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Record of Closed Meeting | May 28, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:25 a.m. on Thursday, May 28, 2015 to discuss Tollway matters related to collective bargaining negotiations, land acquisition, issuance of securities, imminent or pending litigation involving the Tollway, and the minutes of closed meetings, pursuant to Sections 2(c)(2), 2(c)(5), 2(c)(7), 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:
Chair Paula Wolff	Kristi Lafleur (Executive Director)
Director Jim Banks	Michael Stone (Chief of Staff)
Director Earl Dotson, Jr.	David Goldberg (General Counsel)
Director Joseph Gomez	Rocco Zuccherro (Deputy Chief of Engineering for Planning)
Director David Gonzalez	Joanne Fehn (Land Acquisition Manager)
Director Craig Johnson	Mike Colsch (Chief of Finance)
Director Nick Sauer	Paul Kovacs (Chief Engineer)
Director Robert Schillerstrom	Christi Regnery (Board Secretary)
Director James Sweeney	

Chair Wolff provided for the benefit of newly-appointed Directors a brief overview of Executive Session proceedings. She emphasized that the confidentiality of all discussions held in closed session is strictly maintained by those staff in attendance, allowing for an unhindered exchange by Board members. Chair Wolff advised that items or matters presented or discussed in closed session are not acted upon by the Board, pursuant to statute, until returning to open session.



Directors discussed a land acquisition item

Staff provided an overview of the DiBenedetto resolution process and obligations, arising from the eminent domain matter of *Illinois State Toll Highway Authority. v. DiBenedetto*, for identification of real estate parcels that may need to be acquired by the Tollway through condemnation.

Staff then provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project and the Jane Addams Memorial Tollway (I-90) parcel identification reports noting the addition of nine parcels, six in DuPage County and three in Cook County, on the EOWA report. Staff 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.

A Director inquired whether Board members should examine the parcel identification reports for potential conflicts of interest with parcels which were listed therein prior to their appointment. Staff responded that recusal is likely only warranted should a potential conflict of interest exist with newly identified parcels or previously identified parcels if presented for additional Board action in the future.

Directors discussed the minutes of prior closed sessions

Staff advised that, pursuant to the Illinois *Open Meetings Act*, the Board is mandated to periodically, but no less than semi-annually, review the written minutes of all closed meetings. Staff explained that a determination by the Board is then made, and, reported in an open session, that the need for confidentiality still exists as to all or part of those minutes or that the minutes or portions thereof no longer require confidential treatment and can be released publicly. Staff stated that the current content proposed for public release and continued redaction was originally planned to be presented for Board consideration in the current month but in light of the recent appointment of new Directors, consideration of this content will be deferred to the Executive Session of the June Board of Directors meeting.

Discussion then ensued regarding the retention requirements for audio recordings of closed meetings and the rules and statutes governing records management, including the Illinois *State Records Act*. Several Board members shared their understanding and experiences in their other capacities related to these retention requirements. General Counsel stated these matters would be looked at further for the Tollway.

[Director Dotson departed the meeting at approximately 11:48 a.m.]



Directors discussed an SEC matter

Staff informed the Board generally about the Securities and Exchange Commission (“SEC”) voluntary reporting program, entitled the Municipalities Continuing Disclosure Cooperation Initiative (the “MCDC Initiative”), which was proffered in 2014. Staff explained that the MCDC Initiative was designed to encourage, through the offer of favorable settlement terms, self-reporting by municipal securities issuers and underwriters of possible violations involving materially inaccurate statements within bond offering documents related to prior compliance with continuing disclosure obligations. Staff then described some basic features of the reporting program. Staff stated that in relation to the MCDC Initiative, two instances of potential non-compliance with continuing disclosure obligations were identified internally and discussed with the Board over an extended period:

- Staff specified that the first instance involved an oversight in disclosing the rating downgrade experienced by the insurer of certain Tollway bond issuance from 1998, 2005, and 2006, emphasizing that the downgrades of bond insurers were widely publicized and affected many participants in the marketplace during the financial crisis of 2007–08.
- Staff specified the second instance stemmed from a “scrivener’s error” in some transactions that caused internal inconsistencies in how the Tollway stated (from a timing standpoint) it would publish audited financial statements.

General Counsel stated that the Tollway Legal Department, as well as two outside firms that advise the agency on bond matters, reached the opinion, with which the Board concurred, that the identified Tollway events did not rise to the standard of “material” and were therefore not subject to self-reporting under the MCDC Initiative. Staff then confirmed that these identified events are currently being accurately disclosed. Staff concluded by clarifying the purpose of the briefing on the MCDC Initiative is to provide historical context for newly-appointed Directors should any developments occur in relation to these matters.

A Director asked the statute of limitations to which SEC enforcement actions are subject. **General Counsel responded** that he believes the MCDC is operating with a 5-year look-back, but as to legal statute of limitations applicable to SEC enforcement actions **he will confirm and follow up with the Board.**

Directors discussed collective bargaining

Staff provided background and a status update on collective bargaining, specifying that the agency currently negotiates with five collective bargaining units comprised of approximately 1300



Tollway employees. Staff reported that although collective bargaining agreements have been reached and are in effect for all five bargaining units, the Tollway's termination of the use of non-revenue transponders for commuting purposes, an item bargained for and agreed to, may potentially be revisited through the filing by unions of grievances or charges of an Unfair Labor Practice.

Directors discussed litigation matters involving the Tollway.

General Counsel informed the Board that at any given time, there are typically a few dozen open court matters being administered by the Legal Department, from which items of notable weight are brought to the attention of the Board. He specified that at present, two matters, both previously discussed with the Board, should continue receiving regular Board attention:

Midwest Fence Corp. v. Tollway: General Counsel provided a summary of the case of *Midwest Fence Corp. v. Illinois State Toll Highway Authority*, a constitutional challenge to federal and state programs designed to benefit disadvantaged business enterprises in the highway construction industry. Staff highlighted that in March, the United States District Court Judge in the Northern District of Illinois granted complete summary judgment for the federal government, the Illinois Department of Transportation ("IDOT"), and the Illinois State Toll Highway Authority; however, the Plaintiff in the matter has recently filed notice of appeal with the United States Court of Appeals for the Seventh Circuit.

General Counsel and Chair Wolff both reminded the Board that continuing vigilance by Directors in making accurate language choices in open meeting discussion of the Tollway's Diversity Program, for example, correctly referencing "targets" or "goals" rather than inaccurate references like "set-asides" or "quotas", will be important.

A Director asked the makeup of the other open court matters typically being administered by the Legal Department. Staff responded that other outstanding items consist mostly of commonplace legal matters: workers' compensation, legal liability, and employment litigation.

Marro v. Tollway: General Counsel then provided a summary of the case, previously discussed with the Board, of *Marro v. Illinois State Toll Highway Authority*, a wrongful termination claim made by former husband and wife Tollway employees. Staff informed the Board that the Plaintiffs' termination was a consequence of an investigation conducted by the Office of Inspector General ("OIG"), which found things like misuse of a company vehicle and that Tollway employees were used to perform work on the Plaintiffs' personal residence, in violation of agency policy. Staff clarified that the Office of the Tollway Inspector General is established pursuant to the *Toll*



Highway Act as an independent office of the Authority and that the Inspector General is appointed by the Governor.

General Counsel reported that settlement negotiations, authorized by the Board, were initiated in advance of a request by the presiding judge that parties provide a report to the court by June 9, 2015 on the possibility for amicable resolution. He advised the Board that based on the Plaintiffs' substantial settlement demand, it is the opinion of the Legal Department and concurred in by outside counsel that settlement at this phase would not be in the best interest of the agency.

The Board and staff discussed the merits of the case, Tollway liability loss exposure and vulnerabilities introduced to the Tollway's potential case in defense from the investigation conducted by the Tollway Office of Inspector General. Additionally discussed were concerns related to the Tollway Inspector General's understanding and consideration of applicable employment law in this and other matters.

A Director inquired about the duration of the matter and the costs and resources expended to-date, further suggesting that settling or moving to trial as expeditiously as possible may be of benefit to the agency. Staff responded that the matter was initiated in 2011 and that out-of-pocket costs to-date for outside attorneys currently stand at approximately \$50,000 - \$75,000, observing that Legal Department staff resources have additionally been expended. General Counsel acknowledged approval of an approach geared toward trying the case, but noted the Board must continue recognizing some related aspects of the Inspector General's work on this and other cases.

[Legal Item #4, a settlement agreement with exp U.S. Service, Inc., was not presented or discussed due to limitations on time.]

Directors met with Executive Director Lafleur to discuss personnel matters

Directors met without Executive Director Lafleur and Chair Wolff to discuss personnel matters

Re-Enter Public Session

There being no further questions, at approximately 12:52 p.m., Director Sweeney made a motion to re-enter the public session of the Regular Board Meeting; seconded by Director Banks. The



Minutes of the
Executive Session of the Board of Directors Meeting

Meeting Date
May 28
2015



motion was approved unanimously by those Directors present, Director Dotson and Chair Wolff having earlier departed the Executive Session.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | June 25, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:25 a.m. on Thursday, June 25, 2015 to discuss Tollway matters related to personnel matters and the appointment of counsel, purchase of real property, and potential or pending litigation involving the Tollway, pursuant to Sections 2(c)(1), 2(c)(5), and 2(c)(11) 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 Robert Schillerstrom	Kristi Lafleur (Executive Director)
Director Jim Banks	Michael Stone (Chief of Staff)
Director Earl Dotson, Jr.	David Goldberg (General Counsel)
Director Joseph Gomez	Elizabeth Looby (Deputy General Counsel)
Director Craig Johnson	Christi Regnery (Board Secretary)
Director Nick Sauer	
Director James Sweeney	

Directors discussed worker's compensation settlements

Liz Looby, Deputy General Counsel, provided for the benefit of the Board an overview of the Tollway's self-funded workers' compensation program, including benefit requirements pursuant to the Illinois *Worker's Compensation Act*, program statistics, reserve fund expense and the internal processes established for claims handling.



During the presentation, Ms. Looby reported that there are approximately 200 new workers' compensation claims opened yearly, and, at any given time, there are approximately 300 open claims being administered (claims take on average 18 months to resolve), encompassing a range of medical conditions and employee disability. Staff noted that claims which have advanced to a phase when preliminary settlement (permanency award) has been negotiated for an amount exceeding \$50,000 are then brought to the Board for consideration.

A Director inquired if a cost-benefit analysis has been performed comparing self-funding versus procuring insurance coverages for the Tollway's workers' compensation program and whether stop-loss excess insurance has been considered for protection from catastrophic claims. **Staff responded** that an assessment was performed when establishing the self-funded program; however, **information regarding any follow up analysis conducted and additional insurance coverages explored will be provided post meeting.**

Staff then provided a summary of the workers' compensation matter of Timothy Gutt, a Tollway employee who suffered accepted injuries to his shoulders, rib, back and chest while performing his duties as a coin counter in the Money Room. Staff reported that a negotiated settlement between the parties has been reached for \$67,566, an amount which is below both the initial settlement demand in excess of \$87,000 and the expected potential litigation exposure of \$95,810.55, as determined by outside counsel. Staff advised that both the Legal Department and outside counsel are recommending approval of the settlement authorized in Legal Item 3.

A Director asked for clarification of the circumstances of the injury. Staff responded with the requested information.

Staff then provided a summary of the workers' compensation matter of Emilio Mendez, a Tollway employee who suffered an accepted back injury and three subsequent aggravations to the original injury while performing his duties as an equipment operator/laborer. Staff reported that a negotiated settlement between the parties has been reached for \$100,735.85, an amount which is below both the initial settlement demand in excess of \$121,577.75 and the expected potential litigation exposure, as determined by outside counsel. Staff advised that both the Legal Department and outside counsel are recommending approval of the settlement authorized in Legal Item 4.

A Director asked for clarification of the circumstances and timing of the injuries claimed. Staff responded with the requested information, further specifying that the original injury and the three subsequent injury aggravations claimed would be resolved under the recommended settlement.

Directors discussed potential litigation matters involving the Tollway



General Counsel informed the Board that a demand letter was received by the Tollway from exp US Services, Inc., ("exp") seeking payment for services rendered. He stated that the matter arises out of Tollway contract I-LI-5634 with exp for construction management services on the Northbound Tri-State Tollway (I-294). He explained that before the contract expired on December 31, 2014, exp performed work at the Tollway's request which exceeded the upper limit of the contract, and was performed without a supplement to the contract being executed as is customary practice. He further explained that state procurement officials have informed the Tollway that a solution is not available under procurement channels. General Counsel emphasized that the Tollway has received the benefit of the extra work performed by exp and advised that it would be in the best interest of the Tollway to enter into a legal settlement agreement with exp for \$206,241.45.

A Director requested confirmation a settlement agreement would be an appropriate method to satisfy payment for the services rendered. General Counsel confirmed.

Directors discussed the appointment of counsel

General Counsel provided background on a recent Tollway Legal Department request for proposal soliciting law firms to serve in a pool of outside legal counsel available to represent the agency, particularly in six identified legal practice areas for which the Tollway most frequently engages outside attorneys.

He explained that upon completion of the selection process, the Board approved in April the assignment of ten firms to serve in the pool, each of which scored above the established minimum technical threshold for one or more of legal practice areas. He further stated that one of the nineteen firms which submitted proposals was deemed nonresponsive by a representative of the State of Illinois Chief Procurement Office for General Services ("CPO") for failing to include within bid materials the Attorney Registration & Disciplinary Commission cards for the attorneys whose services were being offered. He continued that following a protest by the firm, the CPO reversed the decision, allowing the firm's bid proposal to be evaluated. He reported that a subsequent evaluation was conducted and resulted in the firm receiving a score above the established minimum technical threshold for three of the identified legal practice areas. He advised that award is therefore recommended to Greene & Letts for inclusion in the approved pool of outside legal counsel available to represent the agency.

A Director inquired whether the matter was being considered in Executive Session due to imminent or threatened legal action. General Counsel responded in the negative, clarifying that consideration of the appointment of legal counsel is one of the specific *Open Meetings Act* exceptions for which a public body is permitted to enter into closed session.



Directors discussed Land Acquisitions

Executive Director Lafleur excused herself at this time, expressing it is her wish to recuse herself from participation in discussions or decisions related to Tollway land acquisition activities. *[Executive Director Lafleur then departed the meeting.]*

Staff updated the Board regarding land acquisition activities around O'Hare International Airport (the "Airport") required for the Elgin O'Hare Western Access ("EOWA") Project, noting a meeting is scheduled for June 30, 2015 with Airport leadership regarding land acquisition.

In regards to valuation, staff updated the Board on the two appraisals and the review appraisal that are now complete, further indicating that O'Hare officials have signaled they will demand a significantly higher price. Staff also noted a unique aspect of this transaction, among many, is that condemnation is not available.

Staff then emphasized that a significant aspect of the transaction is how to deal with (and pay for) removing the large soil mounds in the middle section of the needed parcels.

Lastly, staff informed the Board that agreement will need to be reached regarding the disposition of one of the Airport's diagonal runways, 14R/32L. Staff advised that dismantling the runway is not necessary to accommodate the Project and that the Project can also be accommodated by reducing the runway's length from 13,000 feet to approximately 9,000 feet. Staff advised that if a satisfactory resolution regarding the runway cannot be achieved, an alternative solution, having significantly greater cost to the Tollway, is available which would involve tunneling below Union Pacific railroad tracks.

A Director commented that local communities would benefit from the Airport retaining use of the diagonal runways, allowing air traffic to be spread out more evenly and offering relief to communities east and west of the Airport from increased jet noise resulting from the use of mostly parallel east-west runways.

A Director provided some historical context, including the role played by local governments in securing FAA approval, for the Airport's acquisition of "O'Hare Modernization" land, noting that the precedent established at that time for transfer of land at fair value should be relevant to current negotiations.

A Director requested that the Board be kept apprised of developments from the June 30 meeting with Airport officials. **Staff responded that Directors will be kept apprised of developments.**

Staff concluded by informing the Board that property within Canadian Pacific's Bensenville Railroad Yard to the south of the Airport has been identified by the Tollway for acquisition and is



currently in the appraisal phase. Staff indicated that negotiations are expected to be arduous and that acquisition and associated relocation costs are expected to be significant.

Directors discussed personnel matters

Directors then discussed the qualifications, skills and experience of Greg Bedalov, a candidate proposed and recommended by the Governor's Office, to serve in the position of Executive Director of the Tollway, replacing resigning Executive Director Kristi Lafleur. Additionally discussed were potential compensation levels and benefits. Upon conclusion of the discussion, the Board expressed consensus in support of hiring Mr. Bedalov as the new Executive Director, setting his compensation at \$180,000 annually, with a performance review to occur at the end of 2015, and authorizing the Chairman to finalize other employment details for Mr. Bedalov. The Board additionally expressed support for attempting to retain Kristi Lafleur in an alternate position at her current salary level for a period of 30 days to assist with the transition.

Re-Enter Public Session

There being no further questions, at approximately 11:45 a.m., Chairman Schillerstrom called for a motion to re-enter the public session of the Regular Board Meeting. Director Sweeney made such a motion; seconded by Director Banks. The motion was approved unanimously.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | July 23, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:30 a.m. on Thursday, July 23, 2015 to discuss Tollway matters related to the performance of specific employees, the 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:	Staff Present for all or portions of the Meeting:
Chairman Robert Schillerstrom	Greg Bedalov (Executive Director)
Director Jim Banks	Michael Stone (Chief of Staff)
Director Corey Brooks	David Goldberg (General Counsel)
Director Earl Dotson, Jr.	Rocco Zuccherro (Deputy Chief of Eng. for Planning)
Director Joseph Gomez	Christi Regnery (Board Secretary)
Director David Gonzalez	
Director Craig Johnson	
Director Nick Sauer	

Directors discussed land acquisition activities

Staff provided an overview of the DiBenedetto resolution process and obligations, arising from the eminent domain matter of *Illinois State Toll Highway Authority. v. DiBenedetto*, for identification of real estate parcels that may need to be acquired by the Tollway through condemnation. Staff explained that public identification under DiBenedetto is the initial step in



the process by which private property can be taken by the Tollway for the purpose of public use through the exercise of the power of eminent domain (condemnation), clarifying that the Tollway must reimburse the property owner with just compensation for their subsequent loss of property. Staff noted that condemnation is not limited in use to taking fee simple title but can additionally be used to acquire various real estate interests and non-possessory rights, including access control, permanent or temporary easement. Staff further explained that the Tollway has the authority, conferred by statute, to exercise quick take condemnation by depositing in court the probable compensation as determined by appraisal and obtaining an order for possession at the beginning of the condemnation proceeding, rather than awaiting final judgment before taking possession as is required using the straight condemnation method. Staff emphasized that agreement with property owners is typically reached during the price negotiation phase without the need to exercise the Tollway's condemnation authority.

Staff provided a summary table of the Tri-State Tollway (I-294) Project parcel identification report noting the addition of four parcels, all within Cook County, as described in Engineering Item 16. Staff additionally provided a summary table of the Elgin O'Hare Western Access ("EOWA") Project parcel identification report noting the addition of five parcels, two within Cook County and three within DuPage County, as described in Engineering Item 17. Staff 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.

A Director requested that Board members be provided in the future expanded descriptions of the real estate interests being sought by the Tollway and maps of the parcels identified for acquisition. **Staff responded that this information will be provided going forward.**

A Director asked how often condemnation proceedings are needed to acquire identified parcels. Staff estimated that in general roughly 30 percent may require some type of court proceeding, noting that to-date a little less than 20 percent of the parcels identified as needed for the EOWA Project have required condemnation proceedings.

Directors discussed a workers' compensation settlement

General Counsel prefaced the summary of the following item by noting that Board approval is currently required for negotiated workers' compensation settlements in an amount of \$50,000 or more.

Staff then provided a summary of the workers' compensation matter of Glenn Lawnicki, a Tollway employee who suffered an accepted back injury while performing his duties as a toll collector. Staff reported that a negotiated settlement between the parties has been reached for \$275,000, an amount which is below both the initial settlement demand of \$325,000 (plus open medical



rights) and the expected potential litigation exposure of \$410,000 to \$470,000, as determined by outside counsel. Staff advised that both the Legal Department and outside counsel are recommending approval of the settlement authorized in Legal Item 3.

A Director inquired whether the Tollway is currently providing health insurance for the claimant. Staff responded affirmatively, explaining that the claimant is also receiving temporary total disability benefits ("TTD").

A Director requested confirmation that TTD are two-thirds of the average weekly wage and, additionally, are not taxed. Staff confirmed.

A Director inquired about potential Tollway liability for future medical care. Staff responded that the settlement agreement completely resolves the workers' compensation claim and closes any right to future medical care.

Re-Enter Public Session

There being no further questions, at approximately 11:50 a.m., 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 Sauer, Chairman Schillerstrom (8).

Nays: None (0)

The motion to approve PASSED.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | August 27, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:12 a.m. on Thursday, August 27, 2015 to discuss Tollway matters related to the performance of specific employees, the 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 Corey Brooks

Director Earl Dotson, Jr.

Director Joseph Gomez

Director David Gonzalez

Director Craig Johnson

Director Nick Sauer

Director James Sweeney

Staff Present for all or portions of the Meeting:

Greg Bedalov (Executive Director)

Michael Stone (Chief of Staff)

David Goldberg (General Counsel)

Rocco Zuccherro (Deputy Chief of Eng. for Planning)

Paul Kovacs (Chief Engineer)

Brian Bottomley (Senior Project Engineer)

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 meeting held on July 23, 2015. He inquired if there were any questions, concerns or



requests for amendment. Hearing none, Chairman Schillerstrom advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.

General Counsel noted that upon approval, Executive Session minutes remain confidential until reviewed periodically by the Board to determine if there are any contents which may be appropriate for public release.

Directors discussed land acquisition activities

Identification of Real Estate Parcels (Engineering Item 21): 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 Reagan Memorial Tollway (I-88) Project parcel identification report noting the addition of one parcel, E-4-66 in Lee County, for which fee simple title is sought. Staff noted that, at the request of the Board, expanded descriptions, including the real estate interests being sought by the Tollway and an aerial view of the parcel identified for acquisition, have been provided. Staff 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.

Directors discussed litigation matters related to land acquisition

Administrative Settlement with Nicor (Engineering Item 22): Staff provided an overview of Tollway land acquisition activities which seek permanent easement rights to Parcel NW-6B-13-015, owned by Nicor and which is needed in connection with the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project. Staff reported that Nicor has recently offered settlement for the real estate interests needed in an amount of \$671,000, an amount which is below their initial request for \$710,000. Staff noted that because the settlement amount would exceed the agency's approved offer by \$100,000 or more (Tollway offer of \$442,500), Board authorization is required. Staff then identified reasons which support settlement, including avoiding the potential costs to the Tollway of Project delays and/or of litigation as well as the benefit of maintaining an amicable relationship with a public utility from which real estate interests continue to be needed. Staff stated that for the reasons provided, the Tollway's Acting Land Acquisition Manager is recommending that the Board approve the Administrative Settlement with Nicor to acquire the needed permanent easement for a total sum of \$671,000.

A Director inquired about the option of quick take condemnation. Discussion ensued regarding the limitations of that option in this circumstance.



A Director inquired about the difference in the valuations asserted by the parties. Staff responded that Nicor and the Tollway have differed on the appropriate characterization of this taking – fee versus permanent easement. Staff then provided an overview of the appraisal process employed by the Tollway, which includes the engagement of independent Illinois certified real estate appraisers.

A Director commented that although the settlement amount offered exceeds the agency's valuation for the real estate interest sought, the Tollway's options are limited at this late stage relative to Project construction schedules. Directors and staff then discussed the merits of the parties' positions on valuation, the urgency with which the acquisition is needed, the history of the agency's working relationship with Nicor and the potential precedent which might be established by entering into administrative settlement. Additionally discussed were the advantages and disadvantages of various negotiating strategies with utilities.

At the conclusion of discussion, **Chair Schillerstrom expressed the consensus of the Board that staff should explore approaches**, giving particular forethought to the Central Tri-State Tollway (I-294) Project, **which would enhance the Tollway's position when dealing in the future with utilities for needed real estate interests**, including potentially seeking in advance of negotiations a finding from the Illinois Commerce Commission ("ICC") which could facilitate the Tollway's option to exercise condemnation authority. General Counsel noted that staff will research industry practices and the requirements and mechanisms of the ICC in this regard and report back to the Board.

Directors additionally suggested that the Chairman and/or senior management consider meeting with the new executive leadership team of the combined company, formed by AGL Resources' recently completed merger with Nicor Inc., to explore the potential for strengthening the working relationship.

Final Settlement of Condemnation Litigation (Legal Item 3): Staff provided a summary of the condemnation matter which seeks fee simple title of Parcel EO-1B-12-007, owners of record being Louis Mattioli (deceased) and Beatrice Mattioli and needed in connection with the Elgin O'Hare Western Access Project. Staff explained that order vesting title was previously obtained by ruling of a quick take condemnation hearing held on September 15, 2014 and upon the Tollway's deposit of preliminary just compensation, as determined by the court, in the amount of \$1,310,305. 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 \$1,310,305, an amount which is above the Tollway's valuation of \$850,000, below the property owner's appraised value of \$1,850,000 and equal to the sum determined by



the court as preliminary just compensation. Staff advised that the property owner has agreed to fully settle this matter for the sum awarded for preliminary just compensation of \$1,310,305 and that staff is recommending approval of a global settlement in this amount.

A Director asked what might account for the relatively high valuation for this single family residence. Staff responded that the parcel is sizable, commercially zoned and located within a developing commercial corridor.

Directors discussed the property valuations asserted and expressed comfort that the settlement offer coincides with the amount of preliminary just compensation awarded through a judicial proceeding.

Directors discussed a litigation matters involving the Tollway

Litigation Settlement - Rhino Foods (Legal Item 2): Staff provided a summary of a recently mediated property damage claim filed by the Tollway which emanates from a multiple vehicle accident that occurred in 2013, causing damage to a Tollway median. Staff explained the accident occurred as a result of actions of the driver of a vehicle owned by Rhino Foods and, consequently, a dozen different entities, including the Tollway, have made claims against Rhino Foods, the sum total of which exceed the \$300,000 of available insurance proceeds. Staff added that research has revealed that the company and its owners have no other assets available, limiting prospects that further legal action would be cost-effective. Staff stated the Legal Department is therefore recommending that the Tollway accept settlement in the amount of \$43,402.40, the proportional value assigned by a mediator to the Tollway's claim against the limited insurance proceeds available.

Midwest Fence Corp. v. Tollway: General Counsel provided a summary of the case of *Midwest Fence Corp. v. Illinois State Toll Highway Authority*, a constitutional challenge to federal and state programs designed to benefit disadvantaged business enterprises in the highway construction industry. Staff highlighted that in March, the United States District Court Judge in the Northern District of Illinois granted complete summary judgment for all defendants: the federal government, the Illinois Department of Transportation ("IDOT") and the Illinois State Toll Highway Authority. Staff clarified that the Plaintiff, however, subsequently filed notice of appeal with the United States Court of Appeals for the Seventh Circuit, before which the matter currently resides.

Staff then updated the Board, providing an overview of a recently concluded court case, to which the Tollway was not party, which shares similar aspects with the Midwest Fence case. Staff stated that in this similar case, Dunnet Bay Construction Company sued IDOT, alleging that IDOT's Disadvantaged Business Enterprise ("DBE") Program discriminates on race. Staff reported that



the district court (Central District of Illinois) similarly granted complete summary judgment to the defendants and, similarly, the plaintiff in the matter filed notice of appeal with the United States Court of Appeals for the Seventh Circuit. Staff reported that recently, the Seventh Circuit affirmed summary judgment rejecting Dunnet's claim that IDOT's DBE Program discriminates on the basis of race.

Staff remarked that, although difficult to predict, the Court's ruling may bode well for a positive outcome in the Midwest Fence appeal.

Directors discussed a personnel matter

Staff informed the Board that a recent complaint by a Tollway employee to the Tollway's Equal Employment Opportunity ("EEO") Officer has led to dismissal of Jeffrey Redding, Chief of Operations. Staff reported that after a detailed investigation also involving agency attorneys, staff determined that Mr. Redding, among other things, engaged in inappropriate conduct with an employee in his department. Directors and staff then discussed some of the details surrounding Mr. Redding's departure and issues regarding the other employee.

A Director inquired whether any other Tollway employees have made complaint against Mr. Redding. Staff responded in the negative.

After a brief discussion by Directors and staff of the various policy offenses committed, the Board commended senior management for taking immediate and appropriate action, fostering an environment in which Tollway employees feel free to raise concerns and are confident that those concerns will be addressed.

Staff reminded the Board that Tollway policy is to refrain from making comment to the media on Tollway personnel matters.

Re-Enter Public Session

There being no further questions, at approximately 11:48 a.m., 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 Sauer. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Sauer, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Sweeney, Chairman Schillerstrom (9).



Nays: None (0)

The motion to approve PASSED.

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 | September 24, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 10:50 a.m. on Thursday, September 24, 2015 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	Michael Stone (Chief of Staff)
Director Corey Brooks	David Goldberg (General Counsel)
Director Earl Dotson, Jr.	Rocco Zuccherro (Deputy Chief of Eng. for Planning)
Director Joseph Gomez	Paul Kovacs (Chief Engineer)
Director Craig Johnson	Christi Regnery (Board Secretary)
Director Nick Sauer	
Director James Sweeney	

Directors discussed the minutes of a closed session meeting

Chairman Schillerstrom raised for consideration the Minutes of the Executive Session of the Board meeting held on August 27, 2015. He inquired if there were any questions, concerns or requests for amendment. Hearing none, Chairman Schillerstrom advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.



General Counsel confirmed that upon approval, Executive Session minutes remain confidential until reviewed periodically by the Board to determine if there are any contents which may be appropriate for public release.

Directors discussed land acquisition activities

Identification of Real Estate Parcels (Engineering Item 13): 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 twenty-three (23) parcels, twenty-one (21) within Cook County and two (2) within DuPage County, as described in Engineering Item 13. Staff noted that, at the request of the Board, expanded descriptions, including the real estate interests being sought by the Tollway have been provided. Staff 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.

Chairman Schillerstrom provided an overview of the land acquisition process and the varying real estate interests that may be needed, reminding Directors that public identification is the initial step in the eminent domain process. He clarified that the summary table provided to Directors includes a complete listing of all the parcels identified to-date for acquisition as needed for the Project, however, it is only the newly identified parcels, highlighted in yellow, which are subject of the amended resolution for which Board consideration is being requested at the Meeting.

A Director requested confirmation that Board members need not examine the parcel identification reports for potential conflicts of interest with parcels which were listed therein prior to their appointment. Staff responded that recusal is likely only warranted should a potential conflict of interest exist with newly identified parcels or previously identified parcels if presented for additional Board action in the future.

[At this point, Mr. Kovacs and Mr. Zuccherro departed the Executive Session.]

Directors discussed a workers compensation settlement

A Workers' Compensation Settlement (Legal Item 3): General Counsel prefaced the summary of the following item by noting that Board approval is currently required for negotiated workers' compensation settlements in an amount of \$50,000 or more.



Minutes of the
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Staff then provided a summary of the workers' compensation matter of Jeff Girardin, a Tollway employee who suffered an accepted knee injury while performing his duties as a diesel mechanic. Staff reported that a negotiated settlement between the parties has been reached for \$60,000, an amount which is below the expected potential litigation exposure of more than \$100,000, as determined by outside counsel. Staff advised that both the Legal Department and outside counsel are recommending approval of the settlement authorized in Legal Item 3. Staff noted that following the injury, Mr. Girardin, age 63, was released to work with restrictions that the Tollway attempted to accommodate by offering an alternative position as a toll collector; however, Mr. Girardin opted to retire in lieu of returning to work.

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 Sauer. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

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

Nays: None (0)

The motion to re-enter PASSED.

At approximately 11:02 a.m. the Board re-entered the public session of the Meeting.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

**Executive Session of the Finance, Administration & Operations
Committee Meeting****CONFIDENTIAL**

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Record of Closed Meeting | September 14, 2015

The Illinois State Toll Highway Authority (the "Tollway") Finance, Administration and Operations Committee met in Executive Session at approximately 11:58 a.m. on Monday, September 14, 2015 to discuss Tollway matters related to collective bargaining, pursuant to exceptions provided in Section 2(c)2 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**Committee Members Present:**

Committee Chair Joe Gomez

Director Corey Brooks

Director Nick Sauer

Staff Present for all or portions of the Meeting:

Greg Bedalov (Executive Director)

Michael Stone (Chief of Staff)

David Goldberg (General Counsel)

Shana Whitehead (Chief of Business Systems)

Dave Wilson (Chief of Operations)

Christi Regnery (Board Secretary)

Directors discussed a matter related to collective bargaining

Collective Bargaining Issues With a New Approach for Tolling: With the expressed interest to solicit Committee input and for the express purpose of setting future collective bargaining strategy, Executive Director Bedalov introduced Shana Whitehead, Chief of Business Systems, to present potential new approaches to tolling and the way cash payment of tolls are collected on the Tollway system.

**Executive Session of the Finance, Administration & Operations
Committee Meeting**

During the presentation, Ms. Whitehead provided an overview of the automatic toll payment machines (“ATPMs”) previously presented to the Board as a potential replacement technology for the Tollway’s automatic coin machines (“ACMs”), currently operating beyond their life expectancy and with obsolete parts and outdated technology. She reported that after procurement of a small number of ATPMs to occur in the fourth quarter of 2015 and their successful completion of an initial testing period expected to take much of 2016, a rollout of ATPMs is planned at all Tollway ramps to replace existing ACMs. She then further proposed, pending evaluation of their performance, that additional operational efficiencies, congestion relief and payroll cost savings could be achieved through a subsequent rollout of ATPMs at Toll Plazas, as a potential replacement for ACMs and manned tollbooths. She added that such an implementation might also provide an opportunity for plaza structures and other facilities to be repurposed to serve other customer needs. Ms. Whitehead clarified that any implementation of ATPMs at Toll Plazas would be phased and that there is no Tollway obligation to prevent erosion of the Service Employees International Union (“SEIU”) bargaining unit through attrition, with most headcount reductions of the proposed rollout anticipated to roughly coincide with the SEIU contract expiration on December 30, 2017. She noted that the new contract with SEIU would likely need to address transitional toll collector duties for 2018 to cover any potential implementation needs.

Directors and staff discussed the usage of I-PASS versus cash on the Tollway system, the use of ATPMs by other tollway operators, anticipated bargaining unit response and the potential impact on SEIU contract negotiations, the rate of attrition for toll collectors and number of jobs impacted at various phases of a potential rollout of ATPMs at Toll Plazas as well as the projected payroll and related cost savings of as much as \$55 million annually. A Director commented that the approach of using ATPMs, offering multiple payment options including potentially mobile devices, as a replacement for manned tollbooths would likely benefit both the Tollway and Tollway customers.

Committee Chair Gomez emphasized that the Tollway should place a high priority on placement assistance and position reassignment, whenever possible, to mitigate the impact of any headcount reductions to Tollway employees. **Committee Chair Gomez further requested that the Committee be kept apprised as the process for procurement and implementation of ATPMs advances.**

Re-Enter Public Session

There being no further questions, at approximately 12:19 p.m. Chair Gomez called for a motion to re-enter the public session of the regular Committee Meeting. Director Sauer made such a motion; seconded by Director Brooks. Motion was approved unanimously.



ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Minutes of the

**Executive Session of the Finance, Administration & Operations
Committee Meeting**

Meeting Date
September 14
2015



Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

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Record of Closed Meeting | October 22, 2015

The Illinois State Toll Highway Authority (the "Tollway") Board of Directors met in Executive Session at approximately 11:06 a.m. on Thursday, October 22, 2015 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:	Staff Present for all or portions of the Meeting:
Chairman Bob Schillerstrom	Greg Bedalov (Executive Director)
Director Jim Banks	Michael Stone (Chief of Staff)
Director Corey Brooks	David Goldberg (General Counsel)
Director Earl Dotson, Jr.	Rocco Zuccherro (Deputy Chief of Eng. for Planning)
Director Joseph Gomez	Paul Kovacs (Chief Engineer)
Director David Gonzalez	Christi Regnery (Board Secretary)
Director Craig Johnson	Shana Whitehead (Chief of Business Systems)
Director Nick Sauer	Gustavo Giraldo (Chief of Diversity)
Director James Sweeney	Dave Wilson (Chief of Operations)
	Brian Bottomley (Senior Project Engineer)

Directors discussed a disparity study and related pending litigation



David Goldberg, General Counsel, provided a summary of the case of *Midwest Fence Corp. v. Illinois State Toll Highway Authority*, a constitutional challenge to federal and state programs designed to benefit disadvantaged business enterprises (“DBEs”) in the highway construction industry. He reported that in March, the United States District Court, Northern District of Illinois, granted complete summary judgment for all defendants in this matter: the federal government, the Illinois Department of Transportation (“IDOT”) and the Illinois State Toll Highway Authority; however, the Plaintiff subsequently filed notice of appeal with the United States Court of Appeals for the Seventh Circuit, before which the matter currently resides. Mr. Goldberg advised that outcomes of similar cases have been highly dependent upon the facts; how the program is implemented at the agency and results of underlying disparity studies which serve as evidentiary basis. He noted that in support of the Tollway’s defense to this action, the agency commissioned an update to the underlying disparity study of minority- and women-owned business enterprises in highway construction contracting and professional services industries, which is about to be discussed.

Chairman Schillerstrom then introduced Colette Holt, Colette Holt & Associates, to provide a briefing for the Board on the results and recommendations of the recently completed Illinois Tollway 2014 Disadvantaged Business Enterprise Disparity Study conducted by her firm and to comment on the relation to the pending litigation.

Ms. Holt, after first briefly describing her background, provided a presentation to the Board on the study’s objectives, guiding legal principals, elements, findings and recommendations.

During the presentation, Ms. Holt reported that study findings indicate disparities continue to exist between utilization of DBEs and their availability in the Tollway’s market area, providing a strong basis for the Tollway to continue administering DBE programs with narrowly tailored remedies to mitigate effects of discrimination. She further reported study findings indicate that DBEs will continue to benefit from Tollway networking, contracting and training opportunities.

Chairman Schillerstrom indicated his need to depart at this time and requested that Director Johnson chair the remainder of the Meeting in his stead.

[Chairman Schillerstrom departed the Meeting at approximately 11:25 a.m.]

Ms. Holt also highlighted recommendations for program improvements that were developed for the Tollway’s consideration, including enhancing training opportunities for prime contractors, expanding current efforts to “unbundle” appropriate contracts, expanding the Tollway’s Small Business Initiative, relaxing experience requirements to ensure DBEs and small firms are not unfairly disadvantaged, expanding the Mentor/Protégé Program to construction contractors,



implementing measures to encourage primes to use new DBEs, evaluating the appropriateness of an electronic contracting data collection, monitoring and notification system, and evaluating overall program resources periodically.

During the presentation, Board members, Ms. Holt and staff discussed in detail the findings and recommendations of the Disparity Study and the implication to pending litigation.

Regarding next steps, staff informed the Board that the Tollway, in order to provide stakeholders a framework to enhance their understanding of its complexities, will hold two information sessions for the public on its 2014 Disparity Study; the first to be held at the DePaul Conference Center in Chicago on November 18th and the second at the Naperville Marriott on November 19th. Staff noted that the Disparity Study is planned to then be presented to the Board for consideration of formal adoption in January. Staff further explained that the study's findings and recommendations, along with feedback received from the public information sessions and other stakeholders, will be utilized, with the input and assistance of the Board, to develop a revised and improved Tollway DBE Program that continues to be narrowly tailored and constitutionally defensible.

A Director inquired about the communications plan for the Disparity Study information sessions, expressing interest that they be well attended to enhance awareness and to ensure the broadest input possible. Staff and Directors discussed the communications plan.

A Director asked Ms. Holt if she would comment on the performance of the Tollway's current DBE program relative to other programs with which she is familiar. Ms. Holt responded that in terms of utilization levels, outreach performed and technical assistance offered, the Tollway's DBE Program is in the upper tier of the 75-100 agencies with which she has worked. She clarified, however, that there are still opportunities for the Tollway to do better.

Directors discussed the minutes of a closed session meeting

Director Johnson raised for consideration the Minutes of the Executive Session of the Board of Directors meeting held on September 24, 2015. He inquired if there were any questions, concerns or requests for amendment. Hearing none, Director Johnson advised that Board action on the Minutes will occur upon return to the regular session of the Meeting.

Directors discussed pending litigation matters

Final Settlement of Condemnation Litigation (Legal Item 5): General Counsel outlined the three prescribed occasions on which Board approval is sought in the advancement of land



acquisition activities, noting that this item, a settlement agreement arising out of Tollway condemnation litigation, is one such occasion.

Staff then provided a summary of the condemnation matter which seeks fee simple title of a single family residence and business in DuPage County, Parcel EO-1B-12-008, needed in connection with the Elgin O'Hare Western Access Project. Staff 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, as determined by the court, in the amount of \$776,972. 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 \$776,972, an amount which is above the Tollway's valuation of \$555,000, below the property owner's appraised value of \$1,220,000 and equal to the sum determined by the court as preliminary just compensation. Staff advised that the property owner has agreed to fully settle this matter for the sum awarded for preliminary just compensation of \$776,972 and that the Tollway Legal Department and the Land Acquisition Manager are recommending approval of a final settlement in this amount.

Civil Litigation Settlement – David Capers (Legal Item 6): Staff provided a summary of a civil claim filed against the Tollway which emanates from a motor vehicle accident that occurred in 2010. Staff explained that the Plaintiff, David Capers, struck a Tollway H.E.L.P. truck which had pulled out in front of Mr. Capers to make a U-turn. Staff noted that evidence suggests that the H.E.L.P. truck driver was performing an unusual maneuver and did not have its emergency strobe lights on at the time. Staff further explained that as a result of this incident, the Plaintiff complained of neck, back, and right knee injuries and received extensive treatment, resulting in claims for damages of \$81,692.38 for medical costs and lost time from work. Given the probability the Plaintiff would prevail on liability, staff advised that the Legal Department is therefore recommending the Tollway accept a final settlement reached with the Plaintiff in the amount of \$72,500, an amount which is below both the Plaintiff's original settlement demand of \$250,000 and the Plaintiff's claim for damages of \$81,692.38.

Directors discussed land acquisition activities

[Mr. Zuccherro and Mr. Bottomley entered the Executive Session at this time.]

Identification of Real Estate Parcels (Engineering Item 15): 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 twelve



(12) parcels, all within Cook County, as described in Engineering Item 15. Staff noted 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.

[Mr. Zuccherro and Mr. Bottomley departed the Executive Session at this time.]

Directors discussed a matter related to collective bargaining

Collective Bargaining Issues with a New Approach for Tolling: With the expressed interest to solicit Board input and for the explicit purpose of setting future collective bargaining strategy, Executive Director Bedalov introduced Shana Whitehead, Chief of Business Systems, to present potential new approaches to tolling and the way cash payment of tolls are collected on the Tollway system.

During the presentation, Ms. Whitehead provided an overview of the automatic toll payment machines ("ATPMs") previously presented to the Board as a potential replacement technology for the Tollway's automatic coin machines ("ACMs"), currently operating beyond their life expectancy and with obsolete parts and outdated technology. She highlighted the many features and benefits of ATPM technology, including the potential support of mobile payment solutions that would allow customers to use applications installed on their mobile devices to make payment. She reported that after procurement of a small number of ATPMs, to occur in the fourth quarter of 2015, and their successful completion of an initial testing period expected to take much of 2016, a rollout of ATPMs is planned at all Tollway ramps to replace existing ACMs. She then further proposed, pending evaluation of their performance, that additional operational efficiencies, congestion relief and payroll cost savings could be achieved through a subsequent rollout of ATPMs at Toll Plazas, as a potential replacement for ACMs and manned tollbooths. She added that such an implementation might also provide an opportunity for plaza structures and other facilities to be repurposed to serve other customer needs. Ms. Whitehead clarified that any implementation of ATPMs at Toll Plazas would be phased and that there is no Tollway obligation to prevent erosion of the Service Employees International Union ("SEIU") bargaining unit through attrition, with most headcount reductions of the proposed rollout anticipated to roughly coincide with the SEIU contract expiration on December 30, 2017. She noted that the new contract with SEIU would likely need to address transitional toll collector duties for 2018 to cover any potential implementation needs.

Directors and staff discussed the use of ATPMs by other tollway operators, potential drawbacks to ATPM usage and the importance of their thorough evaluation before roll out, the rate of attrition



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for toll collectors, the number of jobs impacted at various phases of a potential rollout of ATPMs at Toll Plazas, and the approach to be taken with the SEIU and anticipated bargaining unit response. Directors also discussed the implications of ATPMs to rental car customers and potential methods to address upcharges commonly assessed to customers by rental car companies for missed tolls.

A Director asked if the ATPMs procured through the initial request for proposal ("RFP") will incorporate EMV (Europay, MasterCard and Visa) technology used to authenticate chip-card transactions. Ms. Whitehead responded that this is her understanding but she will confirm as the RFP is developed.

A Director inquired about the impact of the potential elimination of toll collector positions to overall workforce diversity at the Tollway. **Staff responded that the impact to Tollway workforce diversity will be evaluated and further information provided to Directors.**

The Board expressed a consensus in support of moving forward with the initial ATPM trial, suggesting, however, that the SEIU should be brought into the process at the earliest feasible stage. Directors also emphasized that the Tollway should place a high priority on placement assistance, position reassignment and achieving workforce reductions through attrition, whenever possible, to mitigate the impacts of any headcount reductions to Tollway employees.

Re-Enter Public Session

There being no further business requiring Executive Session, Director Johnson called for a motion to re-enter the public session of the Regular Board Meeting. Director Sauer made such a motion; seconded by Director Dotson. Director Johnson called for vote. The motion PASSED unanimously.

At approximately 12:36 p.m. the Board re-entered the public session of the Meeting.

Minutes taken by: _____ /s/ on original

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority