,500 network devices
- 6,800+ user accounts

Employees

- 2026 budgeted headcount: 1,356
- 712 HMO/484 PPO
- Average 127 workers' compensation claims per year



RISKS AND VULNERABILITIES

Liability risks (property and commercial)

- All bridges, buildings and facilities as well as loss of toll revenues due to damage for the Tollway assets
- Injuries to persons and properties
- Contractor liability/claims

Cyber risks

- Data losses caused by cyberattacks, viruses and other threats
- Lawsuits against the agency that result from data breaches or the failure to protect sensitive information



Solutions

- Insurance
- Safety
- Risk transfer guidelines

RISKS AND VULNERABILITIES

Workers' compensation

- Claims/reserves

Employee benefits

- Medical/dental/vision claims
- Self-funded

Solutions

- Safety
- Wellness



ILLINOIS TOLLWAY INSURANCE PROGRAMS

- **Cyber liability**
- **Property insurance**
- **General liability**
- **Contractor insurance-transfer**
- **Rolling Owner-Controlled Insurance Program and I-490 Tollway Project Owner-Controlled Insurance Program**
- **Equipment breakdown**
- **Employee benefits**
- **Public officials and employment practices liability (director's insurance)**
- **Workers' compensation**

CYBER LIABILITY

Cyber liability protects the agency against data losses caused by cyberattacks, viruses and other threats

- It also covers lawsuits against the agency that result from data breaches or the failure to protect sensitive information that belongs to our customers

Threats

- Network security, employee sensitive information, cyber extortion

Note

- Customer information tokenized in 2015

COVERAGE AND CLAIMS FOR OTHERS

Insurance company – Travelers Casualty and Surety Company of America

Policy Period: January 1, 2026-2027

Premium: \$270,895.00

- Policy aggregate limit of liability: \$10,000,000
- Business interruption: \$10,000,000
- Regulatory defense: \$10,000,000
- Cyber extortion: \$10,000,000

CYBER CRIME

Funds transfer fraud

- Coverage for loss of money or securities due to fraudulent transfer instructions to a financial institution

Social engineering fraud

- Coverage for loss of money or securities due to a person impersonating another and fraudulently providing instructions to transfer funds

Telecom fraud

- Coverage for amounts charged by a telephone service provider resulting from an unauthorized person accessing or using an insured's telephone system

BUSINESS LOSS

Business interruption

- Coverage for loss of income and expenses to restore operations as a result of a computer system disruption caused by a virus or computer attack, including the voluntary shutdown of systems to minimize the business impact of the event

Dependent business interruption

- Multiple coverage options for loss of income and expenses to restore operations as a result of an interruption to the computer system of a third party that the insured relies on to run their business; it must be a third party under a written agreement

System failure

- Coverage for loss of income and expenses to restore operations as a result of an accidental, unintentional and unplanned interruption of an insured's computer system

Reputational harm

- Coverage for lost business income that occurs as a result of damage to a business' reputation when an actual or potential cyber event becomes public

PROPERTY INSURANCE

The agency property insurance protection includes blanket insurance coverage (all bridges, buildings and facilities, as well as loss of toll revenues due to damage) for the Tollway assets and separate coverage for the central administration facility, its contents and related EDP equipment as insured through an office building insurance policy

- The agency's engineering consultants annually certify that the insurance proposals received are in accordance with the requirements of the indenture



PROPERTY INSURANCE COVERAGE

Insurance companies – RSUI, Westchester and Chubb

Policy period: April 1, 2025-2026

Premium: \$2,566,970.00

- \$200,000,000 loss limit (subject to \$1,000,000 deductible per loss)
- Earthquake coverage limit is \$100,000,000
- Flood coverage limit is \$50,000,000
- Coverage for Central Administration facility coverage insures to the replacement cost of the building, as well as coverage for the EDP equipment

COMMERCIAL LIABILITY

Section 715 of the Master Trust Indenture requires the Tollway to maintain, to the extent reasonable obtainable, public liability insurance covering injuries to persons and properties. The Tollway's engineering consultants annually certify that the insurance proposals received are in accordance with the requirements of the indenture.

COMMERCIAL LIABILITY COVERAGE

Insurance company – Lexington Insurance Company – first layer (\$5,000,000)

Policy period: June 1, 2025-2026

Premium: \$5,439,962.00

Excess layers total \$145,000,000 in aggregate

COMMERCIAL LIABILITY EXCESS LAYER COVERAGE

1st layer- \$5,000,000

- Lexington Insurance Co.

2nd layer - \$5,000,000 xs \$5,000,000

- Gemini Insurance Company.

3rd layer - \$5,000,000 xs \$10,000,000

- Palomar Excess

4th layer - \$5,000,000 xs \$15,000,000

- Accredited Specialty

5th layer - \$10,000,000 xs \$20,000,000

- Allied World Assurance

6th layer -\$5,000,000 xs \$30,000,000

- Homesite Ins. Co

7th layer- \$10,000,000 xs \$35,000,000

- Endurance American

8th layer - \$5,000,000 xs \$45,000,000

- Upland

9th layer - \$10,000,000 xs \$50,000,000

- Aspen

10th layer - \$15,000,000 xs \$60,000,000

- Westchester

11th layer - \$70,000,000 xs \$75,000,000 Quota Share

- Great American Insurance Co. -\$10,000,000
- Axis Surplus Insurance Co. - \$7,500,000
- RSUI Indemnity Co. - \$10,000,000
- Berkley National Insurance Co. -\$15,000,000
- Arch Insurance Co. - \$7,500,000
- Starstone Specialty \$5,000,000
- Vantage Risk \$5,000,000
- SiriusPoint Specialty - \$5,000,000

RISK TRANSFER – CONTRACTOR INSURANCE

Required contractor coverages include

- Commercial general liability
- Automobile liability
- Workers' compensation and employer liability
- Excess/umbrella liability
- Contractor's pollution liability
- Builder risk
- Railroad protective (as required by contract)
- Professional liability

CONTRACTOR INSURANCE

Commercial general liability

- \$1 million each occurrence for BI/PI/PD
- \$2 million general aggregate
- \$2 million products/completed operations aggregate
- General aggregate must be on a per-project basis
- Products-completed operations for minimum two years following acceptance of work

Automobile liability

- \$1 million combined single limit

Workers' compensation and employer liability

- Workers' compensation - statutory benefits
- Employer liability
 - \$1 million each accident
 - \$1 million disease each employee
 - \$1 million disease policy limit

ROLLING OWNER-CONTROLLED INSURANCE PROGRAM

Removing barriers to prime contracting opportunities for small businesses



The ROCIP provides general liability insurance coverage on small business contracts, removing a barrier for participation on prime opportunities



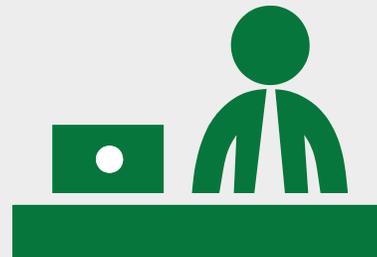
This allows the Tollway to level the playing field for small and diverse businesses and allows more contractors to pursue prime opportunities

ROLLING OWNER-CONTROLLED INSURANCE PROGRAM

Removing barriers to prime contracting opportunities for small businesses



Through the program, eligible enrolled contractors, subcontractors and vendors are provided liability coverage



ROCIP aligns with current Tollway small business programs while being flexible enough to be used for emerging and future programs

OWNER-CONTROLLED INSURANCE PROGRAM

I-490 Tollway Project

OCIP required for a specific part of the I-490 Tollway construction project that requires access to the Canadian Pacific Railroad's right-of-way.

\$100 million in general liability Excess limits

Canadian Pacific Railroad named as Insured

Term of program is 10/4/2021 through 12/31/2026

Premium: \$15,287,366.79

Other insurance required:

Railroad protective – Canadian Pacific Railroad

Railroad protective – Union Pacific Railroad

Contractor's pollution – Canadian Pacific Railroad

EQUIPMENT BREAKDOWN

Equipment breakdown insurers the Tollway's assets against damage due to electrical injury including artificially generated current, mechanical breakdown, explosion of steam vessels and piping

Coverage also includes business income loss

- Insurance company: Federal Insurance Company
- Policy period: August 1, 2025-2026
- Premium: \$26,112.00



EMPLOYEE BENEFITS

Current vendor is Aetna

Two programs, self-insured with stop loss coverage

One PPO program and one HMO program

Current contract expires March 1, 2026



EMPLOYEE BENEFITS

Basic term-life insurance and AD&D provided at no cost to employees

Dental insurance provided at no additional cost to employees

Optional coverages available include supplemental life insurance, AD&D coverage and voluntary vision

PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY

General Liability Policy provides coverage at full limits for the Board of Directors, as well as all employees acting in their official capacity

As required by Section 7 of the Toll Highway Act, the Tollway procures and maintains a Public Employees Schedule Bond in favor of the People of the State of Illinois, approved by the Governor and Attorney General in the following amounts

- Board chair - \$100,000
- Directors - \$25,000
- Board secretary - \$25,000

WORKERS' COMPENSATION

The Tollway instituted a self-insured Workers' Compensation Program in May 1988

- Annually an independent third-party actuary prepares a fund reserve amount, which is reviewed and recommended by the Consulting Engineer
- Corvel, a third-party administrator, is used to adjust the claims

Claim counts: average 127 claims per year

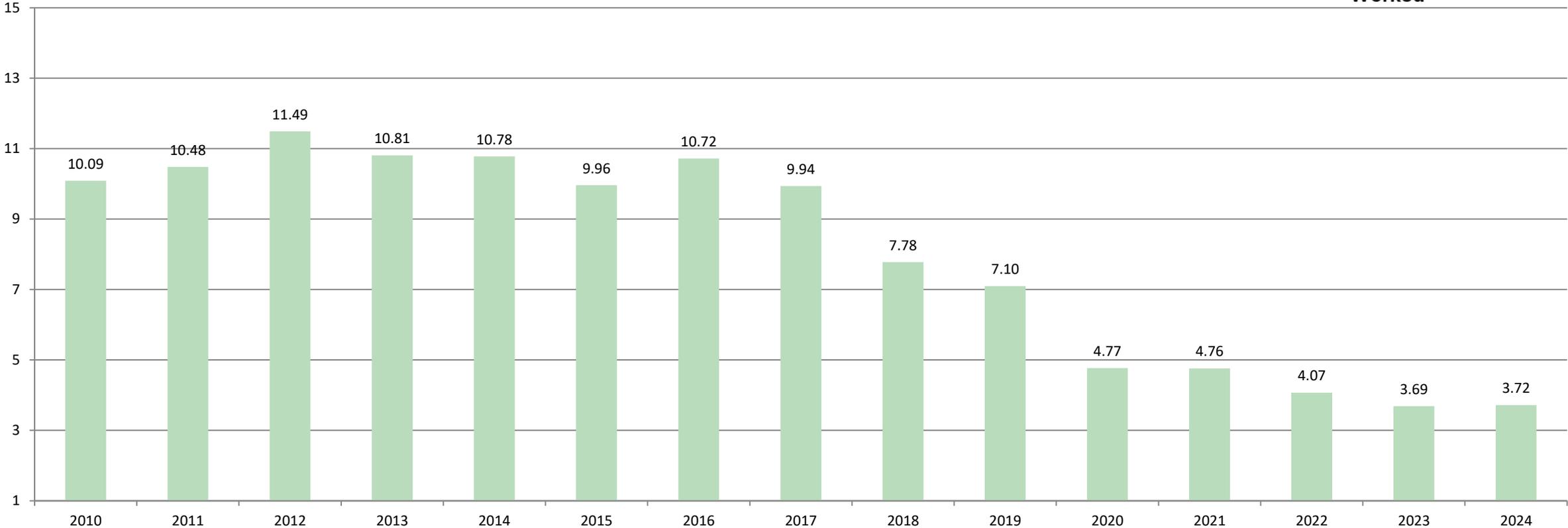
Funding for 2025-26: \$5,358,880



SAFETY

Number of Recordable
Injuries + Illnesses

200,000 Manhours
Worked



WORKERS' COMPENSATION RESERVES

Compensation Reserves

Decrease in Overall Workers' Compensation Reserves



Year	Net adjustment
2017	-\$2,747,000
2018	-\$1,966,875
2019	-\$3,920
2020	-\$1,296,107
2021	\$307,876
2022	-\$3,875,189
2023	-\$3,450,225
2024	-\$1,980,120
2025	-\$2,795,465
	-\$17,807,025



TRANSITIONAL DUTY PROGRAM

The Illinois Tollway's Transitional Duty Program earned the IBTTA 2025 Excellence Award in Administration and Finance





THANK YOU