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Record of Closed Meeting | December 17, 2020

Pursuant to exceptions provided in Sections 2(c)8, 11, 21 and 29 of the Open Meetings Act (5 ILCS 120/2(c)5, 11, 21), on Thursday, December 17, 2020 at approximately 10:55 a.m., the Tollway Board of Directors met telephonically in Executive Session to discuss Tollway matters related to security procedures, pending or probable litigation, the minutes of closed meetings and internal audit controls.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Willard S. Evans, Jr.	Kathleen R. Pasulka-Brown (General Counsel)
Director James Connolly	José Alvarez (Executive Director)
Director Stephen Davis	Christi Regnery (Board Secretary)
Director Alice Gallagher	Cassandra Rouse (Chief Strategy Officer)
Director Karen McConnaughay	Shaun Farmer (Chief Internal Auditor)
Director Gary Perinar	
Director James Sweeney	

Directors discussed the Enterprise Risk Management Program

Approval of authorization to implement the Enterprise Risk Management Program (Chairman's Item 6): Staff presented for consideration the Enterprise Risk Management Program, an organization-wide approach to monitor, identify, assess and manage issues and uncertainties that threaten fulfillment of our mission, programs and operations. The overview included the Enterprise Risk Manage ("ERM") framework, risk identification, key areas of review



and risk mitigation plans. Directors and staff discussed the use of outside consultants, the program's timing and the formal structure of risk communication to Directors.

[Cassandra Rouse and Shawn Farmer departed the meeting at this time.]

Directors discussed the minutes of a closed session meeting

Chairman Evans raised for consideration the Minutes of the Executive Session of the November 19, 2020 Board of Directors meeting and inquired whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Evans advised the Board that action on the Minutes will occur upon return to the public session of the meeting.

Directors discussed pending or probable litigation

Approval of an Addendum Agreement Relating to Support Services (Legal Item 4):

General Counsel provided a review of the dispute between the Tollway and Mythics, Inc., an Oracle reseller, concerning support service fees for Oracle products.

She explained that in 2017, the Tollway believed it had entered into a multi-year agreement with Mythics, Inc., pursuant to which fees for support services were to be phased out beginning in 2020. Mythics (and Oracle) had a different understanding of the agreement, and at the end of 2019, Mythics advised the Tollway that for 2020, and every year thereafter, the Tollway would have to pay full price for such services.

General Counsel reminded the Directors that the Tollway had engaged Mythics and Oracle in negotiations in attempt to reach an informal resolution of the dispute regarding support service fees and avoid potentially lengthy and costly litigation. She advised that the negotiations were successful and provided an overview of the tentative agreement, which will result in the Tollway paying Mythics (i) the full amount sought for 2020 support services, (ii) nothing for 2021 support services, and (iii) significantly reduced support service fees in and after 2022. General Counsel advised that the agreement currently before the Board would continue support services through 2021 and the broader agreement would be presented to the Board when finalized.

Re-Enter Public Session

There being no further Executive Session business, Chairman Evans entertained a motion to re-enter the public session of the regular Board Meeting. Director McConnaughay made such a motion, seconded by Director Connolly. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:



Minutes of the
Executive Session of the Board of Directors Meeting

Meeting Date
December 17
2020



Yeas: Director Connolly, Director McConnaughay, Director Davis, Director Gallagher, Director Perinar, Director Sweeney, Chairman Evans (7)

Nays: (0)

The motion PASSED.

The Executive Session concluded at approximately 11:55 a.m.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

Minutes of the
Executive Session of the Board of Directors Meeting**CONFIDENTIAL**

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Record of Closed Meeting | January 28, 2021

Pursuant to exceptions provided in Sections 2(c)5, 11, 21 and 29 of the *Open Meetings Act* on Thursday, January 28, 2021 at approximately 11:20 a.m., the Tollway Board of Directors met telephonically in Executive Session to discuss Tollway matters related to the purchase or lease of real property, pending or probable litigation, minutes of closed meetings and internal audit controls.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Willard S. Evans, Jr.	Kathleen R. Pasulka-Brown (General Counsel)
Director James Connolly	José Alvarez (Executive Director)
Director Stephen Davis	Christi Regnery (Board Secretary)
Director Alice Gallagher	Cassandra Rouse (Chief Strategy Officer)
Director Karen McConnaughay	Shaun Farmer (Chief Internal Auditor)
Director Gary Perinar	Chris Jeffery (Baker Tilly)
Director James Sweeney	Eric Wunderlich (Baker Tilly)
	Melanie Varghees (Baker Tilly)

Directors discussed Internal Audit Controls

Sox Internal Audit Assistance and Compliance Controls: Staff reported that the Tollway engaged Baker Tilly to conduct a SOX internal audit assistance and a compliance control review of the Tollway's procurement processes. Staff then introduced members of the Baker Tilly consulting team to provide a progress report to the Directors.



Baker Tilly's presentation included preliminary results of their review of process documentation, policies and procedures, evaluation of document control gaps and recommendations to define and document the process for procurement as it relates to professional services.

Upon conclusion of the presentation, Chairman Evans noted that Baker Tilly consultants are available to meet individually with Directors if requested.

[Cassaundra Rouse, Shaun Farmer and Baker Tilly staff departed the meeting at this time.]

Directors discussed land acquisition activities

Identification of Real Estate Parcels (Legal Item 3): Pursuant to the Tollway's obligation (arising from *ISTHA v. DiBenedetto*, 275 Ill. App. 3d 400, 405 (1st Dist. 1995)) to identify real estate interests it may need to acquire by condemnation, General Counsel provided a summary table for the Central Tri-State Tollway (I-294) Project parcel identification report, noting the addition of four (4) parcels.

Directors discussed pending or probable litigation

[Discussions related to litigation and litigation strategy are redacted.]

Directors discussed pending or probable litigation

General Counsel refreshed the Directors on a lawsuit filed against the Tollway in August 2019 by the Teamsters Health and Welfare Fund and the Teamsters Legal & Educational Assistance Fund, wherein plaintiffs claimed the Tollway was liable for an amount well in excess of \$25,000,000 for insufficient contribution payments and unpaid past and future contributions. She reported that on January 12, 2021, the court granted the Tollway's motion for reconsideration and dismissed the plaintiffs' remaining claims and their lawsuit.

General Counsel next advised the Directors of a lawsuit filed against the Tollway by Omega Demolition Corp., which concerned the Tollway's decision to withdraw the company's A15-form (*i.e.*, its authorization to work as a subcontractor on Tollway projects) following the death, in May 2016, of one of the company's employees at a job site. She explained that the company asserted that the Tollway violated its right to due process by taking its property without notice or a hearing and that that company requested damages in excess of \$1 million. She reported that the Tollway moved to dismiss the lawsuit and that the court recently ruled in favor of the Tollway, finding there was no violation of due process, and dismissed the suit with prejudice. She highlighted that the



court also found that the Tollway did not abuse its discretion in revoking Omega's A15-form, supporting the Tollway's broad discretion in the oversight of such engineering decisions.

Directors and staff discussed the subsequent dissolution of Omega Demolition Corp. and the implications of the safety failures relative to any future reconstituted or related enterprise. General Counsel noted that any reconstituted company would need to be vetted when seeking to work on Tollway projects. In response to a Director's question, **Executive Director Alvarez stated that he will determine whether any company related to Omega Demolition Corp. is currently working on Tollway projects, and if so, what the review process entailed.**

Directors discussed the minutes of a closed session meeting

Chairman Evans raised for consideration the Minutes of the Executive Session of the December 17, 2020 Board of Directors meeting and inquired whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Evans advised the Board that action on the Minutes will occur upon return to the public session of the meeting.

Directors discussed the executive session minutes for public release

Chairman Evans next raised for consideration the executive session minutes proposed for public release, explaining that, in accordance with the Open Meetings Act, the Board performs a semiannual review of the written minutes of all closed session meetings to determine if there is any content for which confidential treatment is no longer required. A Director inquired generally about older content of minutes that remains redacted and whether any of the minutes of closed session meetings have been released previously. Staff explained that the redacted minutes of all closed session meetings are reviewed for release semiannually. Staff clarified that contents which are indicated as redacted (red-lined in Directors copy) still require confidential treatment and will not be disclosed. Hearing no further questions, Chairman Evans advised the Board that action on the minutes for public release will occur upon return to the public session of the meeting.

Re-Enter Public Session

There being no further Executive Session business, Chairman Evans entertained a motion to re-enter the public session of the regular Board Meeting. Director McConnaughay made such a motion, seconded by Director Connolly. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:



Executive Session of the Board of Directors Meeting

Yeas: Director Connolly, Director McConnaughay, Director Davis, Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chairman Evans (8)

Nays: (0)

The motion PASSED.

The Executive Session concluded at approximately 12:51 p.m.

Minutes taken by: _____/s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | February 25, 2021

Pursuant to exceptions provided in Sections 2(c)1, 8, 11, 21 and 29 of the *Open Meetings Act* on Thursday, February 25, 2021 at approximately 11:20 a.m., the Tollway Board of Directors met telephonically in Executive Session to discuss Tollway matters related to personnel, security procedures, pending or probable litigation, minutes of closed meetings and internal audit controls.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Willard S. Evans, Jr.	Kathleen R. Pasulka-Brown (General Counsel)
Director James Connolly	José Alvarez (Executive Director)
Director Stephen Davis	Christi Regnery (Board Secretary)
Director Alice Gallagher	Joe Kambich (Chief of Information Technology)
Director Jacqueline Gomez	
Director Karen McConnaughay	
Director Scott Paddock	
Director Gary Perinar	
Director James Sweeney	

Inspector General's Summary Activity Report

Chairman Evans informed Directors that due to a family emergency, T.J. Hengesbach, Tollway Inspector General, would not be available to provide a briefing for the Board on items likely to be included in the Office of Inspector General's ("OIG's") Summary Activity Report (to be formally



presented in March). He noted that Directors have been provided a summary memo prepared by Mr. Hengesbach and may contact him directly if they have questions.

Directors discussed security procedures

Chief of Information Technology, Joe Kambich, presented to Directors an overview of cybersecurity governance measures and how they have been adapted to respond to the Covid-19 crisis. Mr. Kambich addressed the agency's top cybersecurity risks, how these risks are being managed, measurement of cyber risk and related financial impacts, response protocols and future plans for the Information Technology department.

A Director asked if the Tollway has experienced a breach of security leading to unauthorized access to personal data. Mr. Kambich responded in the negative. Directors and Mr. Kambich then discussed how continuous monitoring and real-time alerts are used to detect unusual file activity, prevent breaches and sustain protections.

[Mr. Kambich departed the meeting at this time.]

Directors discussed the minutes of a closed session meeting

Chairman Evans raised for consideration the Minutes of the Executive Session of the January 28, 2021 Board of Directors meeting and inquired whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Evans advised the Board that action on the Minutes will occur upon return to the public session of the meeting.

Directors discussed pending or probable litigation

Settlement Agreement (Legal Item 3 – Martam Construction Company, Inc.) General Counsel informed Directors that in April 2016, Martam Construction Company, Inc. and the Tollway entered into Contract No. I-13-4617, pursuant to which Martam agreed to provide certain materials and perform certain services in relation to a Tollway construction project in and around the intersection of Elmhurst Road and Oakton Street. She stated that for a variety of reasons, Martam's performance of its contractual obligations was substantially delayed, and as a result of delays, which Martam attributed to the Tollway, Martam sought to recover delay damages from the Tollway. She further stated that pursuant to Tollway policy, the Engineering department considered and rejected Martam's claim, and Martam filed suit, alleging that the Tollway was liable for delay damages of approximately \$314,705.26.



[Discussions related to litigation and litigation strategy are redacted.] She stated that the parties have agreed to settle Martam's lawsuit, and any and all claims associated therewith, for \$120,000.00.

Directors and General Counsel discussed the risk and responsibility of the construction management firms relative to delay damage claims. In response to a Director's question, General Counsel noted that she will review the relevant contracts to determine whether there is an opportunity to seek restitution for such claims.

Settlement Agreement (Legal Item 4 – Oracle America, Inc. and Mythics, Inc.) General Counsel stated that as described in the Executive Session of the December Board meeting, the Tollway, Mythics and Oracle have now finalized a global settlement agreement regarding support service fees for Oracle products going forward.

General Counsel stated that Legal Item 4 authorizes a settlement agreement in which (i) the Tollway will pay approximately \$1.78 million for the year 2020 (previously authorized in December), (ii) nothing for the year 2021, (iii) \$700,000 for the year 2022, and additional amounts for years thereafter. She further stated the global agreement has been executed by all counter parties and Board approval is being sought for the Tollway to enter into and execute the agreement.

A Director inquired if any terms of the agreement have changed since the Board discussion in December. General Counsel responded in the negative.

Re-Enter Public Session

There being no further Executive Session business, Chairman Evans entertained a motion to re-enter the public session of the regular Board Meeting. Director McConnaughay made such a motion, seconded by Director Connolly. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Connolly, Director Gomez, Director Davis, Director Gallagher, Director McConnaughay, Director Paddock, Director Perinar, Director Sweeney, Chairman Evans (9)

Nays: (0)

The motion PASSED.

The Executive Session concluded at approximately 12:30 p.m.



ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Minutes of the
Executive Session of the Board of Directors Meeting

Meeting Date
February 25
2021



Minutes taken by: _____/s/ on original
Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | March 25, 2021

Pursuant to exceptions provided in Sections 2(c)5, 11 and 21 of the *Open Meetings Act* on Thursday, March 25, 2021 at approximately 11:26 a.m., the Tollway Board of Directors met telephonically in Executive Session to discuss Tollway matters related to purchase or lease of real property, pending or probable litigation and the minutes of closed meetings.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Willard S. Evans, Jr.	Kathleen R. Pasulka-Brown (General Counsel)
Director James Connolly	José Alvarez (Executive Director)
Director Stephen Davis	Christi Regnery (Board Secretary)
Director Alice Gallagher	Rocco Zuccherro (Chief Planning Officer)
Director Jacqueline Gomez	
Director Karen McConnaughay	
Director Scott Paddock	
Director Gary Perinar	

Directors discussed the minutes of a closed session meeting

Chairman Evans raised for consideration the Minutes of the Executive Session of the February 25, 2021 Board of Directors meeting and inquired whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Evans advised the Board that action on the Minutes will occur upon return to the public session of the meeting.



Directors discussed land acquisition activities

Identification of Real Estate Parcels (Legal Item 4): Pursuant to the Tollway's obligation (arising from *ISTHA v. DiBenedetto*, 275 Ill. App. 3d 400, 405 (1st Dist. 1995)) to identify real estate interests it may need to acquire by condemnation, General Counsel provided a summary table for the Central Tri-State Tollway (I-294) Project parcel identification report, noting the addition of one (1) parcel.

Directors discussed pending or probable litigation

Workers' Compensation – Jeffery Jaworski (Legal Item 5): General Counsel provided a summary of the workers' compensation matter of Jeffery Jaworski, a Tollway employee who suffered a lower back injury in May of 2017, while performing his duties as a Tollway equipment operator laborer. She noted that in November 2019, Mr. Jaworski was released to full duty work, and he was reinstated to his position of equipment operator laborer on December 2, 2019.

General Counsel reported that a negotiated settlement between the parties has been reached for \$108,748.25, which would close the Petitioner's claim and eliminate the Tollway's exposure to any future related medical treatment. She noted this settlement amount is a significant discount from the amounts to which the Tollway would be exposed if it tried Petitioner's case. General Counsel advised the Board that both the Legal Department and outside counsel recommend approval of the settlement authorized in Legal Item 5.

[Mr. Zucchero joined the meeting at this time.]

Directors discussed pending or probable litigation

Condemnation Settlement Agreement – Village of Berkeley (Legal Item 3): [Discussions related to litigation and litigation strategy are redacted.] Directors and staff additionally discussed the Tollway's land acquisition policy and prior interactions and agreements with other municipalities impacted by the Project. **Directors suggested that a review of agreements previously executed with impacted municipalities may inform the establishment of a uniform policy with respect to the acquisition of municipal property.**

[Discussions related to litigation and litigation strategy are redacted.][Director Davis departed the meeting during the Executive Session.]

Re-Enter Public Session



There being no further Executive Session business, Chairman Evans entertained a motion to re-enter the public session of the regular Board Meeting. Director McConnaughay made such a motion, seconded by Director Connolly. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director McConnaughay, Director Connolly, Director Gallagher, Director Gomez, Director Paddock, Director Perinar, Chairman Evans (7)

Nays: (0)

The motion PASSED.

The Executive Session concluded at approximately 12:48 p.m.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

Minutes of the
Executive Session of the Board of Directors Meeting**CONFIDENTIAL**

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Record of Closed Meeting | April 22, 2021

Pursuant to exceptions provided in Sections 2(c)5, 11 and 21 of the Open Meetings Act, 5 ILCS 120/2(c)5, 11 and 21, on Thursday, April 22, 2021 at approximately 11:10 a.m., the Tollway Board of Directors met telephonically in Executive Session to discuss Tollway matters related to purchase or lease of real property, pending or probable litigation and the minutes of closed meetings.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Willard S. Evans, Jr.	Kathleen R. Pasulka-Brown (General Counsel)
Director James Connolly	José Alvarez (Executive Director)
Director Stephen Davis	Christi Regnery (Board Secretary)
Director Alice Gallagher	Rocco Zuccherro (Chief Planning Officer)
Director Jacqueline Gomez	
Director Karen McConaughay	
Director Scott Paddock	
Director Gary Perinar	

Directors discussed the minutes of a closed session meeting

Chairman Evans raised for consideration the Minutes of the Executive Session of the March 25, 2021 Board of Directors meeting and inquired whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Evans advised the Board that action on the Minutes will occur upon return to the public session of the meeting.



Directors discussed pending or probable litigation

Settlement Agreement – ISTHA v. Bailey Development, L.L.C (Legal Item 2): General Counsel provided a summary of an Administrative Real Estate Settlement relative to Parcel WA-1D-12-039 located at 11825 Franklin Avenue, Bensenville, IL, which is required for Tollway right-of-way along the Elgin O'Hare Western Access (I-390) Corridor. General Counsel noted that the Tollway appraised the property at a value of \$8,600,000.00 and that the property owner's appraiser valued the property at \$11,000,000.00. General Counsel advised the Board that the parties have agreed to settle the matter for \$9,600,000.00, the amount established by the court as Preliminary Just Compensation.

Authorization to Enter into Mediation – Estate of Samuel Gradman (Legal Item 3):

General Counsel provided a summary of this wrongful death action filed by the Estate of Samuel Gradman as the result of a multi-vehicle accident that occurred on December 15, 2017 on the Reagan Memorial Tollway (I-88). She explained that the suit alleges that the Tollway failed to properly warn motorists of the repair work taking place and the partial lane closure. *[Discussions related to litigation and litigation strategy are redacted.]*

Workers' Compensation – John Bocskovits (Legal Item 4): General Counsel provided a summary of the workers' compensation claims of John Bocskovits, a Tollway employee who suffered a lumbar spine injury in February of 2017 while performing his duties as a Tollway equipment operator laborer. *[Discussions related to litigation and personnel matters are redacted.]*

General Counsel reported that two pre-trial conferences with an arbitrator resulted in a negotiated tentative lump-sum settlement of \$450,000.00, which will close Mr. Bocskovits' claim and eliminate the Tollway's exposure to a permanent total disability award. She noted this settlement amount represents a compromise between a potential award of permanent and total disability benefits and possible wage differential benefits. She further noted that settlement would eliminate the risk of incurring liability for future medical treatment and avoid ongoing litigation costs to which the Tollway would be exposed if it tried Mr. Bocskovits' case. General Counsel advised the Board that both the Legal Department and outside counsel recommend approval of the settlement authorized in Legal Item 4.

Re-Enter Public Session

There being no further Executive Session business, Chairman Evans entertained a motion to re-enter the public session of the regular Board Meeting. Director Gallagher made such a motion, seconded by Director Gomez. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:



Executive Session of the Board of Directors Meeting

Yeas: Director Gallagher, Director Gomez, Director Connolly, Director Davis, Director McConnaughay, Director Paddock, Director Perinar, Chairman Evans (8)

Nays: (0)

The motion PASSED.

The Executive Session concluded at approximately 11:34 a.m.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority