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Record of Closed Meeting | December 15, 2016

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:03 a.m. on Thursday, December 15, 2016 to discuss Tollway matters related to the purchase of real property, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)5, 2(c)11, and 2(c)21 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:
Chairman Bob Schillerstrom
Director Jim Banks
Director Corey Brooks
Director Earl Dotson, Jr.
Director Joe Gomez
Director Craig Johnson
Director Vazquez Rowland

Staff Present for all or portions of the Meeting:
Greg Bedalov (Executive Director)
David Goldberg (General Counsel)
Rocco Zuccherro (Chief Planning Officer)
Christi Regnery (Board Secretary)

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on November 17, 2016. He inquired of the Board whether there are any questions, concerns or requests for amendment.



In response to a Director's question, Chairman Schillerstrom explained that the minutes of closed session meetings are raised in Executive Session, prior to the Board acting on them in public session, in order to provide members an opportunity to discuss or amend their contents in a forum appropriate to their confidential nature. He clarified that the minutes of closed session meetings remain confidential until they are reviewed semi-annually and a determination is made by the Board that specific contents are appropriate for public release.

Hearing nothing further, Chairman Schillerstrom advised that Board action on the Minutes of the Executive Session will occur upon return to the regular session of the Meeting.

Directors discussed land acquisition activities and related pending litigation

Final Settlement of Condemnation Litigation - Parcel EO-1A-12-024 (Legal Item 1):

Staff provided a summary of a condemnation action filed by the Tollway which seeks fee taking of 6,269 square feet of commercial property located in DuPage County, parcel EO-1A-12-024, needed in connection with the Elgin O'Hare Western Access ("EOWA") Project. Staff explained that order vesting title was previously obtained in 2013 by ruling of a quick take condemnation hearing and upon the Tollway's deposit of preliminary just compensation, as determined by the court, in the amount of \$120,000. Staff advised that a significant issue remained how to value this corner lot property due to loss of access rights to Rohlwing Road. Staff reported that the Tollway is now in receipt of the final settlement report from the assigned Special Assistant Attorney General, who is recommending settlement for the parcel in the amount of \$375,000 (significantly lower than the owner's valuation. Staff advised that the Legal Department and the Land Acquisition Manager are recommending approval of a final settlement in this amount.

A Director inquired about the seemingly lengthy time needed to resolve the condemnation action. Staff responded that following a quick-take procedure (whereby the Tollway promptly obtains legal title), it is not uncommon for the parties to take several years to reach agreement on the final award of compensation.

[Mr. Zucchero departed the Executive Session at this time.]

Directors discussed a workers' compensation settlement

A Workers' Compensation Settlement – Sam DeMaria (Legal Item 3): General Counsel provided a summary of the workers' compensation claim by Sam DeMaria for accepted injuries sustained to his right arm and shoulder while performing his duties as an equipment operator/laborer. He reported that a negotiated settlement between the parties has been reached for \$78,000. He advised that both the Legal Department and outside counsel are recommending



approval of the settlement agreement reached. Staff noted that Mr. DeMaria was returned to work in a full duty capacity.

A Director asked the age of the claimant in the matter. Staff responded that Mr. DeMaria was 58 years old at the time of injury.

The Board expressed consensus in support of authorizing settlement of the workers' compensation matter as presented.

Directors discussed land acquisition activities and related pending litigation

EOWA Land Acquisition – Canadian Pacific Railway: General Counsel updated the Board on the agency's efforts to acquire real estate interests from Canadian Pacific Railway ("CP") needed for the EOWA Project. He reported that in furtherance of a condemnation approach, necessitated by CP's refusal to negotiate, the Legal Department (with authorization of the Board) has recently submitted to the Federal Surface Transportation Board ("STB") a formal filing regarding the approximately six acre "T" parcel needed from CP at the intersection of Illinois Route 390 (IL 390) and Interstate 490 (I-490). He advised that the filing seeks Federal authorization for the Tollway to proceed with the exercise of its state delegated powers of eminent domain to acquire the needed parcel. He noted that given the looming construction schedules, this filing also includes a special motion for expedited consideration.

Directors and staff then discussed the legal strategies and prospects of the matter before the STB, and its implication to the EOWA Project's schedule, viability and form.

A Director requested talking points on the matter. **Staff responded that talking points will be updated and distributed to the Board.**

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Johnson made such a motion; seconded by Director Gomez. 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 Vazquez Rowland, Chairman Schillerstrom (7)

Nays: None (0)

The motion was PASSED.



The Executive Session concluded at approximately 10:35 a.m.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



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Record of Closed Meeting | January 26, 2017

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:16 a.m. on Thursday, January 26, 2017 to discuss Tollway matters related to the performance of specific employees, purchase of real property, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)1, 2(c)5, 2(c)11, and 2(c)21 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:
Chairman Bob Schillerstrom
Director Jim Banks
Director Earl Dotson, Jr.
Director Joe Gomez
Director Gonzalez
Director Craig Johnson
Director Vazquez Rowland
Director Sweeney

Staff Present for all or portions of the Meeting:
Greg Bedalov (Executive Director)
David Goldberg (General Counsel)
Rocco Zuccherro (Chief Planning Officer)
Mike Woodward (Land Acquisition Manager)
Christi Regnery (Board Secretary)

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on December 15, 2016. He inquired of the Board whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman



Schillerstrom advised that Board action on the Minutes of the Executive Session will occur upon return to the regular session of the Meeting.

Directors discussed land acquisition activities

Identification of Real Estate Parcels (Engineering Item 5): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Jane Addams Memorial Tollway (I-90) parcel identification report noting the addition of nineteen (19) parcels located within Cook and Kane Counties in which various real estate interests are sought. Staff advised that only the newly identified parcels highlighted in yellow are subject of the amended resolution for which Board consideration is being requested at the Meeting. Staff also clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

Identification of Real Estate Parcels (Engineering Item 6): Pursuant to Tollway obligation (arising from the eminent domain matter of *ISTHA v. DiBenedetto*) to identify real estate interests which may need to be acquired by condemnation, staff provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of four (4) parcels located within Cook and DuPage Counties in which various real estate interests are sought. Staff advised that only the newly identified parcels highlighted in yellow are subject of the amended resolution for which Board consideration is being requested at the Meeting. Staff also clarified that the record owner information provided reflects the best known information to-date and is subject to change as the process advances and additional information is acquired.

Staff then called attention to an identified parcel owned by ComEd being considered for location of a Tollway maintenance facility and for which negotiations have commenced. Staff also called attention to an identified parcel with the owner of record being Railroad Properties LLC, noting that this entity is not a railroad but a privately-held property management company with real estate holdings in the area.

[Mr. Zucchero and Mr. Woodward departed the Executive Session at this time.]

Directors discussed land acquisition activities and related pending litigation

EOWA Land Acquisition – Canadian Pacific Railway: General Counsel updated the Board on the agency's efforts to acquire real estate interests from Canadian Pacific Railway ("CP") needed for the EOWA Project. He reminded Directors that in furtherance of a



condemnation approach, necessitated by CP's refusal to negotiate, the Legal Department (with authorization of the Board) submitted in November to the Federal Surface Transportation Board ("STB") a formal filing regarding the approximately six acres needed from CP at the intersection of Illinois Route 390 (IL 390) and Interstate 490 (I-490). He explained that the filing seeks Federal authorization for the Tollway to proceed with the exercise of its state delegated powers of eminent domain to acquire the needed parcel. He advised that although not a subject of the Tollway's filing, CP has requested in its reply that the STB additionally consider impacts of potential future Tollway projects to CP's Bensenville Yard. General Counsel then reported the recent conveyance to the STB of a letter of support for the Tollway's positions by the U.S. Department of Transportation (USDOT). He highlighted that the USDOT indicates in its letter the importance of the Elgin O'Hare Western Access Project to national transportation objectives (urging expedited consideration of the matter) and agreement with the Tollway's position that the matter currently before the STB should be narrow. Staff noted that a summary document with events and facts relevant to this matter has been provided to Board members for their benefit.

Directors and staff then discussed potential timelines and prospects of the proceeding before the STB and implication of the recent change of administration. Directors additionally discussed the strong support indicated for the project by regional political, community and business leaders and strategies for mobilizing this support when needed. Staff noted that a substantial number of letters of support from regional leaders were included within the Tollway's STB filing, a **listing of which will be provided to Directors**. *[Discussions related to land acquisition and litigation strategy are redacted.]*

EOWA Land Acquisition – O'Hare International Airport: Staff reported that the Intergovernmental Agreement approved by the Board in September to acquire various real estate interests in more than 500 acres from the City of Chicago (Chicago Department of Aviation) is scheduled to come before the Chicago City Council Committee on Aviation next week, with consideration by the full Chicago City Council expected to occur in mid-February.

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Johnson made such a motion; seconded by Director Banks. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

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



Nays: None (0)

The motion was PASSED.

The Executive Session concluded at approximately 10:34 a.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 23, 2017

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:15 a.m. on Thursday, February 23, 2017 to discuss Tollway matters related to the performance of specific employees, collective bargaining, purchase of real property, security procedures for the safety of employees or public property, potential or pending litigation, and the minutes of closed meetings, pursuant to exceptions provided in Sections 2(c)1, 2 (c)2, 2(c)5, 2(c)8, 2(c)11, and 2(c)21 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director Jim Banks	David Goldberg (General Counsel)
Director Corey Brooks	Kevin Artl (Chief of Staff)
Director Earl Dotson, Jr.	Christi Regnery (Board Secretary)
Director Joe Gomez	T.J. Hengesbach (Inspector General)
Director Gonzalez	
Director Craig Johnson	
Director Vazquez Rowland	
Director Sweeney	

Directors discussed the Inspector General's Summary Activity Report



Chairman Schillerstrom introduced T.J. Hengesbach, Tollway Inspector General, 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), which is conveyed semi-annually to the Tollway Board, the Office of the Governor and the Illinois General Assembly, pursuant to requirements of the *Toll Highway Act*. He explained that a preview of the report for the period of September 1, 2016 to February 28, 2017 is being provided in Executive Session to allow Directors an opportunity for discussion of personnel and security issues not appropriate for public session.

Mr. Hengesbach prefaced his briefing with an update on an OIG administrative matter, noting that two OIG investigators have recently resigned and efforts are underway to fill these positions. Mr. Hengesbach then summarized a memo distributed to Board members detailing nine OIG investigations which resulted in corrective or disciplinary actions to Tollway personnel, ranging from employee discharge/termination to verbal reprimands.

Mr. Hengesbach also commented on practices related to personnel who may be associated with cash shortages in toll audits, or receipt of gratuities or gifts in the performance of Tollway duties.

A Director, referencing an item which concerns the agency's policy on secondary employment, asked whether appropriate disclosure by an employee of secondary employment avoids the potential of policy violation. Mr. Hengesbach responded that in addition to disclosure, agency approval of secondary employment is required, and any potential conflict of interest or conflict of commitment is prohibited. He advised that in this regard, the OIG has suggested revisions to the Tollway's secondary employment request and approval process.

In reference to an item which found that an employee utilizing Tollway vehicles had failed to notify the agency of their driver's license suspension, Mr. Hengesbach advised that the OIG has recommended revisions to the Tollway's procedure for verifying employees' drivers' licenses with the Secretary of State, including that license verifications be executed more frequently than quarterly.

[Mr. Hengesbach departed the Executive Session at this time.]

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on January 26, 2017. He inquired of the Board whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom advised that Board action on the Minutes of the Executive Session will occur upon return to the regular session of the Meeting.



Directors discussed land acquisition activities and related pending litigation

EOWA Land Acquisition – Canadian Pacific Railway: Staff updated the Board on the agency’s efforts to acquire real estate interests from Canadian Pacific Railway (“CP”) needed for the Elgin O’Hare Western Access (“EOWA”) Project. Staff reported that in a divergence from prior refusals, CP recently accepted a meeting with the Tollway regarding real estate interests at issue. Staff advised that the primary accomplishment of this meeting, however, was the scheduling of a second meeting at which engineering staff are to be involved. Staff noted that the agency continues work on a two-pronged approach for advancing resolution, which simultaneously pursues both judicial relief and a negotiated settlement. In the matter currently before the Surface Transportation Board (STB), staff reported the recent conveyance to the STB of a letter of support for the Tollway’s positions by the Illinois Department of Transportation (IDOT), and the imminent conveyance to the STB of a letter of support by the United States congressional delegation from Illinois. General Counsel advised that the deadline for CP’s response to the Tollway’s STB filing is today, and it is expected to be sweeping and expansive.

Directors and staff then briefly discussed prospects of the proceeding before the STB and implication to the EOWA project.

EOWA Land Acquisition – Union Pacific Railroad: General Counsel updated the Board on the agency’s efforts to acquire real estate interests from Union Pacific Railroad (“UP”) needed for the EOWA Project. He reported that in a divergence from prior communications, UP is recently contending that the EOWA project will cause meaningful expansion limitations for UP’s rail operations near O’Hare Airport. He further reported that UP has made a settlement demand significantly higher than the Tollway’s appraised value for the needed real estate interests. He advised the Board that the Tollway has indicated to UP it fundamentally does not concur with UP’s premise that EOWA bridges merely crossing overhead would negatively impact rail operations. Directors and staff then briefly discussed the merits of UP’s contention.

EOWA Land Acquisition – O’Hare International Airport: Staff reported that the Intergovernmental Agreement approved by the Board in September to acquire various real estate interests in more than 500 acres from the City of Chicago (Chicago Department of Aviation) has advanced through the Chicago City Council Committee on Aviation, and was recently approved by the full Chicago City Council. Staff advised that the agreement remains contingent upon approval of “release” by the Federal Aviation Administration (FAA), which is expected to review the IGA in the coming months. Directors and staff then discussed timelines, Tollway obligations and estimated costs of excavation work to address the approximately two million cubic yards of stockpiled soil on the subject property.



Directors discussed security procedures for the safety of employees

Staff advised the Board that turnstiles are to be installed at the entrances to Tollway Headquarters to provide improved security (preventing building entry without appropriate credentials) and effective integration with the facility’s access control system.

A Director requested confirmation that concealed carry of handguns is prohibited at public Tollway buildings. Staff confirmed.

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Johnson made such a motion; seconded by Director Banks. 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 Vazquez Rowland, Director Sweeney, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

The Executive Session concluded at approximately 10:50 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

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Record of Closed Meeting | March 23, 2017

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:06 a.m. on Thursday, March 23, 2017 to discuss Tollway matters related to collective bargaining, the purchase of real property, potential or pending litigation, and the minutes of closed meetings 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*.

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

Executive Session Attendance

Board Members Present:
Chairman Bob Schillerstrom
Director Jim Banks
Director Corey Brooks
Director Earl Dotson, Jr.
Director Joe Gomez
Director Craig Johnson
Director Neli Vazquez Rowland
Director Jim Sweeney

Staff Present for all or portions of the Meeting:
Greg Bedalov (Executive Director)
David Goldberg (General Counsel)
Kevin Artl (Chief Operating Officer)
Elizabeth Oplawski (Deputy General Counsel)
John Donato (Chief of Procurement)
Christi Regnery (Board Secretary)

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on February 23, 2017. He inquired of the Board whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman



Schillerstrom advised that Board action on the Minutes of the Executive Session will occur upon return to the regular session of the Meeting.

