

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE EXECUTIVE SESSION OF THE
REGULAR BOARD MEETING
December 19, 2013

On December 19, 2013 at approximately 10:40 a.m., the Board of Directors met in Executive Session to discuss certain matters related to personnel matters, real estate acquisition, collective bargaining and litigation matters involving the Tollway, pursuant to Sections 2(c)(1), 2(c)(2), 2(c)(5) and 2(c)(11) of the Illinois *Open Meetings Act*.

Directors Present:

Director James Banks

Director Terri D'Arcy

Director Earl Dotson

Director David Gonzalez

Director Mark Peterson

Director Jeff Redick

Director Tom Weisner

Staff present for all or portions of the Meeting:

Kristi Lafleur (Executive Director)

Michael Stone (Chief of Staff)

Mike Colsch (Chief of Finance)

David Goldberg (General Counsel)

Director Weisner was chair of this Board meeting in Chair Paula Wolff's absence.

Directors discussed Workers Compensation settlement matter.

Staff provided background information of the workers compensation matter for Jeff Mohan. Staff provided the recommendation of outside counsel to settle this workers compensation claim in an amount not to exceed \$187,000.

A Director asked if there would be additional issues in the future that will require board approval in relation to this claim. Staff responded the proposed settlement agreement will end all potential issues.

A Director asked if there were any previous claims made by this employee. Staff responded that they were uncertain whether there were any and that they were unaware of any other claims.

Directors discussed Bond Counsel.

Staff provided background for the approval of a law firm to be appointed bond counsel in connection with an upcoming renewal and placement of certain Tollway

liquidity facilities. General Counsel indicated that Chapman and Cutler, LLP, would serve as bond counsel.

Directors acknowledged their intent to approve this appointment in open session.

Directors discussed litigation.

Staff provided background on current federal court litigation against the Tollway and additional defendants including the Tollway Inspector General. Counsel recommended that independent counsel be appointed both for the agency and the Inspector General in his official capacity as well as individually. The Sotos Law Firm PC was indicated to serve as the Tollway's counsel. For the Inspector General, arrangements have been made for the Knight Hoppe firm to defend the case.

A Director asked for further detail on the allegations. Counsel provided further information on the allegations and additional issues.

A Director asked about the process for appointing counsel. Counsel provided further information on the appointment process for similar type of litigation.

Directors discussed litigation.

The General Counsel briefed directors on multiple matters that have included Inspector General investigations before ending up in a litigated setting against the Tollway. It was noted that all of these matters have an employment law aspect, related to wrongful discharge and/or discipline.

There was general discussion of the structure of the Office of the Inspector General and its investigation powers.

A Director asked about the Tollway's liability in the various lawsuits. Counsel provided information on the liability risk.

A Director asked if there were any commonalities among the complaints. Staff responded that each fact setting was unique, but their commonality was an Inspector General review prior to litigation.

Staff agreed to continue to provide Directors with further updates on these matters.

Directors discussed a construction litigation matter.

Staff provided background and updated information on a current investigation and corresponding litigation concerning a construction firm.

Staff provided details on related discussions held with the State's Chief Procurement Officer (CPO) for the Tollway. Discussion was held on possible future scenarios for the firm in litigation (presently sealed by federal court order) and how this may impact decisions by the CPO on Tollway matters involving the construction firm.

The Tollway staff agreed to provide further updates to the Board related to these matters.

Directors discussed a collective bargaining matter.

Directors discussed collective bargaining and personnel matters.

At approximately 11:08 a.m., Director Weisner called for a motion to re-enter the public session of the Regular Board Meeting. The motion was properly made and seconded. The motion was approved unanimously.

Minutes taken by: _____ /s/ on original
Marlene Y. Vick
Assistant Board Secretary
Illinois State Toll Highway Authority

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE EXECUTIVE SESSION OF THE
REGULAR BOARD MEETING
January 23, 2014

On January 23, 2014 at approximately 10:15 a.m., the Board of Directors met in Executive Session to discuss certain matters related to personnel matters, real estate acquisition and litigation matters involving the Tollway, pursuant to Sections 2(c)(1), 2(c)(5) and 2(c)(11) of the Illinois *Open Meetings Act*.

