

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
MINUTES OF THE JOINT
FINANCE ADMINISTRATION OPERATIONS AND
STRATEGIC PLANNING
COMMITTEE MEETING**

February 20, 2013

The Illinois State Toll Highway Authority held a joint Finance Administration Operations (FAO) Committee and Strategic Planning (SP) Committee Meeting on Wednesday, February 20, 2013 at approximately 8:30 a.m. at the Central Administration Building in Downers Grove, Illinois.

Committee Members Present:

Board Chair Wolff
Committee Chair Peterson (FAO)
Committee Chair Weisner (SP)
Director D'Arcy (FAO)
Director Gonzalez (FAO)
Director Sweeney (SP)
Director Towns (SP)

Not Present:

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

CHAIR – FINANCE ADMINISTRATION OPERATIONS

Committee Chair Peterson then called for a motion to approve the minutes of the Finance Administration Operations Committee Meeting and Executive Sessions held on December 12, 2012 and January 16, 2013. Director Peterson made the motion to approve the minutes;

seconded by Chair Wolff. The motion passed unanimously with the recusal of Director D'Arcy.

CHAIR – STRATEGIC PLANNING

Committee Chair Weisner then called for a motion to approve the minutes of the Strategic Planning Committee Meeting held on December 12, 2012. Director Sweeney moved to approve the minutes; seconded by Director Townes. Motion passed unanimously.

EXECUTIVE DIRECTOR

Illiana Presentation

Executive Director Lafleur introduced Rocco Zuccherro, Deputy Chief of Engineering, to present the Illiana Expressway Update as shown in the [attached presentation](#).

Chair Wolff opened the floor to discussion of the presentation. Executive Director Lafleur discussed the Illinois Department of Transportation examining the possibility of entering into a public/private partnership, as well as the Tollway remaining involved in the planning process. Director D'Arcy discussed the value of utilizing a public/private partnership for the construction and maintenance of the Illiana project, as well as the challenges of directing the Tollway to operate the road, particularly as it applies to bonding. The consensus of the Board was that the Tollway would remain involved in the overall Illiana process, but would not be the lead agency in the planning, development, and operation of the roadway.

Quarterly Financial Review Presentation

Executive Director Kristi Lafleur introduced Mike Colsch, Chief of Finance, to present the Quarterly Financial Review as shown in the [attached presentation](#).

Mike Colsch summarized the Tollway has ended 2012 in a good position financially. Toll revenue was on target with the 2012 estimate at \$922,000,000. Both Maintenance and Operations budget and Capital budgets came in under budget. A discussion ensued on the overall results of the projections and results for both the quarter and calendar year 2012.

Chair Wolff led discussion regarding the overall time frame and completion of capital projects in calendar year 2012 and on the anticipated completion of projects during calendar year 2013, as well as a discussion of the procurement process.

Illinois Route 53/120 Presentation

Rocco Zuccherro, Deputy Chief of Engineering presented an update on the Illinois Route 53/120 project as shown in the [attached presentation](#).

Board Chair Wolff and Chair Weisner led discussion of moving forward with the next steps in the project. Chair Wolff inquired if previous customer surveys had been compared to actual results post-construction. Executive Director Lafleur responded that results of projections have been close to the actual results of receipts on the existing road system. Director Sweeney inquired if the cost of building this road system would be greater than recent system building and expansion. Mr. Zuccherro responded that current efforts are being undertaken to examine the overall cost of building as well as the potential funding gap. Director D'Arcy inquired about studies regarding congestion pricing options. Mr. Zuccherro responded that the 53/120 road system would have a significant positive impact in reducing congestion, and are now working on a land use plan to inform the Board on available costs and impact of the road system. Chair Wolff inquired about the time frame for completion of the studies, and was informed it would be about 18 months.

Committee Chair Peterson called on Mr. Colsch, Chief of Finance, to present the following **Finance** items:

Item 1: Approval of the 2012 Retiree Health Insurance Payment to CMS.

Chair Peterson led discussion of the payment amount and the annual increase from calendar year 2011 to calendar year 2012, as well as a discussion of the potential ramifications of the implementation of the Affordable Care Act in future years.

Director D'Arcy made a motion for approval of **Finance Item 1**; seconded by Director Sweeney. The motion was approved unanimously.

Item 2: Resolution authorizing the issuance of up to \$1 billion of refunding revenue bonds to advance refund of the Series 2005A and Series 2006A Bonds

Director Gonzalez led discussion on the cost savings.

Finance Item 2 was deferred to the full Board of Directors at the February Board meeting for further discussion.

Committee Chair Peterson called on Mr. Donato, Chief of Procurement, to present the following **Procurement** items:

Item 1: Award of Contract 13-0043 to Deere & Company and Peabody's, Inc. for the purchase of Mowing Tractors in an amount not to exceed \$571,887.00 (Order Against CMS Master Contract)

Director Sweeney made a motion for approval of **Procurement Item 1**; seconded by Director Towns. The motion was approved unanimously.

Item 2: Award of Contract 13-0040 to Wright Automotive, Inc. for the purchase of Vehicles: Passenger Sedans, Sport Utility Vehicles, and a Passenger Van in an amount not to exceed \$407,314.00 (Order Against CMS Master Contract)

Director Sweeney made a motion for approval of **Procurement Item 2**; seconded by Director D'Arcy. The motion was approved unanimously.

Item 3: Renewal of Contract 11-0020R to Builders Chicago Corporation for the purchase of Overhead Door Repair in an amount not to exceed \$143,928.00 (Tollway Invitation for Bid).

Director D'Arcy made a motion for approval of **Procurement Item 3**; seconded by Chair Wolff. The motion was approved unanimously.

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

Item 1: Award of Contract I-13-4091 to Reyes Group, Ltd. for Municipal Utility Relocation on the Tri-State Tollway (I-294) at I-294/I-57 Interchange, from Milepost 7.7 to Milepost 8.4, in the amount of \$823,969.50

Mr. Kovacs explained the variance in cost between the bids submitted and the initial engineering cost estimate for the project.

Chair Wolff made a motion for approval of **Engineering Item 1**; seconded by Director Peterson. The motion was approved unanimously.

Item 2: Award of Contract RR-12-4047 to Plote Construction, Inc. for Roadway Resurfacing and Bridge Repair on the Veterans Memorial Tollway (I-355) from Milepost 0.0 (I-80) to Milepost 29.8 (Army Trail Road), in the amount of \$17,181,090.84

Chair Wolff made a motion for approval of **Engineering Item 2**; seconded by Director Peterson. The motion was approved unanimously.

Item 3: Award of Contract I-12-4078 to Acura, Inc. for Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) at Milepost 42.3 (US 20 Bridge), in the amount of \$4,995,898.35

Director D'Arcy made a motion for approval of **Engineering Item 3**; seconded by Director Towns. The motion was approved unanimously.

Item 4: Acceptance of Proposal from Stanley Consultants, Inc. on Contract I-12-4053 for Construction Management Services for Roadway, Ramp, and Bridge Construction on the Tri State Tollway (I-294) at the Illinois 57 Interchange, in an amount not to exceed \$2,734,607.00

Director Towns made a motion for approval of **Engineering Item 4**; seconded by Director D'Arcy. The motion was approved unanimously.

Item 5: Acceptance of Proposal from Delta Engineering Group, LLC on Contract RR-12-8106 for Design Services for Electrical Evaluation and Design at the Central Administration Building and DeKalb Disaster Recovery Center, in an amount not to exceed \$1,239,500.00

Director Sweeney made a motion for approval of **Engineering Item 5**; seconded by Director Towns motion was approved unanimously.

Item 6: Acceptance of Proposal from Wight & Company / R & G, LLC, Joint Venture on Contract I-12-4081 for Construction Management Services Upon Request on the Elgin O'Hare Western Access, in an amount not to exceed \$5,000,000.00

Director Towns made a motion for approval of **Engineering Item 6**; seconded by Director Gonzalez. The motion was approved unanimously.

Item 7: Acceptance of Proposal from A. Epstein & Sons International, Inc. on Contract RR-12-4079 for Planning and Design Services for the Reconstruction / Relocation of Maintenance Facilities, Systemwide, in an amount not to exceed \$7,288,013.00

Chair Peterson led discussion of the importance of this item, particularly pertaining to the LEED Certification of Tollway facilities.

Director Gonzalez made a motion for approval of **Engineering Item 7**; seconded by Director D'Arcy. The motion was approved unanimously.

Item 8: Acceptance of Proposal from V3 Companies of Illinois, Ltd. / T.Y. Lin International, Inc., Joint Venture, on Contract I-12-4082 for Corridor Construction Management Services on the Elgin O'Hare Western Access (EOWA) and Construction Management Services for I-290/IL Route 53 Ramps on the EOWA, in an amount not to exceed \$30,108,000.00

Director Towns made a motion for approval of **Engineering Item 8**; seconded by Director D'Arcy. The motion was approved unanimously.

Item 9: Acceptance of Proposal from TranSystems Corporation on Contract I-12-4080 for Planning Services for the proposed IL Route 53/120 Extension, in an amount not to exceed \$4,000,000.00

Director D'Arcy made a motion for approval of **Engineering Item 9**; seconded by Director Towns. The motion was approved unanimously.

Item 10: Acceptance of Proposal from ESI Consultants, Ltd., on Contract I-11-5624 for Supplemental Construction Management Services for Roadway Widening and Reconstruction on the Reagan Memorial Tollway (I-88) from Milepost 114.2 (Deerpath Road) to Milepost 113.3 (IL Route 56) in the amount of \$228,004.60 from \$1,060,478.36 to \$1,288,482.96

Director Gonzalez made a motion for approval of **Engineering Item 10**; seconded by Director Towns. The motion was approved unanimously.

Item 11: Sole Source Amendment on Contract RR-09-5580 with GAS Technology, LLC for Fiber Optic Maintenance and Management in the amount of \$6,000,000.00 from \$8,940,000.00 to \$14,940,000.00

Mr. Kovacs discussed the procurement process for this contract, based on use of the Illinois Department of Central Management Services procurement process.

Chair Wolff asked what percentage of Tollway contracts are sole source. Mr. Kovacs and Mr. Donato committed to obtaining the information.

Engineering Item 11 was deferred to the full Board of Directors at the February Board meeting for further discussion.

Item 12: Partial Release of Retainage on Contract I-12-4034 to William Charles Construction Company, LLC / Plote Construction Inc. / Rock Road Companies (Tri-Venture) for Shoulder Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 18.3 (Kishwaukee River) to Milepost 27.6 (Mosquito Creek) by \$400,264.22 from \$600,264.22 to \$200,000.00 (Director Towns recusal)

Director Gonzalez made a motion for approval of **Engineering Item 12**; seconded by Director D’Arcy. The motion was approved unanimously with the recusal of Director Towns.

Item 13: Partial Release of Retainage on Contract I-12-4035 to Lorig Construction Company for Roadway and Bridge Reconstruction and Widening on the Tri-State Tollway (I-294) from Milepost 8.2 (over 147th Street Bridge/Route 83) to Milepost 8.5 (Kedzie Avenue) by \$352,624.75 from \$396,404.75 to \$43,780.00

Director D’Arcy made a motion for approval of **Engineering Item 13**; seconded by Director Towns. The motion was approved unanimously.

Item 14: Partial Release of Retainage on Contract I-12-4037 to Plote Construction, Inc. for Median Shoulder Widening, Bridge Repair, and Intermittent Pavement Patching on the Jane Addams Memorial Tollway

(I-90) from Milepost 45.0 (Sandwald Road) to Milepost 53.5 (Elgin Toll Plaza #9) by \$162,491.27 from \$452,491.27 to \$290,000.00

Director Gonzalez made a motion for approval of **Engineering Item 14**; seconded by Director D'Arcy. The motion was approved unanimously.

Item 15: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Jane Addams Memorial Tollway (I-90). Cost to the Tollway: N/A

Engineering Item 15 was deferred to Executive Session.

Item 16: Resolution approving a Construction and Maintenance agreement with the Union Pacific Railroad Company associated with the reconstruction and widening of the Jane Addams Memorial Tollway (I-90)

Director Sweeney made a motion for approval of **Engineering Item 16**; seconded by Chair Gonzalez. The motion was approved unanimously.

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

Item 1: An Intergovernmental Agreement with the Lake County Forest Preserve District. Cost to the Tollway: \$0

Item 2: An Intergovernmental Agreement with the Illinois Department of Natural Resources and the Village of Schiller Park. Cost to the Tollway: \$0

Item 3: An Intergovernmental Agreement with the Illinois Department of Commerce and Economic Opportunity. Cost to the Tollway: \$188,000.

Item 4: An Intergovernmental Agreement with the Village of Hampshire. Cost to the Tollway: \$0 Tollway to be reimbursed for actual costs currently estimated at \$177,770

Item 5: An Intergovernmental Agreement with the Illinois Community College Board. Cost to the Tollway: estimated maximum of \$578,822.

Item 6: An Intergovernmental Agreement with the Illinois Housing Development Authority. Cost to the Tollway: Not to exceed \$3,000,000

Item 7: A Workers Compensation Settlement – Alice Smith. Cost to the Tollway: Item deferred to Executive Session.

Item 8: A Workers Compensation Settlement – Richard Faldstein. Cost to the Tollway: Item deferred to Executive Session.

Item 9: A Workers Compensation Settlement – Richard Nytko. Cost to the Tollway: Item deferred to Executive Session.

Item 10: A Workers Compensation Settlement – Nicholas Pappas. Cost to the Tollway: Item deferred to Executive Session.

Item 11: A Workers Compensation Settlement – Thomas Drennan. Cost to the Tollway: Item deferred to Executive Session.

Director Gonzalez made a motion for approval of **Legal Item 1**; seconded by Director Towns. The motion was approved unanimously.

Chair Wolff made a motion for approval of **Legal Item 2**; seconded by Director Gonzalez. The motion was approved unanimously.

Director Gonzalez made a motion for approval of **Legal Item 3**; seconded by Director Towns. The motion was approved unanimously.

Director D’Arcy made a motion for approval of **Legal Item 4**; seconded by Director Towns. The motion was approved unanimously.

Director D’Arcy made a motion for approval of **Legal Items 5**; seconded by Director Gonzalez. The motion was approved unanimously.

Director D’Arcy made a motion for approval of **Legal Items 6**; seconded by Director Towns. The motion was approved unanimously.

At approximately 10:35 a.m. David Goldberg, General Counsel, indicated the need to discuss real estate acquisition matters and pending litigation in Executive Session pursuant to Sections 2(c)(5) and 2(c)(11) of the Open Meetings Act. Director Gonzalez made the motion to enter into Executive Session; seconded by Director Sweeney. The motion was approved unanimously.

At approximately 11:08 a.m., the Committee re-entered the public session of the Joint Finance Administration Operations/Strategic Planning Committee meeting.

Director Sweeney made a motion to defer of **Engineering Item 15** to the full Board Executive Session; seconded by Director Towns. The motion was approved unanimously.

Director Gonzalez made a motion to defer of **Legal Items 7-11** to the full Board Executive Session; seconded by Director Towns. The motion was approved unanimously.

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

The meeting was adjourned at approximately 11:09 a.m.



Minutes taken by: _____

Marlene Vick
Assistant Board Secretary
Illinois State Toll Highway Authority