Directors discussed a litigation settlement

Litigation Settlement – *Guida v. ISTHA* (Legal Item 3): General Counsel provided background on the case of *Guida v. ISTHA*, a personal injury suit emanating from an accident that occurred in November of 2008 at the Plaza 19 toll collection facility. He explained that the Plaintiff was driving a Pace bus (as an employee of Academy Coach Lines) when it collided with the Tollway's iron gate used for access control, the end of which penetrated the bus causing significant injuries to the Plaintiff's ankle. He reported that the parties have recently reached a preliminary agreement, on the eve of trial, to settle all claims for \$60,000, an amount significantly below the Plaintiff's settlement demand at trial. General Counsel advised that the Legal Department is satisfied with the settlement amount and is recommending approval of a global settlement as proposed.

The Board expressed consensus in support of authorizing settlement of the matter as presented.

Directors discussed land acquisition activities and related pending litigation.

EOWA Land Acquisition – Canadian Pacific Railway: General Counsel updated the Board on the agency's efforts to acquire real estate interests from Canadian Pacific Railway ("CP") needed for the Elgin O'Hare Western Access ("EOWA") Project. He reported that the agency continues work on a two-pronged approach for advancing resolution, which simultaneously pursues both judicial relief and a negotiated settlement. He noted there has been little advancement in negotiations with CP. He then reminded Directors that the Tollway is petitioning the Federal Surface Transportation Board (STB) for a ruling which would permit the agency to assert eminent domain authority to acquire property rights from CP to construct five highway bridges over CP tracks at the intersection of Illinois Route 390 (IL 390) and Interstate 490 (I-490). In the matter currently before the STB, General Counsel reported the recent conveyance to the STB of the Tollway's final response in the formal filing process.

Directors and staff then discussed documentary evidence included in the Tollway's submittal, prospects and anticipated timeline of the proceeding before the STB, and transition aspects related to the imminent departure of General Counsel to pursue a new opportunity.

EOWA Land Acquisition – O'Hare International Airport: A Director inquired about the status of the Intergovernmental Agreement approved by the Board in September to acquire various real estate interests in more than 500 acres from the City of Chicago (Chicago Department



of Aviation). Staff responded that the agreement was approved by the full Chicago City Council and remains contingent upon approval of “release” by the Federal Aviation Administration (FAA), which is expected to review the IGA in the coming months. Directors and staff briefly discussed prospects and anticipated timelines for FAA release.

EOWA Land Acquisition – Union Pacific Railroad: General Counsel then updated the Board on the agency’s efforts to acquire real estate interests from Union Pacific Railroad (“UP”) needed for the EOWA Project. He reminded the Board that UP is recently contending that the EOWA project will cause meaningful expansion limitations for UP’s rail operations near O’Hare Airport. He reported that the agency is currently working to assess a settlement demand made for mitigation work, and that negotiations with UP are ongoing.

Directors discussed potential litigation

Staff reported that a protest has been received by the state Chief Procurement Officer from a submitting firm, Xerox State & Local Solutions, Inc., which applied for award of Tollway contract 14-0065 for the purchase of automatic toll payment machines (“ATPMs”). Staff advised that the contract award to BIT Mobility Solutions LLC, approved by the Board at its February meeting, is therefore stayed pending resolution of the protest.

Directors and staff discussed the nature and prospects of the protest, potential succeeding litigation, and implication to the implementation schedule for ATPMs.

A Director inquired about a protest filed concerning the contract award for excavation of stockpiled soil (on property in process of acquisition by the Tollway) near the O’Hare Airport. Staff responded that the City of Chicago has the lead on the subject contract and is also responsible for administering the protest process, currently in progress.

Directors discussed pending litigation

General Counsel reported that the Tollway has recently been served with a lawsuit by O’Hare Record Retention Center, Franklin Park, IL, claiming additional fees due them related to the retrieval by the agency, upon contract conclusion, of approximately 7000 storage boxes from their facility. Directors and staff then briefly discussed the facts and merits of the complaint.

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Vazquez Rowland



Minutes of the
Executive Session of the Board of Directors Meeting

made such a motion; seconded by Director Dotson. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

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

Nays: None (0)

The motion was PASSED.

The Executive Session concluded at approximately 11:29 a.m.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



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Record of Closed Meeting | April 27, 2017

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:52 a.m. on Thursday, April 27, 2017 to discuss Tollway matters related to the purchase of real property, potential or pending litigation, and the minutes of closed meetings pursuant to exceptions provided in Sections 2(c)5, 2(c)11, and 2(c)21 of the Illinois *Open Meetings Act*.

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

Executive Session Attendance

Board Members Present:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director Jim Banks	Elizabeth Oplawski (Acting General Counsel)
Director Earl Dotson, Jr.	Kevin Artl (Chief Operating Officer)
Director David Gonzalez	Bob Lane (Sr. Assistant Attorney General)
Director Joe Gomez	Paul Kovacs (Chief Engineering Officer)
Director Craig Johnson	Rocco Zuccherro (Deputy Chief of Engineering)
Director Neli Vazquez Rowland	Mike Woodward (Land Acquisition Manager)
Director Jim Sweeney	Christi Regnery (Board Secretary)

[*Secretary's note: Due to operator error, the initial approximately two minutes of the Executive Session were not recorded. Minutes were taken throughout by the Board Secretary and during such time, no action was taken by the Board.*]

Directors discussed the minutes of a closed session meeting



Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on March 23, 2017. He inquired of the Board whether there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom advised that Board action on the Minutes of the Executive Session will occur upon return to the regular session of the Meeting.

Directors discussed land acquisition activities and related pending litigation

Land Acquisition Settlement - Aaron Equipment (Legal Item 4): Acting General Counsel informed the Board that outside attorney Doug Felder and approved negotiator Mark Mathewson, both engaged by the agency on the land acquisition matter being considered, are present in the Executive Session to provide additional context, if needed. She then provided background on a real estate acquisition settlement proposed with Aaron Equipment for parcels WA-1D-12-022 (the “north parcel”) and WA-1D-12-048 (the “south parcel”) needed for the Elgin O’Hare Western Access (“EOWA”) Project. She noted that the agreed upon compensation for the real estate is \$9,250,000 for the north parcel (9.712 acres) and \$19,000,000 for the south parcel (25.40 acres) and that in addition to compensation for the underlying real estate, the parties have agreed upon a fixed sum of \$23,000,000 for relocation costs and expenses. She clarified that the total value of the settlement, which includes the real estate and relocation costs, is \$51,250,000. Acting General Counsel advised the Board that the Tollway’s Legal Department, Land Acquisition Manager and outside counsel are recommending approval of the settlement agreement as proposed.

Directors, staff and outside counsel then briefly discussed negotiation strategy, the pricing achieved and Tollway obligations related to reimbursement of relocation costs. JA Director suggested that tax advantages to parties which are subject of potential condemnation actions may be used to agency benefit in price negotiations. Upon conclusion of the discussion, the Board expressed consensus in support of authorizing settlement of the matter as presented.

Land Acquisition Settlement – Rosemont Park District and Outfront Media, LLC, (Legal Item 5): Acting General Counsel provided a summary of a condemnation action filed by the Tollway which seeks fee taking of 5,685 square feet of vacant property (with exception of a billboard owned by Outfront Media, LLC) located in Cook County, parcel NW-7B-13-004, needed in connection with the Jane Addams Memorial Tollway (I-90) Project. She explained that order vesting title was previously obtained by ruling of a quick take condemnation hearing and upon the Tollway’s deposit of preliminary just compensation (“PJC”), as determined by the court, in the amount of \$1,070,000. Acting General Counsel advised the Board that the parties have agreed to fully settle this matter for the sum awarded for PJC of \$1,070,000. and that the Tollway Legal



Department and Land Acquisition Manager are recommending approval of a final settlement in this amount.

Director Banks stated that he wishes to recuse himself from participating in the decision regarding this item. Directors (not including Director Banks) and staff then discussed the comparable sales and income approach (predicated on billboard income) used to develop the appraisal values asserted. Chairman Schillerstrom commented that reaching settlement for the amount of PJC, a court established sum which he believes provides a reasonable indicator of anticipated award should the Tollway proceed to trial, represents a satisfactory resolution for the agency of a condemnation action. The Board expressed consensus in support of authorizing settlement of the condemnation litigation as presented.

[Mr. Lane, Mr. Woodward, Mr. Zuccherro, Doug Felder and Mark Mathewson departed the Executive Session at this time.]

Directors discussed potential litigation.

Pre-Litigation Settlements (Legal Items 6 through 12): Acting General Counsel informed the Board that the seven remaining Legal Items for Board consideration are claims which share comparable bases, merits and facts. She explained that a number of Tollway contractors are seeking from the Tollway extra costs they have incurred due to delays outside of their control on the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project, and have threatened litigation to recover amounts claimed. She noted that the claims are made for certain back office, material, labor and other costs under 16 separate construction contracts, each having had up to 18 month extended durations due to delays caused by permitting holdups, utility relocations, right-of-way acquisitions and resequencing of work. *[Discussions related to litigation and litigation strategy are redacted.]*

Director Sweeney stated that he wishes to recuse himself from participating in the decision regarding these items. Directors and staff then discussed the circumstances and merits of the claims and potential precedent which may be set by settlement. Additionally discussed were the contract claim process, the internal process for claim substantiation, and potential contract and/or policy changes which might minimize agency exposure to such claims in the future. Staff clarified that the subject claims pertain to management / supervisory functions and are unrelated to change orders / extra work orders previously presented to the Board for schedule recovery on the corridor.

Chairman Schillerstrom emphasized the importance to project budgets and schedules of early coordination of utility relocations and land acquisition activities, and expressed confidence that



the agency is applying the lessons learned from I-90 to both the EOWA Project and the forthcoming Central Tri-State Tollway (I-294) Project.

The Board expressed consensus in support of authorizing the pre-litigation settlements as presented.

Directors discussed pending litigation.

Acting General Counsel provided a brief background on the case of *Reniece Wright v. ISTHA and Deborah Allen*, a recently filed Federal employment discrimination suit brought against the agency (and Ms. Allen in her official capacity) by a Tollway employee suspended for displaying a racially inappropriate note in the office. She advised the Board that the law firm of Laner Muchin, Ltd., has been engaged to represent the interests of the Tollway and Ms. Allen in this matter. Acting General Counsel noted that an internal EEO complaint related to this incident was also previously filed by the Plaintiff. She explained that the law firm of Pugh, Jones & Johnson (PJJ) was then engaged by the Tollway to conduct an internal EEO investigation, which determined the claim to be unfounded.

Acting General Counsel then provided a brief background on the case of *Robert Nelson v. Gina Harding and ISTHA*, a recently filed lawsuit emanating from an automobile accident. She explained that a police cruiser driven by Ms. Harding, an Illinois State Police District 15 Trooper performing her official duties at the time, collided with and caused damage to the Plaintiff's vehicle.

[Director Vazquez Rowland departed the Meeting at approximately 12:30 p.m.]

Re-Enter Public Session

There being no further business requiring Executive Session, Chairman Schillerstrom called for a motion to re-enter the public session of the regular Board Meeting. Director Banks made such a motion; seconded by Director Gomez. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

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

Nays: None (0)

The motion was PASSED.

The Executive Session concluded at approximately 12:31 p.m.



Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority