

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE
FINANCE, ADMINISTRATION AND OPERATIONS
COMMITTEE MEETING**

December 10, 2014

The Illinois State Toll Highway Authority (the “Tollway”) held the Finance, Administration and Operations Committee Meeting on Wednesday, December 10, 2014, at approximately 8:30 a.m. at the Tollway’s Central Administration Building in Downers Grove, Illinois.

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

Committee Members Present:

Committee Chair Mark Peterson
Director David Gonzalez
Director Terry D’Arcy

Committee Members Absent:

None

Also Attending:

Chair Paula Wolff

PUBLIC COMMENT

Committee Chair Peterson called the meeting to order and opened the floor for public comment. No public comment was offered.

CHAIR'S ITEMS

Committee Chair Peterson called for a motion to approve the Minutes of the Finance, Administration and Operations Committee Meeting and Executive Session held on November 12, 2014. Director D'Arcy made a motion for approval; seconded by Director Gonzalez. The motion was approved unanimously.

Committee Chair Peterson then called on Kristi Lafleur, Executive Director.

EXECUTIVE DIRECTOR

Executive Director Lafleur introduced Mike Colsch, Chief of Finance, and Cathy Williams, Deputy Chief of Finance, to present the 2015 Final Budget. [See attached presentation.](#)

Committee Chair Peterson inquired about the basis for the \$1.3 million reallocation from “wages, salaries, and social security” to “retirement”. Mr. Colsch responded that the 2015 Budget provides for 12 months of funding for the majority of positions that are currently vacant and adjustments to the timing of filling these vacancies is expected to accommodate the reallocation.

Committee Chair Peterson asked about the timing of the \$800 million of new bond issuance budgeted in 2015. Mr. Colsch responded the first new money issue is planned to occur in early May with the second issue planned for October or November of 2015.

Chair Wolff asked for the overall increase in the retirement benefit contribution budgeted in 2015 as compared to 2014. Cathy Williams, Deputy Chief of Finance, responded that the 2015 Tentative Budget originally allocated an increase from 42.3% to 43.9% of wages and salaries that the Tollway is required to pay to the State Employees Retirement System (“SERS”). Ms. Williams further stated that as a result of the increase requested by SERS for the second half of 2015, the rate of retirement contribution in the 2015 Final Budget has been further increased from 43.9% to 45.5% of payroll.

Executive Director Lafleur introduced Rocco Zuccherro, Deputy Chief of Engineering for Planning, to provide a presentation on the Central Tri-State Tollway (I-294) Master Plan Vision. [See attached presentation.](#)

Chair Wolff inquired about the mix of traffic on the Central Tri-State Tollway (I-294) and whether the proportion of commercial traffic will be specifically considered in the design elements and in development of the Tollway’s maintenance of traffic plan. Mr. Zuccherro responded passenger vehicles account for approximately 80-85%, and commercial vehicles account for approximately 15-20%, of the traffic on this segment, noting this segment accommodates some of the highest volumes of commercial

vehicles on the system. Executive Director Lafleur added that preservation and growth of commercial vehicle traffic will be important factors considered in the development of the Master Plan for the Central Tri-State Tollway.

Director D'Arcy inquired whether implementation of "High Occupancy Toll" ("HOT") lanes, or car-pool lanes, is being considered. Mr. Zucchero responded that HOT lanes have been evaluated previously and will be considered for this project, noting that HOT lanes present challenges to accommodating ingress and egress for toll payment. Executive Director Lafleur responded that research into the effectiveness of HOT lanes will be conducted and careful consideration given to their inclusion on this segment, which is heavily utilized by commuter traffic.

Committee Chair Peterson requested confirmation that the construction phase of the Central Tri-State Tollway project is anticipated to be accomplished in two years, from 2020 to 2022. Paul Kovacs, Chief Engineer, confirmed this as the timetable currently established in the Move Illinois Project plan. Mr. Kovacs further stated implementation of the Central Tri-State Tollway project will incorporate lessons learned, including those regarding scheduling and traffic management, from the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project.

Chair Wolff inquired regarding mitigating the environmental impact to open spaces along the project corridor and whether experience from previous Tollway projects would be utilized in the development of the Master Plan for the Central Tri-State Tollway. Mr. Zucchero responded that previous experience on how best to

mitigate environmental impacts will be incorporated. Mr. Zucchero then specially referenced, as an example, work on the northern Tri-State Tollway that included the application of bioswales, in partnership with the Forest Preserves of Cook County, which treat runoff before releasing it to watersheds or storm sewers. Mr. Zucchero added that the positive working relationship shared by the Tollway and the Forest Preserves of Cook County is expected to be constructive in addressing environmental impacts of the project.

Chair Wolff commented that as part of a centennial campaign, the Forest Preserves of Cook County are undertaking a number of new initiatives in which the Tollway might benefit from participation.

Mr. Kovacs noted Phase I of the project has a large environmental component, including determining permit requirements and coordination with regulatory agencies. Chair Wolff suggested the Tollway should strive to achieve a standard for mitigation of the environmental impact of roadway projects which exceeds thresholds for regulatory compliance.

Committee Chair Peterson inquired regarding additional short- and long-term truck parking. Mr. Zucchero responded the Customer Service & Planning Committee is considering this issue, including the possible location of additional truck parking at oases, toll plazas, and/or existing right-of-way throughout the system. Mr. Zucchero added that public/private partnerships to provide for additional truck parking are also under consideration.

Executive Director Lafleur updated the Committee on the condition of a worker for a subcontractor on the Tollway's Fox River Bridge project who was injured, reporting the injuries sustained are serious but apparently non-life threatening. Ms. Lafleur expressed concern and good wishes for the worker and his family.

ITEMS FOR CONSIDERATION

Committee Chair Peterson called on Mike Colsch, Chief of Finance, to present the following **Finance** Items:

Item 1: Renewal of the Employee Health Benefit Programs with Blue Cross Blue Shield of Illinois for the 2015-2016 plan year.

Committee Chair Peterson inquired whether any Tollway claims have been made against the Stop-Loss policy. Mr. Colsch responded the Tollway has not experienced a loss eligible for reimbursement under the Stop-Loss coverage for several years.

Committee Chair Peterson requested confirmation that the Reinsurance Fee for the plan year 2014, estimated at \$77,868.00, is the first time this federal fee on self-funded health plans has been required under the Federal Affordable Care Act ("ACA"). Mr. Colsch responded affirmatively, noting the annual fee is currently scheduled to be collected over the three-year period from 2014 through 2016.

Committee Chair Peterson asked for the corresponding dollar figure for the quoted average increase of 3.5% to the premiums for

the HMO programs. Mr. Colsch responded that, for example, the monthly premium for the HMO Illinois family coverage is currently \$1548/month and would increase to \$1609/month.

Committee Chair Peterson requested confirmation that the renewal terms offered by the vendor are considered competitive, reflecting current market conditions. Mr. Colsch responded affirmatively.

Chair Wolff asked whether the average employee costs associated with increasing the out-of-pocket maximums of the Medical PPO plan have been determined. Mr. Colsch responded the aggregate data needed to determine the overall average cost to employees is not currently available.

Chair Wolff suggested it would be constructive to have a more detailed understanding of the overall financial impact to employees of the health care benefit program. Chair Wolff then requested an estimate of the average employee health benefit costs for the 2015-2016 plan year, as well as the average employee health benefit costs for the previous five years, be provided for the Committee, including factoring costs associated with modifications made to deductibles, co-payments, and out-of-pocket maximums. **Mr. Colsch responded this information will be provided.**

Director Gonzalez inquired whether the vendor provided a quote for renewal terms absent the proposed increase to the out-of-pocket maximums of the PPO/indemnity medical program. Mr. Colsch responded the vendor's initial proposal included a projected cost increase for the Medical PPO of 16%. Mr. Colsch further stated the proposed modifications made to the renewal terms, including a

premium increase for the Stop-Loss policy and increases to the out-of-pocket maximums, resulted in reducing the projected cost increase for the Medical PPO to 9.9%. Mr. Colsch added that approximately 2% of the reduction achieved is attributable to the increase to the out-of-pocket maximums.

Director Gonzalez inquired whether the proposed increase to the out-of-pocket maximum applies to all Tollway employees, including those represented by labor unions. John Hauk, Insurance Risk Manager, responded affirmatively with the exception of Tollway employees represented by the Teamsters, who have elected to participate in a Teamster provided health benefit program. Mr. Colsch added that the Employee Health Benefit Program for the 2015-2016 plan year covers approximately 1,000 Tollway employees, with approximately 50% participating in the HMO programs and 50% in the Medical PPO.

Committee Chair Peterson requested confirmation this contract was solicited and awarded without a Business Enterprise Program (“BEP”) goal and the vendor has committed to a voluntary 10% BEP goal on both the original contract and this renewal. Mr. Colsch confirmed, noting the BEP commitment is against the administrative fees that the vendor earns – not against the estimated contract value listed.

Item 2: Approval of the 2015 Final Budget.

Director Gonzalez made a motion for approval of **Finance Items 1 and 2**; seconded by Director D’Arcy. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson called on John Donato, Chief of Procurement, to present the following **Procurement** Items:

Item 1: Award of Contract 14-0193 to AT&T DataComm, Inc. for the purchase of Cisco Network Equipment, Firewalls, Hardware, Software, and Licensing in an amount not to exceed \$820,601.06 (Order Against CMS Master Contract).

Committee Chair Peterson inquired about the life expectancy of network equipment being replaced. Mr. Donato responded the network equipment being replaced is approximately 7-8 years old and has reached the end of its life expectancy. Mr. Donato added that this replacement and additional equipment is necessary to improve the current system's functions and features, which will improve customer service.

Committee Chair Peterson requested confirmation this is the fourth renewal of this CMS Master Contract. Mr. Donato confirmed.

Item 2: Award of Contract 14-0165 to CDW Government LLC (CDW-G) for the purchase of Citrix NetScaler Equipment, Maintenance, Support, Training, and Services in an amount not to exceed \$1,391,166.00 (Tollway Invitation for Bid).

Committee Chair Peterson inquired regarding the number of bids received on this Tollway Invitation for Bid. Mr. Donato responded a total of four bids were received, noting one bidder was deemed non-responsive on the BEP requirement by the Illinois Department of Central Management Services ("CMS").

Committee Chair Peterson requested elaboration on the function of the Citrix NetScaler equipment. Joe Kambich, Chief of Information Technology, responded the Citrix NetScaler is a network appliance, positioned behind the firewalls, which provides load balancing to allow external users, including Tollway vendors, the Office of the Secretary of State, corporate users and Tollway employees accessing remotely, to connect to the Tollway computer system. Mr. Kambich added that the equipment authenticates users and grants appropriate access.

Committee Chair Peterson inquired if this hardware is meant to replace an existing system. Mr. Kambich responded this award is for additional equipment, not for the replacement of existing equipment. Mr. Kambich further stated implementation of this equipment is the next step in the initiative developed four years ago to upgrade the architecture of the Tollway computer system sufficiently to support compatibility with current mainstream technologies and facilitate secure connections for external access to Tollway networks.

Director D'Arcy asked what means of controlling access to the system will be utilized by the Tollway. Mr. Kambich responded that the Information Technology ("IT") Department will perform this function. Mr. Kambich noted the IT Department is researching how best to monitor access and network traffic and is carefully evaluating network security protocols for implementation along with this equipment.

Chair Wolff asked why Accenture LLP withdrew its bid for this contract. Mr. Donato responded the unit of Accenture LLP that responded to this Tollway invitation for bid was unaware another unit of Accenture LLP had contributed to the development of the specifications for this contract. Mr. Donato further stated once the conflict was recognized by Accenture LLP, they withdrew their bid.

Item 3: Renewal of Contract 12-0101 to Mechanical Systems, Inc. (d.b.a. Contech MSI Co.) for the purchase of Fire Alarm Inspections and Repairs in an amount not to exceed \$57,934.00 (Tollway Invitation for Bid).

Committee Chair Peterson asked if the Illinois State Fire Marshal sets the schedule for inspections. Mr. Donato responded affirmatively. Mr. Donato added that the Tollway operates under National Fire Protection Association codes and standards developed to minimize the possibility and effects of fire and other risks.

Director Gonzalez made a motion for approval of **Procurement Items 1 through 3**; seconded by Director D'Arcy. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson called on Paul Kovacs, Chief of Engineering, to present the following **Engineering** Items:

Item 1: Award of Contract I-14-4643 to Lorig Construction Company for Bearing and Joint Fabrication on Illinois 390 from

Milepost 6.7 (Metra Railroad bridge) to Milepost 7.6 (Irving Park Road), in the amount of \$619,476.00.

Item 2: Award of Contract I-14-4206 to Plote Construction, Inc. / Dunnet Bay Construction Co. (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 60.8 (Higgins Road) to Milepost 65.5 (Roselle Road), in the amount of \$77,887,661.65.

Mr. Kovacs reported that the strategy of offering a combination bid option continues to be successful, obtaining quality bidders and creating opportunities for economies of scale which have resulted in estimated savings to the Tollway of approximately \$5.6 million to-date. Mr. Kovacs stated Items 2 and 3 were awarded as components of a combination bid.

Chair Wolff, referencing Items 1 through 3, suggested it may be constructive to review the implementation of contract unbundling and of combination bid offerings to ensure these initiatives are best achieving the goal of providing more opportunities for small businesses – particularly disadvantaged, minority- and women-owned business enterprises – to compete as a prime contractor. **Mr. Kovacs responded a review of these initiatives would be performed. Executive Director Lafleur responded** additional factors, other than amount, are considered in defining small contract opportunities, including geography and type of work, and **the Tollway may benefit from review and clarification of the determinative factors in characterization of a contract as “unbundled”**. Ms. Lafleur further noted the bearing and joint fabrication required of Engineering Item 1 is specialized work, resulting in limited Disadvantaged Business Enterprise (“DBE”)

availability. Mr. Kovacs added that Item 1 was characterized as unbundled based on amount and is not a good representative of the initiatives efforts to increase opportunities for small businesses, noting more representative efforts are planned for 2015 contracts.

Item 3: Award of Contract I-14-4207 to Plote Construction, Inc. / Dunnet Bay Construction Co. (JV) for Outside Roadway Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 65.5 (Roselle Road) to Milepost 68.1 (I-290/IL 53), in the amount of \$71,104,729.18.

Committee Chair Peterson inquired whether staff is comfortable with the vendor's capacity to complete the work. Mr. Kovacs responded affirmatively.

Committee Chair Peterson inquired regarding Plote Construction, Inc.'s most recent work with the Tollway and whether these contracts were performed satisfactorily. Mr. Kovacs responded the vendor is closing out work on the western corridor of the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project, completing two projects for the Tollway this year, both of which were concluded on schedule and within budget.

Committee Chair Peterson asked if these completed projects entailed any change orders/extra work orders. Mr. Kovacs responded affirmatively, noting the vendor delivered the work on schedule and the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project continues to remain within budget.

Item 4: Award of Contract I-14-4208 to Walsh Construction Company of Illinois / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (I-290/IL 53) to Milepost 70.7 (Arlington Heights Road), in the amount of \$74,047,592.22.

Committee Chair Peterson inquired if staff was satisfied with receiving three bid responses to this solicitation. Mr. Kovacs responded affirmatively, noting that review of the bids indicates competitive pricing was achieved. Mr. Kovacs further expressed satisfaction with attracting a large firm, Walsh Construction Company of Illinois, which has not previously been largely involved in Tollway work.

Committee Chair Peterson requested confirmation this is Walsh Construction Company of Illinois' first participation in the Move Illinois Program. Mr. Kovacs confirmed this as his understanding, noting the vendor did perform work on roadway widening and reconstruction as part of the Congestion-Relief Program.

Committee Chair Peterson inquired regarding K-Five Construction Corporation's most recent work with the Tollway. Executive Director Lafleur responded this vendor is a significant subcontractor on a contract awarded as part of the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project. Mr. Kovacs added that the vendor has a solid reputation, providing heavy highway paving contracting services for both government and private interests.

Item 5: Award of Contract I-14-4209 to Walsh Construction Company of Illinois / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (Oakton Street), in the amount of \$62,267,407.78.

Committee Chair Peterson inquired regarding Tollway savings achieved through the offering of a combination bid option. Mr. Kovacs responded Items 4 and 5 were awarded as components of a combination bid which resulted, when compared to the lowest individual bids received for these two contracts, in estimated savings to the Tollway of \$4.8 million.

Committee Chair Peterson inquired regarding the lack of Diversity Program detail listed for Items 4 and 5. Gustavo Giraldo, Chief of Diversity & Strategic Development, responded these items are recent bid openings and completion of this detail is pending Diversity Department review of vendor submissions. Staff additionally noted the subcontractors incorporated in the Diversity plan for these contracts, along with their DBE certifications, are listed on the first page of the item summaries under “Subcontractors”.

Item 6: Acceptance of Proposal from Structure Designs, Inc., on Contract RR-13-4145 for Design Services for Maintenance Facilities M-6 (Marengo) and M-7 (Rockford) Site Plans on the Jane Addams Memorial Tollway (I-90) at Maintenance Facility M-6 (Marengo) at Milepost 41.9 (US 20 Ramps) and Maintenance

Facility M-7 (Rockford) at Milepost 15.4 (Business US 20), in an amount not to exceed \$630,880.33.

Chair Wolff asked for the ethnic group of the certified DBE vendor. Mr. Kovacs responded the prime contractor is a certified DBE, with an ethnic group categorization of African American.

Mr. Kovacs then reported to the Committee the robust interest of the consulting community in Tollway work, noting the response to the bulletin advertising the following eight professional services items included receipt of 386 statements of interest from 117 firms on 19 items. Mr. Kovacs noted that 47% of the awarded contracts from this bulletin include prime consultants that are certified DBE's and 26% of the selections include a consultant serving for the first time as a prime. Mr. Kovacs further noted selections from this bulletin include 15 Mentor/Protégé commitments, 20 new subconsultants to the Tollway, as well as nine DBE's and nine veteran-owned small businesses ("VOSB's") that are new to the Tollway.

Item 7: Acceptance of Proposal from Alfred Benesch & Company, on Contract I-14-4188 for Construction Management Services for Roadway, Retaining Wall and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (IL 53) to Milepost 70.7 (Arlington Heights Road), in an amount not to exceed \$TBD.

Mr. Kovacs stated this item is still in negotiation and requested that presentation for consideration and action be deferred until the December Board meeting.

Item 8: Acceptance of Proposal from STV Incorporated, on Contract I-14-4189 for Construction Management Services for Roadway, Retaining Wall and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 53.8 (Elgin Toll Plaza) to Milepost 55.7 (Fox River), in an amount not to exceed \$TBD.

Mr. Kovacs stated this item is still in negotiation and requested that presentation for consideration and action be deferred until the December Board meeting.

Item 9: Acceptance of Proposal from BCP Tollway Partners (JV), on Contract I-14-4190 for Construction Management Services for Roadway, Retaining Wall and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 60.8 (West of Higgins Road) to Milepost 65.5 (Roselle Road), in an amount not to exceed \$TBD. (Recusal: Director D'Arcy).

Mr. Kovacs stated this item is still in negotiation and requested that presentation for consideration and action be deferred until the December Board meeting.

Item 10: Acceptance of Proposal from Knight E/A, Inc., on Contract I-14-4191 for Construction Management Services for Roadway, Retaining Wall and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 56.8 (IL 25) to Milepost 60.8 (West of Higgins Road), in an amount not to exceed \$TBD.

Mr. Kovacs stated this item is still in negotiation and requested that presentation for consideration and action be deferred until the December Board meeting.

Item 11: Acceptance of Proposal from Michael Baker Jr., Inc., on Contract RR-13-5660 for Construction Management Services for Roadway Resurfacing on the Reagan Memorial Tollway (I-88) from Milepost 44.2 (US 30) to Milepost 55.1 (US 52), in an amount not to exceed \$4,651,075.50.

Item 12: Acceptance of Proposal from HR Green, Inc., on Contract RR-13-5661 for Construction Management Services for Roadway Resurfacing on the Reagan Memorial Tollway (I-88) from Milepost 55.1 (US 52) to Milepost 67.3 (Midway Road), in an amount not to exceed \$4,702,948.63.

Item 13: Acceptance of Proposal from DB Sterlin Consultants, Inc. (D/MBE), on Contract RR-13-5662 for Construction Management Services for Roadway Resurfacing on the Reagan Memorial Tollway (I-88) from Milepost 67.3 (Midway Road) to Milepost 76.8 (IL 251), in an amount not to exceed \$4,400,000.00.

Item 14: Acceptance of Proposal from Great Arc Technologies, Inc., on Contract RR-14-9170 for Infrastructure Management System Services, Systemwide, in an amount not to exceed \$3,000,000.00.

Committee Chair Peterson inquired whether this is the first Tollway award for these services. Mr. Kovacs responded in the

negative, noting this vendor was also the prime consultant for the prior contract awarded for these services. Mr. Kovacs added that the Tollway continues to advertise these services at the conclusion of each contract term in order to encourage bid competition.

Item 15: Extra Work Order on Contract I-13-4126 to William Charles Construction Company, LLC for Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 33.5 (Anthony Road) to Milepost 41.5 (US Route 20), in the amount of \$254,700.00.

Item 16: Extra Work Order on Contract I-13-5675 to IHC Construction Companies, LLC for Noise and Retaining Wall Construction and Drainage Improvements, in the amount of \$288,250.00.

Committee Chair Peterson requested confirmation the extra work orders comprising Items 15 and 16 are to address conditions or circumstances unanticipated in the original contract specifications. Mr. Kovacs confirmed.

Item 17: Partial Release of Retainage on Contract RR-12-4090 to R.W. Dunteman Company, for Ramp Reconstruction on the Tri-State Tollway (I-294) at I-55 from Milepost 22.5 to Milepost 24.9, by \$401,796.27 from \$551,796.27 to \$150,000.00.

Item 18: Partial Release of Retainage on Contract I-13-4124 to Plote Construction, Inc., for Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 45.8 (West of IL Route 47) to Milepost 49.7 (West of the Union

Pacific Railroad), by \$339,437.27 from \$1,639,951.39 to \$1,300,514.12.

Item 19: Partial Release of Retainage on Contract I-13-4149 to Meade, Inc. for Power Distribution Duct Bank and Crossroad Utility Conduit Installation on the Jane Addams Memorial Tollway (I-90) from Milepost 17.6 (Mill Road) to Milepost 53.2 (Sleepy Hollow Road), by \$200,168.64 from \$226,574.52 to \$26,405.88.

Item 20: Final Release of Retainage on Contract I-12-4076 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Widening and Reconstruction on the Eastbound Jane Addams Memorial Tollway (I-90), from Milepost 45.5 (IL Route 47) to Milepost 49.7 (Union Pacific Railroad). (Recusal: Director Sweeney)

Committee Chair Peterson inquired whether this item is still under review by the Diversity Department. Mr. Giraldo responded affirmatively. Mr. Kovacs added that the vendor is anticipated to exceed the DBE goal established for this contract.

Item 21: Final Release of Retainage on Contract I-12-4077 to Plote Construction, Inc. for Widening and Reconstruction on the Eastbound Jane Addams Memorial Tollway (I-90), from Milepost 49.7 (Union Pacific Railroad) to Milepost 53.6 (Elgin Toll Plaza).

Item 22: Final Release of Retainage on Contract I-13-4162 to Herlihy Mid-Continent Company for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 40.8 (Harmony Road) and at Milepost 44.4 (Hennig Road).

Item 23: Administrative Settlement – Land Acquisition for the Elgin O’Hare Western Access Project (EOWA).

Mr. Kovacs requested action on this item be deferred until after presentation and consideration in Executive Session.

Item 24: Permit EW 14-29 to LaFarge North America for permission to expand haul road tunnels for their underground mine under Reagan Memorial Tollway (I-88) between Milepost 117.8 (Aurora Plaza 61) and Milepost 117.4 (IL 25). Fee is \$94,400.00. (Recusal: Director Weisner)

Committee Chair Peterson requested confirmation that the permit to be issued includes an indemnity provision. **Mr. Kovacs responded he will confirm and report back to the Committee.**

Director D’Arcy made a motion for approval of **Engineering Items 1 through 6**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson stated **Engineering Items 7 through 10** will be deferred to the December Board of Directors meeting.

Chair Wolff made a motion for approval of **Engineering Items 11 through 22**; seconded by Director D’Arcy. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson stated that action on Engineering Item 23 will be deferred until after Executive Session.

Director Gonzalez made a motion for approval of **Engineering Item 24**; seconded by Director D'Arcy. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson then called on David Goldberg, General Counsel, to present the following **Legal** items:

Item 1: An Intergovernmental Agreement with the University of Illinois (Illinois State Geological Survey). Cost to the Tollway: Not to exceed \$4,116,430.00. (Recusal: Director Redick).

Committee Chair Peterson inquired about the original start date of the agreement with the University of Illinois. Mr. Zucchero responded this is a new five-year Intergovernmental Agreement (“IGA”) which is replacing the essence of a previous IGA with the University of Illinois in place since 2007.

Item 2: An Intergovernmental Agreement with Dundee Township. Cost to the Tollway: \$ 0.

Item 3: A Workers Compensation Settlement – Shawn Holmer. Cost to the Tollway: As Discussed in Executive Session.

Mr. Goldberg requested action on this item be deferred until after presentation and consideration in Executive Session.

*Item 4: A Workers Compensation Settlement – Brandon Clatch.
Cost to the Tollway: As Discussed in Executive Session.*

Mr. Goldberg requested action on this item be deferred until after presentation and consideration in Executive Session.

Director D’Arcy made a motion for approval of **Legal Items 1 and 2**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

Committee Chair Peterson stated that action on Legal Items 3 and 4 will be deferred until after Executive Session.

At approximately 10:10 a.m., David Goldberg, General Counsel, indicated the need to discuss Tollway matters related to land acquisition as well as litigation matters involving the Tollway, pursuant to Sections 2(c)(5) and 2(c)(11) of the Illinois Open Meetings Act. Director Gonzalez made the motion to enter into Executive Session; seconded by Director D’Arcy. The motion was approved unanimously.

At approximately 11:06 a.m., the Committee re-entered the public session of the Committee meeting.

Chair Wolff made a motion for approval of **Legal Items 3 and 4**; seconded by Director Gonzalez. The motion was approved unanimously to move to the full Board consent agenda.

*[Secretary's Note: During Executive Session, the Committee deferred **Engineering Item 23** to Executive Session of the December Board of Directors meeting]*

There being no further business, Committee Chair Peterson requested a motion to adjourn. Motion to adjourn was made by Director D'Arcy; seconded by Director Gonzalez. The motion was approved unanimously.

The meeting was adjourned at approximately 11:08 a.m.



Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



2015 Final Budget

December 10, 2014

2015 Revenue Sources

REVENUE CONTINUES TO GROW - MORE THAN 70 PERCENT IS ALLOCATED TO SUPPORT INFRASTRUCTURE

Sources of Revenues			(\$ millions)
<i>Sources of Revenues</i>	FY 2014 Budget	FY 2014 Estimates	FY 2015 Projections
Toll Revenues and Evasion Recovery	\$1,005	\$1,012	\$1,160
Investment Income	2	1	1
Concessions and Miscellaneous Revenue ¹	8	9	9
Revenues Total	\$1,015	\$1,022	\$1,170

Allocations of Revenues			
<i>Allocations of Revenues</i>	FY 2014 Budget	FY 2014 Estimates	FY 2015 Projections
Maintenance and Operations	\$295	\$299	\$311
<i>Funds available from prior year</i>	0	(6)	0
Debt Service Transfers	334	313	362
Deposits to Renewal and Replacement and Improvement	386	416	497
Allocations Total	\$1,015	\$1,022	\$1,170

2015 Budget Summary

CONSISTENT WITH THE LONG-TERM FINANCIAL PLAN

- ✓ **Fourth year of *Move Illinois* – total 2015 Capital Program more than \$1.6 billion**
- ✓ **Revenue increase 14.5 percent reflecting commercial vehicle toll increase approved in 2008**
- ✓ **Operating costs held at 3.9 percent growth**
 - *will accommodate retirement contribution rate change by reallocating \$1.3 million from wages, salaries, and social security to retirement*
- ✓ **\$800 million of new bond issuance to provide funding for current and future capital costs**

APPENDIX

Maintenance and Operations

2015 Budget By Category

GROWTH IN OPERATING COSTS – 3.9 PERCENT

(\$ millions)

Category	2014 Budget*	2015 Budget Request	\$ Change from 2014 Budget	% Change from 2014 Budget
Salary and Wages	\$109.6	\$109.7	\$0.1	0.1%
FICA and Retirement	51.9	55.5	3.5	6.8%
Group Insurance	30.1	31.6	1.6	5.2%
All Other Insurance	10.5	12.4	2.0	18.7%
Bank Charges (Merchant Card Fees)	16.7	19.1	2.5	14.7%
Contracted Maintenance Services	4.1	5.2	1.1	27.5%
All Other Contractual Services	39.2	39.5	0.2	0.6%
Equipment / Office Rental / Maintenance	15.7	15.8	0.1	0.6%
Parts and Fuels	7.0	8.2	1.2	16.7%
Utilities	6.0	6.7	0.7	12.1%
Operational Materials and Supplies	9.5	8.1	(1.4)	-14.9%
Other Miscellaneous Expenses	1.1	1.1	0.0	0.9%
Recovery of Expenses	(2.4)	(2.3)	0.1	3.7%
Total M and O Costs	\$299.0	\$310.6	\$11.6	3.9%

* 2014 Budget includes supplemental increase of \$3.5 million to the original Engineering budget for winter-related payroll, materials and fuel.

2015 Debt Service

***NEW DEBT PROVIDES ADDITIONAL FUNDING
FOR MOVE ILLINOIS AT HISTORICAL LOW INTEREST RATES***

**Outstanding debt \$5.048 billion
\$800 million new debt issuance**

Transfers for debt service estimated at \$362 million

- ✓ \$268 million interest expense
- ✓ \$103 million principal due January 1, 2016
- ✓ \$7 million other bond-related costs (liquidity, remarketing, etc.)
- ✓ (\$15) million federal Build America Bonds subsidy

**Estimated net debt service coverage of 2.4x in each of
FY2014 and FY2015, respectively**

2015 Capital Program Summary

LARGEST AMOUNT COMMITTED FOR INFRASTRUCTURE IMPROVEMENTS IN TOLLWAY'S HISTORY

(\$ millions)

	2014 Budget	2014 Estimated Expenditures	2015 Request	\$ Change from 2014 Estimate
Existing System Needs	\$1,012.5	\$846.6	\$1,213.8	\$367.3
Jane Addams Memorial Tollway (I-90)	729.2	646.1	839.6	193.6
Tri-State Tollway (I-94/ I-294/ I-80)	9.4	9.3	19.0	9.7
Veterans Memorial Tollway (I-355)	10.1	5.0	0.9	(4.1)
Reagan Memorial Tollway (I-88)	10.6	11.4	107.9	96.5
Open Road Tolling (ORT)	4.0	2.7	5.4	2.7
Systemwide Improvements	249.2	172.2	241.1	68.9
System Expansion	\$367.9	\$284.6	\$346.2	\$61.6
Tri-State (I-294)/I-57 Interchange	80.1	46.4	20.2	(26.2)
Elgin O'Hare Western Access	282.8	235.5	319.8	84.3
Illinois Route 53/120/Other Planning Studies	5.0	2.7	6.1	3.4
Capital Program Sub-Total	\$1,380.4	\$1,131.1	\$1,560.0	\$428.8
"Other" Capital Projects	55.0	55.4	65.0	9.6
Capital Program Total	\$1,435.4	\$1,186.5	\$1,625.0	\$438.5

2014 Estimated Expenditures and 2015 Request do not reflect any IGA reimbursements.

2015 "Other" Capital Projects Budget includes new request of \$65 million and \$31.2 million of carryover from 2014.



THANK YOU



Central Tri-State Tollway (I-294)

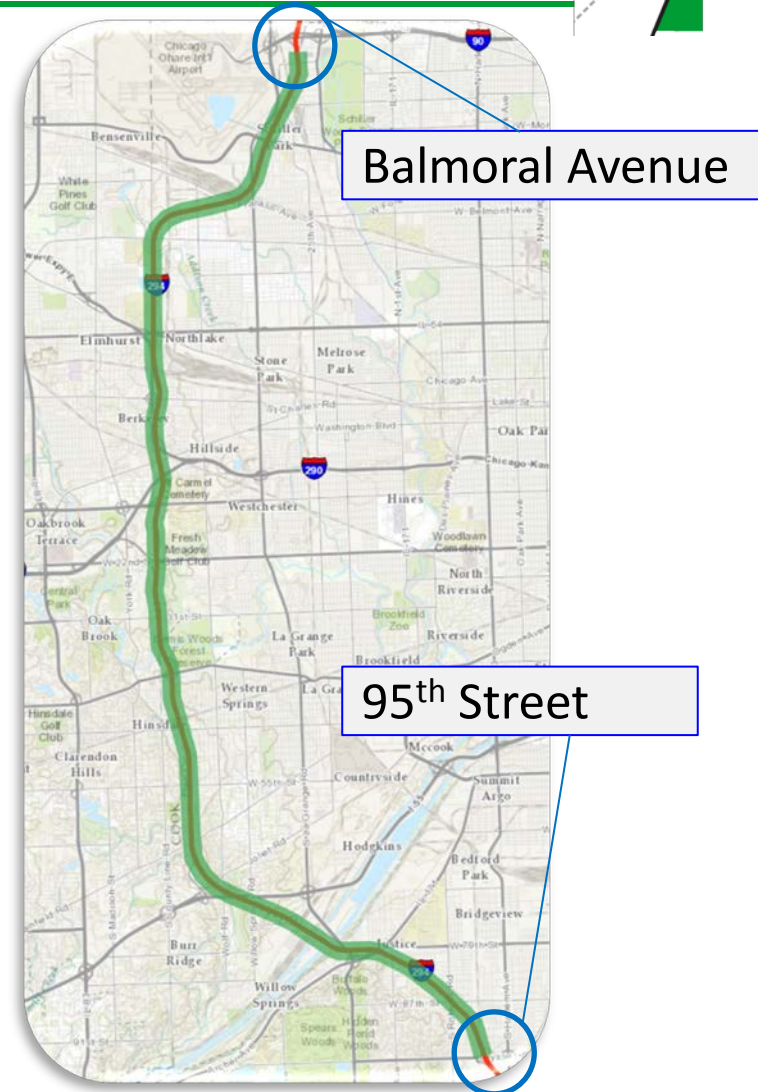
Master Plan Vision

December 10, 2014

Project Limits/*Move Illinois* Scope

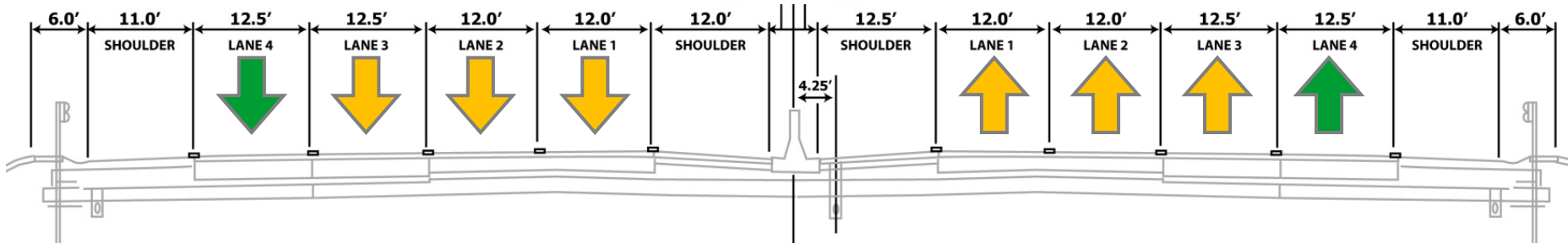
- ▶ **Project limits**
 - ▶ 22.3 miles – 95th Street to Balmoral Avenue
- ▶ **Central Tri-State reconstruction in *Move Illinois* Program scheduled from 2020 to 2022 includes:**
 - ▶ Mainline reconstruction = \$1,694 million
 - ▶ Bridge and ramp repairs = \$310 million*

* Entire Tri-State Corridor

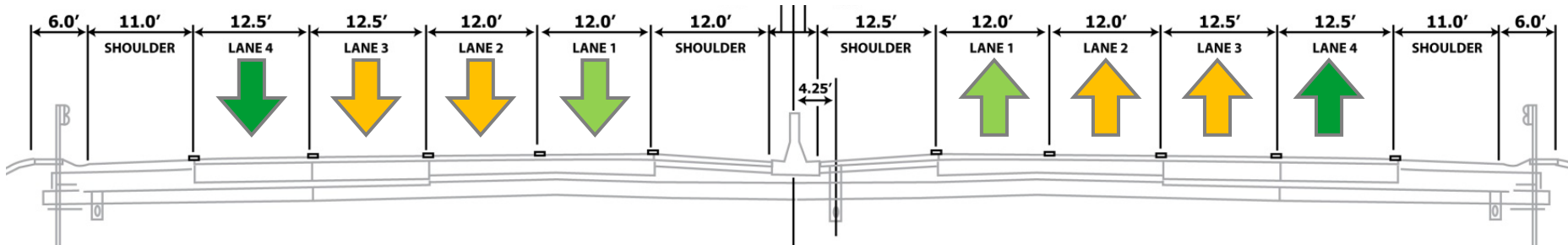


Existing Conditions

Balmoral Avenue to I-55



I-55 to 95th Street



1958



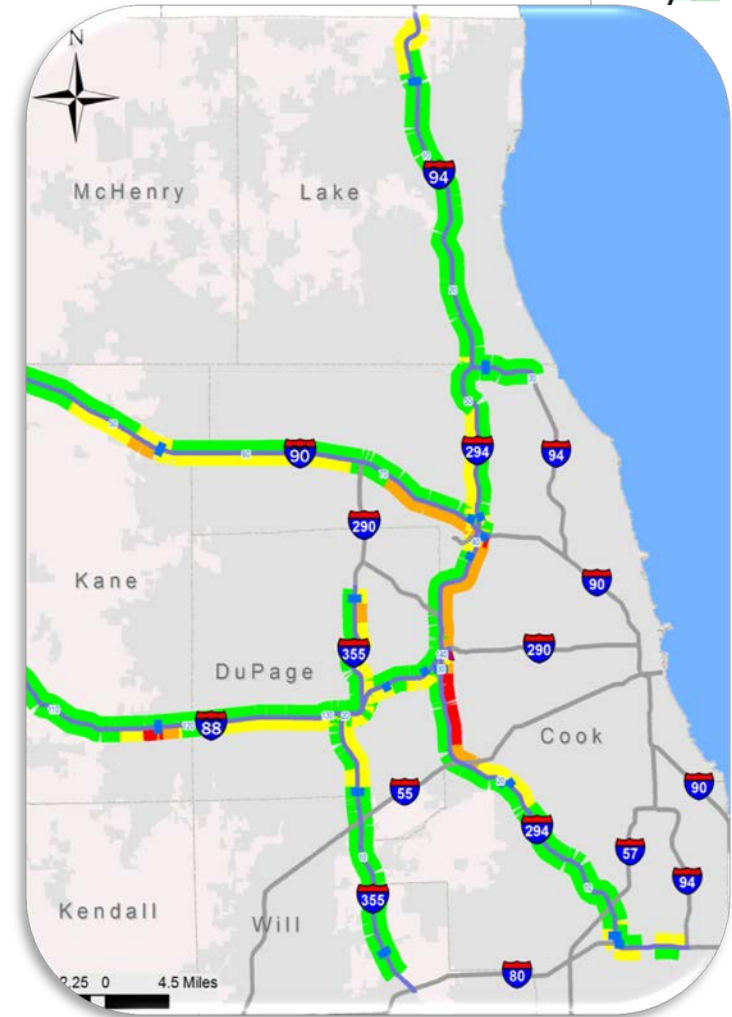
1972



1992

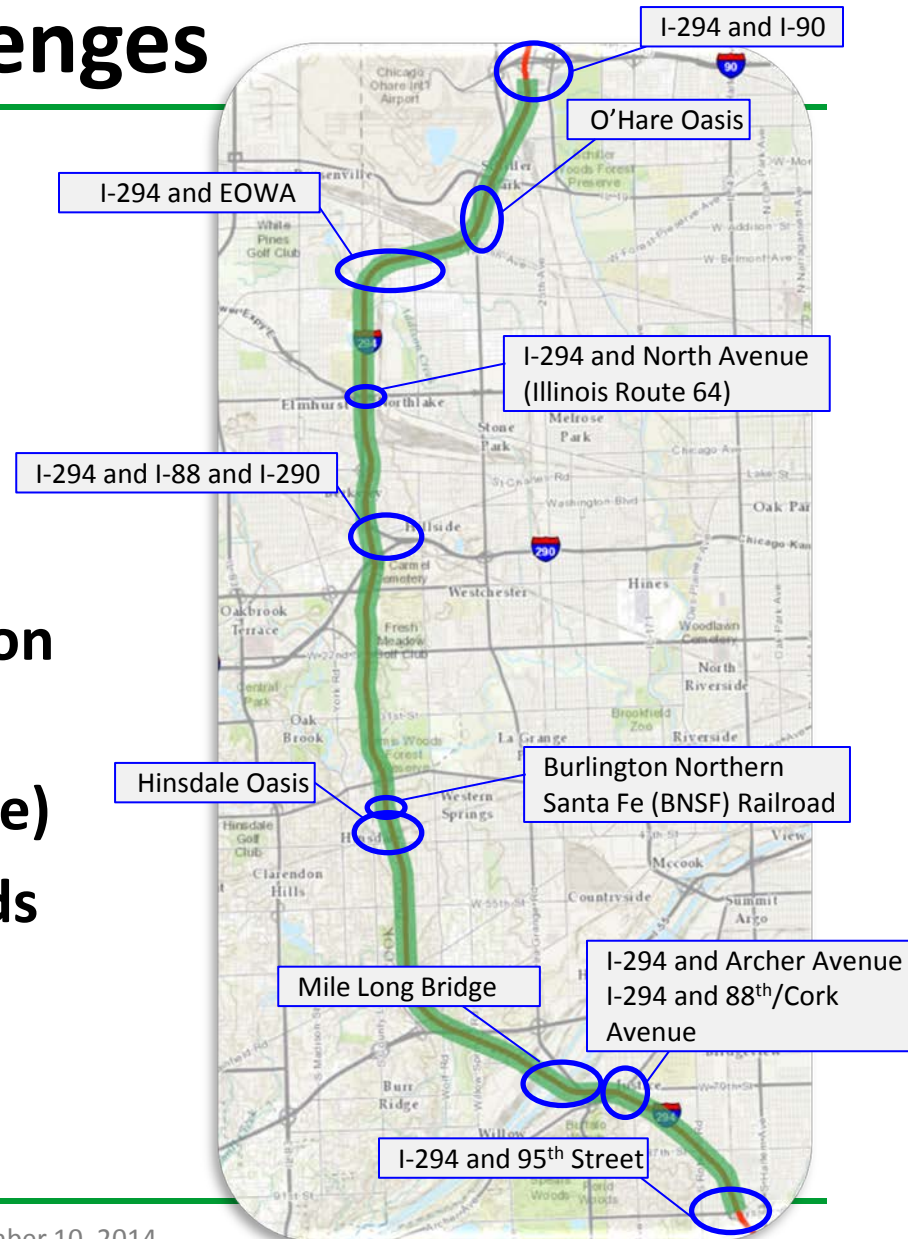
Existing Conditions - Traffic

- ▶ **95th Street to O'Hare International Airport**
 - ▶ 2012 average annual daily traffic is highest on Tollway system (from 120,000 to 185,000)
- ▶ **45 percent of systemwide toll revenue generated by Tri-State**
 - ▶ 19 percent generated by Central Tri-State Tollway
- ▶ **Central Tri-State experiences more congestion by lane mile than any other segment of the system**



Central Tri-State Challenges

- ▶ **Highest traffic volumes on the system**
- ▶ **System interchanges and operational issues**
 - ▶ Develop feasible alternatives that improve traffic flow
- ▶ **Bridges in need of reconstruction or repair**
- ▶ **Two oases (Hinsdale and O'Hare)**
- ▶ **Utilities, railroads and billboards**
- ▶ **Constrained right-of-way**



Central Tri-State Opportunities

- ▶ **Explore roadway improvements**
 - ▶ Reconstruct four lanes in each direction with wider median shoulder and inside lane
 - ▶ Reconstruct and widen to five lanes in each direction
 - ▶ Reconstruct and widen to five lanes in each direction with wider median shoulder and inside lane
- ▶ **Deploy active traffic management (ATM) similar to eastern segment of Jane Addams Memorial Tollway (I-90)**
- ▶ **Assess transit market and options similar to I-90**
- ▶ **Optimize long-term solution for Mile Long Bridge**
- ▶ **Evaluate interchange improvements at multiple locations**
- ▶ **Consider additional truck parking and other freight strategies**

Gathering Input

- ▶ **An overall outreach plan will be prepared by the project team in 2015 which will include:**
 - ▶ Stakeholder advisory committees or working groups
 - ▶ Public meetings and open house events with communities, general public and customers
- ▶ **Public and stakeholder input and recommendations will be incorporated into the master planning process**
- ▶ **All input will be shared with the Tollway Board through the Customer Service Strategic Planning Committee**

Next Steps

- ▶ **Advertise and award professional services contracts (2014-2015)**
 - ▶ Master plan for Central Tri-State – two segments
 - ▶ Mile Long Bridge
 - ▶ BNSF Railroad Bridge
- ▶ **Complete master plan and bridge design (2016-2017)**
 - ▶ Stakeholder/community outreach
 - ▶ Tollway Board input and approval
- ▶ **Advertise and award design contracts (2017-2018)**
- ▶ **Initiate land acquisition, utility relocations, agreements and permit applications (2018-2020)**
- ▶ **Advance bridge and wall work (begin in 2020)**
- ▶ **Mainline construction (begin in 2021)**



THANK YOU

APPENDIX



Existing Conditions

▶ Improvement History

- ▶ **1958:** Original construction
 - ▶ Three lanes from I-55 to Balmoral Avenue
 - ▶ Two lanes from 95th Street to I-55
- ▶ **1972:** Widened to three lanes from 95th Street to I-55 and resurfaced
- ▶ **1992:** Widened to four lanes and resurfaced
- ▶ **2001:** Resurfaced
- ▶ **2012:** Resurfaced