

Illinois State Toll Highway Authority
Minutes of the Finance-Administration Committee Meeting
November 18, 2010

The Illinois State Toll Highway Authority held a Finance-Administration Committee Meeting on Thursday, November 18, 2010 at approximately 9:00 a.m. at the Central Administration Building in Downers Grove, Illinois. Directors on the Committee in attendance were as follows:

Committee Chairman James Banks
Director Bill Morris
Director George Pradel
Director Tom Weisner

Committee Chairman Banks called the meeting to order.

Director Morris moved to approve the Minutes of the Finance-Administration Committee meeting held on October 21, 2010; seconded by Director Pradel. The motion was approved unanimously.

Committee Chairman Banks called upon Joe Kambich, Chief of I.T. Mr. Kambich requested approval of the following for the Consent Agenda:

Amendment to existing tower co-location agreement with AT&T at Western Springs tower.

Director Morris moved to approve said Co-Location Agreement; seconded by Director Weisner. The motion was approved unanimously.

Committee Chairman Banks called upon Mike Colsch, Chief of Finance. Mr. Colsch requested approval of the following for the Consent Agenda:

Renewal of the Merchant Card Services Agreements with Fifth Third,

American Express, and Discover for a one-year period of January 1, 2011 through December 31, 2011.

Director Morris moved to approve said Renewal; seconded by Director Weisner. The motion was approved unanimously.

Mr. Colsch then requested approval of the following:

Award of the Liquidity Agreements for the Series 2007A and 2008A Bonds.

Director Saldaña asked if there was a maximum bank rate. Mr. Colsch responded that the maximum rate was 15 percent. Director Canham noted that keeping the Tollway's bond rating sound was very important. Director Saldaña then added that the terms of the liquidity agreements were staggered for additional flexibility. Director Morris stated that he would reluctantly move to approve the Award. Chair Wolff asked Director Morris to explain his reluctance. Director Morris responded that he felt that the Tollway made poor bond decisions in 2008 and would have to fix them at higher interest rates. Director Saldaña responded that she understood Director Morris' point, but that hindsight is 20/20 and, at the time, the decision to issue synthetic fixed rate bonds appeared to be a good one. She added that it would have been very difficult to predict the near financial collapse that occurred, and the Tollway is doing a good job of managing the situation as it stands. Mr. Colsch responded and disagreed with Director Morris to the extent that the problem is not with the swaps, but rather the underlying credit support agreements with the banks.

Director Morris moved to approve said Award; seconded by Director Weisner. The motion was approved unanimously.

Mr. Colsch then requested approval of the following:

Renewal of the Financial Advisory Services Agreements for a one-year

period effective January 1, 2011 through December 31, 2011.

Director Morris moved to approve said renewal; seconded by Director Weisner. The motion was approved unanimously.

Committee Chairman Banks called upon Scott Sims, Acting Chief of Procurement. Mr. Sims requested approval of the following for the Consent Agenda:

Award of Contract No. 10-0126 to Monroe Truck Equipment, Incorporated, Flink Company and Midwest Systems Truck Equipment for Monroe, Flink and Swenson Spreader Parts, in an amount not to exceed \$119,500 (CMS Master Contract).

Award of Contract No. 10-0158 to All Products Automotive, Incorporated and B. E. Atlas Company for Automotive Chemicals, in an amount not to exceed \$55,000 (CMS Master Contract). (Recusal by Director Roof).

Renewal of Contract No. 08-0224 to Alko Automotive for Automotive Belts and Hoses, increasing the contract upper limit by \$13,000, from \$25,700 to \$38,700 (CMS Master Contract).

Award of Contract No. 10-0150 to Tepper Electric Supply for Luminaires and Components, in an amount not to exceed \$79,045 (CMS Contract for the Tollway).

Director Morris asked what the notation 'W/BEP' stood for on the item summary sheets. Mr. Sims answered that 'BEP' stood for 'Business Enterprise Program' and 'W' stood for 'women.'

Director Pradel moved to approve said Awards; seconded by Director Morris. The motion was approved unanimously.

Mr. Sims then requested approval of the following:

Award of Contract No. 10-0154 to Chicago United Industries, Ltd. for Air Compressors, in an amount not to exceed \$74,728.06 (Tollway IFB).

Director Morris asked what the notation 'S/SBSP' stood for on the item summary sheet. Mr. Sims answered that it stood for 'Small Business Set-Aside Program.'

Director Weisner moved to approve said Awards; seconded by Director Pradel. The motion was approved unanimously.

Mr. Sims then requested approval of the following:

Award of Contract No. 10-0151 to Public Financial Management, Incorporated for Transition Management and Performance Audit, in an amount not to exceed \$175,000 (Tollway RFP).

Executive Director Lafleur noted that staff has been planning for many months to retain an outside firm to conduct a management audit to help ensure that staff is being as efficient as possible in spending and allocation of resources. She noted that she was pleased to recommend the award of the contract to PFM, a Philadelphia-based company that planned to achieve a 25 percent small/disadvantaged business set-aside in its contract using local firms. She added that staff hoped that recommendations would come from this audit that would help achieve more efficiencies in the 2011 budget and potentially more cost savings.

Director Banks asked if the results of the audit will be presented to the Board. Executive Director Lafleur answered that they would be. Director Morris asked who the rest of the bidders were for this contract. Mr. Sims answered that the top three included Altran Control Solutions, CGN and Associates, and Crowe Horwath. **Director Morris asked for future item summary sheets to include at least two to three of the additional bidders.**

Director Weisner moved to approve said Award; seconded by Director Pradel. The motion was approved unanimously.

Committee Chairman Banks called upon Stan Ryniewski, Chief of Business Systems. Mr. Ryniewski requested approval of the following for the Consent Agenda:

Renewal of Contract No. 06-0164 TransCore LP Consolidated Customer Service Center in the amount of \$11,500,000.

Director Pradel moved to approve said Renewal; seconded by Director Weisner. The motion was approved unanimously.

Mr. Ryniewski then requested approval of the following:

Award of Contract to Bridgeway Training Services NFP for Image Review Services in the amount of \$9,700,000 (State Use Program).

Executive Director Lafleur noted that at the Board's request staff broke up the one large I-PASS customer service contract into smaller component parts. This contract award recommendation represents what could potentially be an innovative model for future Tollway partnerships, as Bridgeway Training Services will partner with a Rockford-based not-for-profit entity to perform image review. This review was previously done in Texas, and that work and 100 jobs associated with that work will now be moved to Illinois. Director Morris commended Director Towns for the work he has done on the Bridgeway contract and suggested that he be made an honorary member of the Finance-Administration Committee so that he could make the motion for approval of this item. Chair Wolff agreed. Director Towns noted that the people of Rockford are very excited about this project. Executive Director Lafleur added that Transcore, the previous vendor, has offered at no cost to train the trainers for the entities that will be performing the work.

Director Towns moved to approve said Award; seconded by Director Morris. The motion was approved unanimously.

Committee Chairman Banks called upon Tom Bamonte, General Counsel. Mr. Bamonte requested approval of the following for the Consent Agenda:

A First Intergovernmental Addendum Agreement with the University of Illinois. Cost to the Tollway: \$400,000 for the total contract agreement.

Director Weisner moved to approve said Agreement; seconded by Director Pradel. The motion was approved unanimously.

Mr. Bamonte then requested approval of the following:

Settlement Agreement – James Herne. Settlement is \$143,864.04 – which will be funded from the Workers Compensation Claim Reserve Fund. Cost to Tollway is \$143,864.04.

Director Pradel moved to approve said Agreement; seconded by Director Weisner. The motion was approved unanimously.

Mr. Bamonte then requested approval of the following:

Utility/Crossing Permit Approval Policy. Cost to the Tollway is: \$0.

Director Weisner moved to approve said Agreement; seconded by Director Pradel. The motion was approved unanimously.

Mr. Bamonte then requested approval of the following:

Retention of outside litigation counsel to handle a personnel matter now in litigation.

Director Pradel moved to approve said Agreement; seconded by Director Weisner. The motion was approved unanimously.

There being no further business, Director Pradel moved to adjourn; seconded by Director Weisner. The motion was approved unanimously.

Meeting adjourned at approximately 8:45 a.m.

Minutes taken by: _____
Jackie Diaz