

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE
REGULAR BOARD MEETING**

December 18, 2014

The Illinois State Toll Highway Authority (the “Tollway”) met in regular session on Thursday, December 18, 2014, at approximately 9:00 a.m. in the Board Room of the Tollway’s Central Administration Building, in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Authority upon call and notice of the Meeting executed by Chair Paula Wolff and posted in accordance with the requirements of the Open Meetings Act.

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

Chair Paula Wolff stated that this is the regularly scheduled meeting of the Board of the Tollway and asked the Board Secretary to call the roll. Those Directors present and absent were as follows:

Present:

Chair Paula Wolff
Director Jim Banks
Director Terry D'Arcy
Director Earl Dotson, Jr.
Director Mark Peterson
Director Jeff Redick
Director James Sweeney
Director Tom Weisner

Not Present:

Governor Pat Quinn
Acting Secretary Erica Borggren
Director David Gonzalez

PUBLIC COMMENT

Chair Wolff called the meeting to order and opened the floor for public comment.

Mr. Rob Sherman, of Buffalo Grove, addressed the Board. Mr. Sherman expressed concerns related to recently enacted speed limit legislation. He requested that the public be informed when and where the Tollway intends to implement a 70 mph speed limit. He additionally suggested that the legislation would not allow a 45 mph speed on the proposed Illinois Route 53/120 Project. Lastly, Mr. Sherman proposed that the Tollway seek opinion from the Illinois Attorney General regarding its authority to set speed limits below 70 mph, and inform the Illinois Route 53/120 Blue Ribbon Advisory Council that the project cannot be considered without a 70 mph speed limit.

Chair Wolff thanked Mr. Sherman for his comments. Kristi Lafleur, Executive Director, responded that the Tollway is still determining the feasibility of the Illinois Route 53/120 Project and developing a financing strategy, and that consideration of specifics will occur at a future stage. David Goldberg, General Counsel, then described the process, currently underway, for implementation of the new speed limit legislation, including Board authorization and consideration of a traffic engineering study, coordination with the Illinois Department of Transportation (“IDOT”), review by the Joint Committee on Administrative Rules (“JCAR”), and lastly installation of signage.

Mr. Steve Doner, former Illinois Chapter Coordinator National Motorists Association, addressed the Board. Mr. Doner then introduced Mr. Jim Walker. Mr. Walker addressed the Board, reading a statement from Thad V. Peterson, F/Lt., Retired, of the Michigan Department of State Police who could not attend. Mr. Peterson’s statement was in support of generally raising highway speed limits.

Chair Wolff asked if Mr. Walker wished to comment on the graphic attached to his comments. Mr. Walker responded that the graphic displays a party’s measure of the 85th percentile operating speeds (being the speed which no more than 15% of traffic is exceeding), as compiled a year ago, on Tollway roads. Mr. Walker stated that nearly all of the data in the graphic shows that the 85th percentile speeds were between 71 mph - 75 mph.

Next, Illinois State Senator Jim Oberweis, 25th District, addressed the Board. Senator Oberweis provided background on the legislative efforts to increase the speed limit on Illinois expressways to 70 mph and asserted the new law establishes a 70 mph speed limit for all toll roads in Illinois

unless the Tollway can prove that speed is unsafe on those roadways. Senator Oberweis stated that the speed limit adjustment achieved through this legislation will benefit the Tollway by improving safety, reducing litigation, and increasing system usage and Tollway revenues. Lastly, Senator Oberweis requested the Tollway post signage and enforce legislation enacted four years ago that restricts usage of the left-hand lane for passing only.

Chair Wolff requested that staff keep the speakers apprised of the Tollway's progression through the process previously described by General Counsel for implementation of the new law, should any wish to additionally submit comment on the rulemaking proposal to JCAR.

Senator Oberweis inquired regarding the Tollway's interpretation of the legislation setting a 70 mph limit on the Tollway system and whether there are impediments to its immediate implementation throughout the system. General Counsel responded that he is unable to fully address this question without the benefit of the legislation on hand but advised that the implementation process described previously is underway. Executive Director Lafleur responded that the Tollway's understanding is implementation must proceed through the steps previously described by General Counsel, adding that roll out of the speed limit changes onto the Tollway system should be expected in the near future.

Dawn Sirianni, a Tollway employee and President of American Federation of State, County and Municipal Employees ("AFSCME") Local 3883, addressed the Board. Ms. Sirianni expressed her financial concern for new Tollway employees and commented on her view that the current collective bargaining process is proceeding too slowly, and with unacceptable wage increases offered.

Maggie Lorenc, Staff Representative of AFSCME Local 31, addressed the Board. Ms. Lorenc expressed frustration with the pace of the current collective bargaining process, commented that AFSCME employees are feeling disrespected by actions of management, and characterized as unreasonable the proposals being offered by the Tollway. Ms. Lorenc requested the Board direct Tollway bargaining representatives to negotiate in good faith and reach agreement.

Chair Wolff thanked the AFSCME representatives and acknowledged that, while it would not be appropriate to engage in discussion during the collective bargaining process, their comments were received by the Board.

Executive Director Lafleur expressed the Tollway's respect for the collective bargaining process and hope that the recent involvement of a mediator will assist the two sides in reaching agreement in contract negotiation.

CHAIR'S ITEMS

Chair Wolff called for a motion to approve the minutes of the Regular Board meeting and Executive Session both held on November 20, 2014. Director Banks made a motion to approve; seconded by Director Weisner. The motion was approved unanimously.

STANDING COMMITTEE REPORTS

Chair Wolff asked the Chairs of the following standing committees to provide reports on the committees' recent activities.

Finance, Administration and Operations Committee

Director Peterson updated the Board on the **Finance, Administration and Operations Committee (“FAO Committee”)** meeting held Wednesday, December 10, 2014.

FINANCE presented two items which were approved for placement on the consent agenda. The first item presented is the 2015 Final Budget, which was discussed by the Committee and recommended for approval. Mike Colsch, Chief of Finance, presented an overview of the Budget which included a \$1.3 million increase in the Tollway’s retirement contribution to the State Employees’ Retirement System. The estimated contribution is being accommodated within the Budget by a reduction to the allocation for “wages, salaries, and social security”. The second item presented, reviewed and approved by the Committee, is a renewal of the Employee Health Benefit Program for the 2015-2016 plan year, which includes an estimated cost increase of 9.9% for the Medical PPO plan. The renewal terms include a 3.5% increase to the premiums for the HMO programs and increases to the in-network out-of-pocket maximums of the Medical PPO plan from \$2000 to \$4000 for individuals and from \$3000 to \$6000 for family coverage. Out-of-pocket maximums for out-of-network services will also increase.

PROCUREMENT presented three items which were approved by the FAO Committee to be placed on the consent agenda. The first two items presented are to support the Tollway’s new back-office system and corporate-edge solution, and include an order against CMS Master Contract to purchase Cisco network equipment, firewalls, hardware, software, and licensing, and an award of a Tollway Invitation for Bid

(“IFB”) for Citrix NetScaler equipment, maintenance, support, training, and services. The third item presented is a renewal of an IFB for fire alarm inspections and repairs. This contract will enable the Tollway to conduct mandated quarterly and annual inspections and repairs of the fire alarms and sprinkler systems at all Tollway locations.

ENGINEERING has 24 items on the Board agenda, including five items to be presented for Board consideration and action.

Of these, 19 Engineering items were presented to the FAO Committee, reviewed and approved for placement on the consent agenda.

Five of these items presented by Engineering are construction contract awards:

- One award of contract to Lorig Construction Company for the fabrication, storage, and delivery of bridge joints and bearings required for an upcoming contract on the Elgin O’Hare Western Access Project (“EOWA”).
- Four awards of contracts for rebuilding and widening of the mainline pavement on the eastern portion of the Jane Addams Memorial Tollway (I-90). These four contracts represent two additional sets of combination bid offerings which provided opportunities for economies of scale and resulted in lower bid prices. The combination bid strategy employed on six Jane Addams Memorial Tollway (I-90) East contracts has resulted in estimated savings to the Tollway of approximately \$5.6 million.

Five of these items presented by Engineering are new professional services contracts:

- One acceptance of proposal from Structure Designs, Inc., for the design of site plans at two maintenance facilities on the Jane Addams Memorial Tollway (I-90).
- Three acceptances of proposals for construction management services associated with 2015 roadway resurfacing construction contracts for the far western segment of the Reagan Memorial Tollway (I-88) between US Route 30 (Dixon) and Illinois Route 251 (Rochelle).
- One acceptance of proposal from Great Arc Technologies, Inc., for infrastructure management system services, including technical support, development, maintenance and hosting of the Tollway's Graphical Information System ("GIS").

Two of these items presented are construction change orders/extra work orders:

- One extra work order to William Charles Construction Company, LLC, to fund winter protection for new pavement at the Marengo Toll Plaza.
- One extra work order to IHC Construction Companies, LLC, to provide for off-site storage and handling of fabricated precast T-wall sections of retaining walls that will be installed in 2015 on the Jane Addams Memorial Tollway (I-90) East section.

Three of these items presented are partial releases of retainage and three items presented are final releases of retainage for completed contracts. All completed work has been performed in accordance with Tollway contract requirements and has been accepted.

Additionally, one of these items presented is for a permit to LaFarge North America granting permission to expand haul road tunnels (240 feet below the roadway) for their mining operations located on the south and north side of the Reagan Memorial Tollway (I-88) between the Aurora Toll Plaza and Illinois Route 25. The Tollway's general consultant has evaluated the structural aspects of this work and the permit fee of \$94,400 is based on both the cost of the easement and the cost of the rock to be removed. Indemnification language is included in the Tollway's standard permit language.

Lastly, the Chief Engineer will present for full Board consideration and action five items, deferred at the December FAO Committee meeting, including four contracts for construction management services and an Administrative Settlement, advancing land acquisition for EOWA, which is to be considered in Executive Session.

LEGAL presented four items to the FAO Committee which were reviewed and approved to be placed on the consent agenda:

- An Intergovernmental Agreement (“IGA”) with the University of Illinois (Illinois State Geological Survey). This is an IGA, similar to one from 2007 with the same parties, under which University of Illinois scientists will study the impacts of the Tollway's capital program on surrounding waterways as is required by the Tollway's

environmental permits. The estimated cost for five years is \$4,116,420.00.

- An IGA with Dundee Township related to Tollway improvements to the Jane Addams Tollway (I-90) Bridge over Sleepy Hollow Road in which Dundee Township will be taking over maintenance responsibilities for the underpass lighting of the bridge.
- Two Workers' Compensation Settlements, both related to compensable back injuries sustained by Tollway employees in separate incidents. General Counsel explained the background on these matters in Executive Session, and provided outside counsel's recommendation for settlement. The Committee approved of proceeding with settlements at the amounts discussed.

Audit Committee

Director D'Arcy, speaking in Director Gonzalez' absence, updated the Board on the **Audit Committee** meeting held Wednesday, December 10, 2014.

As Special Assistant Auditors for the Auditor General of the State of Illinois, KPMG presented the External Audit Plan for the fiscal year ending December 31, 2014. Cathy Baumann, KPMG Chicago Metro Public Sector Leader and Audit Partner, discussed the engagement team which will return with no personnel changes for this year's audit. An overview of new accounting pronouncements affecting the audit was provided as well as the auditor's statement of independence. Field work for the audit will begin in January 2015 and report issuance is expected in June of 2015.

Cassandra Rouse, Chief of Internal Audit, provided a presentation updating the Committee on Internal Audit activities completed to-date, of which highlights include:

- An update on the current state of Internal Audit staffing resources.
- The Internal Audit charter was updated and approved by the Audit Committee. The charter was amended to reflect updates to the Auditing Standards and to clarify Fiscal Control and Internal Auditing Act requirements as well as to eliminate redundancies noted in the existing charter.
- Results from the most recent External Quality Assurance Report approved by the State Internal Audit Advisory Board in October 2014 were discussed. The report concludes that the Tollway's Internal Audit Department generally conforms to the Institute of Internal Auditors Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing Standards.
- A review conducted by Gilbane Building Company of Tollway construction practices was discussed, including the scope, a summary of recommendations and opportunities for improvement. Gilbane Building Company concluded in their review that the Tollway is a "best-in-class" leader in design and construction processes and procedures, and the findings indicate the Tollway is receiving maximum value for construction expenditures.

Ms. Rouse additionally presented an overview of the Annual Risk Assessment conducted at the Tollway which leads to the two-year Annual Audit Plan. The 2015-2016 Audit Plan allocation and hours were reviewed and approved by the Committee as presented.

Lastly, an update on the Enterprise Resource Planning (“ERP”) system was provided for the Committee. The presentation included an overview of this major initiative to replace the Tollway’s aging mainframe systems and miscellaneous supporting systems. Highlights of the 2014 accomplishments in advancement of the ERP system were also provided.

Chair Wolff commented that the results of the review of Tollway construction practices conducted by Gilbane Building Company were useful and reassuring.

Chair Wolff thanked the Committee Chairs and the members of the Committees for their work.

Chair Wolff called for a motion to approve the **2015 Board and Committee Schedule**. Director Peterson made a motion to approve; seconded by Director Weisner. The motion was approved unanimously

Chair Wolff reminded Directors that as state agency board personnel they are expected to accurately report the hours worked for the Tollway, on a timely basis.

Chair Wolff thanked all staff for their good work in contribution to the biggest year in Tollway history and in preparation for an even bigger year planned for 2015.

Chair Wolff then called on Kristi Lafleur, Executive Director.

EXECUTIVE DIRECTOR

Chair Wolff called for a motion to approve the **ISTHA 2015 Holiday Schedule**. Director Peterson made a motion to approve; seconded by Director Sweeney. The motion was approved unanimously.

Executive Director Lafleur reported on a recent Tollway coffee event held to thank customers for their patience with some remaining construction work on the western segment of the Jane Addams Memorial Tollway (I-90). Ms. Lafleur announced that the speed limit on this section has been returned to 65 mph and the Tollway has now completed rebuilding and widening the 37 mile western segment of the Jane Addams Memorial Tollway (I-90) between Rockford and Elgin. Executive Director Lafleur commended Paul Kovacs and the Engineering team for their efforts in completing this first phase of the project on time and within budget in just two years.

Executive Director Lafleur reported that the Tollway is making significant progress on the Fox River Bridge Project, detailing that new piers and 24 new beams are now in place to support what will become part of the new, wider bridge structure for eastbound traffic on the Jane Addams Memorial Tollway (I-90). Executive Director Lafleur then introduced Paul Kovacs, Chief Engineer, to present a time-lapse video capturing work performed to-date on the Fox River Bridge Project.

Mr. Kovacs, prior to display of the video, thanked the Board for their instrumental work in development and advancement of the Move Illinois Program, emphasizing the positive impact to Tollway customers achieved

through the implementation of open road tolling, addition of new routes, and widening and reconstruction of large portions of the Tollway system.

Mr. Kovacs highlighted during his presentation the use of an innovative gantry system to move and install bridge beams for the new Fox River Bridge, allowing for the maintenance of traffic in all six lanes.

Executive Director Lafleur reminded Directors that the Tollway reduced the cost of I-PASS to raise awareness of all-electronic tolling at the new Tri-State Tollway (I-294)/I-57 Interchange which opened in October, noting that Tollway customers have responded positively to the I-PASS “sale”. Ms. Lafleur stated the Board will be asked to consider making the current reduced cost to open new I-PASS accounts permanent and continue the option for all customers to pay a lower replenishment rate for their pre-paid I-PASS accounts. Ms. Lafleur then introduced Shana Whitehead, Chief of Business Systems, to present an update on Expanding Access to I-PASS. [See attached presentation.](#)

Director Dotson asked whether there is an ability to quantify any additional revenues generated as a result of the I-PASS “sale”. **Ms. Whitehead responded that a review attempting to identify the impact on revenues will be conducted and the results provided to the Board.** Executive Director Lafleur added that because the segment most served by the “sale” were previously typically cash paying customers, quantifying the specific impact of the “sale” on revenues may present challenges with current data and may require follow-up survey work, although an overall report on revenues can be provided.

Chair Wolff inquired about income generated from investment of I-PASS deposits held. Mike Colsch, Chief of Finance, responded that the Tollway

receives investment return on deposits held in escrow, but with only a minor impact to overall revenues.

Executive Director Lafleur explained that while a formal vote is not required, management is requesting Board input on whether to retain the lowered I-PASS rates going forward. The Board expressed consensus in support of making permanent the cost structures introduced in the I-PASS “sale”.

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

Following his presentation, Mr. Colsch reported that the Tollway recently closed on the new money 2014 Series C bond issue, and just closed on the 2014 Series D bond issue (Refunding Bonds). Chair Wolff congratulated the Finance team.

Executive Director Lafleur then provided a presentation on Leveraging Technology to Enhance Customer Service. [See attached presentation.](#)

Director Redick inquired how the system will address toll collection from multiple active payment sources, for example, I-PASS transponders and mobile devices running tolling applications, within the same vehicle. Ms. Whitehead responded that staff is currently considering methods to address this circumstance, including system enhancements utilizing Tollway data sources to prevent duplicate transactions and/or implementation of customer confirmation prior to mobile application toll collection.

Director Sweeney inquired about potential customer privacy concerns with the Global Positioning System (“GPS”) services incorporated into the SafeTrip mobile application. Ms. Whitehead responded the application includes an authorization dialog that prompts users to approve or decline access to GPS location services. Executive Director Lafleur emphasized that the Tollway has taken steps through the General Assembly to protect the privacy of Tollway customer toll collection data.

Director Sweeney, referencing the state of Oregon’s recent implementation of a mileage-based highway funding system, suggested the Tollway explore toll collection technologies that could use GPS location services to track customer usage, thus allowing tolling charges to be assessed based on actual usage, on a per mile basis, rather than at fixed collection points. Executive Director Lafleur responded that implementation of currently planned mobile technologies will begin to establish infrastructure and provide the experience needed to advance alternative toll collection methods in the future.

Chair Wolff asked whether it is possible to quantify the Tollway savings achieved through customer online payment in comparison to pursuing unpaid tolls as violations. **Executive Director Lafleur responded this information will be provided.**

Chair Wolff invited the Directors to participate in the Tollway’s SafeTrip application pilot program.

CONSENT AGENDA

Director Peterson informed the Board of a procedural oversight at the December 2014 FAO Committee meeting, providing the following

details: Director D’Arcy’s intended recusal on Engineering Item 22 was inadvertently not reflected on the FAO Committee meeting agenda, as is the Board’s custom. As a result, this recusal was not identified and recorded at the time the FAO Committee voted to move this item to the consent agenda. There were sufficient other affirmative votes in the Committee to move this item to the consent agenda. Director D’Arcy did recuse himself from the original vote that awarded this contract in 2013, and this is reflected in Board records. Director D’Arcy’s recusal on this item is correctly included on the publicly posted agenda for this Board of Directors meeting.

Director Peterson then requested member discussion and upon hearing none, recommended that the Board move forward with approval of this final release of retainage (Engineering Item 22) per the Chief Engineer’s report that all work has been completed to the satisfaction of the Tollway.

Chair Wolff reminded the Board and guests that items on the consent agenda were previously reviewed in detail in Committee.

Chair Wolff then began the consent agenda by calling for a motion to approve the following **Finance resolutions**:

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

Item 2: Approval of the 2015 Final Budget

Director Banks made a motion for approval of **Finance Items 1 and 2**; seconded by Director Redick. The motion was approved unanimously.

Chair Wolff called for a motion to approve the following **Procurement resolutions**:

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).

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).

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).

Director D'Arcy made a motion for approval of **Procurement Items 1 through 3**; seconded by Director Weisner. The motion was approved unanimously.

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) 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.

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.

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.

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.

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.

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 \$9,005,385.23.

Mr. Kovacs presented this item to the Board for consideration and approval that had not been presented at Committee.

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 \$5,454,623.10.

Mr. Kovacs presented this item to the Board for consideration and approval that had not been presented at Committee.

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 \$9,499,522.57. (Recusal: Director D'Arcy).

Mr. Kovacs presented this item to the Board for consideration and approval that had not been presented at Committee.

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 \$10,106,663.97.

Mr. Kovacs presented this item to the Board for consideration and approval that had not been presented at Committee.

Director Peterson inquired whether staff is comfortable with the subcontractors' capacity to perform the required work. Mr. Kovacs responded affirmatively, explaining that vendors are selected in accordance with the Illinois Architectural, Engineering, and Land Surveying Qualifications Based Selection Act, which directs that evaluation be made of the firm's qualifications, approach to the project and ability to furnish the required services, including consideration of the subcontractors engaged.

Director Peterson inquired whether the Tollway receives resumes from the subcontractors. Mr. Kovacs responded that resumes of key personnel and cut sheets detailing previously completed work are obtained from subcontractors and considered in the selection process.

Director Weisner inquired regarding the factors determining the negotiated fees achieved for construction management services, described as typically ranging from 7% to 11% of overall construction costs. Mr. Kovacs responded that factors including the type and complexity of contract work as well as the size and number of contracts to be overseen are considered in fee negotiations.

Chair Wolff suggested that a tutorial on the vendor selection and contract negotiation process might be beneficial for Directors.

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.

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 on the Jane Addams Memorial Tollway (I-90)

from Milepost 68.1 (I-290/IL Route 53) to Milepost 70.7 (Arlington Heights Road), in the amount of \$288,250.00.

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)

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). (Recusal: Director D’Arcy)

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 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)

Director Peterson made a motion for approval of **Engineering Items 1 through 6**; seconded by Director Sweeney. The motion was approved unanimously.

Director Weisner made a motion for approval of **Engineering Items through 7 and 8**; seconded by Director D’Arcy. The motion was approved unanimously.

Director Banks made a motion for approval of **Engineering Item 9**; seconded by Director Peterson. The motion was approved by all voting Directors with Director D’Arcy recusing himself.

Director D'Arcy made a motion for approval of **Engineering Items 10 through 19**; seconded by Director Weisner. The motion was approved unanimously.

Director Banks made a motion for approval of **Engineering Item 20**; seconded by Director Redick. The motion was approved by all voting Directors with Director Sweeney recusing himself.

Director Peterson made a motion for approval of **Engineering Item 21**; seconded by Director Dotson. The motion was approved unanimously.

Director Dotson made a motion for approval of **Engineering Item 22**; seconded by Director Redick. The motion was approved by all voting Directors with Director D'Arcy recusing himself.

Chair Wolff stated that action on Engineering Item 23 will be deferred until after consideration in Executive Session.

Director Dotson made a motion for approval of **Engineering Item 24**; seconded by Director Banks. The motion was approved by all voting Directors with Director Weisner recusing himself.

Chair Wolff called for a motion to approve the following **Legal resolutions**:

Item 1: An Intergovernmental Agreement with the University of Illinois (Illinois State Geological Survey). Cost to the Tollway: Not to exceed \$4,116,420.00. (Recusal: Director Redick).

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.

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

Director Dotson made a motion for approval of **Legal Item 1**; seconded by Director D’Arcy. The motion was approved by all voting Directors with Director Redick recusing himself.

Director Banks made a motion for approval of **Legal Items 2 through 4**; seconded by Director Weisner. The motion was approved unanimously.

At approximately 10:49 a.m., David Goldberg, General Counsel, indicated the need to discuss Tollway matters related to personnel matters, collective bargaining matters, acquisition of real property, security procedures, and litigation matters, pursuant to Sections 2(c)(1), 2(c)(2), 2(c)(5), 2(c)(8) and 2(c)(11) of the Illinois Open Meetings Act. Director Weisner made the motion to enter into Executive Session; seconded by Director Peterson. The motion was approved unanimously.

At approximately 1:15 p.m., the Board re-entered the public session of the Board meeting.

[Secretary’s note: Director Dotson was not present for the vote on Engineering Item 23.]

Director Banks made a motion for approval of **Engineering Item 23**; seconded by Director Weisner. The motion was approved unanimously.

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

The meeting was adjourned at approximately 1:17 p.m.



Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



Expanding Access to I-PASS: Update

December 18, 2014



I-PASS Sale: Discounted Cost Structure

- ▶ **October 1 through December 31, 2014**
- ▶ **Discounted cost structure**
 - ▶ Deposit for transponder: **\$10** (auto-replenish or manual)
 - ▶ Initial pre-payment for tolls: **\$20**
 - ▶ Minimum auto-replenishment for tolls: **\$20**
- ▶ **Existing manual replenishment customers, a \$10 deposit refund was automatically applied to their I-PASS account balances in the form of a credit**
- ▶ **Existing customers can lower their minimum auto-replenishment upon request**



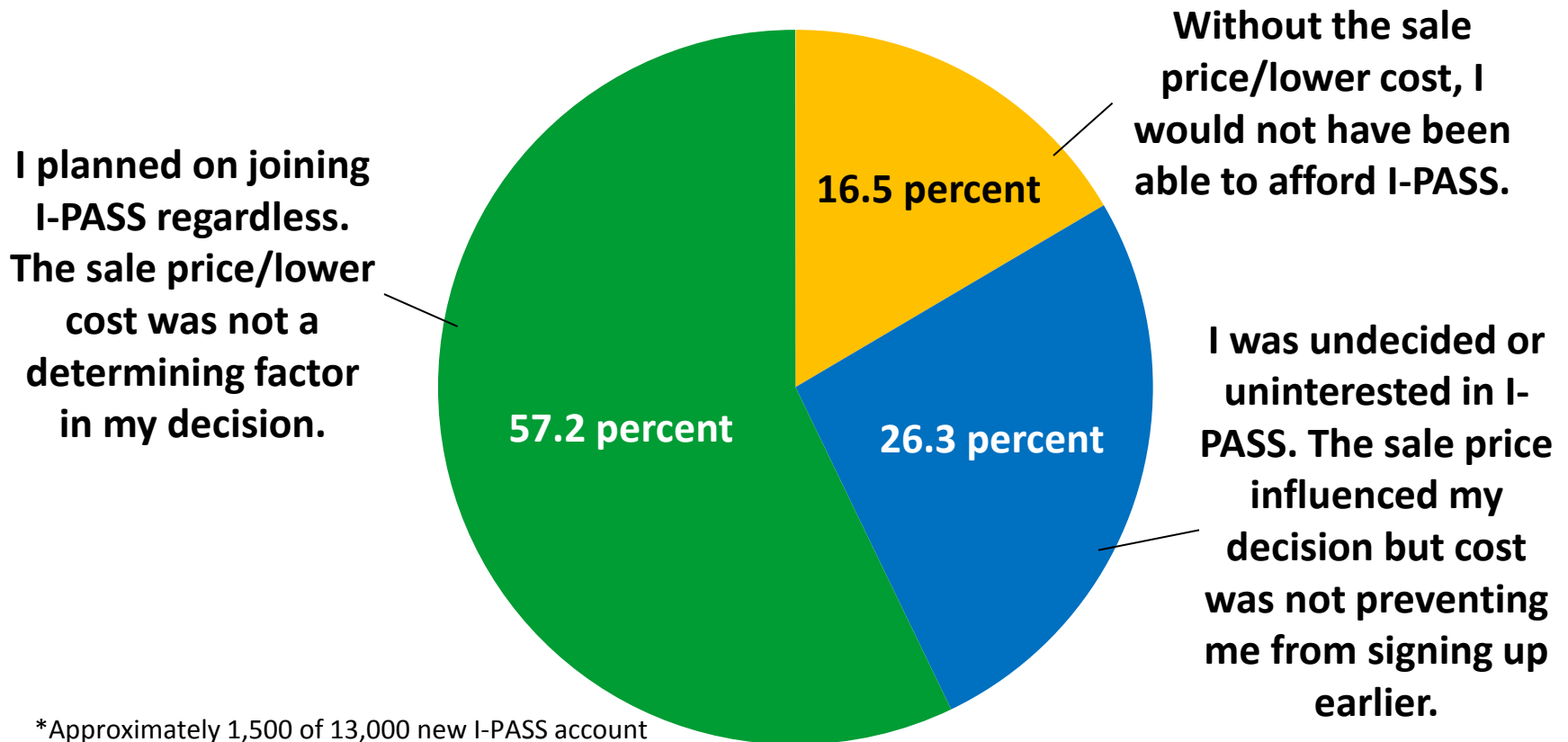
I-PASS Sale: Customer Activity

- ▶ **More than 28,000 accounts opened since October 1 have opted for the sale program pricing. An estimated 8,600 of these were opened in direct response to the sale – 30 percent more than is typical during the same timeframe.**
- ▶ **More than 58,000 existing I-PASS customers opted to lower their account replenishment increment from \$40 to \$20**

I-PASS Sale: Survey Results*

Question:

Which statement best reflects your decision to join I-PASS?



*Approximately 1,500 of 13,000 new I-PASS account holders with sale prices responded to survey.

I-PASS Sale: Key Survey Findings

- ▶ **Fifty percent of respondents reported being aware of the sale**
- ▶ **More than 45 percent of respondents indicated they use the Tollway less than one day every month**
- ▶ **More than 35 percent of respondents indicated they now plan to use the Tollway more frequently**
- ▶ **Approximately 8 percent of respondents indicated the new all-electronic Tri-State Tollway (I-294)/I-57 Interchange motivated them to join I-PASS**

I-PASS Sale: Key Conclusions

- ▶ **The I-PASS sale motivated people to open I-PASS accounts even when the cost was not a factor in their participation – and even when they were not aware of the sale**
- ▶ **The discounted cost of opening a new account made I-PASS more accessible and attractive**
- ▶ **The I-PASS sale achieved strong results with our standard advertising and public education channels**
- ▶ **The I-PASS sale might contribute to an increase in the volume of electronic toll payments**

I-PASS Sale: Recommendations

- ▶ **Make discounted cost structure permanent**
 - ▶ Deposit for transponder: **\$10** (auto-replenish or manual)
 - ▶ Initial pre-payment for tolls: **\$20**
 - ▶ Minimum auto-replenishment for tolls: **\$20**
- ▶ **Extend the newly permanent cost structure to Jewel-Osco and Road Ranger locations**



THANK YOU



2015 Final Budget

December 18, 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



**Leveraging Technology to
Enhance Customer Service**

December 18, 2014

Knowing Your Audience

“Millennials” were born between 1980 and the mid-2000s and are now the largest generation in the U.S.

- Represent one-third of the total U.S. population in 2013
- Most educated generation to date
- First generation to have access to the Internet in their formative years
- 75 percent have an account on a social networking site
- 25 percent believe that their relationship to technology is what makes their generation unique



A Sea Change...

- Changing how services are delivered rather than the services themselves
- Changing expectations about transportation
- We have begun to invest in improvements with millennials in mind
- Tollway customers want technology
 - Twitter followers now at nearly 7,000 - up 307 percent percent since late 2012
 - More than 40 percent of I-PASS customers opt to receive Tollway news via email



Technology is Changing the Tollway



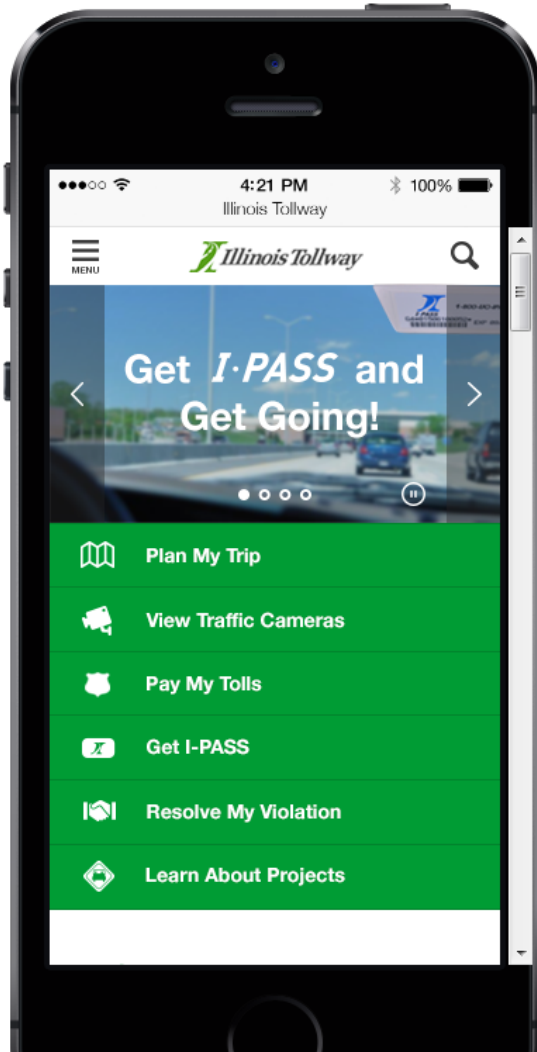
- Percentage of users who are expected to access the Tollway's website from their smartphone or tablet*

*Based on previous year's growth

Presented on December 18, 2014



Keeping Up with the New Millennials



- Several new projects in development
- Mobile applications
 - Hands-free, eyes-free travel application
 - Smartphone tolling application
- New website features and enhancements



Illinois Tollway SafeTrip

- **Challenge:** Using mobile phones while driving is unsafe and state law bans the use of hand-held cellphones while driving in Illinois
- **Solution:** New application broadcasts alerts based on GPS location, including:
 - Traffic and roadway incident conditions
 - Construction work zone information
 - Bridge clearance level and weight constraints
 - Tollway customer messages
 - Special promotions and events



Illinois Tollway SafeTrip

■ Phase One Pilot Program – In Progress

- ❑ 30 Tollway employees
- ❑ Android and iPhone devices
- ❑ Two types of data sources
 - Automated roadway incident and lane closure data from TIMS
 - Manual interface
- ❑ Additional alerts (plaza number, travel times, etc.) currently being automated



Illinois Tollway SafeTrip – What's Next

- **Launch Phase Two Pilot Program on late-January 2015**
- **Will include 100 members of the general public**
- **First-come, first-served registration on the Tollway's website**
- **Will gather public comments and feedback**
- **Will provide input for procurement next steps**



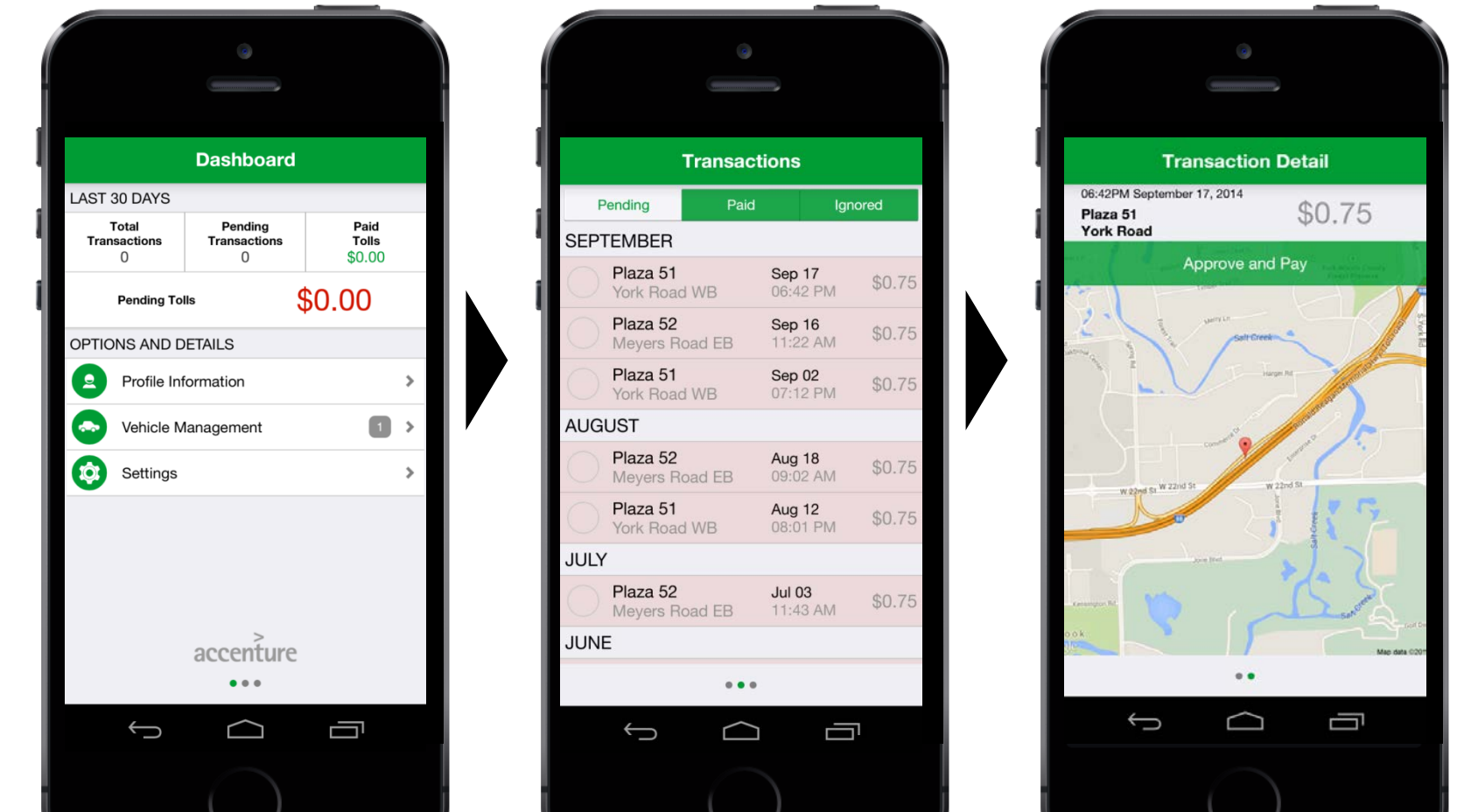
Smartphone Tolling Application

- **Challenge:** Acknowledge that not everyone is going to get I-PASS and find an efficient way for visitors and infrequent visitors to pay tolls
- **Solution:** Opportunity to be the first toll agency in the nation to pilot an Accenture smartphone tolling application

Smartphone Tolling Application

- Application “runs in the background” on the smartphones of drivers who opt in
- GPS activates application from passive mode to active mode as driver approaches toll plazas
- Cutting-edge innovation, especially for open road tolling environments
- One of four agencies currently testing smartphone tolling

Smartphone Tolling Application Pilot



Smartphone Tolling Application Pilot – Results To Date

- Internal field tests conducted on four smartphone models with three different cellular providers over more than 4,000 miles of driving
- Tuned geographic configuration of nine toll points
- Emerging results
 - Battery consumption is better than anticipated
 - Accuracy of using cellular phone towers is worse than anticipated
 - Results vary by smartphone make, model and provider
- Shows real promise as “guest pass,” not an I-PASS replacement



New Tollway Website Design and Functionality

■ Why now?

- Last major website redesign was nearly four years ago
- Major advances in website features and navigation since then
- Current opportunity to integrate website functionality with development of the new “back office” toll collection system
- Leverages consultant industry expertise, as well as their growing knowledge of Tollway operations
- Made progress enhancing post-pay functionality, but need to do more

New Tollway Home Page

The screenshot shows the Illinois Tollway website home page. At the top left is a 'MENU' icon and the 'Illinois Tollway' logo. At the top right is the 'I-PASS' logo with a dropdown arrow and a search icon. The main banner features a video of a highway with cars and an I-PASS sign overhead. The video text reads: 'Get I-PASS and Get Going! Get I-PASS on sale from October 1 through December 31, 2014. Tollway is temporarily lowering the cost to \$30 for a new I-PASS account from the current \$50 or \$60.' Below the video is a 'Get I-PASS' button. A green navigation bar contains six icons and labels: 'Plan My Trip', 'View Traffic Cameras', 'Pay My Tolls', 'Get I-PASS', 'Resolve My Violation', and 'Learn About Projects'. Below the navigation bar are two columns of news and alerts. The left column is titled 'Tollway News' and contains two items: 'Illinois Tollway Saves \$33 Million by Refinancing Series 2006a Bonds' (dated 11/25/2014) and 'Illinois Tollway Extends Opening of Temporary Customer Service Center'. The right column is titled 'Traffic and Construction Alerts' and contains two items: 'Illinois Tollway Construction Alerts for December 1, 2014' (dated 11/26/2014) and 'Ramp Scheduled to Reopen This Week in Gurnee on Tri-State Tollway (I-94)'. The Illinois Tollway logo is visible in the bottom right corner of the page.



New I-PASS Account Website

Illinois Tollway Self Service Website
Visual Design

I-PASS [Help](#) [Sign Up](#)

Sign In

[Forgot Username?](#) [Forgot Password?](#)

It's Simple

Curabitur et elit ac sapien vestibulum lacinia. Vivamus viverra convallis justo, id rutrum eros. Vivamus malesuada viverra neque, convallis tristique mi blandit eget.

[Sign Up](#)

News
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Where does your money go?
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2014 Projects
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I-PASS



7 Days to Pay Online is Growing



2009

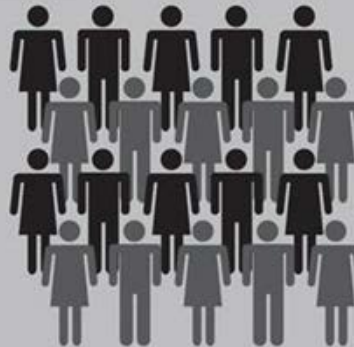


500,000 customers

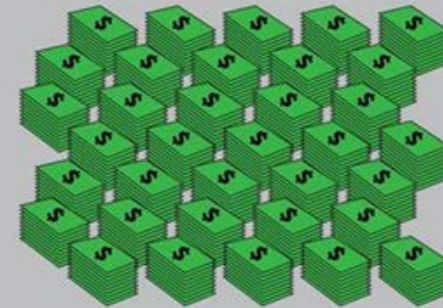


\$900,000 in tolls

2014



1.5 million customers



\$3.5 million in tolls

Online payments represent about 85 percent of all grace period toll payments

New Options for Next Generation of Tollway Users

- **Enhanced 7 Days to Pay feature**
 - Improved navigation
 - Improved mobile access
 - Smartphone app for Trip Calculator
- **New license plate search feature, enabling the identification and payment of missed transactions to avoid violations**

The Next, Next Generation

- A recent study indicated that one-fifth of 3rd graders own their own cell phones
- 39 percent of 5th graders own their own cell phones
- 83 percent of kids in middle school own their own cell phone
- Last month, the U.N. announced that more people in the world have a mobile phone than a toilet





THANK YOU