



Record of Meeting | March 18, 2015

The Illinois State Toll Highway Authority (the “Tollway”) held the Finance, Administration and Operations Committee Meeting on Wednesday, March 18, 2015, at the Tollway’s Central Administration Building in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chair Paula Wolff and posted in accordance with the requirements of the *Illinois Open Meetings Act*. The Meeting was open to the public.

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

Call to Order / Roll Call

Committee Chair Mark Peterson called the Meeting to order at approximately 9:02 a.m. and stated that this is the regularly scheduled meeting of the Finance, Administration and Operations Committee of the Tollway Board of Directors. He then asked the Board Secretary to call the roll. Those Directors present and absent were as follows:

Committee Members Present:
Committee Chair Mark Peterson
Director Terry D’Arcy

Committee Members Not Present:
Director David Gonzalez

Also Attending:
Chair Paula Wolff

The Board Secretary declared a quorum present.

Public Comment

Committee Chair Peterson opened the floor for public comment. No public comment was offered.

Committee Chair’s Items

Committee Chair Peterson called for a motion to approve the Minutes of the Finance, Administration and Operations Committee Meeting held on February 18, 2015. Director D’Arcy made a motion for approval; seconded by Chair Wolff. The motion was approved unanimously.



Committee Chair Peterson then called on Kristi Lafleur, Executive Director.

Executive Director

Emphasizing that safety is the Tollway's highest priority, Executive Director Lafleur invited customers to participate in a current Tollway contest by submitting safety messages for inclusion on the Tollway's dynamic message signs. She explained that the messages submitted should be clear, compelling and concise warnings against any of three unsafe practices: impaired driving, distracted driving and not wearing seatbelts. She specified that safety messages can be submitted on the Tollway's website www.illinoistollway.com until March 27, with winners to be announced the week of April 20. Ms. Lafleur highlighted that the customers who submit the winning messages will not only have the satisfaction of knowing they are making the Illinois toll roads safer, they will literally see their message up in lights on the Tollway for the rest of 2015.

Quarterly Financial Review: Executive Director Lafleur then introduced Mike Colsch, Chief of Finance, to present a Quarterly Financial Review covering the preliminary 2014 Year-End Budget to Actual results. [See attached presentation.](#)

Committee Chair Peterson inquired about the increase in "Miscellaneous" revenue that contributed to total revenues exceeding the October revised 2014 budget by \$14.2 million. He additionally asked whether this positive variance is indicative of revenue to be achieved in 2015. Mr. Colsch responded that the most significant factor accounting for the increase to miscellaneous revenue was some non-recurring permit fee income related to the installation of fiber optics which is not suggestive of future revenues.

Chair Wolff asked for the Finance department's takeaways from the preliminary 2014 Year-End Budget to Actual results that might be applied to planning for 2015. Mr. Colsch responded that other than 2015 winter related expenses, which he believes have been planned for appropriately, accurately projecting utility and worker's compensation expenses present challenges that will require additional focus in 2015.

Committee Chair Peterson inquired if there were any surprises for the Finance department in the 2014 Year-End Budget to Actual results. Mr. Colsch responded that the surprises encountered related to revenues, with stronger than estimated growth year-over-year in toll transactions.

Chair Wolff asked Executive Director Lafleur whether she has received through her participation in the International Bridge, Tunnel and Turnpike Association indications from other toll facility



operators that they are experiencing similar year-over-year growth in toll transactions. Executive Director Lafleur responded in the negative, observing that while traffic worldwide has experienced recovery since the financial crisis of 2007–08, the Tollway’s 2014 results appear to represent strong growth within the industry for an established toll road system.

Items for Consideration

Committee Chair Peterson called on Mike Colsch, Chief of Finance, to present the following **Finance** Item:

Item 1: Renewal of Contract 11-0017 for the Liability Insurance Program including commercial, general, business automobile and excess liability through USI-Midwest as insurance broker for a period of one-year commencing June 1, 2015 through May 31, 2016 in an amount not to exceed \$997,338.00.

Mr. Colsch noted during presentation of this item that the agency would be utilizing the final one-year renewal option of the original 2011 contract and that a new request for proposal (“RFP”) for liability insurance is to be developed later in 2015.

Committee Chair Peterson inquired whether the RFP to be developed will solicit proposals from insurance brokers or insurance carriers. Mr. Colsch responded that an assessment will be made to determine the most advantageous procurement source for liability insurance coverage, including utilization of Illinois Department of Central Management Services’ (“CMS”) brokerage services contract or solicitation through a Tollway RFP of either insurance brokers or carriers.

Committee Chair Peterson asked whether the business automobile liability insurance policy provides coverage for Illinois State Police vehicles. Mr. Colsch responded affirmatively.

Committee Chair Peterson requested confirmation the total policy premium for the Liability Insurance Program is approximately \$30,000 less than that of the previous one-year renewal of contract. Mr. Colsch confirmed.

Committee Chair Peterson requested confirmation that the Liability Insurance Program offers the Tollway the same aggregate level of protection as the previous renewal. Mr. Colsch confirmed.

Committee Chair Peterson asked for elaboration on the construction insurance specifications that were modified to provide for a reduction of the minimum excess insurance requirements. John Hauk, Insurance Risk Manager, explained that contractors’ minimum limits of coverage for Excess



Liability insurance were reduced from \$50 million to not less than \$25 million per occurrence and in annual aggregate, allowing insurance savings in the cost of construction for Tollway projects. Mr. Hauk clarified that this modification was made based on analysis provided by an outside consultant and occurred in combination with adjustments to other policy limits, providing the Tollway necessary and adequate liability coverage.

Chair Wolff asked for elaboration on the Tollway's procurement process for obtaining liability insurance coverage at the expiration of this final one-year contract renewal. Mr. Colsch responded that an RFP will be developed either to solicit proposals to provide for identified insurance coverage or to select an insurance broker, who would each include quotations from different insurance carriers that combine to provide the layers of insurance coverage requested. Mr. Colsch noted that a third procurement option includes utilization of CMS brokerage services contract.

Chair Wolff suggested a presentation describing the advantages and disadvantages of the liability insurance procurement options would be of benefit to the Committee. **Executive Director Lafleur responded that a presentation will be provided at an upcoming Committee meeting.**

Committee Chair Peterson requested a motion for approval of **Finance Item 1**. Director D'Arcy made a motion for approval; seconded by Chair Wolff. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson then called on John Donato, Chief of Procurement, to present the following **Procurement** Items:

Item 1: Award of Contract 15-0036 to Morrow Brothers Ford, Inc. and Wright Automotive, Inc. for the purchase of Police Pursuit Vehicles in an aggregate amount not to exceed \$2,520,129.00 (Order Against CMS Master Contract).

Committee Chair Peterson inquired about the cost of planned aftermarket upgrades for the police pursuit vehicles to be purchased. Mr. Donato responded that most options selected are dealer or original equipment manufacturer installed, with aftermarket prisoner partitions and push bumpers accounting for 65% of the approximately \$2000 in options selected for the majority of the Ford Interceptors proposed for purchase. Mr. Donato continued that the Dodge Chargers are to include installation of three aftermarket accessories, including prisoner partition, push bumpers and a trunk vault.



Committee Chair Peterson asked about the agency's police vehicle lifecycle/replacement schedules. Mr. Donato responded that the Tollway's Fleet department has established a replacement schedule for police cruisers at the 100,000-mile level, generally reached within approximately three and a half to four years. Executive Director Lafleur added that mileage for police vehicles does not wholly reflect the level of engine wear, observing that engine idling is a more significant factor in police operations than typical fleet vehicles.

Committee Chair Peterson inquired about the methods utilized for the disposal of unneeded vehicles. Mr. Donato responded that replaced vehicles are sold at public auction, generally achieving sale prices in a range of \$800 to \$3500, depending upon level of vehicle usage.

Committee Chair Peterson asked whether fleet vehicle maintenance of police cruisers is performed within the agency. Mr. Donato responded affirmatively.

Committee Chair Peterson then solicited of Director D'Arcy, as a participant in the automotive industry, his opinion of the pricing achieved by the agency for the purchase of the police pursuit vehicles. Director D'Arcy responded that the pricing is consistent in his experience with that achieved for similar procurements by municipalities.

Chair Wolff asked why Miles Chevrolet is listed among bidders for this order against CMS master contract while no bid is indicated to have been submitted. Mr. Donato responded that the CMS solicitation contained three types of vehicles: all-wheel drive, rear-wheel drive, and front-wheel vehicles, however, the Tollway is interested in purchasing only two of the three vehicle types and that bidders were not required to bid on all three types of vehicles.

Item 2: Award of Contract 13-0187R to BHFX, LLC for the purchase of Web-Based Plan Room and On-Call Printing Services in an amount not to exceed \$501,776.08 (Tollway Request for Proposals).

Committee Chair Peterson asked whether on-call printing services of construction contract documents are performed within the agency. Paul Kovacs, Chief Engineer, responded that the operations and responsibilities of these functions, for which this award provides, are contracted out to a third-party service provider. He highlighted that the provider offers the capacity of secure hosting of web-based plan room services, allowing an efficient and effective method for advertising and distributing contract and utility permit documents, in addition to the timely issuance of addendum documents, to a large number of current and prospective Tollway contractors.



Committee Chair Peterson inquired whether there was a cost to users of the on-call printing services. Mr. Kovacs responded that users are charged for the purchase of plans.

Chair Wolff inquired whether there has been any quantification made of savings achieved through outsourcing these printing functions. Mr. Kovacs responded it has been some time since these services were outsourced but that significant efficiencies were achieved. He further expressed that the agency continues to realize benefit from the services provided. Mr. Donato added that the provider's plan-holder database allows for Tollway follow up on solicitations receiving low response as well as offering capability for matchmaking of prospective vendors and Tollway project work.

Item 3: Renewal of Contract 12-0051 to Harland Clarke Corp. (d.b.a. Harland Clarke Digital, SubscriberMail) for the purchase of Email Distribution Services in an amount not to exceed \$70,999.92 (Tollway Request for Proposals).

Item 4: Award of Contract 15-0001 to National Tek Services, Inc. for the purchase of Red Hat JBoss Software, Maintenance, and Support in an amount not to exceed \$211,679.00 (Tollway Invitation for Bids).

Committee Chair Peterson inquired about the notation in the item summary that the vendor's submission of good faith efforts to meet veteran participation goals is currently under review. Mr. Donato responded that the Diversity department has since approved the vendor's submission and rescinded the veteran participation goal, finding there are not currently CMS certified veteran-owned and service-disabled veteran-owned small business vendors that are Red Hat authorized distributors.

Item 5: Award of Contract 12-0259R to J.P. Simons & Co. for the purchase of Miscellaneous Electrical Supplies in an amount not to exceed \$66,244.25 (Tollway Invitation for Bids).

Item 6: Renewal of Contract 09-0015 to Infor Public Sector, Inc. for the purchase of Computer-Aided Dispatch ("CAD") System Software Maintenance and Enhancements in an amount not to exceed \$148,540.71 (Tollway Sole Source).

Committee Chair Peterson requested confirmation that award of this contract is subject to approval at a sole source hearing. Mr. Donato confirmed, specifying the public sole source hearing is scheduled to be held by the state's Procurement Policy Board on March 25, 2015.



Committee Chair Peterson requested a motion for approval of **Procurement Items 1 through 6**. Director D'Arcy made a motion for approval; seconded by Chair Wolff. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson then called on Paul Kovacs, Chief Engineer, to present the following **Engineering** Items:

Item 1: Award of Contract RR-14-4203 to Voris Mechanical, Inc. for Boiler Replacements at Maintenance Sites at Tri-State Tollway (I-294) at Maintenance Facility M-2 (Hillside); Tri-State Tollway (I-94) at Maintenance Facility M-4 (Gurnee); Jane Addams Memorial Tollway (I-90) at Maintenance Facility M-5 (Arlington Heights) and at Reagan Memorial Tollway (I-88) Maintenance Facility M-8 (Naperville), in the amount of \$238,343.00.

Chair Wolff inquired about the disparity between the two bids received on this invitation for bid. Mr. Kovacs responded that follow up with the higher bidder was not performed but that the selected bid comports with the Engineer's Estimate and the Engineering department is comfortable with the vendor's capacity to complete this work.

Item 2: Award of Contract RR-15-9174 to The Bowa Group, Inc. for Central Administration Air Handling Unit Replacement at the Tollway Central Administration Building, in the amount of \$326,799.55.

Item 3: Award of Contract RR-15-9175 to John Burns Construction Company for Dynamic Message Sign and Ramp Queue Detection System on the Tri-State Tollway (I-94) from Milepost 8.4 (Grand Avenue) to Milepost 13.6 (IL 137), in the amount of \$1,739,243.29. [Recusal: Director Sweeney].

Item 4: Award of Contract RR-14-5702 to National Power Rodding, Inc. for Drainage Structures Cleaning along the Tri-State Tollway (I-294) from Milepost 0.0 (I-94/I-394) to Milepost 6.4 (159th Street), in the amount of \$2,901,740.00.

Mr. Kovacs requested that consideration of this item be deferred until the March Board of Directors meeting, explaining that the veteran participation goal for this award is currently under review.

Item 5: Award of Contract RR-14-4175R to William Charles Construction Company, LLC, for Roadway Repairs on the Jane Addams Memorial Tollway (I-90) from Milepost 2.6 (Rockton Road) to Milepost 17.8 (Cherry Valley Interchange), in the amount of \$3,324,363.16.



Committee Chair Peterson asked why the bid received from Industria, Inc., was deemed non-responsive. Mr. Kovacs responded that this bidder failed to satisfy the contract requirement for financial capacity, explaining that their Illinois Department of Transportation (“IDOT”) Certificate of Eligibility did not contain prequalification ratings sufficient for consideration of award for this size contract. Mr. Kovacs noted that Industria, Inc. did file a bid protest with the state’s Chief Procurement Officer that was not upheld. He continued that the Tollway has subsequently met with this bidder who has indicated they will be applying to have their IDOT Certificate of Eligibility ratings updated.

Executive Director Lafleur advised the Committee that a diversity presentation is planned for the March Board of Directors meeting that will outline the agency’s plan to increase participation in construction and professional services contracts of small businesses in addition to disadvantaged, veteran-, minority- and women-owned business enterprises.

Item 6: Award of Contract I-14-4218 to William Charles Construction Company, LLC for Ramps A & C Construction on the Jane Addams Memorial Tollway (I-90) from Mile Post 20.30 to Mile Post 20.80 at Irene Road, in the amount of \$6,950,000.00.

Item 7: Award of Contract I-14-5697 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 30.3 (Garden Prairie Road) and Milepost 33.3 (Anthony Road), \$7,793,822.27.

Item 8: Award of Contract I-14-5699 to Herlihy Mid-Continent Company for Bridge Reconstruction and Miscellaneous Repairs on the Reagan Memorial Tollway (I-88) from Milepost 117.75 (Aurora Plaza 61) to Milepost 121.00 (Eola Road) and Veterans Memorial Tollway (I-355) at Milepost 22.75 (Butterfield Road), in the amount of \$3,835,500.85. [Recusal: Director Sweeney]

Committee Chair Peterson commented positively on both the quantity of bids being received on the construction contract invitations for bid (“IFB”) and the competitive bid amounts in relation to the Engineer’s Estimate. Mr. Kovacs responded that the selected bids on the 11 construction contracts presented for award at the Meeting are on average 9% below the Engineer’s Estimates.

Item 9: Award of Contract RR-14-4219R to Western Utility, LLC for Fiber Optic System Relocation Systemwide, in the amount of \$3,798,986.50.

Committee Chair Peterson asked if fiber optic system relocation is to occur systemwide. Mr. Kovacs responded affirmatively, explaining that the agency relies on the fiber optic system for toll



collection communications and therefore it is critical to provide for its relocation in advance of scheduled roadway construction improvements.

Committee Chair Peterson asked if the vendor selected for award has previously performed work on Tollway projects. **Mr. Kovacs responded that this information will be provided.**

Committee Chair Peterson asked the disadvantaged business enterprise (“DBE”) goal established for this contract and whether the vendor has committed to meeting the goal. Mr. Kovacs responded the DBE goal is 10% and the vendor has committed to meeting the goal.

Item 10: Award of Contract I-14-4640 to Dunnet Bay Construction Company / Plote Construction, Inc. (JV) for Bridge Construction and Mainline Advance Earthwork on the Illinois Route 390 from Milepost 14.0 (Prospect Avenue) to Milepost 15.3 (Lively Boulevard), in the amount of \$19,977,569.87.

Committee Chair Peterson asked whether the Engineering department attributes to increased bid competition the seemingly lower bids being submitted recently, relative to the Engineer’s Estimates. Mr. Kovacs responded that increased bid competition is a catalyst for lower bid pricing.

Committee Chair Peterson asked if the apparent increase in bid competition may be reflective of a change in the construction industry environment. Mr. Kovacs responded that he has not observed any recent significant change in the construction industry environment. Mr. Kovacs noted that the Engineer’s Estimate for this contract was modified in response to local concerns expressed regarding access, resulting in an overestimation of related costs that bidders were able to minimize.

Item 11: Award of Contract I-14-4647 to R.W. Dunteman Company for Roadway and Bridge Rehabilitation on the Illinois Route 390 from Milepost 6.0 (Lake Street U.S. 20) to Milepost 11.2 (Meacham/Medinah Road), in the amount of \$17,654,587.06.

Chair Wolff requested clarification of the Diversity Program detail on the item summary which lists two vendors having achieved 100% of the committed goal. Mr. Kovacs responded that one of the listed vendors has met 100% of the DBE goal while the other vendor has met 100% of the veteran-owned small business (“VOSB”) goal. Executive Director Lafleur noted that referring to the certification column will assist in differentiating the separate goals established for these programs.

Chair Wolff asked the meaning of “Waiting for revised quotes” listed in the comments section of the Diversity Program detail. Gustavo Giraldo, Chief of Diversity and Strategic Development,



responded that the DBE participation statement has been received from the prime contractor but the Diversity department is awaiting confirming information from the DBE subcontractors.

Item 12: Acceptance of Proposal from Milhouse Engineering & Construction, Inc., on Contract RR-14-4199 for Design Services Upon Request for Maintenance Facilities on various locations, in an amount not to exceed \$600,000.00.

Item 13: Acceptance of Proposal from Reynolds, Smith & Hills, Inc. on Contract RR-13-5660 for Supplemental Design Services for Reagan Memorial Tollway (I-88), from Milepost 44.2 (US Route 30) to Milepost 55.1 (US 52), in the amount of \$599,688.74 from \$3,897,505.77 to \$4,497,194.51.

Item 14: Extra Work Order on Contract I-13-4601 to Lorig Construction Company for Roadway Reconstruction and Widening on Elgin O'Hare Expressway (IL 390) from Milepost 11.1 (Meacham Road/Medinah Road) to Milepost. 12.0 (Rohlwing Road), in the amount of \$229,049.80.

Committee Chair Peterson requested confirmation that the extra work required to remove and replace concrete barrier wall is at Tollway request, initiated to comply with updated agency standards implemented as a result of modification to federal guidelines. Mr. Kovacs confirmed and noted that current contract language has been modified to reflect the updated standards.

Item 15: Change Order on Contract I-13-4602 to F H Paschen, S.N. Nielsen & Assoc., LLC for Rehabilitation and Widening on the Elgin O'Hare Expressway (IL 390) from Milepost 7.6 (IL 19) to Milepost 10.1 (East of Roselle Road), in the amount of \$284,426.00.

Item 16: Partial Release of Retainage on Contract I-13-5686 to Plote Construction, Inc., for Retaining Wall and Noise Wall Construction, on the Jane Addams Memorial Tollway (I-90) from Milepost 56.8 (West of IL 25) to Milepost 59.1 (IL 59), by \$373,525.13 from \$55,183.73 to \$281,658.60.

Item 17: Final Release of Retainage on Contract I-12-4072 to William Charles Construction Company, LLC / Rock Road Companies, Inc., (JV) for Widening and Reconstruction on the Eastbound Jane Addams Memorial Tollway (I-90), from Milepost 17.7 (Mill Road) to Milepost 24.9 (Genoa Road).

Item 18: Final Release of Retainage on Contract I-13-4164 to Herlihy Mid-Continent Company for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 31.3 (County Line Road) and at Milepost 35.2 (Harmony-Riley Road).



Item 19: Final Release of Retainage on Contract RR-13-4125 to Lorig Construction Company for Corridor Repairs / Bridge Rehabilitation on the Tri-State Tollway (I-294) from Milepost 0.0 (394) to Milepost 48.9 (Willow Road); Tri-State Tollway (I-94) from Milepost 10.5 (IL Route 21) to Milepost 30.0 (Edens Expressway).

Committee Chair Peterson requested confirmation that the three final releases of retainage presented at the Meeting are for contracts completed within budget and having met DBE participation goals, with the exception of this item which is projected to exceed the project budget by a relatively small percentage. Mr. Kovacs confirmed, explaining that extra work was required of this contract to address some damage and upgrades.

Item 20: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Elgin O'Hare Western Access Project (EOWA)). Cost to the Tollway: N/A.

Mr. Kovacs requested that consideration of this item be deferred to Executive Session of the March Board of Directors meeting.

Committee Chair Peterson requested a motion for approval of **Engineering Items 1 through 3**. Director D'Arcy made a motion for approval; seconded by Chair Wolff. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson stated that **Engineering Item 4** will be deferred until the March Board of Directors meeting.

Committee Chair Peterson requested a motion for approval of **Engineering Items 5 through 19**. Director D'Arcy made a motion for approval; seconded by Chair Wolff. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson stated that **Engineering Item 20** will be deferred to Executive Session of the March Board of Directors meeting.

Committee Chair Peterson then called on David Goldberg, General Counsel, to present the following **Legal** Items:

Item 1: An Intergovernmental Agreement with the Village of North Aurora and Aurora Township. Cost to the Tollway: \$0.



Committee Chair Peterson requested confirmation that this agreement has no cost to the Tollway. Mr. Goldberg confirmed.

Committee Chair Peterson requested confirmation that the Tollway will not be responsible for maintenance of the longer two-span bridge structure to be constructed at Mitchell Road. Mr. Goldberg responded that under terms of the agreement, Aurora Township agrees to maintain the complete deck of the new bridge.

Item 2: An Intergovernmental Agreement with the River Valley Metro. Cost to the Tollway: \$ 0.

Chair Wolff commented favorably on the agreement, benefiting bus service from the Kankakee area to Midway Airport, and expressed her encouragement of agency efforts in support of the usage of public mass transit and specifically multiple person vehicles on the Tollway system.

Committee Chair Peterson requested confirmation that this agreement does not require further legislative approval. Mr. Goldberg confirmed.

Committee Chair Peterson asked if the agreement is effective in perpetuity. Mr. Goldberg responded the agreement has a five year term and can be evaluated for renewal at its conclusion.

Chair Wolff inquired about the precedent, if any, being established through this agreement. Executive Director Lafleur proposed the agency can feel comfortable with the general principle of providing benefit to a public agency, operating for the public good, in exchange for in-kind consideration in substantially the same value.

Chair Wolff requested confirmation that the party with which this intergovernmental agreement has been reached is a public agency. Mr. Goldberg confirmed, specifying that River Valley Metro is a special transit district.

Chair Wolff requested confirmation that similar arrangements sought with the Tollway by other entities would be considered on a case-by-case basis. Executive Director Lafleur confirmed, further suggesting that because one of the goals of the agency is to partner with mass transit providers, as the Chair had earlier referenced, the agency should remain open to approach by public transit providers.

Item 3: An Intergovernmental Agreement with the Northern Illinois University (ISP). Cost to the Tollway: \$ 0.



Item 4: An Intergovernmental Agreement with the City of Lockport. Cost to the Tollway: \$ 0.

Mr. Goldberg stated that this IGA establishes terms for conveyance of Tollway excess right-of-way to the City of Lockport which will incorporate this property into a public park. He noted that this parcel was originally conveyed to the Tollway by IDOT and includes a reverter clause in the deed. Mr. Goldberg explained that the reverter clause specifies that failure to continue public ownership and use of property shall cause the property to revert back to IDOT.

Director D'Arcy stated he wished to recuse himself from participation in the decision regarding this item, identifying his acquaintance with an attorney who worked with the City of Lockport on this matter as the reason for his recusal.

Committee Chair Peterson asked the size of the property to be conveyed. Mr. Goldberg replied the parcel is just over an acre.

Item 5: A Relocation Agreement – BP. Cost to the Tollway: \$ 0.

Item 6: A Utility Agreement – AT&T. Cost to the Tollway: \$ 0.

Item 7: A Litigation Settlement – Sabrina Carollo. Cost to the Tollway: As discussed in Executive Session.

Mr. Goldberg requested that action on this item be deferred to the March Board of Directors meeting.

Item 8: Bond Counsel Assignment

Mr. Goldberg requested that action on this item be deferred to the March Board of Directors meeting.

Item 9: Collective Bargaining Agreement – MAP

Mr. Goldberg requested that action on this item be deferred to the March Board of Directors meeting.

Committee Chair Peterson requested a motion for approval of **Legal Items 1, 2 and 3**. Director D'Arcy made a motion for approval; seconded by Chair Wolff. The motion was approved unanimously to move to the full Board consent agenda.



Committee Chair Peterson requested a motion for approval of **Legal Item 4**. Chair Wolff made a motion for approval; seconded by Committee Chair Peterson. The motion was approved by all voting Directors to move to the full Board consent agenda with Director D’Arcy recusing himself.

Committee Chair Peterson requested a motion for approval of **Legal Items 5 and 6**. Director D’Arcy made a motion for approval; seconded by Chair Wolff. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson stated that **Legal Items 7, 8 and 9** will be deferred to the March Board of Directors meeting.

Adjournment

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

The meeting was adjourned at approximately 10:09 a.m.



Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



**2014 Year-End
Budget to Actual Review**
(Preliminary and Unaudited)

March 18, 2015

2014 Highlights –

October Revised Estimate to Actual Comparisons*

☐ Revenue - \$1,036 million

- *\$14 million greater than the October revised estimate*

- ✓ Toll revenue and evasion recovery \$10.7 million or 1.1 percent greater
- ✓ Concession, investment and miscellaneous revenue \$3.4 million greater

☐ Maintenance and Operations

- *\$1 million less than the revised budget*

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

☐ Capital Program - \$1,119 million

- *\$67 million less than the October revised estimate*

- ✓ Project cost savings and schedule changes were key drivers
- ✓ Highest annual spending in Tollway history

** Revenue and Capital Program estimates for 2014 were revised in October and presented in the 2015 Budget. In addition, the 2014 M and O revised budget included a \$3.5 million supplement approved by the Tollway Board of Directors in October.*

2014 – Revenue

Total revenue was \$14.2 million greater than the October revised estimate

<i>(\$ millions)</i>	Rev.Est. (Oct.)	<u>Actual</u>	<u>\$ Var.</u>	<u>% Var.</u>
Toll and Evasion Recovery	\$1,012	\$1,022.7	\$10.7	1%
Concessions	2.0	2.1	0.1	5%
Investment Income	0.7	1.0	0.3	49%
<u>Miscellaneous</u>	<u>7.3</u>	<u>10.3</u>	<u>3.0</u>	<u>41%</u>
Total Revenue	\$1,022	\$1,036.2	\$14.2	1.4%

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

2014 Transactions

- ✓ **Commercial vehicles**
 - Grew 5.8 percent year-over-year
 - 0.6 percent greater than revised estimate
- ✓ **Passenger vehicles**
 - Grew 2.3 percent year-over-year
 - 0.6 percent greater than revised estimate

2014 – Maintenance and Operations

(\$ millions)	Rev.Budget (Oct.)	Act.	\$ Var.	% Var.
Payroll and Related Costs	\$161.4	\$161.3	\$(0.1)	-0.1%
Group Insurance	30.1	29.9	(0.1)	-0.5%
Contractual Services	60.0	55.0	(5.0)	-8.3%
Materials/Oper. Supplies	9.6	10.8	1.2	12.2%
Utilities	6.0	7.4	1.4	23.7%
All Other Insurance	10.5	11.3	0.8	8.0%
Parts and Fuel	7.0	8.3	1.3	17.8%
Equip. Rental/Maintenance	15.7	15.8	0.1	0.8%
Other Misc. Expenses	1.1	0.7	(0.4)	-36.5%
Recovery of Expenses	(2.4)	(2.7)	(0.3)	-11.6%
Total	\$299.0	\$297.8	(\$1.1)	-0.4%

Key Drivers

- ✓ **Timing of purchases/payments**
 - Contractual services
- ✓ **Parts and Fuel**
- ✓ **Materials/Oper. Supplies**
- ✓ **Utilities rates and new locations**

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

2014 – Capital Program

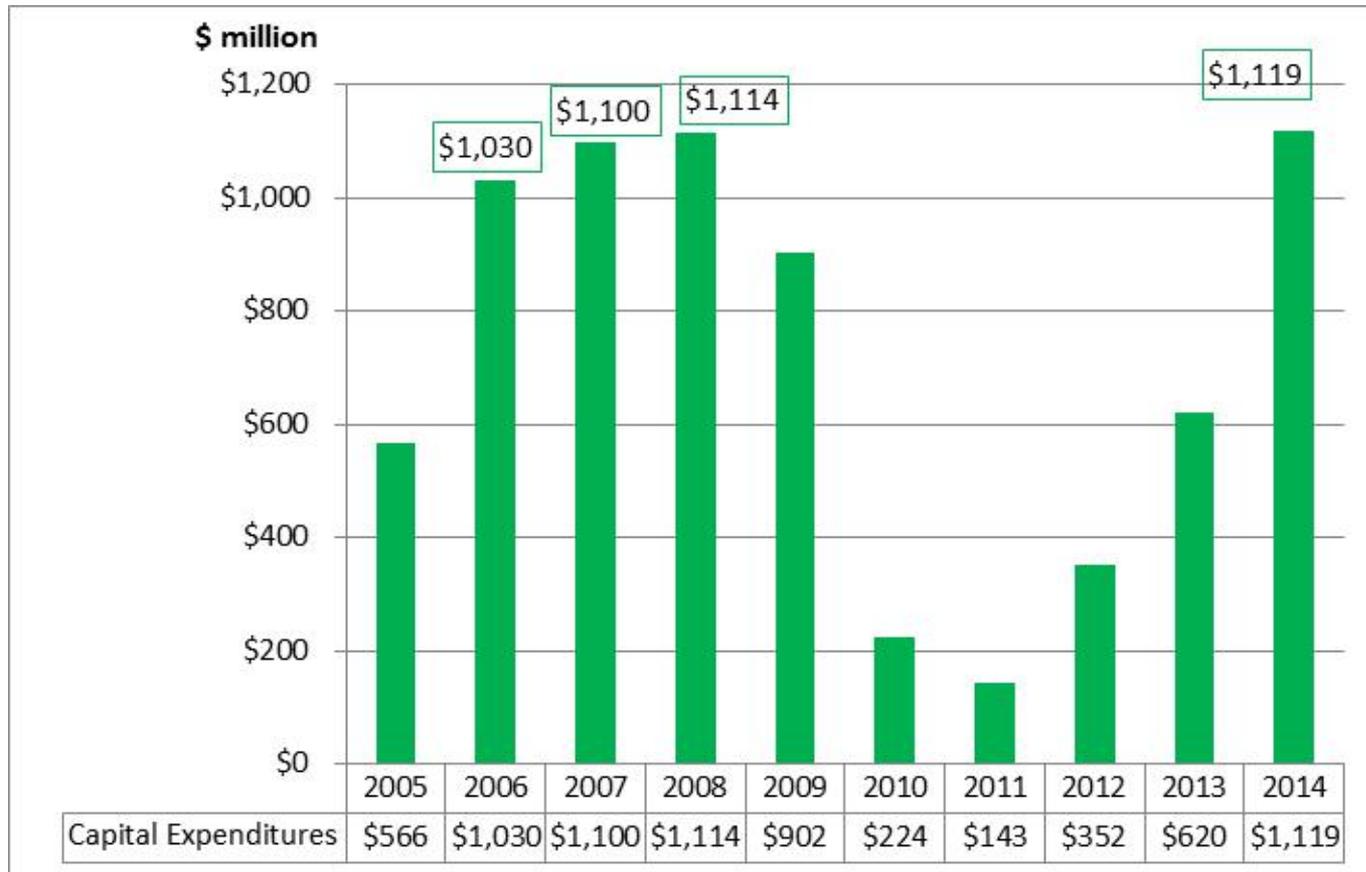
2014 Spending at record level

<i>(\$ millions)</i>	<u>Rev.Est.(Oct)</u>	<u>Act.</u>	<u>\$ Var.</u>	<u>% Var.</u>
Tri-State Tollway	\$9.3	\$3.0	(\$6.3)	-68%
Reagan Memorial Tollway	11.4	13.5	2.1	19%
Jane Adams Memorial Tollway	646.1	616.5	(29.5)	-5%
Veterans Memorial Tollway	5.0	2.2	(2.8)	-56%
Open Road Tolling	2.7	1.9	(0.8)	-31%
Systemwide Improvements	172.2	162.4	(9.9)	-6%
Tri-State Interchange I-294/I-57	46.4	40.9	(5.5)	-12%
Elgin O'Hare Western Access	235.5	241.7	6.2	3%
Illinois Route 53/120	2.7	1.5	(1.2)	-43%
<i>Move Illinois and CRP</i>	<i>\$1,131.2</i>	<i>\$1,083.6</i>	<i>(\$47.6)</i>	<i>-4%</i>
Other Capital Projects	55.4	50.6	(4.8)	-9%
<i>Capital Program Subtotal</i>	<i>\$1,186.5</i>	<i>\$1,134.1</i>	<i>(\$52.4)</i>	<i>-4%</i>
IGA Reim. and Other Adjust.	0	(14.8)	(14.8)	N/A
<i>Total Capital Program</i>	<i>\$1,186.5</i>	<i>\$1,119.3</i>	<i>(\$67.2)</i>	<i>-6%</i>

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

2014 – Capital Program

2014 Spending at record level



Note: Annual expenditures as presented are net of reimbursements associated with Intergovernmental agreements.

2014 – SUMMARY

- ❑ Revenue - \$14 million greater than the October revised estimate
- ❑ Maintenance and operations - \$1 million below the revised budget
- ❑ Debt service transfers - \$313 million and in line with the October revised estimate
- ❑ Capital Program spending totaled \$1,119 million
 - *Highest annual spending in Tollway history*

Appendix

Revenue – Fourth Quarter 2014

(\$ thousands)

	4th Qtr		Variance	
	October Estimate	Actual	\$	%
Toll Revenue and Evasion Recovery	\$253,575	\$260,017	\$6,442	2.5%
Concessions	425	495	70	16.4%
Investment Income	107	381	274	256.4%
Miscellaneous	775	2,173	1,398	180.4%
Total Revenue	\$254,882	\$263,066	\$8,184	3.2%

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

Maintenance and Operations - Fourth Quarter 2014

(\$ thousands)

	Revised Budget	4th Qtr		Variance	
		Actual	\$	%	
Payroll and Related Costs	\$42,370	\$41,506	(\$864)	-2.0%	
Group Insurance	7,960	7,661	(299)	-3.8%	
Contractual Services	17,412	15,288	(2,124)	-12.2%	
Materials/Operational Supplies/Other Expenses	5,281	6,834	1,554	29.4%	
Utilities	1,680	2,261	581	34.6%	
All Other Insurance	2,608	3,194	586	22.5%	
Parts and Fuel	2,539	2,496	(43)	-1.7%	
Equipment/Office Rental and Maintenance	3,726	4,385	659	17.7%	
Other Miscellaneous Expenses	268	187	(81)	-30.2%	
Recovery of Expenses	(490)	(647)	(158)	-32.2%	
Total Maintenance and Operations Expenditures	\$83,354	\$83,164	(\$190)	-0.2%	

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

Capital Program – Fourth Quarter 2014

(\$ thousands)

	4th Qtr		Variance	
	October Estimate	Actual ⁽¹⁾	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$3,647	(\$621)	(\$4,267)	-117.0%
Reagan Memorial Tollway (I-88)	2,779	4,005	1,226	44.1%
Jane Addams Memorial Tollway (I-90)	167,652	161,043	(6,610)	-3.9%
Veterans Memorial Tollway (I-355)	2,547	(73)	(2,620)	-102.9%
Open Road Tolling (ORT)	2,000	577	(1,423)	-71.1%
Systemwide Improvements	56,946	45,461	(11,485)	-20.2%
Tri-State Tollway (I-294)/I-57 Interchange	7,795	6,076	(1,719)	-22.1%
Elgin O'Hare Western Access	80,315	76,004	(4,311)	-5.4%
Illinois Route 53/120/Other Planning Studies	1,020	398	(622)	-61.0%
Move Illinois and CRP Subtotal	\$324,701	\$292,870	(\$31,830)	-9.8%
"Other" Capital Projects	16,791	12,058	(4,734)	-28.2%
Capital Program Subtotal	\$341,492	\$304,928	(\$36,564)	-10.7%
Intergovernmental Agreement Reimbursement and Other Adjustments ⁽²⁾	-	(2,017)	(2,017)	N/A
Total Capital Program Expenditures	\$341,492	\$302,911	(\$38,581)	-11.3%

⁽¹⁾ Capital Program Actual included accrued expenses for which payments have not been made as of December 31, 2014.

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

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

Capital Program – 2014 October Estimate vs. Actual

Key variance highlights

<input type="checkbox"/> Elgin O’Hare Western Access	
▪ schedule changes	\$6.2 million
<input type="checkbox"/> Reagan Memorial (I-88)	
▪ schedule changes	\$2.1
<input type="checkbox"/> Jane Addams Memorial Tollway (I-90)	
▪ schedule changes	(\$22.6)
▪ project cost savings	(\$ 6.9)
<input type="checkbox"/> Systemwide Improvements	
▪ schedule changes	(\$8.1)
▪ project cost savings	(\$1.7)

Capital Program – 2014 October Estimate vs. Actual

Key variance highlights

<input type="checkbox"/> Tri-State Tollway (I-94/I-294/I-80)	
▪ schedule changes	(\$6.0) million
▪ Project cost savings	(\$0.3)
<input type="checkbox"/> Tri-State Tollway (I-294)/I-57 Interchange	
▪ schedule changes	(\$5.5)
<input type="checkbox"/> Veterans Memorial (I-355)	
▪ schedule changes	(\$0.3)
▪ Project cost savings	(\$2.5)
<input type="checkbox"/> Illinois Route 53/120 Extension	
▪ schedule changes	(\$1.2)
<input type="checkbox"/> Open Road Tolling	
▪ schedule changes	(\$0.8)

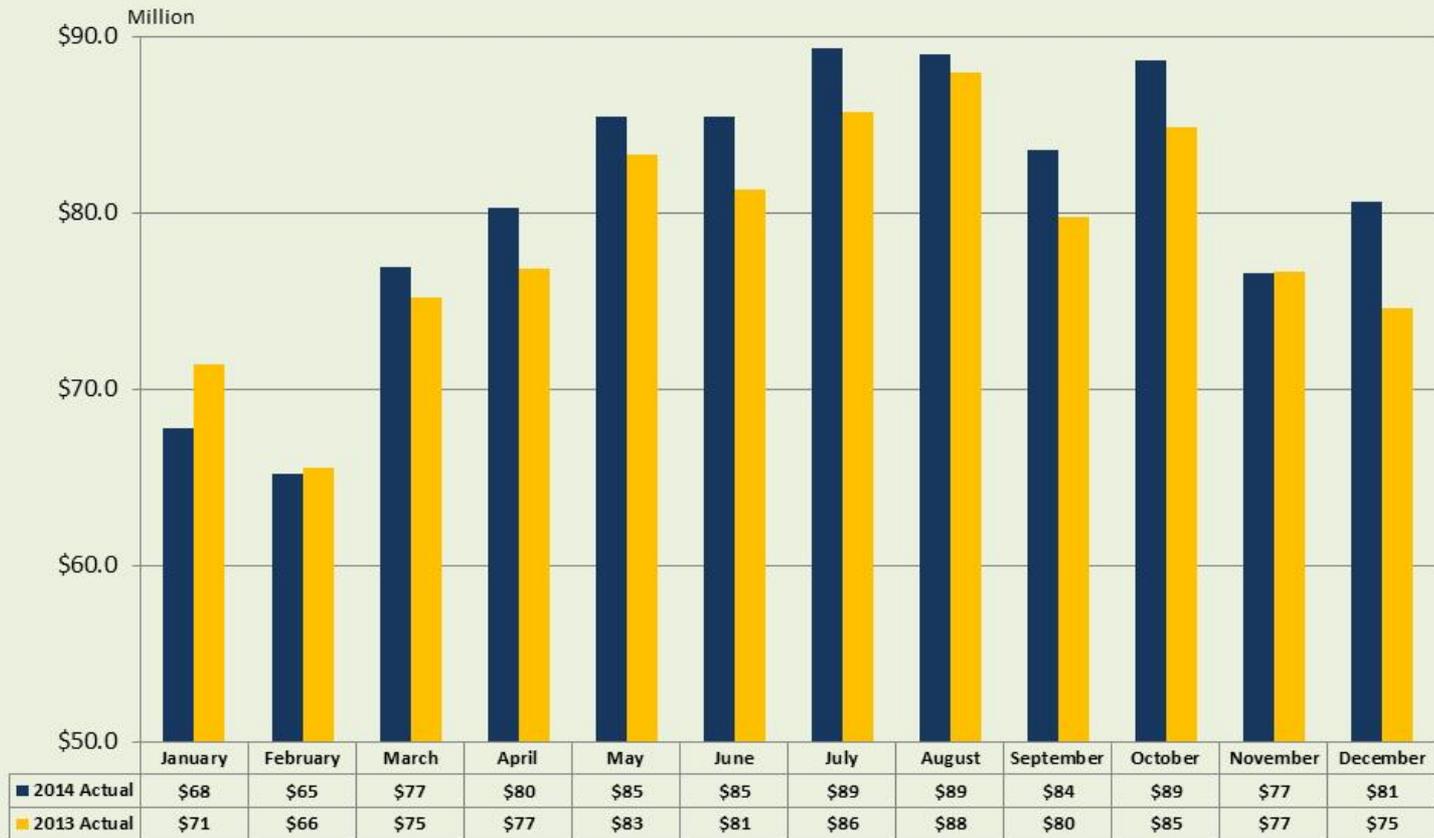
Revenue - 2014 vs. 2013 Actual

(\$ thousands)

	2013	2014	Variance	
			\$	%
Toll Revenue and Evasion Recovery	\$997,373	\$1,022,741	\$25,369	2.5%
Concessions	2,306	2,097	(209)	-9.1%
Investment Income	866	1,041	175	20.2%
Miscellaneous	9,232	10,276	1,045	11.3%
Total Revenue	\$1,009,776	\$1,036,156	\$26,380	2.6%

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

Monthly Toll Revenue – 2014 vs. 2013



Maintenance and Operations - 2014 vs. 2013 Actual

(\$ thousands)

	2013	2014	Variance	
			\$	%
Payroll and Related Costs	\$150,273	\$161,319	\$11,046	7.4%
Group Insurance	28,637	29,918	1,281	4.5%
Contractual Services	50,924	55,058	4,135	8.1%
Materials/Operational Supplies/Other Expenses	7,296	10,779	3,482	47.7%
Utilities	6,341	7,372	1,031	16.3%
All Other Insurance	12,664	11,318	(1,346)	-10.6%
Parts and Fuel	7,608	8,274	666	8.8%
Equipment/Office Rental and Maintenance	15,138	15,785	648	4.3%
Other Miscellaneous Expenses	890	690	(200)	-22.5%
Recovery of Expenses	(2,258)	(2,691)	(433)	-19.2%
Total Maintenance and Operations Expenditures	\$277,512	\$297,821	\$20,308	7.3%

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

Capital Program - 2014 vs. 2013 Actual

(\$ thousands)

	2013	2014	Variance	
			\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$41,723	\$2,961	(\$38,762)	-92.9%
Reagan Memorial Tollway (I-88)	7,695	13,498	5,803	75.4%
Jane Addams Memorial Tollway (I-90)	298,919	616,545	317,626	106.3%
Veterans Memorial Tollway (I-355)	20,938	2,203	(18,735)	-89.5%
Open Road Tolling (ORT)	3,091	1,870	(1,221)	-39.5%
Systemwide Improvements	106,880	162,367	55,487	51.9%
Tri-State Tollway (I-294)/I-57 Interchange	55,353	40,946	(14,407)	-26.0%
Elgin O'Hare Western Access	53,109	241,652	188,543	355.0%
Illinois Route 53/120/Other Planning Studies	979	1,517	538	55.0%
Move Illinois & CRP Subtotal	\$588,686	\$1,083,558	\$494,872	84.1%
"Other" Capital Projects	43,111	50,551	7,441	17.3%
Capital Program Subtotal	\$631,797	\$1,134,110	\$502,313	79.5%
Intergovernmental Agreement Reimbursements and Other Adjustments	(\$11,820)	(14,784)	(\$2,964)	25.1%
Total Capital Program Expenditures	\$619,977	\$1,119,326	\$499,348	80.5%

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

2014 vs. 2013 Transactions

(millions)

	2014 Transactions	2013 Transactions	% Change 2014 to 2013	2014 Transactions	2013 Transactions	% Change 2014 to 2013
	PASSENGER VEHICLES (TIER 1)			LARGE COMMERCIAL VEHICLES (TIER 4)		
January	51.7	54.6	-5.2%	5.3	5.3	0.0%
February	50.6	50.3	0.6%	5.1	4.9	3.9%
March	59.4	58.3	2.0%	5.7	5.4	6.5%
April	61.0	58.8	3.8%	6.0	5.6	6.8%
May	65.4	63.7	2.8%	6.1	5.9	4.2%
June	64.7	62.3	4.0%	6.0	5.5	9.6%
July	67.5	65.2	3.5%	6.2	5.7	7.9%
August	67.1	66.8	0.5%	6.1	6.0	2.5%
September	62.5	60.5	3.2%	6.2	5.6	9.9%
October	65.6	63.4	3.5%	6.6	6.2	6.2%
November	59.7	58.6	1.8%	5.6	5.5	2.5%
December	61.9	58.1	6.6%	5.8	5.2	11.1%
	737.2	720.5	2.3%	70.8	66.8	5.9%
	ALL COMMERCIAL VEHICLES (TIER 2-4)			ALL VEHICLES		
January	7.4	7.3	1.2%	59.1	61.9	-4.5%
February	7.1	6.8	4.0%	57.7	57.1	1.0%
March	8.0	7.5	6.9%	67.4	65.7	2.5%
April	8.4	7.9	6.5%	69.5	66.7	4.1%
May	8.8	8.5	4.3%	74.3	72.2	2.9%
June	8.8	8.1	9.0%	73.5	70.3	4.5%
July	9.1	8.4	7.5%	76.6	73.6	4.0%
August	8.9	8.7	2.1%	76.1	75.5	0.7%
September	8.9	8.2	9.0%	71.4	68.7	3.9%
October	9.5	8.9	6.2%	75.1	72.3	3.8%
November	8.0	7.8	2.5%	67.6	66.4	1.9%
December	8.2	7.4	9.9%	70.1	65.5	7.0%
	101.0	95.5	5.8%	838.3	816.0	2.7%

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



THANK YOU