



## Record of Meeting | July 28, 2016

The Illinois State Toll Highway Authority (the “Tollway”) Board of Directors met in regular session on Thursday, July 28, 2016 in the Boardroom of Tollway Headquarters in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chairman Robert J. Schillerstrom 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 the Board.]*

### Call to Order / Pledge of Allegiance / Roll Call

Chairman Bob Schillerstrom called the Meeting to order at approximately 9:02 a.m., stating that this is the regularly scheduled meeting of the Board of Directors of the Tollway. He invited attendees to rise and join in the Pledge of Allegiance. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Board Members Present:	Board Members Not Present:
Chairman Bob Schillerstrom	Governor Bruce Rauner <i>[ex officio]</i>
Director Jim Banks	Secretary Randall Blankenhorn <i>[ex officio]</i>
Director Corey Brooks	Director Neli Vazquez Rowland
Director Earl Dotson, Jr. <i>(entered 9:08 am)</i>	
Director Joe Gomez	
Director David Gonzalez	
Director Craig Johnson	
Director James Sweeney	

### Public Comment

Chairman Schillerstrom opened the floor for public comment.

Peter Biancardi, of Fence Masters, Inc., addressed the Board. Mr. Biancardi commented that the bid-letting schedule for Contract I-15-4246R (Engineering Item 1 on the Meeting agenda) provided insufficient time for his firm to comply with financial reporting requirements to become an Illinois Department of Transportation (“IDOT”) prequalified contractor, causing his firm’s bid to be



rejected. He suggested that the Board should deny award and instead re-let this contract after allowing sufficient time for interested parties to achieve appropriate IDOT prequalification.

*[Director Dotson entered the Meeting at approximately 9:08 a.m.]*

Robert Baker, President of the Save our Community Coalition, addressed the Board. Mr. Baker offered a number of recommendations for increasing the participation of African Americans in Tollway work, including suggesting that the agency encourage banks to help meet the credit needs of the communities in which they operate, urge Illinois Road Builders to play a more active role in addressing diversity within the industry, and consider both removing bonding requirements and implementing a sheltered markets initiative.

Chairman Schillerstrom thanked the speakers for their comments.

### **Chairman's Items**

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*Item 1: Approval of the Minutes of the regular Board of Directors meeting held June 21, 2016.*

Chairman Schillerstrom called for a motion to approve **Chairman's Item 1**, the Minutes of the regular Board of Directors meeting held on June 21, 2016, as presented. Director Banks made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom called for a vote. The motion to approve PASSED unanimously.

Chairman Schillerstrom stated that without objection, action on Chairman's Item 2, the Minutes of the Executive Session of the Board of Directors meeting held on June 21, 2016, will be deferred until after consideration in Executive Session.

*Item 3: Review and approval of Executive Session Minutes for public release.*

Chairman Schillerstrom called for a motion to approve **Chairman's Item 3**, the written Minutes of all Executive Sessions of the Tollway Board (April 2009 through May 2016), as presented, making available for public inspection specific content for which confidential treatment is no longer required. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion (for which an opportunity would be made available in closed session). Hearing nothing, Chairman Schillerstrom called for a vote. The motion to approve PASSED unanimously.

### **COMMITTEE REPORTS**

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Chairman Schillerstrom asked the chairs of the following committees of the Board if they had any report to provide on the committees' recent activities:

### **Finance, Administration & Operations Committee**

Committee Chair Gomez updated the Board on the Finance, Administration and Operations Committee ("FAO Committee") meeting held Wednesday, July 20, 2016, providing the following highlights:

**ADMINISTRATION** provided a presentation on the Tollway's updated employee Policy & Procedures Manual, which was later reviewed and approved by the Committee for placement on the Board agenda with a recommendation for approval.

**PROCUREMENT** presented eight items, which were each reviewed and approved by the FAO Committee for placement on the Board agenda with a recommendation for approval.

**ENGINEERING** presented 11 items, which were each reviewed and approved by the Committee for placement on the Board agenda with a recommendation for approval.

The final two Engineering item on the Meeting agenda, deferred at Committee, are related to land acquisition and will be reviewed in Executive Session prior to full Board consideration.

**LEGAL** presented six items, each an intergovernmental agreement ("IGA"), which were approved by the Committee for placement on the Board agenda with a recommendation for approval.

The final two Legal items on the Meeting agenda, deferred at Committee, are to be reviewed in Executive Session prior to full Board consideration.

### **Diversity & Inclusion Committee**

Committee Chair Brooks updated the Board on the Diversity & Inclusion Committee meeting held Wednesday, July 20, 2016, stating as follows:

*"The Diversity & Inclusion Committee met on July 20, 2016. The meeting included a presentation by Gustavo Giraldo, Chief of Diversity and Strategic Development, on the 27 recommendations in the draft Diversity Report and proposed actions by Tollway staff. Mr. Giraldo will provide an abbreviated version of this presentation to the Board later today."*



*The recommendations from the draft Diversity Report were first presented at the Diversity & Inclusion Committee on May 18 and to the Tollway Board on May 26. The draft Diversity Report was then provided to the Board for review on May 27, and has been available publicly for review on the Tollway's website since June 3.*

*I believe it is time for the Board to take action on the draft Diversity Report recommendations by authorizing Tollway staff to move ahead with implementation and further study.*

*As you will recall, at the May meeting, the Board voted to reauthorize the Tollway's Business Diversity Program. The Tollway's program is a narrowly tailored, constitutionally-based program and in line with current best practices and legal precedent. This board action is a critical step in preventing the Tollway from functioning as a passive participant in discrimination.*

*The resolution to approve the Business Diversity Program also empowered the Board to ratify any proposed enhancements deemed to be in the agency's best interest, without a separate Board resolution.*

*However, I believe strongly that a public show of support by the Board for the draft Report recommendations symbolizes the depth of commitment we all share in addressing the disparity that exists for minorities, women and veterans in construction industry contracting.*

*Beyond this show of support, I'd also like to clearly state that our work does not end with a vote to approve these recommendations. The draft Report and the recommendations are part of a living document that can be updated as new ideas or needs come up.*

*The Diversity Advisory Council and its subcommittees will continue to meet in order to study, review and share new ideas with the Tollway.*

*I am encouraged by the steps taken over the past few months to address this critical issue. And while there is much more work to be done, I am proud of what has been accomplished together thus far by the Tollway Board and the members of the Diversity Advisory Council. Together, we will find ways to be more open and inclusive and to ensure that we eliminate barriers that prevent businesses from working with the Tollway.*

*That concludes my report on the Diversity and Inclusion Committee meeting. I look forward to the presentation by Gustavo Giraldo and your support for Diversity Report recommendations and Tollway staff proposed actions."*

[End of Committee Reports]



Having no further items, Chairman Schillerstrom called on Executive Director Greg Bedalov.

## **Executive Director**

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**Policy & Procedures Manual:** Executive Director Bedalov introduced Debbie Allen, Chief of Administration, to provide for the Board an overview of the Tollway's updated employee Policy & Procedures Manual. [See attached presentation.](#)

Directors and staff discussed the development process and the implementation plan for the revised manual. Chairman Schillerstrom and Director Johnson suggested that, in addition to labor unions, Tollway employees be offered an opportunity to review and comment on the revised Policy & Procedures Manual prior to its adoption.

**Illinois Tollway Business Diversity Program:** Executive Director Bedalov introduced Gustavo Giraldo, Chief of Diversity and Strategic Development, to provide an overview of the proposed Diversity Report recommendations developed by Tollway staff and the Diversity Advisory Council. [See attached presentation.](#)

Chairman Schillerstrom asked whether the agency has plans to conduct a workforce disparity study. Mr. Giraldo responded that it is believed that a greater benefit would be derived from the study of workforce disparity nationally, and in this regard, the Tollway will be pursuing (in the coming 6 to 12 months) other agencies with which to partner.

**Professional Services Selection for PSB 16-2:** Executive Director Bedalov introduced Paul Kovacs, Chief Engineer, to provide for the Board an overview of the Tollway's selection process for both its General Engineering Consultant and Traffic Engineer. [See attached presentation.](#)

Director Gomez commented on the extended period for which the current vendors have served as the Tollway's General Engineering Consultant and Traffic Engineer. Mr. Kovacs provided the term and renewal options of the two Trust Indenture consultant contracts, emphasizing that these consultant services are re-solicited on a regular basis. He then described the competitive contract procurement process whereby consulting firms submit qualifications to the Tollway, which evaluates and selects the most qualified firm, and then negotiates the project scope of work, schedule, budget, and consultant fee. Discussion ensued regarding the consulting services provided and the Tollway's qualification-based selection process (and selection committee) and the criteria used, including which aspects are governed by the Tollway's Trust Indenture or by state and Federal regulation. Directors and staff additionally discussed the annualized spending



and procurement timelines of the two Trust Indenture consultant contracts, as well as Tollway practices and contract terms regarding work space usage and salary increases.

Director Gomez asked the percentage of office space at Tollway Headquarters which is occupied by Tollway consultants. **Mr. Bedalov responded that this information will be provided post-meeting.**

Chairman Schillerstrom stressed the particular importance of the Board's oversight role in such foundational contracts and urged staff to include, when presenting these contracts for award (anticipated to occur at the end of 2016), all statements of interest received and to document the factors which inform decision-making in the Tollway's selection process. Mr. Kovacs confirmed that the requested information will be provided for the benefit of Directors.

**Comprehensive Annual Financial Report:** Executive Director Bedalov introduced Patti Pearn, Comptroller, to provide for the Board an overview of the agency's Comprehensive Annual Finance Report for 2015. [See attached presentation.](#)

Director Johnson inquired about the funded ratios of the Tollway's pension plan. Mike Stone, Chief of Staff, clarified that Tollway employees participate in the State Employees' Retirement System (SERS). Ms. Pearn did not have specific funding shortage information for SERS, but noted that Tollway participants comprise 2.62 percent of the pension plan.

**Illinois State Police Heritage Motorcycle Run:** Executive Director Bedalov acknowledged Captain Robert Meeder and the Illinois State Police for their contributions to the success of the 9<sup>th</sup> Annual Illinois State Police Heritage Motorcycle Run, recently held to fund the construction of a memorial park and to honor the lives of fallen Illinois State Troopers.

**Tollway Staff Acknowledgments:** Executive Director Bedalov highlighted that Sharon Ferguson, Intergovernmental Agreement Manager and interim EEO/ADA/Ethics Officer, was recently elected to the Black Women Lawyers' Association Board of Directors.

**July 2016 Diversity Statistics:** Noting that Directors have indicated their interest in monthly Diversity statistics, Executive Director Bedalov provided the following data for Tollway procurements to be presented this month:

**PROCUREMENT** contracts include:

- Three vendors doing business with the Tollway for the first time, one of which is also a registered small business.



- One certified disadvantaged, minority- and women-owned enterprise (“D/M/WBE”) firm.

**ENGINEERING** has eight contracts totaling \$47.3 million, including:

- Three firms doing business with the Tollway for the first time;
- Two firms who have worked as subcontractors for the Tollway and are now working as a prime for the first time on a Tollway contract;
- Three Mentor/Protégé commitments.

Of the \$47.3 million in recommended Engineering contract awards, nearly \$22.1 million, or 46.7 percent, is committed to veteran-owned or disadvantaged firms.

All eight contracts include commitments for both veteran and D/M/WBE firm participation. Veteran commitments range from 0.5 to 3.56 percent per contract and D/M/WBE commitments range from 19.97 to 97.48 percent per contract. Additionally:

- One prime contractor and one subcontractor are certified as both veteran-owned and D/M/WBEs;
- Two prime consultants are certified as D/M/WBEs;
- 21 subconsultants are certified as D/M/WBEs;
- Five subconsultants are certified veteran-owned firms.

Director Gomez suggested that updated diversity data have a place on the Tollway’s website, providing a measure by which interested parties may track the progress of the Tollway’s diversity and inclusion efforts.

*[Director Sweeney departed the Meeting for a brief period beginning at approximately 10:22 a.m.]*

## **Items for Consideration**

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Chairman Schillerstrom reminded those in attendance that each of the following items for consideration has been reviewed in detail, discussed and approved at committee for placement on the Meeting agenda with the relevant committee’s recommendation for Board approval.

### **Administration**

*Item 1: Approval of revised Tollway Employee Policy & Procedures Manual*



Chairman Schillerstrom called for a motion to approve **Administration Item 1**. Director Banks made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Chairman Schillerstrom asked that staff share with the Board any comments received during the public comment period. Executive Director Bedalov confirmed that any comments would be shared.

Hearing nothing further, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Dotson, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED. [*Director Sweeney was not present at the time of the vote.*]

## **Diversity**

### Item 1: Approval of Recommendations of the Diversity Study Report

Chairman Schillerstrom called for a motion to approve **Diversity Item 1**, authorizing staff to proceed with implementation of the Diversity Report recommendations, as presented. Director Gomez made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gonzalez, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED. [*Director Sweeney was not present at the time of the vote.*]

## **Procurement**

Item 1: Award of Contract 16-0050 to CDW Government LLC (CDW-G) for the purchase of a Microsoft Support Agreement for Windows Server in an amount not to exceed \$823,500.00 (Order Against CMS Master Contract).

Chairman Schillerstrom called for a motion to approve **Procurement Item 1**. Director Banks made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there





are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Dotson, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED. [*Director Sweeney was not present at the time of the vote.*]

Item 2: Award of Contract 16-0085 to WEX Bank for the purchase of Fleet Fuel Card Services in an amount not to exceed \$300,000.00 (Order Against CMS Master Contract).

[*Director Sweeney re-entered the Meeting at approximately 10:26 a.m.*]

Chairman Schillerstrom called for a motion to approve **Procurement Item 2**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

Item 3: Award of Contract 14-0179 to Buck Bros., Inc.; Green Climber of North America Corporation; Pillar Equipment, Inc.; and Arends Hogan Walker LLC (d.b.a. AHW LLC) for the purchase of Mowing Tractors and Equipment in an aggregate amount not to exceed \$1,565,721.08 (Tollway Invitation for Bid).

Chairman Schillerstrom called for a motion to approve **Procurement Item 3**. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Banks, Director Brooks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.



*Item 4: Award of Contract 16-0007 to West Side Tractor Sales Co. and McCann Industries, Inc. for the purchase of Trailers in an aggregate amount not to exceed \$133,908.90 (Tollway Invitation for Bid).*

Chairman Schillerstrom called for a motion to approve **Procurement Item 4**. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Banks, Director Brooks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 5: Renewal of Contract 15-0078 to Aptude, Inc. for the purchase of Hewlett-Packard Software, Licenses, Maintenance, and Support in an amount not to exceed \$229,621.65 (Tollway Invitation for Bid).*

Chairman Schillerstrom called for a motion to approve **Procurement Item 5**. Director Banks made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Dotson, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 6: Renewal of Contract 13-0013 to MDSolutions, Inc. for the purchase of Aluminum Extrusions in an amount not to exceed \$280,000.00 (Tollway Invitation for Bid).*

Chairman Schillerstrom called for a motion to approve **Procurement Item 6**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:



Yeas: Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 7: Renewal of Contract 12-0188 to American Building Services LLC for the purchase of Replacement Doors and Hardware in an amount not to exceed \$34,855.00 (Tollway Invitation for Bid).*

Chairman Schillerstrom called for a motion to approve **Procurement Item 7**. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Gomez, Director Banks, Director Brooks, Director Dotson, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 8: Award of Contract 16-0023 to Unisys Corporation for the purchase of Mainframe Maintenance and Support in an amount not to exceed \$1,371,771.92 (Tollway Sole Source).*

Chairman Schillerstrom called for a motion to approve **Procurement Item 8**. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Banks, Director Brooks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

## Engineering

*Item 1: Award of Contract I-15-4246R to Industrial Fence, Inc. for Fence Replacement and Signing on the Jane Addams Memorial Tollway (I-90) from Milepost 17.5 (West of Mill Road) to Milepost 52.2 (Randall Road) in the amount of \$6,730,816.07.*



Chairman Schillerstrom called for a motion to approve **Engineering Item 1**. Director Banks made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Gonzalez noted that the Tollway relet this contract as a standard construction contract after originally unsuccessfully letting a portion of the work as a Small Business Set-Aside. He commented that the bid-letting schedule, however, provided insufficient time for a small business bidder (as presented at public comment period) to comply with financial reporting requirements to become an IDOT prequalified contractor (prerequisite for bidding on a standard Tollway contract). He reminded the Board of the priority it has placed on increasing opportunities for small companies to participate in the agency's *Move Illinois* Program and advocated for voting against approval of this award. He further suggested that a portion of the work be unbundled and let again as a Small Business Set-Aside contract.

Paul Kovacs, Chief Engineer, explained that a portion of needed fencing work was initially unbundled and let as a Small Business Set-Aside contract (having lower criteria for contractor qualification) but the single bid received did not provide reasonable conformance with the Engineer's Estimate and was therefore rejected. He further explained that due to the unsatisfactory response, and in coordination with the state Chief Procurement Officer (CPO), the work was then re-bundled and let as a larger standard construction contract, with requisite IDOT contractor prequalification ratings and available bidding capacity. He emphasized that all procurement protocols were followed and he highlighted the agency's commitment to and the success of the Tollway's Small Business Initiative (achieving the highest ranking in the state).

Directors and staff then discussed the circumstances of Fence Masters' bid, the factors and guidelines which informed decision-making in the procurement process, prospects and strategies for successful reletting, as well as the safety (indicated not to be safety critical), legal, and schedule implications of denying this award. Board members requested that staff consider, in coordination with the CPO, unbundling and once again letting a portion of the project as a Small Business Set-Aside.

Hearing nothing further, Chairman Schillerstrom called for a roll call on the pending motion, the vote of yeas and nays being as follows:

Yeas: None (0)

Nays: Director Banks, Director Dotson, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

The motion to approve was NOT PASSED.



*Item 2: Acceptance of Proposal from Ardmore Associates, LLC, on Contract RR-14-4202 for Maintenance Facilities - Site Reconstruction, on the Jane Addams Memorial (I-90) Tollway at Milepost 15.4 (M-7 Maintenance Facility), in an amount not to exceed \$3,582,822.61.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 2**. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Chairman Schillerstrom asked the age of the maintenance facility which is subject of the contract and whether the scope involves remodeling or full reconstruction of the facility. Mr. Kovacs responded that the contract provides for construction management for the total reconstruction of the M-7 Maintenance Facility in Rockford, built in 1958.

Hearing nothing further, Chairman Schillerstrom called for a roll call on the pending motion, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Gomez, Director Banks, Director Brooks, Director Dotson, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 3: Acceptance of Proposal from Lochmueller Group, Inc., on Contract RR-16-4253 for Roadway and Bridge Rehabilitation, on the Reagan Memorial Tollway (I-88) from Milepost 76.1 (IL 251) to Milepost 91.4 (Annie Glidden Road), in an amount not to exceed \$5,713,801.15.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 3**. Director Banks made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Johnson, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.



*Item 4: Acceptance of Proposal from EJM Engineering, Inc., on Contract RR-16-4254 for Roadway and Bridge Rehabilitation, on the Reagan Memorial Tollway (I-88) from Milepost 91.4 (Annie Glidden Road) to Milepost 113.3 (IL 56) in an amount not to exceed \$7,098,410.24.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 4**. Director Gomez made a motion for approval; seconded by Director Brooks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Brooks, Director Banks, Director Dotson, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 5: Acceptance of Proposal from Primera Engineers, Ltd., on Contract RR-16-4255 for Roadway and Bridge Rehabilitation, on the Veterans Memorial Tollway (I-355) from Milepost 12.3 (I-55) to Milepost 22.3 (Butterfield Road), in an amount not to exceed \$9,253,293.29.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 5**. Director Gomez made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Dotson, Director Banks, Director Brooks, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 6: Acceptance of Proposal from Patrick Engineering, Inc., on Contract RR-16-4256 for Roadway and Bridge Rehabilitation, on the Veterans Memorial Tollway (I-355) from Milepost 22.3 (Butterfield Road) to Milepost 29.8 (Army Trail Road), in an amount not to exceed \$5,954,232.28.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 6**. Director Dotson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:



Yeas: Director Dotson, Director Banks, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 7: Acceptance of Proposal from ESI Consultants, LTD, on Contract RR-16-4252 for Maintenance Facilities, Systemwide, in an amount not to exceed \$4,000,000.00.*

Chairman Schillerstrom recused himself from participating in the decision regarding this item.

Chairman Schillerstrom called for a motion to approve **Engineering Item 7**. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Gomez, Director Banks, Director Brooks, Director Dotson, Director Gonzalez, Director Sweeney (7)

Nays: None (0)

Recusals: Chairman Schillerstrom (1)

The motion to approve PASSED.

*Item 8: Acceptance of Proposal from Huff & Huff, Inc., on Contract I-16-4257 for Environmental Studies Upon Request, Systemwide, in an amount not to exceed \$5,000,000.00.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 8**. Director Banks made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Dotson, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 9: Acceptance of Proposal from Milhouse Engineering & Construction, Inc. on Contract I-11-4020 for Supplemental Construction Management for Elmhurst Road Interchange, on the Jane*



*Addams Memorial Tollway (I-90) at Milepost 73.5 (Elmhurst Road), in the amount of \$2,200,000.00 from \$6,023,065.50 to \$8,223,065.50.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 9**. Director Gomez made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 10: Acceptance of Proposal from Michael Baker International, Inc. on Contract RR-13-5660 for Supplemental Construction Management for Roadway Resurfacing, on the Reagan Memorial Tollway (I-88) from Milepost 44.2 (US 30) to Milepost 55.1 (US 52), in the amount of \$1,497,642.62 from \$4,651,075.50 to \$6,148,718.12.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 10**. Director Banks made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Dotson, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 11: Amendment to Change Order on Contract I-13-4618 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Elmhurst Road West Bridge and Interchange on the Jane Addams Memorial Tollway (I-90) at Milepost 73.5 (Elmhurst Road); and Elmhurst Road from South of Landmeier Road to Oakton Street, in the amount of \$761,663.93.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 11**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Chairman Schillerstrom requested that Mr. Kovacs present this item for benefit of the Board.





Upon conclusion of the presentation of the item, Director Gomez inquired about the relatively low disadvantaged business enterprise (“DBE”) utilization to-date. Mr. Kovacs responded that the contract work is just more than halfway complete and that the prime is anticipated to meet its DBE commitment.

Hearing nothing further, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

Chairman Schillerstrom stated that without objection, action on Engineering Items 12 and 13, related to land acquisition activities, will be deferred until after consideration in the Executive Session.

## Legal

*Item 1: Approval of an Intergovernmental Agreement with the Board of Trustees of the University of Illinois (Mechanical Properties). Cost to the Tollway: Estimated to be \$200,000.00.*

Chairman Schillerstrom called for a motion to approve **Legal Item 1**. Director Dotson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Gomez, Director Banks, Director Brooks Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 2: Approval of an Intergovernmental Agreement with the Board of Trustees of the University of Illinois (Slab Designs). Cost to the Tollway: Estimated to be \$315,000.00.*

Chairman Schillerstrom called for a motion to approve **Legal Item 2**. Director Gomez made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.



Chairman Schillerstrom inquired about the rationale for developing separate intergovernmental agreements for Legal Items 1 and 2. David Goldberg, General Counsel, explained that the agreements memorialize separate procurements for two unrelated research projects from distinct research programs.

Hearing nothing further, Chairman Schillerstrom called for a roll call on the pending motion, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Dotson, Director Banks, Director Brooks Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 3: Approval of an Intergovernmental Agreement with the Village of Posen. Cost to the Tollway: \$0.*

Chairman Schillerstrom called for a motion to approve **Legal Item 3**. Director Banks made a motion for approval; seconded by Director Sweeney. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Gomez asked if the agreement to convey excess land precludes the erection of billboards on the subject property. Mr. Goldberg responded affirmatively.

Hearing nothing further, Chairman Schillerstrom called for a roll call on the pending motion, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Sweeney, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Johnson, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 4: Approval of an Intergovernmental Agreement with the City of Des Plaines for excess land conveyance. Cost to the Tollway: \$0.*

Chairman Schillerstrom called for a motion to approve **Legal Item 4**. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:



Yeas: Director Johnson, Director Gomez, Director Banks, Director Dotson, Director Gonzalez, Director Johnson, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 5: Approval of an Intergovernmental Agreement with the Illinois Department of Transportation, the County of DuPage, the City of Wood Dale, the Village of Bensenville and the Bensenville Fire Protection District in connection with a new bridge at IL Route 390 over Route 83. Cost to the Tollway: Estimated at \$275,557.27.*

Chairman Schillerstrom called for a motion to approve **Legal Item 5**. Director Banks made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Johnson, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

*Item 6: Approval of an Intergovernmental Agreement with the Forest Preserve District of Will County for a Public Bikeway. Cost to the Tollway: \$0.*

Chairman Schillerstrom recused himself from participating in the decision regarding this item.

Chairman Schillerstrom called for a motion to approve **Legal Item 6**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Sweeney (7)

Nays: None (0)

Recusals: Chairman Schillerstrom (1)

The motion to approve PASSED.



Chairman Schillerstrom stated that without objection, action on Legal Items 7 and 8, related to pending litigation, will be deferred until after consideration in the Executive Session.

### Executive Session

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Chairman Schillerstrom called for a motion to enter Executive Session pursuant to exceptions provided in Sections 2(c)2, 2(c)5, 2(c)11, and 2(c)21 of the Illinois *Open Meetings Act* to consider Tollway matters related to collective bargaining, the purchase of real property, potential or pending litigation, and the minutes of closed meetings.

Director Dotson made a motion, pursuant to the sections specified, to enter Executive Session; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Sweeney, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Johnson,, Chairman Schillerstrom (8)

Nays: None (0)

The motion to approve PASSED.

At approximately 11:10 a.m. the Board entered into Executive Session.

*[Director Banks departed the Meeting during the Executive Session at approximately 11:30 a.m.]*

### Return from Executive Session and Action (if any)

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At approximately 11:55 a.m., the Board re-entered the public session of the Meeting.

*Chairman's Item 2: Approval of the Minutes of the Executive Session of the Board of Directors meeting held June 21, 2016.*

Chairman Schillerstrom called for a motion to approve **Chairman's Item 2**, the Minutes of the Executive Session of the Board of Directors meeting held on June 21, 2016, as presented. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom called for a vote. The motion PASSED by unanimous vote of those Directors present; Director Banks having earlier departed the Meeting.



Engineering Item 12: Land Acquisition (Identification of Real Estate Parcels associated with the Elgin O'Hare Western Access Project). Cost to the Tollway: N/A.

Chairman Schillerstrom called for a motion to approve **Engineering Item 12**, which amends a prior resolution to identify 13 additional parcels needed for the EOWA Project that may need to be acquired by condemnation. Director Gomez made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Johnson, Director Brooks, Director Dotson, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED. [Director Banks had departed the Meeting.]

Engineering Item 13: Land Acquisition (Identification of Real Estate Parcel associated with the Central Tri-State Tollway). Cost to the Tollway: N/A.

Chairman Schillerstrom called for a motion to approve **Engineering Item 13**, which amends a prior resolution to identify one additional parcel needed for the Central Tri-State Tollway (I-294) Project that may need to be acquired by condemnation. Director Johnson made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Dotson, Director Brooks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED. [Director Banks had departed the Meeting.]

Legal Item 7: Authorization to Enter a Workers Compensation Settlement – Beverly O'Shea. Cost to the Tollway: As discussed in Executive Session.

Chairman Schillerstrom recused himself from participating in the decision regarding this item.

Chairman Schillerstrom called for a motion to approve **Legal Item 7**, authorizing staff to proceed with a workers' compensation settlement with Ms. Beverly O'Shea, consistent with terms



discussed in Executive Session. Director Johnson made a motion for approval; seconded by Director Gomez. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Gomez, Director Brooks, Director Dotson, Director Gonzalez, Director Sweeney (6)

Nays: None (0)

Recusals: Chairman Schillerstrom (1)

The motion to approve PASSED. *[Director Banks had departed the Meeting.]*

Legal Item 8: Authorization to Enter into a Litigation Settlement – *Stivers v. ISTHA*, 15 CV 9030. Cost to the Tollway: As discussed in Executive Session.

Chairman Schillerstrom called for a motion to approve **Legal Item 8**, authorizing staff to enter into a litigation settlement of Illinois Northern District Court case #1:2015cv09030, *Stivers v. Illinois State Toll Highway Authority*, consistent with terms discussed in Executive Session. Director Dotson made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Johnson, Director Brooks, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (7)

Nays: None (0)

The motion to approve PASSED. *[Director Banks had departed the Meeting.]*

## **Adjournment**

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There being no further business before the Board, Chairman Schillerstrom requested a motion to adjourn. Motion to adjourn was made by Director Johnson, seconded by Director Dotson. Chairman Schillerstrom called for a vote. The motion PASSED by unanimous vote of those Directors present.

The Meeting was adjourned at approximately 12:00 p.m.



**ILLINOIS STATE TOLL HIGHWAY AUTHORITY**

Minutes of the  
**Regular Board of Directors Meeting**

Meeting Date  
**July 28**  
2016



A handwritten signature in cursive script that reads "Christi Regnery".

Minutes taken by: \_\_\_\_\_

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority



# POLICY AND PROCEDURES MANUAL

July 28, 2016

Deborah Allen







# What's Been Done

- Consolidation
- Restructuring
- New Additions
  - Concealed Carry
  - Medical Marijuana
  - Social Media



# Distribution

- Every current employee will receive a hard copy
- Electronic version available on intranet Crossroads
- Additional hard copies available at all remote locations
- New employees will receive a hard copy at processing



# Format

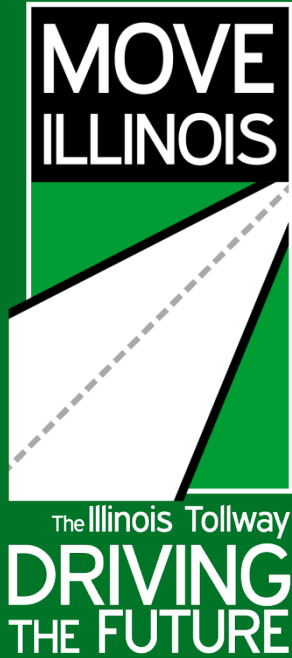
- All employees will sign acknowledgement form
- The new policy manual will be in a three-ring binder format
  - Dated information can be easily removed and replaced so that manual remains current

THANK YOU



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# Illinois Tollway Business Diversity Program

Gustavo Giraldo, *Chief of the Department of Diversity and  
Strategic Development*

July 28, 2016

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# Agenda

**Actions since May 2016 Board Meeting**

**Overview of Diversity Report  
Recommendations**

**Next Steps**

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# Diversity Report Recommendations Update

- Sent draft report to Tollway Board of Directors (May 27)
- Posted draft report on Tollway website (June 3)
- Shared draft report with stakeholders (June 3)
- Update presentation to Diversity and Inclusion Committee (July 20)
- Posted Diversity Advisory Council and subcommittee meeting dates online
  - Next general Diversity Advisory Council meeting – August 2
  - Next Policy Subcommittee meeting – August 8
  - Next Workforce Development Subcommittee meeting – August 23
  - Next Program Subcommittee meeting – TBD



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# Diversity Report Recommendations

## Overview

- Recommendations completed
- Recommendations in progress
- Recommendations proposed



The Illinois Tollway  
**DRIVING**  
THE FUTURE



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# Recommendations Completed

## Disparity Study

- Maintain DBE program
- Use Disparity Study data to set DBE goals
- Re-evaluate diversity program
- Host contractor compliance seminars
- Revise retainage policy
- Continue issuing unbundling and set-aside contracts\*

## Diversity Advisory Council

- Continue Diversity and Inclusion Committee and Diversity Advisory Council meetings
- Marketing in technical assistance programs

\* Also recommended by Diversity Advisory Council

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# Recommendations In Progress

## Disparity Study

- Launch new Mentor/Protégé Program for construction\*
- Create new DBE incentive program for prime contractors
- Develop new DBE program manual
- Identify barriers on Tollway construction contracts
- Issue RFP for diversity management software

\* Also recommended by Diversity Advisory Council

## Diversity Advisory Council

- Issue RFP for workforce development technical assistance program
- Create construction contract bidding checklist
- Post contractor EEO compliance reports online

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# Recommendations Proposed

## Disparity Study

- Require primes to maintain subcontractor quotes
- Expand unbundling and set-aside contract opportunities\*
- Develop DBE Program performance metrics

## Diversity Advisory Council

- Establish new DAC subcommittee for trade unions and prime contractors
- Require contractor EEO workforce projections
- Evaluate goods and services and JOC Program contract lengths
- Issue RFP for goods and services technical assistance program
- Conduct workforce disparity study

\* Also recommended by Diversity Advisory Council



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## Next Steps

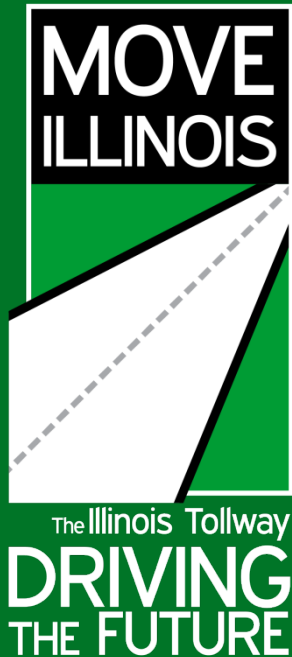
- Approve Tollway staff proposed actions at July Board meeting
- Provide regular progress reports to Diversity and Inclusion Committee and to Board of Directors every six months
- Tollway Board of Directors/Diversity Advisory Council meet and greet August 2



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THE FUTURE**

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**THANK YOU**



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# Professional Services Selection for PSB 16-2

July 28, 2016

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# Tollway Relies on Professional Services

*An estimated 300 firms working on Move Illinois*

## Variety of services provided

- Design
- Construction management
- Program management
- Trust indenture services

## Follow State regulations and Tollway policy

- Advertise Professional Services Bulletins
- Firms submit Statements of Interest
- Formal Qualifications-Based Selection process
- Approval of contract award by the Board of Directors



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**DRIVING  
THE FUTURE**

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# Overview of PSB 16-2

## Solicited two Trust Indenture consultant contracts

- General Engineering Consultant
- Traffic Engineer

## Advertised Professional Services Bulletin 16-2 on January 29

- Published on the Illinois Procurement Bulletin
- Tollway issued via email, press release and on its website
- Extensive outreach and paid advertisements

## Interested firms submitted a Statement of Interest on March 9

## Tollway conducted a compliance review

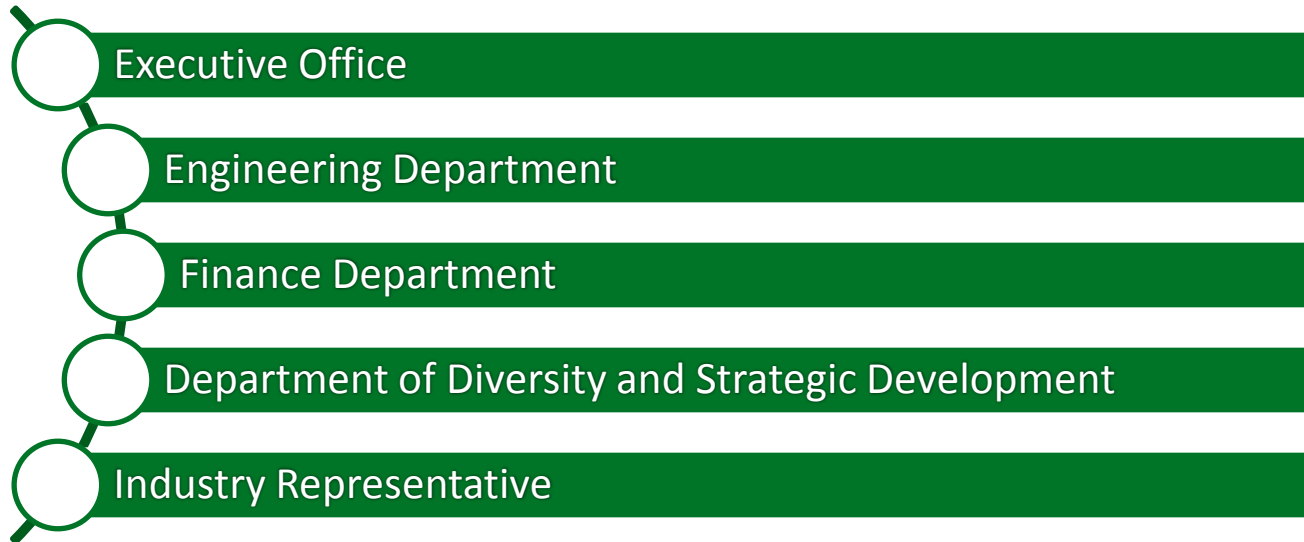




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# Recommended Selection Committee

*Voting members represent various Tollway departments and industry*



*Non-voting members also include an IDOT representative and an administrator*

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# Comprehensive Selection Process

## Tier 1: Technical Review

- Detailed evaluation of experience and technical competence, familiarity with the work, appropriate cost saving measures, key personnel and proposed method of accomplishing the project's objectives
- Develop rankings with objective scoring

## Tier 2: Business Assessment

- High-level review to assess firm capacity and experience
- Consider project teams, including diversity goals
- Oral presentation by prospective firms

## Tier 3: Formal Selection

- Determine selected firms by written ballot



# Anticipated Next Steps

Action Item	Date
Tier 1: Technical Review	Late July
Tier 2: Business Assessment	Mid-August
Tier 3: Formal Selection	Mid-August
Tollway negotiates fee with each top firm	Fall
Chief Engineer provides award recommendations to Board of Directors	Fall
Selected firm begins work	January 2017



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# THANK YOU

# Comprehensive Annual Financial Report GAAP Basis

July 28, 2016

Patricia Pearn



# Tollway CAFR Includes

**Audited Generally Accepted Accounting Principles (GAAP)  
financial statement and footnotes**

## **Supplementary Information**

- Trust Indenture financial statements

## **Statistical Information**

- Traffic and revenue statistics
- Economic and demographic information

# Basis of Accounting

**Tollway financial statements are prepared in accordance with GAAP**

**GAAP accounting is different from Trust Indenture accounting used for quarterly budget-to-actual presentations**

## **Under Trust Indenture accounting**

- Fixed assets are expensed, no depreciation
- Bond principal retirements are expensed when paid
- Long-term fiber optic revenue recorded as revenue when received
- GASB 68 pension liability and increased expense are not recognized

# 2015 Financial Results

Operating revenues increased 17.8 percent (\$186 million) to \$1,229 million as passenger and commercial traffic continued to increase and the commercial vehicle toll rates increased.

Operating expenses (excluding depreciation) increased 12.5 percent (\$36.3 million), due mainly to the implementation of GASB Statements No. 68 and 71, which required the Tollway to record a portion of the State Employee Retirement System's (SERS) unfunded pension liability. This resulted in an increase of \$32.7 million in pension expense.



# 2015 Financial Results (continued)

The implementation of GASB No. 68 and 71 resulted in a decrease to the beginning of year net position of \$633.2 million

The Tollway's net position related to operations improved by \$347.5 million

The Tollway maintains a healthy balance sheet with a net position of nearly \$2.2 billion



# Statement of Changes in Net Position Operating Income

	2015	2014	Percent change
Tolls	1,147	969	18.3%
Evasion recovery	64	54	19.6
Concessions	2	2	-
Other	16	18	(13.8)%
<b>Operating revenue</b>	<b>1,229</b>	<b>1,043</b>	<b>17.8%</b>
Depreciation	329	309	6.4%
Other operating expenses	351	315	11.5%
<b>Total operating expense</b>	<b>680</b>	<b>624</b>	<b>9.0%</b>
<b>Operating income</b>	<b>549</b>	<b>419</b>	<b>31.0%</b>

(Amounts in Millions)

# Statement of Changes in Net Position Net Result

	<u>2015</u>	<u>2014</u>	<u>Percent Change</u>
Operating income	549	419	31.0%
Net non-operating expense	-202	-187	8.0%
<b>Change in net assets</b>	<b>347</b>	<b>232</b>	<b>.50%</b>

(Amounts in Millions)

# Statement of Net Position Assets and Deferred Outflows

	<u>2015</u>	<u>2014</u>	<u>Percent Change</u>
Unrestricted cash and cash equivalents	957	917	4.4%
Accounts receivable, net	14	10	40.0%
IGA receivables - current portion	33	39	-15.4%
Other	2	1	100.0%
<b>Total current unrestricted</b>	<b>1006</b>	<b>967</b>	<b>4.0%</b>
Restricted cash - debt service	184	196	-6.1%
IPASS cash in escrow	175	167	4.8%
<b>Total current restricted</b>	<b>359</b>	<b>363</b>	<b>-1.1%</b>
<b>Total current assets</b>	<b>1365</b>	<b>1330</b>	<b>2.6%</b>
Capital assets, net of depreciation	7380	6235	18.4%
Other non-current assets & deferred outflow of resources	1437	1256	14.4%
<b>Total assets</b>	<b>10182</b>	<b>8821</b>	<b>15.4%</b>

Amounts in Millions

# Statement of Net Position Liabilities and Net Position

	<u>2015</u>	<u>2014</u>	<u>Percent Change</u>
Accounts payable and accruals	282	218	29.4%
Deposits and retainage	95	61	55.7%
Other unrestricted liabilities	113	106	6.6%
<b>Current - payable for unrestricted</b>	<b>490</b>	<b>385</b>	<b>27.3%</b>
Bonds payable- current portion	101	98	3.1%
Interest payable	105	86	22.1%
Deposits- IPASS escrow	175	167	4.8%
<b>Current - payable from restricted</b>	<b>381</b>	<b>351</b>	<b>8.5%</b>
<b>Total current liabilities</b>	<b>871</b>	<b>736</b>	<b>18.3%</b>
Revenue bonds payable	6049	5319	13.7%
Other	297	287	3.5%
Net pension liability and related deferred inflows	768	-	100.0%
<b>Total liabilities</b>	<b>7985</b>	<b>6,342</b>	<b>25.9%</b>
<b>Net position</b>	<b>2193</b>	<b>2478</b>	<b>-11.5%</b>
Restatement due to GASB 68		-63.2	
<b>Restated Net Position - 1/1/2015</b>		<b>2193</b>	

Amounts in Millions



THANK YOU

