

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
July 28, 2011**

The Illinois State Toll Highway Authority met in regular session on Thursday, July 28, 2011 at approximately 10:00 a.m. in the Board Room of The Illinois State Toll Highway Authority's 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 will require follow-up to present to the Board.

Chair Wolff stated that this is the regularly scheduled meeting of the Board of The Illinois State Toll Highway Authority and asked the Board Secretary to call the roll. Those Directors present and absent were as follows:

Present:

Chair Paula Wolff

Director James Banks

Director Tom Canham

Director Bill Morris

Director George Pradel (teleconference)

Director Maria Saldana

Director Carl Towns

Director Tom Weisner

Absent:

Governor Pat Quinn

Acting Secretary Schneider

Chair Wolff called the meeting to order and introduced Executive Director Kristi Lafleur to give a brief summary of feedback from the five capital planning forums conducted in July and an overview of the proposed capital plan and toll increase. Ms. Lafleur indicated that the capital planning forums were a culmination of over 12 months of planning and discussion by the Board on the Tollway's capital plans and needs. The Tollway is required by statute to finalize and submit at least a ten year capital plan this year. The capital planning forum was an opportunity for staff to solicit feedback on tentatively planned Tollway projects from groups and communities in its network. Nearly 250 people attended the capital planning forums and more than 50 written comments were submitted. Staff generally heard support for a comprehensive and long-term capital program for the Tollway system and a related toll increase. Other feedback received at the planning forums included: support voiced for various regional projects; interest in

comprehensive planning for interchanges; consensus that infrastructure investment needed to attract and retain business; focus on congestion relief, economic development, environmental concerns and return on investment; acknowledgement that local participation needed, but must consider local communities' ability to finance; must work collaboratively and use multiple sources of funding; recognition that the Tollway cannot build its way out of congestion; and planning for transit must be included in new roadways. She noted that several of the Directors attended the capital forums to hear the feedback first-hand.

Ms. Lafleur indicated that the Board has emphasized that taking care of the existing system should be the first priority including: reconstructing and widening the Jane Addams Memorial Tollway (I-90); reconstructing the Tri-state Tollway (I-94/I-294); preserving the Reagan Memorial Tollway (I-88) and the Veterans Memorial Tollway (I-355); and repairing roads, bridges and maintenance facilities and other capital projects.

Ms. Lafleur also indicated that at the June Board meeting, Directors agreed that regional projects beyond existing system needs should be presented at the capital planning forum to solicit feedback from key stakeholders. The Board's priority list included:

The I-90 Reconstruction and Widening project was originally scheduled to be started in 2017/2018. Moving up this project to 2012 could save the Tollway as much as \$400 million. It will accommodate nearly 30,000 more cars daily. Drivers will save up to 25 minutes on the average trip from Elgin to the Kennedy Expressway. This project will include planning for short- and long-term transit options, possibly including express bus service and rail.

The Elgin O'Hare Western Bypass (EOWB) project is one of the CMAP 2040 priority projects that will provide significant congestion relief on the arterial lanes in the local area as well as some congestion relief on the Tollway. The EOWB should reduce traffic volume on local roads by

17% during rush hour which represents a 10 minute reduction in travel time on a 1 hour trip. It will accommodate nearly 3 times more vehicles than the local roads currently provide. According to an independent study commissioned by the EOWB Council, economic development impact of the EOWB includes the creation of up to 65,000 permanent jobs by 2040 - not including the construction jobs. The EOWB would be the first all-electronic facility.

The I-294/57 project will accommodate 75,000 vehicles daily and save \$4 million annually in gasoline consumption costs. It is one of only two places in the country where two interstates cross but access from one interstate to the other does not exist.

A Blue Ribbon Advisory Council has been convened based on the Tollway Board's suggestion to develop an environmentally sound roadway concept which would likely include a new, multi-modal design approach on Route 53. In a 2009 referendum, 75% of the voters supported the expansion but the referendum did not specify how it would be funded. Assuming some consensus project can be agreed on, funds are allocated in the capital plan for planning this project. The council has one year to do its work and hopefully present an alternative.

The Illiana project is a longer term project that is currently being worked on by IDOT and the Indiana transportation agency.

Ms. Lafleur recommended the following capital expenditure and Tollway commitments for the proposed projects: a \$8.3 billion commitment from the Tollway for its existing system needs; a \$604 million commitment from the Tollway for the I-294/57 interchange with additional funding from IDOT; a \$3.1 billion commitment from the Tollway for the EOWB while seeking an additional \$300 million from local participation and/or federal support; a \$126 million commitment from the Tollway for planning the Route 53 extension and the Illiana

project. In total, the proposed capital plan includes a \$12.1 billion dollar commitment from the Tollway over 15 years.

To pay for this program, a toll increase of 35 cents on the typical mainline passenger vehicle toll is needed. This revenue would provide more than 50 percent of the funding needed for the capital program. The remaining Tollway commitment would come from bonding. Ms. Lafleur also outlined the financing proposal and the projected revenue, debt and operating expenses over the proposed 15 year capital plan as shown in the attached presentation.

Ms. Lafleur compared the Illinois Tollway rates for passenger vehicles to rates charged by other toll agencies nationwide which showed that the Illinois Tollway rates are currently the second lowest in the nation. Even with the proposed passenger vehicles toll increase, the Illinois Tollway rates will still be below the national average toll rate collected by other agencies.

She added that the Tollway's goal is to make this capital program the cleanest and greenest in the Tollway's history through sustainable construction practices, treatment of wetlands and other right of way and mitigation of the Tollway's environmental impacts. For the first time, the Tollway is thinking comprehensively about how to accommodate transit along these corridors at the early stages of this project.

Public Comment

Chair Wolff asked those wishing to give public comment to limit their remarks to two minutes. The following members of the public made comments:

- Jack Ronan, private citizen, expressed concern about predatory organizations that exploit patent frailties.
- Mr. George Ranney of Metropolis Strategies, spoke as co-chairman of the Blue Ribbon Route 53 Advisory Council and

expressed support for the proposed capital plan. As moderator for the 2011 Earth Day Transportation Summit comprised of the six regional transportation agencies, he surmised that the Tollway Authority has improved significantly over the past three years and is in a good position to manage this capital plan which represents a major step forward for the region.

- Ed Paesel, Executive Director of South Suburban Mayors Association, expressed support for the capital plan on behalf of his organization in particular for the I-294/I-57 interchange and the Illiana projects.
- Allan Noury of the Teamsters Local 179 expressed his support for the inclusion of the Illiana project in the capital plan to promote employment in the construction industry.
- Patrick Kostner, Executive Director of the Chicago Area Laborers and Employer Cooperation & Education Trust (LECET), expressed his organization's support of the capital plan, in particular the I-294/I-57 interchange, to promote economic development and employment for construction workers.
- Matt Hart, Executive Director of the Illinois Trucking Association expressed concern about toll parity. He indicated that commercial vehicles received a 300 percent toll rate increase in 2005; a 60 percent toll rate increase in 2008; and in 2017 commercial toll rate increases will be tied to the Consumer Price Index (CPI). He asked why the proposed passenger toll increases will not be tied to the CPI. Chair Wolff indicated that questions posed during public comment will either be addressed during the Directors discussion later in the agenda or Tollway will contact the person directly to address the questions.
- Jennifer Krug, board member of the Illinois Road and Transportation Builders Association, expressed support for the capital plan and its potential positive impact on small businesses in particular for disadvantaged business enterprise (DBE) firms.

- Rod Tonelli expressed support on behalf of the Will County Center for Economic Development for the inclusion of the Illiana project in the Tollway Capital Plan.
- Jim Roof, former Tollway Director, expressed support for the proposed capital plan because of its economic impact locally and nationally. He asserted that the Tollway has the capacity to complete large capital programs as demonstrated by the completion of Interstate 355 and he believes this plan can come to fruition under the leadership of Executive Director Kristi Lafleur, Board Chair Paula Wolff and the Board. Based on past experience, he commented that the \$12 billion invested by the Tollway in the capital plan could have an economic impact in this region of \$36 billion.
- John Boske, President of DuPage County Building and Construction Trades Council, expressed support for the inclusion of the EOWB in the Tollway capital plan to spur employment opportunities in the construction industry.
- Mayor Fred Brereton of Belvidere expressed support for the inclusion of the Jane Addams Reconstruction project in the proposed capital plan.
- Ed Maher of the International Union of Operations Engineers (IUOE) Local 150 expressed support for the inclusion of the Illiana and Route 53 projects in the capital plan to promote road safety and construction employment.
- Mayor Larry Morrissey of Rockford, IL expressed support for the transparent process used to develop the Tollway Capital Plan and encouraged the Tollway to take a leadership role in the development of rail transit options in the capital plan.
- Pedro Cevallos of American Council of Engineering Companies (ACEC) commended the Tollway for its success with the Open Road Tolling program and expressed support for the robust capital

plan and toll increases to pay for the plan. He encouraged the Tollway to consider congestion pricing and indexing of toll rates for passenger vehicles.

- Mayor Frank Soto of Bensenville expressed support for the inclusion of the EOWB project in the capital plan due to the economic development spurred by the project - 65,000 jobs added.

Chair Report:

Director Morris moved for approval of the Minutes of the Regular Board Meeting held on June 30, 2011; the Executive Session held on May 26, 2011; the Oases Working Group meeting on May 23, 2011 and the Engineering Committee meeting held on June 30, 2011. The motion was seconded by Director Towns. The motion was approved unanimously.

Chair Wolff commented that the Board has spent a lot of time prioritizing the proposed regional projects and considering financing options. She indicated that the resolution [attached] under consideration would give the Tollway the authority to conduct hearings to get feedback from the public on the proposed capital plan and related toll increases. She added that considering the toll increase will not be an easy decision because of the economic impact on users and that each Director will have to balance the intended project outcome against the additional cost to toll users when they vote on this resolution. She then invited Directors to make comments on the proposed capital plan and the resolution that will be considered today.

Director Canham commented that he supports the proposed capital plan and toll increase. He emphasized that passenger tolls have not been adjusted in 28 years contrary to the cost of products needed to build and maintain the roads such as concrete and rebar. He added that the proposed 35 cent toll increase would have a huge positive impact on economic conditions for many individuals and businesses in the region.

Director Canham commended staff for developing a plan that includes bonding for only 50 percent of the project costs which enables the Board to have flexibility to accept peaks and valleys in the market. The other costs will be covered by the toll increase. Director Saldana commented that as a recent appointee to the Cook County Bureau of Economic Development, she understands the importance of transportation in sparking economic development in this region. She commented that the Chicago region has historically been a transportation hub for the United States and it is important that the Tollway invest in the region to continue the region's leadership position.

Director Morris expressed concern that he had not formally been notified of the toll increase until the prior evening. He commented that although he supports capital expansion, he is concerned that doubling tolls in the current economic conditions will cause an undue burden on toll users. He supports the regional projects but wants the local communities to share in the cost of the expansion projects that are of direct benefit to them. He suggested that Du Page County will benefit most from this capital plan with 44,000 new jobs but will not share a proportionate cost in the program. Director Morris suggested, for example, that TIF districts be set-up in Du Page County to off-set the Tollway's costs for the proposed Elgin O'Hare Western Bypass and in Rockford to off-set the Tollway's costs for the northbound extension of Route 53. He proposed that the capital plan and toll increase resolution be amended in the following ways: (1) increase tolls by 20 cents instead of 35 cents, and (2) add a provision requiring the Board to consider its toll structure every July and review an annual written report from staff/consultants asserting what type of toll increase is required to support the capital plan and maintain a balanced operating budget. He also asked that the staff prioritize Route 53 in the capital plan in keeping with the CMAP 2040 plan in which it was named the top priority project in the region. Director Morris commented that the Board has not had sufficient opportunity to debate the merits of the proposed toll increases and suggested that 30-60 days of Board discussion was warranted.

Chair Wolff clarified that the Board was not voting on a resolution to increase the tolls at the July Board meeting but that approval of the resolution gives the staff authority to review the proposed capital plan in public hearings. She asked whether anyone wanted to second Director Morris' motion to amend the resolution. Director Weisner seconded the motion. Chair Wolff called for discussion of the motion. Director Saldana commented that the toll increase in the proposed resolution was developed by staff as a part of their planning process. She added that an amendment to the toll increase in the resolution is premature and advocated for taking the current proposed plan to the public. Director Canham asked Director Morris whether his opinion would be changed if the proposed capital plan is met with support during the public hearings. Director Morris answered that he is interested in hearing the public's feedback. Director Canham asked General Counsel Tom Bamonte to confirm that the Board was legally required to approve a ten year capital plan this year. Mr. Bamonte responded yes.

Director Saldana commented that a capital plan cannot be approved without specifying how the plan would be paid for. She added that 25 year bonds to finance the capital plan cannot be issued with an uncertain stream of revenues that are voted on from year to year. Director Morris responded that it would be irresponsible for the Tollway to approve a capital plan without requiring an annual review of the toll rate structure with an annual vote on potential toll increases. Chair Wolff clarified that the Board reviews and approves the Tollway's budget and revenue streams annually. Director Banks emphasized that the proposed capital plan does not preclude the Board from reviewing the toll rate structure annually or more often if needed. Director Towns commented that the plan should be brought to the public for feedback.

Director Weisner commented in support of Director Morris' motion, that most of the projects in the capital plan are at the formative stages and there is nothing to prevent the Board from voting on additional toll increases as the projects become solidified. Chair Wolff indicated that even though the proposed plan presented at the public hearings will

include the 35 cent toll increase, there is nothing to prevent the Board from voting on an alternative plan at the upcoming Board meeting.

Director Pradel commented that the Board needs to approve the resolution to allow the Board to hear from the public, be very transparent and explain to the public the merits of the capital plan and toll increases. Then the Board could incorporate that feedback into its final decision on the capital plan.

Chair Wolff called for the vote for the substitute motion presented by Director Morris. Director Morris asked that the record reflect the roll call. The vote was as follows: Banks – nay, Canham – nay, Morris – aye, Pradel – nay, Saldana – nay, Towns – nay, Weisner – aye, and Wolff – nay. The motion was not passed with only 2 ayes and 6 nays.

Regarding the original resolution, Director Weisner expressed support for increasing toll rates necessary to support existing system needs that were not provided for in the Congestion Relief Program. He suggested that public representatives who advocate for this program should make a clear case to their constituents about the merits of the capital plan and toll increase to garner grassroots support. Director Weisner indicated that he does not wish to obstruct a public discussion of the capital plan and therefore would support a motion to pass the resolution to proceed to public hearings. However, he indicated that he would not likely support the 35 cent toll increase unless there was (1) sufficient public support and (2) a demonstration of significant local financial participation by communities that directly benefit from the projects in the capital plan.

Chair Wolff commented that the spirited discussion on the resolutions demonstrated that all Directors work well together and have the interest of the toll users in mind. Director Banks made a motion to pass the resolution; seconded by Director Weisner. The vote was as follows: Banks – aye, Canham – aye, Morris – nay, Pradel – aye, Saldana – aye, Towns – aye, Weisner – aye, and Wolff – aye. The motion was passed with 7 ayes and 1 nay vote.

Director Morris added that overall this Board does work well together as evidenced by the fact that the last vote was only the second or third split vote he recalls since joining the Board. He added that he respects the positions of the seven Directors who voted aye on the Resolution.

Consent Agenda:

Chair Wolff began the consent agenda (which consisted of items reviewed earlier in detail by Committees) by calling for a motion adopting the following resolution:

Resolution authorizing the renewal of contract issued through the Illinois State Treasurer's Office for customary banking services and armored car services with Bank of America for a one-year period, commencing September 1, 2011 through August 31, 2012, in an amount not to exceed \$420,000 and increase of the upper limit for the current contract year expiring August 31, 2011, by \$10,000 from \$390,000 to \$400,000.

Director Banks moved for adoption. Seconded by Director Towns. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolution:

Award of Contract No. 11-0196 to Kapsch TrafficComm IVHS Inc. for transponder purchases in the amount of \$5,000,000. (Sole Source)

Director Banks moved for adoption. Seconded by Director Weisner. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Award of Contract No. 11-0063 to Bridgestone Americas, Incorporated for Tires, in an amount not to exceed \$350,000.00 (CMS Master Contract).

Award of Contract No. 11-0129 to Morrow Brothers Ford, Incorporated for Ford Fusion Hybrid Sedans, in an amount not to exceed \$198,520.00 (CMS Master Contract).

Award of Contract No. 11-0130 to Morrow Brothers Ford, Incorporated for Ford Escape Hybrid SUVs, in an amount not to exceed \$113,760.00 (CMS Master Contract).

Award of Contract No. 11-0183 to Xerox Corporation for Copier Equipment – Office Setting, in an amount not to exceed \$198,314.00 (CMS Master Contract).

Award of Contract No. 11-0197 to AT&T, Incorporated for Cisco Maintenance/Support Smartnet, in an amount not to exceed \$888,503.02 (CMS Master Contract).

Award of Contract No. 11-0205 to Clark Devon Hardware Company, Incorporated for Fasteners, Nuts and Bolts, in an amount not to exceed \$60,000.00 (CMS Master Contract).

Director Canham moved for adoption. Seconded by Director Towns. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolution and noted a recusal by Director Towns:

Award of Contract No. 11-0137 to Macklin, Incorporated, Renner Quarries Ltd., and William Charles Construction Company LLC, for Sand, Stone and Gravel, in an amount not to exceed \$53,110 (CMS for Tollway). (Recusal by Director Towns)

Director Banks moved for adoption. Seconded by Director Canham. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Renewal of Contract No. 10-0123 to Computer Data Products & Supplies for Thermal Receipt Paper, increasing the contract upper limit by \$17,000.00 from \$28,000.00 to \$45,000.00 (CMS for Tollway).

Dollar limit increase to Contract No. 09-0105 to Christian County Farmers Supply, for E85 Fuel, increasing the contract upper limit by \$35,000.00 from \$4,624,499.60 to \$4,659,499.60 (CMS for Tollway).

Award of Contract No. 11-0070 to Prairie International Trucks, Incorporated for Consignment Sale of Used Authority Vehicles for 15% retail sale price (Tollway IFB).

Renewal of Contract No. 05-0052 to Xerox Corporation for Leasing of Production Equipment, increasing the contract upper limit by \$186,352.50 from \$1,885,769.40 to \$2,072,121.90 (Tollway RFP).

Award of Contract No. 11-0203 to Unisys Corporation for Unisys Maintenance and Support, in an amount not to exceed \$840,364.00 (Tollway Sole Source).

Director Banks moved for adoption. Seconded by Director Canham. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Approval of Collective Bargaining Agreement with AFSCME.

Director Saldana moved for adoption. Seconded by Director Towns. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolution and noted Director Towns' recusal:

Award of Contract No. RR-11-5625 to William Charles Construction Company, LLC and Northwest Illinois Construction Company (Joint Venture) for Roadway Repairs and Improvements on the Reagan

Memorial Tollway (I-88) Milepost 44.2 (Rock Falls, U.S. 30) to Milepost 140.5 (Eisenhower Expressway), and Veterans Memorial Tollway (I-355) Milepost 0.0 (I-80 South Terminus) to Milepost 29.8 (Army Trail Road) in the amount of \$3,539,564.08. (Recusal by Director Towns)

Director Canham moved for adoption. Seconded by Director Saldana. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Award of Contract No. RR-11-5626 to R.W. Dunteman Company for Roadway Repairs and Improvements on the Tri-State Tollway (I-294) from Milepost 0.0 (Ford/ Calumet Expressway) to Milepost 44.5 (Ballard Road) and Tri-State Tollway (I-94) from Milepost 1.4 (Old U.S. Route 41) to Milepost 11.0 (IL Route 120/Belvidere Road) in the amount of \$2,621,945.50.

Award of Contract No. RR-11-5627 to Curran Contracting Company for Hot Mix Asphalt Repairs on the Jane Addams Memorial Tollway (I-90) from Milepost 15.0 (Business U.S. 20 Ramp) to Milepost 77.9 (I-294 Tri-Level Bridge) in the amount of \$6,258,949.25.

Award of Contract No. RR-11-5628 to John Burns Construction Company for Violation Enforcement System Camera Wash System at Various Toll Plazas – Systemwide in the amount of \$2,205,009.

Supplement to Contract No. RR-10-5618 with Michael Baker Jr., Inc. for Construction Upon Request Systemwide in the amount of \$300,000 from \$1,000,000 to \$1,300,000.

Director Saldana moved for adoption. Seconded by Director Towns. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Partial Release of Retainage on Contract No. RR-10-5612 to William Charles Construction Company, LLC/Northwest Illinois Construction Co. (Joint Venture) for Ramp Rehabilitation on the Jane Addams Memorial Tollway (I-90) at Milepost 53.5 (Genoa Road Interchange) Ramps A, B, C, D & AB by \$87,738.87 from \$116,958.87 to \$29,200. (Recusal by Director Towns)

Director Canham moved for adoption. Seconded by Director Saldana. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

Full Release of Retainage on Contract No. RR-08-5561 to GFS Fence, Guardrail & Signage, Inc. for Roadway Signage Upon Request, Systemwide, in the amount of \$95,456.08.

Final Release of Retainage on Contract No. RR-06-9961 to Divane Bros. Electric Company for Wireless CCTV Installation and Integration on the Tri-State Tollway (I-294) from Milepost 0.0 (Calumet Expressway) to Milepost 24.3 (I-394 and I-55) in the amount of \$10,200.

Director Banks moved for adoption. Seconded by Director Saldana. The motion was approved unanimously. Chair Wolff called for a motion adopting the following resolutions:

An Addendum to an Intergovernmental Agreement with the University of Illinois at Chicago. Cost to the Tollway: \$0.

Workers Compensation Settlement – Frank Cataudella. Cost to the Tollway: \$67,536.20.

Property Settlement – Donna Gommel – No. 06-ED-05. Additional Cost to the Tollway: \$0.

Property Settlement – Robert Gommel – No. 06 ED 04. Additional Cost to the Tollway: \$16,560.00.

Amendment to By-Laws: Standard Committees. Cost to the Tollway: \$0.

Director Canham moved for adoption. 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 Morris; seconded by Director Weisner. The motion was approved unanimously.

The meeting was adjourned at approximately 11:30 a.m.

Minutes taken by: _____

Tranece Artis
Board Secretary