Directors Present:

Chair Paula Wolff

Director Terri D’Arcy

Director Earl Dotson

Director David Gonzalez

Director Mark Peterson

Director Jeff Redick

Director Tom Weisner

Staff present for all or portions of the meeting:

Kristi Lafleur (Executive Director)

Michael Stone (Chief of Staff)

Paul Kovacs (Chief Engineer)

David Goldberg (General Counsel)

Joanne Fehn (Land Acquisition Manager)

Directors discussed Land Acquisition.

Staff provided a summary table of the Jane Addams Memorial Tollway (I-90) parcel identification report.

A Director asked if there is any special consideration when there are parcels owned by a village or municipality. Staff responded that there are additional options that the Tollway may consider, such as entering into an Intergovernmental Agreement (“IGA”) with the village or municipality, allowing the village or municipality to donate lands for cost participation or considering easement agreements that impact the acquisition.

Staff added that the parcel identification report for land acquisition for the Elgin O’Hare Western Access, which was provided to Directors earlier, was unchanged from the previous month.

Directors discussed a construction litigation matter.

Staff provided background and updated information on a current investigation matter and related litigation concerning the subject construction firm and the associated construction management firm.

Staff provided details on a particular bid regarding the construction firm and the possible impact the pending litigation, and other Tollway concerns about prior performance, may have on the subject firm's ability to be both responsive and responsible on the project. Concerns from the Chief Procurement Office on the construction firm's past performance and current litigation issues were shared.

A Director asked if be other issues may impact the financial strength of the subject construction firm due to pending litigation. General Counsel provided further information on possible scenarios that may occur with the different jurisdictions involved.

Discussion was held on the approach moving forward on the particular construction bid and other alternatives should circumstances change. The Board indicated its approval of the approach as discussed.

The Board was reminded of the confidentiality of Executive Session discussions.

Staff will continue to provide updates to the Directors.

Directors discussed litigation settlements.

Staff provided background and information on two litigation settlements related to an incident involving a Tollway Patrol vehicle. A negotiated proposed settlement of up to \$10,000 for Mr. Lenhardt and up to \$21,000 for Mr. Santilli was recommended.

A Director asked if these were covered by the Tollway insurance. General Counsel responded the amounts are covered by Tollway self-insured reserves.

Directors discussed litigation.

The General Counsel briefed directors on multiple matters that have included Inspector General investigations turning into litigation against the Tollway.

A Director noted a likely intent to recuse should there be any votes taken regarding one particular Inspector General investigation of an employee known to the Director (Anthony Ford). Staff confirmed the discussion is for informational purposes only.

General Counsel provided information on some issues the Tollway is working through following the investigations.

A Director asked if there was any credibility to the accusations Mr. Ford brought. Staff responded the results of an investigation found the allegations generally were not credible in this specific case.

A Director asked about the structure of the Office of the Inspector General. There was discussion on the responsibilities and expectations of Tollway departments involved in investigations.

Staff agreed to continue to provide Directors with further updates on these matters.

Directors discussed a litigation matter.

Staff provided background and an update on a specific litigation matter from several years ago that involved investigations conducted by both the former and the current Inspector General.

Discussion ensued on the risk of exposure to the Tollway from Inspector General investigations, the investigative process and the background of the office of the Inspector General.

Staff agreed to continue to provide Directors with further updates on these matters.

Directors discussed potential litigation.

Directors discussed potential litigation and personnel matters in conjunction with the Offices of the Inspector General and Human Resources.

At approximately 11:26 a.m., Director Weisner called for a motion to re-enter the public session of the Regular Board Meeting. Director Peterson made the motion; seconded by Director Weisner. The motion was approved unanimously.

Minutes taken by: _____ /s/ on original
Marlene Y. Vick
Assistant Board Secretary
Illinois State Toll Highway Authority

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE EXECUTIVE SESSION OF THE
FINANCE, ADMINISTRATION AND OPERATIONS COMMITTEE
MEETING
February 19, 2014

On February 19, 2014 at approximately 10:00 a.m., the Committee Directors met in Executive Session to discuss certain matters related to litigation involving the Tollway pursuant to Sections 2(c)(2) of the Illinois *Open Meetings Act*.

Directors Present:

Director Mark Peterson
Director Terri D’Arcy
Director David Gonzalez

Staff present for all or portions of the meeting:

Kristi Lafleur (Executive Director)
Michael Stone (Chief of Staff)
David Goldberg (General Counsel)

Also Present:

Chair Paula Wolff

Directors discussed Workers’ Compensation Settlement.

General Counsel provided a summary of the workers’ compensation matter of Elsa Garcia. Outside counsel has recommended settlement of up to \$105,000 based on recent rulings by the Workers’ Compensation Commission and as otherwise described by the General Counsel.

A Director asked if there was another party involved that is financially liable. General Counsel responded the subsequent investigation did not yield identifying information on the other party involved.

At approximately 10:15 a.m., Committee Chair Peterson called for a motion to adjourn. Director D’Arcy made the motion; seconded by Director Gonzalez. The motion was approved unanimously.

Minutes taken by: _____ /s/ on original

Marlene Y. Vick
Assistant Board Secretary
Illinois State Toll Highway Authority

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE EXECUTIVE SESSION OF THE
REGULAR BOARD MEETING
February 27, 2014

On February 27, 2014 at approximately 11:00 a.m., the Board of Directors met in Executive Session to discuss certain matters related to personnel matters, collective bargaining matters, real estate acquisition and litigation matters involving the Tollway, pursuant to Sections 2(c)(1), 2(c)(2), 2(c)(5) and 2(c)(11) of the Illinois *Open Meetings Act*.

Directors Present:

Chair Paula Wolff

Director James Banks

Director Terry D'Arcy

Director Earl Dotson

Director David Gonzalez

Director Mark Peterson

Director Jeff Redick

Director James Sweeney

Director Tom Weisner

Staff present for all or portions of the meeting:

Kristi Lafleur (Executive Director)

Mike Stone (Chief of Staff)

David Goldberg (General Counsel)

Paul Kovacs (Chief Engineer)

Joanne Fehn (Land Acquisition Manager)

James Wagner (Inspector General)

Directors discussed Land Acquisition.

Staff provided updated summary tables of the Elgin O'Hare Western Access (EOWA) and Jane Addams Memorial Tollway (I-90) parcel identification reports.

A Director asked staff to confirm that the highlighted portions were the added parcels in the report. Staff confirmed.

Directors discussed an Administrative Settlement.

Staff provided information on an administrative settlement for an 18 acre parcel of land needed for the Elgin O'Hare Western Access construction project. Staff provided background on the current use and ownership of the parcel. Staff also provided details of the appraisals and negotiations that have occurred to date. The Inspector General indicated that his office had also familiarized itself with the process utilized thus far and was satisfied with steps to date. Directors also discussed

potential relocation issues for a commercial tenant on the property and assessing the value of potential claims.

Staff asked the Board for its preference regarding a possible negotiated settlement to acquire the land parcel or to allow the process to continue via condemnation given the variance in appraisals until resolved by the courts.

Discussion ensued on possible financial outcomes from a court decision and impacts on construction.

The Board indicated preference to allow the process to continue until resolved by the courts.

Directors discussed Union negotiations.

Staff provided an update on AFSCME union negotiations. A list of non-economic proposals was submitted by AFSCME and is under review. The economic portion has not yet been presented by the union.

Staff also provided an update on SEIU negotiations. The negotiations continue to go very slowly. The Tollway has not received a comprehensive economic proposal from the union.

A Director asked if there are regular labor management meetings held with the unions. Staff responded that labor management meetings are scheduled when requested by the unions and other meetings with the unions are regularly scheduled.

A Director asked about the groups represented by unions at the Tollway. Staff provided a description and background on the different Tollway unions and their constituent groups.

Directors discussed Certain Matters related to the Inspector General's Report.

Staff briefed the Board on certain matters reviewed and investigated by the Office of the Inspector General which are to appear as part of the Inspector General's Office Report as required by statute twice a year.

A Director asked about investigative activities that involved an I-PASS call center vendor employee. Staff provided details of the investigation and the resulting recommendations to prevent future incidents.

Staff provided details of the land acquisition process reviewed related to a parcel of land needed for the Elgin O'Hare Western Access construction project. The ownership and evaluation process details were provided. A Director asked if there was any concern with the transaction in the purchase of the land by the owners. Staff responded there were no issues found at this time.

A Director asked what approach was used for the land appraisal and the comparisons. Staff responded with further details of the land comparisons used by the appraiser due to the unique features of the particular land parcel.

Staff also provided details of the investigation and activities related to the crash in January that claimed the life of a Tollway worker and injured a State Police officer.

Discussion took place regarding the liabilities and responsibilities of independent contractors and transportation companies.

The Tollway is cooperating fully with the investigation and will continue to provide updates to the Board.

Directors discussed updates on litigation matters involving the Tollway.

Staff provided updated information on litigation concerning a construction firm on the I-88 Fox River Bridge construction project. Given the same firm's involvement on a recently canceled and re-bid job for a bridge project on I-90, staff provided details on the decision to cancel and the involvement and approval of the State's Chief Procurement Officer (CPO) for the Tollway.

Staff also provided an update on the status of the litigation regarding Midwest Fence Corporation.

Staff will continue to provide updates on these litigation matters to the Board.

At approximately 11:39 a.m., Chair Wolff called for a motion to re-enter the public session of the Regular Board Meeting. Director Weisner made the motion; seconded by Director Banks. The motion was approved unanimously.

Minutes taken by: _____ /s/ on original

Marlene Y. Vick
Assistant Board Secretary
Illinois State Toll Highway Authority

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE EXECUTIVE SESSION OF THE
CUSTOMER SERVICE
COMMITTEE MEETING
March 20, 2014**

On March 20, 2014 at approximately 12:45 p.m., the Committee of Directors met in Executive Session to discuss Tollway litigation matters pursuant to Section 2(c)(11) of the Illinois *Open Meetings Act*.

Committee Members Present:

Committee Chair Jeff Redick
Director Earl Dotson Jr.
Chair Paula Wolff, ex officio

Staff present for all or portions of the meeting:

Kristi Lafleur (Executive Director)
David Goldberg (General Counsel)
Shana Whitehead (Chief of Business Systems)

Committee Member Absent:

Director James Banks

Directors discussed revisions to the Toll Violations and Settlement Guidelines.

Staff presented to the Committee details of proposed modifications to the Toll Violations and Settlement Guidelines. Three primary changes are being proposed including:

1. Updating the dates under which Guidelines are effective (Change 1).
2. Handling of Account Holders with multiple transponders (Change 2).
3. Revision of guidelines for handling of Non-Standard settlement requests with claims of financial hardship (Change 3):

Non-Standard settlement requests with claims of financial hardship account for approximately 300-400 of the monthly volume of settlement requests. Proposed changes to the guidelines for handling of Non-Standard settlement requests include modification of the method used to calculate the Violators' overall debt level, the threshold amount used to determine if a settlement is of sufficient size to require Board approval. Also incorporated into the proposed modification is a structure for escalating authorization requirements for

Tollway Management approval of settlements, based on the Violators' overall debt level.

A Director asked about current policy governing the utilization of contracted collection services versus internal settlement procedures. Staff responded that standard practice is for delinquent accounts to be referred to contracted collection services after a short period. Internal settlement procedures are initiated if the Violator then contacts the Tollway directly to arrange for payment.

Directors discussed the potential ramifications of the proposed modification to the calculation method used to determine overall Violator debt level.

A Director requested that Staff provide additional data on delinquent account collections to further inform the Committee as to the financial implications of the proposed modification to the Violator debt level calculation.

A Director proposed modification to the language of Change 2 to include a requirement for third parties to provide sufficient proof of authorization to act on the Account Holder's behalf. Staff stated that they would make that change.

The Committee recommended that **Changes 1 and 2 (as modified)** of the proposed changes to the Toll Violations and Settlement Guidelines be moved to the full Board for further consideration.

At approximately 1:15 p.m., Committee Chair Redick called for a motion to re-enter the public session of the Committee Meeting. Chair Wolff made the motion; seconded by Director Dotson. The motion was approved unanimously.

Minutes taken by: _____ /s/ on original

Marlene Y. Vick
Assistant Board Secretary
Illinois State Toll Highway Authority

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE EXECUTIVE SESSION OF THE
REGULAR BOARD MEETING
March 27, 2014

On March 27, 2014 at approximately 11:00 a.m., the Board of Directors met in Executive Session to discuss certain matters related to personnel matters, real estate acquisition and litigation matters involving the Tollway, pursuant to Sections 2(c)(1), 2(c)(5) and 2(c)(11) of the Illinois *Open Meetings Act*.

Directors Present:

Chair Paula Wolff
Director Earl Dotson
Director David Gonzalez
Director Mark Peterson
Director Jeff Redick
Director James Sweeney
Director Tom Weisner

Staff present for all or portions of the meeting:

Kristi Lafleur (Executive Director)
Elizabeth Looby (Deputy General Counsel)
Joanne Fehn (Land Acquisition Manager)

Directors discussed Land Acquisition.

Staff provided updated summary tables of the Elgin O'Hare Western Access (EOWA) and Jane Addams Memorial Tollway (I-90) parcel identification reports.

Directors discussed Workers' Compensation Matters.

General Counsel provided a summary of the workers' compensation matter of Stanley Peca. A settlement amount of \$59,296.62 is being recommended by outside defense counsel with a Medicare set-aside amount of \$7,448.90 for medical expenses.

A Director requested further detail on the settlement calculation. General Counsel provided the information.

A Director asked if Mr. Peca was still employed by the Tollway. General Counsel responded affirmatively.

A Director asked the reasons for the Medicare set-aside amount. General Counsel responded Mr. Peca is currently Medicare eligible.

General Counsel provided a summary of the workers' compensation matter of Sam Sparacino. A settlement amount of \$130,000 is being recommended by outside defense counsel.

At approximately 11:08 a.m., Chair Wolff called for a motion to re-enter the public session of the Regular Board Meeting. Director Peterson made the motion; seconded by Director Redick. The motion was approved unanimously.

Minutes taken by: _____ /s/ on original

Marlene Y. Vick
Assistant Board Secretary
Illinois State Toll Highway Authority

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE EXECUTIVE SESSION OF THE
REGULAR BOARD MEETING
April 24, 2014

On April 24, 2014 at approximately 10:15 a.m., the Board of Directors met in Executive Session to discuss certain matters related to personnel matters, collective bargaining matters, real estate acquisition and litigation matters involving the Tollway, pursuant to Sections 2(c)(1), 2(c)(2), 2(c)(5) and 2(c)(11) of the Illinois *Open Meetings Act*.

Directors Present:

Chair Paula Wolff
Director Jim Banks
Director Terri D’Arcy
Director Earl Dotson
Director David Gonzalez
Director Mark Peterson
Director Jeff Redick
Director Jim Sweeney
Director Tom Weisner

Staff present for all or portions of the meeting:

Kristi Lafleur (Executive Director)
Michael Stone (Chief of Staff)
Rocco Zuccherro (Deputy Chief of Eng. for Planning)
David Goldberg (General Counsel)
Joanne Fehn (Land Acquisition Manager)
Debbie Allen (Chief of Administration)

Directors discussed Land Acquisitions.

Staff provided a summary table of the Elgin O’Hare Western Access Project (“EOWA”) parcel identification report noting the addition of 16 new parcels.

The General Counsel updated the Board on the status of the 8400 Partners parcel land acquisition for EOWA. Since last discussed with the Board, preliminary just compensation was set in Circuit Court and the Tollway has secured title to the property. Chair Wolff commended the General Counsel’s Office for their work in expediting this condemnation matter.

Directors discussed Collective Bargaining.

Executive Director Lafleur informed the Board that Debbie Allen, the new Chief of Administration, will be participating in future collective bargaining discussions along with Chief of Staff, Mike Stone.

Staff provided the Board with background and developments from the ongoing collective bargaining negotiations with the American Federation of State County Municipal Employees (“AFSCME”) and the Service Employees International Union (“SEIU”). Staff additionally summarized potential costs for various proposals being considered as part of the negotiations.

A Director asked for the membership figures and types of positions held by AFSCME members within the Tollway. Staff responded that there are approximately 280 AFSCME members within the Tollway, comprised mostly of professional staff working in Central Administration.

Discussion ensued concerning terms for the collective bargaining negotiations including wage increases, health insurance premiums, non-revenue transponders, maternity leave and other benefits.

Directors discussed Workers’ Compensation Settlement.

General Counsel provided a summary of the workers’ compensation matter of District 15 Illinois State Trooper William Aukstolis. Staff provided the recommendation of outside counsel to settle this workers’ compensation claim in an amount not to exceed \$117,000, and the Board concurred.

Directors discussed Litigation Matters involving the Tollway.

General Counsel apprised the Board of the potential for imminent Court action and a settlement in the McHugh Construction DBE fraud matter.

A Director asked if information is available regarding the Tollway’s share of any proceeds from a potential settlement. General Counsel responded that specifics on the division of any settlement are currently unknown.

Staff will continue to provide updates to the Directors on this matter.

General Counsel briefed directors on multiple adversarial matters involving the Tollway including three matters involving former Tollway employees.

A Director asked if a cap exists on the insurance coverage currently responsible for the Tollway’s outside counsel costs in the Midwest Fence Corp. v. Illinois State Toll Highway Authority (ISTHA) litigation. General Counsel replied that the Tollway’s insurance coverage for litigation costs has high limits and that any potential judgment awarded to the plaintiff would also fall under the insurance coverage.

A Director inquired as to the Tollway's standing in the Corolla v. ISTHA personal injury case. General Counsel replied that the Tollway is contending that the work permit issued indemnifies the Tollway from personal injury claim. The matter is still pending.

A Director asked for a clarification of terminology used in the briefing materials provided to the Board on the Pickens v. ISTHA legal matter. General Counsel responded with clarification of the intended meaning. General Counsel further stated that discussions are underway in this matter seeking a resolution that will both satisfactorily conclude the litigation and satisfy concerns in a related union grievance

A Director asked if there is compelling evidence suggesting that a violence in the workplace issue exists within the Tollway. Staff responded in the negative. General Counsel responded that the evidence gathered during investigations conducted by the Office of Inspector General ("OIG") related to these pending legal matters is of indeterminate value and will require further scrutiny.

Directors discussed potential litigation.

Staff provided detail on litigation matters with parties who had undergone investigation by the Office of Inspector General ("OIG"). Concerns over the Tollway's exposure to litigation risk by the OIG investigations were shared.

Directors discussed the impact of a strengthened Department of Administration on potentially avoiding future litigation issues.

A Director inquired about Tollway management's involvement in hiring decisions within the OIG.

A Director asked about the size and composition of the OIG. Staff responded that the Inspector General has one assistant and three investigators, with one vacancy.

A Director asked about the Tollway's options to advance positive hiring decisions within the OIG. Staff responded that the Inspector General generally has sole responsibility for personnel decisions within the OIG, within budget allowances.

A Director asked about the thresholds triggering OIG involvement in a specific matter. Staff responded that OIG action can be initiated through direct contact from Tollway employees, by referral from other Tollway departments or at the discretion of the OIG.

There was general discussion on the approach moving forward to ensure that employee issues that develop are handled by the appropriate Tollway department and that the departments function cooperatively.

Staff will continue to provide updates to the Directors on this matter.

Directors met with Executive Director Lafleur regarding personnel matters.

At approximately 11:05 a.m., Director Weisner called for a motion to re-enter the public session of the Regular Board Meeting. Director Peterson made the motion; seconded by Director Weisner. The motion was approved unanimously.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority