

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

February 28, 2013

The Illinois State Toll Highway Authority met in regular session on Thursday, February 28, 2013, at approximately 10:00 a.m. in the Board Room of the Illinois State Toll Highway Authority'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 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 Assistant 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 Mark Peterson
Director Jeff Redick
Director James Sweeney
Director Carl Towns
Director Tom Weisner

Absent:

Governor Pat Quinn
Secretary Ann Schneider
Director David Gonzalez

Chair Wolff called for public comment and reminded all in attendance the Board meetings were streamed live and recorded. Marty Buehler and Rob Sherman spoke.

Marty Buehler, Executive Director of the Lake County Transportation Alliance, voiced support of item 6.3/9, acceptance of Contract I-12-4080 for Planning Services for the proposed IL Route 53/120 Extension. The Lake County Transportation Alliance believes this action would be a move in the right direction for residents of the area.

Rob Sherman, a Cook County resident from Buffalo Grove, requested the Board to remove from the Consent Agenda and to vote separately on and to vote against Contract I-12-4080 for Planning Services for the proposed IL Route 53/120 Extension. He believes there should be greater community input on the use and funding of the extension; in

particular, he believes the communities in Northwest Cook County should have additional input.

Chair Wolff asked permission from the Board to foster full discussion of Engineering item 6.3/9, acceptance of Contract I-12-4080 for Planning Services for the proposed IL Route 53/120 Extension, by removing the item from the consent agenda to address, with the full Board, the concerns brought up during public comment. There was consensus from the Board to take this up as a separate item.

CHAIR'S REPORT

Chair Wolff requested the delay of approval of the minutes of the Special Board Meeting held on January 10, 2013, the Regular Board Meeting and Executive Session held on January 24, 2013 to the March 28, 2013 Board Meeting to provide Directors ample time for review.

STANDING COMMITTEE REPORTS

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

Finance Administration Operations (FAO) Committee

Director Peterson on behalf of FINANCE presented two items on the agenda.

The first item was approval of the 2012 retiree health insurance payment to the Department of Central Management Services in the amount of \$5,047,848.26. This covers the Tollway's pro rata share of health benefits for Tollway retirees, State Police District 15 retirees, and employees receiving disability benefits through the State Employees' Retirement System. This item was funded in the 2012 budget.

The second item, authorization to refund the 2005 Series A and 2006 Series A bonds, was discussed as an informational item and action was deferred to the Board meeting. Committee members discussed the potential to achieve significant savings by refunding bonds that will become callable in January 2015 and January 2016. The best candidates for refunding appear to be the 2005 bonds. Additionally, Directors considered the assignment of an underwriting firm to assist with the process of applying for a federal TIFIA loan.

Mike Colsch, Chief of Finance, also presented preliminary financial results for 2012. Revenues exceeded the estimate made in October by \$4 million, operating expenses were \$14 million less than budgeted, and capital expenditures totaled \$48 million less than estimated in October.

PROCUREMENT presented three items, which were approved for the consent agenda.

- Two orders against CMS Master Contracts to Deere & Company and Peabody's, Inc. for twelve (12) mowing tractors and to Wright Automotive, Inc. for seventeen (17) vehicles.
- A renewal of a Tollway Invitation for Bid to Builders Chicago Corporation for overhead door repair.

ENGINEERING presented 16 items, of which 15 items were placed on the consent agenda.

Three construction and six professional services contracts were presented.

These contracts included four prime contractors and 28 subcontractors who are certified as disadvantaged, minority- and women-owned business enterprises.

Of the \$73.2 million in awarded contracts, nearly \$16.9 million, or 25 percent, is committed to these firms.

In addition, Engineering presented:

- One supplement for construction management services;
- Three requests for partial release of retainage; and
- One item that addresses land acquisition.

LEGAL presented 12 items, six of which were Intergovernmental Agreements (“IGA”).

An IGA with the Lake County Forest Preserve District was presented that will perform mitigation work to secure U.S. Army Corps and Illinois EPA permits connected with the Elgin-O’Hare. The Forest Preserve will permit access for the Tollway to do wetland mitigation, and the Tollway will also construct some enhancements (parking lot, path system, restrooms). Estimated cost for Tollway is \$8.5M (to be let under separate contracts).

An IGA with the Illinois Department of Natural Resources and the Village of Schiller Park was presented that will give the Village access to land at the O’Hare Oasis to perform storm water drainage improvements. Tollway will only provide access and will not incur any cost.

An IGA with the Illinois Department of Commerce and Economic Opportunity (“DCEO”) was presented to assist small businesses. One year contract cost is \$188,000 with options for 2 one-year extensions.

An IGA with the Village of Hampshire was presented to relocate the Village's sanitary sewer main. The Tollway will perform the work (estimated at \$177,770) and the Village will reimburse the Tollway.

An IGA with the Illinois Community College Board (the coordinating Board for Illinois Community Colleges) was presented to assist small and DBE firms with items such as becoming successful contractors, how to obtain bonding, doing business with the Tollway, and other financial and operational aspects of the construction business. One year contract is expected to cost \$578,822 and provides for a two-year extension option.

An IGA with the Illinois Housing Development Authority was presented to provide financial assistance to displaced residents from the I-294/57 construction. The IGA will assist with down payments and mortgage loans to qualified individuals. Tollway will provide additional financial support up to an aggregate amount of \$3 million.

In addition, Legal presented workers' compensation settlement agreements to be discussed in Executive Session.

Strategic Planning Committee

Director Weisner on behalf of The Strategic Planning Committee discussed the Illiana Expressway and the different options for the Tollway in participating in a public-private partnership. It was determined that the Tollway's involvement would be limited to toll operations/toll collection only and that the Tollway would continue to support actions by the Illinois Department of Transportation ("IDOT") to pursue the Illiana Expressway as a public-private partnership. Chair Wolff asked if the Directors had any questions or concerns regarding the role of the Tollway in the Illiana Expressway project and the policy

decision made. Board members were in agreement with the Committee recommendation.

Director Weisner deferred further discussion on the IL Route 53/120 Extension to the full Board as requested earlier by Chair Wolff.

Chair Wolff notified the Board that three additional items were added after Committee that would require the full discussion of the Board. She thanked each Director for his diligence in fully vetting, at the Committee level, each topic and item that comes before the Board.

Earth Day Transportation Summit

She also reminded Directors of the Earth Day Transportation Summit, created at the Governor's request, being held on April 22, 2013 at the Spertus Institute. The event is a gathering of regional transportation agencies to broadly think about transportation issues of the region. Planning on the content for the event is currently underway and the Directors ideas are welcome.

Chicago Metropolitan Agency on Planning

Chicago Metropolitan Agency on Planning (CMAP) is reviewing the analysis done by IDOT on the Chicago Circle Interchange. The review will include options to relieve congestion, improve mobility and building in the greenest way possible. The Tollway looks forward to the report from CMAP. Executive Director Lafleur added the review is needed to plan for future roadway projects as well as planning the maintenance of current roadways that were not contemplated in the CMAP GO TO 2040 plan.

EXECUTIVE DIRECTOR

Quarterly Financial Review

Executive Director Lafleur introduced Mike Colsch, Chief of Finance, to present the Quarterly Financial Review as shown in the attached presentation. Highlights included that the Tollway is on budget in terms of revenue and evasion recovery projections and expenditures are either on or below budget.

Transportation Infrastructure Finance and Innovation Act (TIFIA)

Executive Director Lafleur provided background information on the most recent federal transportation funding act which is called Moving Ahead for Progress in the 21st Century (MAP21). Mr. Colsch presented Overview of TIFIA and 2005A/2006A Refunding as shown in the attached presentation.

Director Peterson asked when the bonds are anticipated to go out to market. Mr. Colsch responded this would depend on market conditions as well as the TIFIA federal loan application.

Director Peterson asked if there is an effort to coordinate with other agencies to obtain TIFIA funding and if there was a specific project or amount the Tollway has in mind for the funding. Mr. Colsch responded that the Tollway would like to further assess options with the firm being recommended for approval. There are projects preliminarily identified for funding and approximately \$1 billion dollars in financing needs for 2014. The TIFIA application process takes approximately one year.

Chair Wolff requested the Board be kept updated on the TIFIA process. Mr. Colsch agreed.

Tollway Employee 30th Anniversary

John Benda, General Manager of Maintenance and Traffic, was recognized for his 30 years of service to the Illinois Tollway and the motoring public by Executive Director Lafleur and Paul Kovacs, Chief

of Engineering. Mr. Benda was acknowledged for his dedication to the safety and efficiency of Tollway roads for the motoring public and excellence in delivering service.

Employee Non-revenue Transponders

Executive Director Lafleur provided information on the Tollway's decision to discontinue the use of employee non-revenue transponders for commuting purposes beginning in January 2012. The Tollway felt this action was the right thing to do given the toll increase that went into effect for our customers at that time. In response, several of the unions representing Tollway employees filed unfair labor practice charges with the Illinois Labor Relations Board challenging the decision to move forward with the plan. Earlier this week, the Illinois Labor Relations Board ruled that the Tollway would have to bargain to eliminate the use of employee transponders for commuting to and from work as part of the union contract negotiation process.

Executive Director Lafleur noted that, while the Tollway respects the unions that represent employees and the Illinois Labor Relations Board's decision, the Tollway's position on providing non-revenue transponders to employees for commuting purposes has not changed. As a result, the Tollway plans to address this issue during negotiations. The ultimate goal will be to reach agreements with the unions that provide the most equitable agreement for both employees and toll payers.

Chair Wolff indicated that employees have continued to use the transponders pending the outcome of the Illinois Labor Relations Board so there is no fiscal impact of this decision on the budget which the Board has approved.

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 **Finance** resolutions:

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

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 and assignment of underwriters to future transactions.

Mr. Colsch provided the names of the firms selected for senior managing underwriters, co-managing underwriters and pool managers. Directors were also provided the names in a document.

Director Peterson asked if the 20% DBE goal will be met or exceeded on Finance Item 2. Mr. Colsch responded that the goal would be met or exceeded.

A discussion ensued on fees and was identified as consistent with previous bond fees.

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

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

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

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).

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).

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 Peterson made a motion for approval of **Procurement Items 1-3**; seconded by Director Sweeney. The motion was approved unanimously.

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

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.

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.

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.

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.

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.

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.

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.

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 Peterson made a motion for approval of **Engineering Items 1-8**; seconded by Director D'Arcy. The motion was approved unanimously.

As requested by Chair Wolff, on behalf of attendee Mr. Rob Sherman, Mr. Kovacs provided further explanation of Item 9. Substantial completion of the project would be completed within the first two years. Executive Director Lafleur added that the Blue Ribbon Advisory Committee recommended further formal and technical reviews of the

project and that the proposed contract would provide such analysis. Director Weisner concurred with the advisory process and noted it was both open and inclusive. Mr. Rob Sherman asked if the project scope includes input from residents near the project who may have particular funding concerns. Executive Director Lafleur responded that there would be a working group to look at funding options beyond tolling.

Chair Wolff commented that the Board's responsibility is to balance the demand for improved transportation in the area with how to fund the project. The contract has the capacity to provide information to the Board to make an informed decision on the IL Route 53/120 Extension.

Director Peterson concurred. He noted the diverse Blue Ribbon Advisory Committee should continue to stay involved and transparent in their proceedings to assist the residents of Lake County with improved transportation.

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 Weisner made a motion for approval of **Engineering Item 9**; seconded by Director Peterson. 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 Banks made a motion for approval of **Engineering Item 10**; seconded by Director Towns. The motion was approved unanimously.

Mr. Kovacs provided background information on Item 11. This contract provides a critical function to the Tollway and manages the leasing of the excess fiber optic capacity to third party users that have generated an additional \$7.2 million in revenue for the Tollway since 2009. This contract was initiated through Central Management Services (CMS) with a Business Enterprise Program (BEP) goal. Further review is required to determine BEP goal achievement to date and if any adjustments are necessary. This amendment to the contract is critical to allow this service to continue while the Request for Proposal (RFP) process is underway.

Item 11: Sole Source Amendment on Contract RR-09-5580 with G4S Technology, LLC for Fiber Optic Maintenance and Management in the amount of \$4,000,000.00 from \$8,940,000.00 to \$12,940,000.00.

Director Sweeney made a motion for approval of **Engineering Item 11**; seconded by Director Towns. The motion was approved unanimously.

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 D'Arcy made a motion for approval of **Engineering Item 12**; seconded by Director Sweeney. 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.

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 D'Arcy made a motion for approval of **Engineering Items 13-14**; seconded by Director Towns. 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 Director D'Arcy. The motion was approved unanimously.

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

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.

Director Banks made a motion for approval of **Legal Items 1-6**; seconded by Director Sweeney. The motion was approved unanimously.

Legal items 7-11 were deferred for discussion in Executive Session.

General Counsel David Goldberg provided background on Legal item 12. Industry best practice is to perform a periodic disparity study of the market area. There were four proposals submitted of which the selected firm was the lowest bid. The firm has a reputation of national prominence in conducting disparity studies. The vendor committed to a BEP participation of 57%.

Chair Wolff asked about the allocation of funds for each year of the study. General Counsel confirmed the annual fund allocation.

Item 12: Contract Award – Tollway Request for Proposal. Comprehensive Disparity and Availability Study. Cost to the Tollway: \$314,801.64

Director Sweeney made a motion for approval of **Legal Item 12**; seconded by Director Redick. The motion was approved unanimously.

At approximately 11:30 a.m., Mr. Goldberg indicated the need to discuss litigation involving the Tollway, collective bargaining matters and real estate acquisition in Executive Session pursuant to Sections 2(c)(2), 2(c)(5) and 2(c)(11) of the Open Meetings Act. Director Redick made the motion to enter into Executive Session; seconded by Director Peterson. The motion was approved unanimously.

At approximately 12:50 p.m., the Committee re-entered the public session of the Board meeting.

Director Weisner made a motion for approval of **Engineering Item 15**; seconded by Director Peterson. The motion was approved unanimously with the recusal of Director Redick.

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

Item 7: A Workers Compensation Settlement – Alice Smith. Cost to the Tollway: up to the amount of \$74,954.16

Director Weisner made a motion for approval of **Legal Item 7**; seconded by Director Banks. The motion was approved unanimously.

Item 8: A Workers Compensation Settlement – Richard Faldstein. Cost to the Tollway: up to the amount of \$87,969.04

Director Weisner made a motion for approval of **Legal Item 8**; seconded by Director Redick. The motion was approved unanimously.

Item 9: A Workers Compensation Settlement – Richard Nytko. Cost to the Tollway: up to the amount of \$53,934.54

Director Weisner made a motion for approval of **Legal Item 9**; seconded by Director Sweeney. The motion was approved unanimously.

Item 10: A Workers Compensation Settlement – Nicholas Pappas. Cost to the Tollway: up to the amount of \$117,187.00

Director Redick made a motion for approval of **Legal Item 10**; seconded by Director Weisner. The motion was approved unanimously.

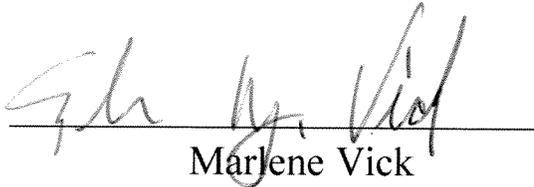
Item 11: A Workers Compensation Settlement – Thomas Drennan. Cost to the Tollway: up to the amount of \$175,000.00

Director Towns made a motion for approval of **Legal Item 11**; seconded by Director Sweeney. The motion was approved unanimously.

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

The meeting was adjourned at approximately 12:51 p.m.

Minutes taken by:



Marlene Vick

Assistant Board Secretary
Illinois State Toll Highway Authority



**2012 Fourth Quarter
Budget to Actual Review**
(Preliminary and Unaudited)

February 28, 2013

2012 Highlights – Preliminary Actual

Revised Estimate vs. Actual*

- ❑ **Toll revenue totaled \$922.4 million, on target with the revised estimate**
 - Passenger car transactions declined 4.2 percent from 2011
 - Commercial vehicle transactions grew 2.8 percent from 2011
- ❑ **Evasion recovery totaled \$32.6 million, 16.4 percent greater than the revised estimate**
- ❑ **Maintenance and Operations**
 - On budget for the 4th quarter, overall \$14.2 million below the 2012 Budget
- ❑ **Capital Program**
 - \$48.1 million below the revised estimate, net of intergovernmental agreement reimbursements

* Revenue estimates for 2012 were revised in October and presented in the 2013 Budget.



2012 Revenue Revised Estimate* vs. Actual

Total revenue was \$3.8 million greater than the revised estimate

	2012		Variance	
	Revised Estimate	Actual	\$	%
Toll Revenue and Evasion Recovery	\$951,000	\$954,989	\$3,989	0.4%
Concessions	2,500	2,273	(227)	-9.1%
Investment Income	1,000	1,389	389	38.9%
Miscellaneous	5,500	5,104	(396)	-7.2%
Total Revenue	\$960,000	\$963,755	\$3,755	0.4%

* Revenue estimates for 2012 were revised in October and presented in the 2013 Budget.

Note: Numbers may not add to totals due to rounding.



Presented by Mike Colsch on February 28, 2013

2012 Maintenance and Operations Budget vs. Actual

Operating costs less than budget due to vacancies, reduced expenditures in contractual services, material/operational and all other insurance

(\$ thousands)

	2012		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$150,881	\$144,870	(\$6,011)	-4.0%
Group Insurance	27,848	28,218	370	1.3%
Contractual Services	46,322	42,672	(3,650)	-7.9%
Materials/Operational Supplies/Other Expenses	8,962	5,820	(3,141)	-35.1%
Utilities	6,287	6,153	(134)	-2.1%
All Other Insurance	9,600	7,845	(1,755)	-18.3%
Parts and Fuel	6,129	6,610	481	7.8%
Equipment/Office Rental and Maintenance	12,962	12,421	(540)	-4.2%
Employee Development	901	782	(119)	-13.2%
Recovery of Expenses	(2,369)	(2,105)	263	11.1%
Total Maintenance and Operations Expenditures	\$267,523	\$253,286	(\$14,236)	-5.3%

Note: Numbers may not add to totals due to rounding.



2012 Capital Program - Revised Estimate Variance

*Capital Program expended \$48.1 million less than the revised estimate
(net of IGA reimbursements)*

Capital Program – Revised Estimate **\$399.6 million**

Capital Program – Actual **\$351.5**

Variance (net of IGA reimbursements) **\$ (48.1)**

Move Illinois/CRP variance **\$ (42.2)**

- Scheduling changes (\$25.9)
- Project cost savings (\$16.2)
- Scope changes \$2.4
- Other miscellaneous \$(2.5)

Other capital projects variance **\$ (4.2)**

IGA reimbursements **\$ (1.8)**

Note: Numbers may not add to totals due to rounding.



2012 Capital Program – Revised Estimate Variance

Move Illinois/CRP Highlights

Move Illinois/CRP spent \$42.2 million less than revised estimate

- | | | | |
|--------------------------|--|----------|------------------------|
| <input type="checkbox"/> | Jane Addams Memorial Tollway (I-90) | | \$ 15.3 million |
| | ▪ Increased production on construction advanced work | \$19.7 | |
| | ▪ Design/utility interim schedule changes | (\$3.8) | |
| <input type="checkbox"/> | Tri-State Tollway (I-94/I-294/I-80) | | \$(24.2) |
| | ▪ I-294/I-57 right-of-way acquisitions slower than anticipated | (\$14.6) | |
| | ▪ Project savings 95 th Street – Balmoral Avenue | (\$7.2) | |
| <input type="checkbox"/> | Elgin O’Hare Western Access | | \$(14.2) |
| | ▪ Procurement delays for design contracts | (\$11.5) | |
| | ▪ Design/utility interim schedule changes | (\$2.7) | |
| <input type="checkbox"/> | Reagan Memorial Tollway (I-88) | | \$(10.5) |
| | ▪ Project savings Annie Glidden - Deerpath | (\$8.8) | |
| | ▪ Construction interim schedule changes | (\$1.7) | |



2012 Fund Balance

Slower spending increased fund balances

Accounts	BALANCE			Variance 2012 Actual from Estimate
	December 31, 2011	October 2012 Estimate	December 31, 2012 Actual	
Maintenance and Operations	\$26	\$27	\$42	\$14
<i>Operating Sub-Account</i>	9	0	14	14
<i>Operating Reserve Sub-Account</i>	17	27	27	0
Renewal and Replacement	229	287	309	22
Improvement	137	128	169	40

Renewal/Replacement and Improvement account balances include IGA Reimbursements.



Appendix



2012 Capital Program - Revised Estimate* vs. Actual

Capital Program expended less than the revised estimate mainly due to scheduling changes and project cost savings

	2012		Variance
	Revised Estimate	Actual ⁽¹⁾	\$ %
	(\$ thousands)		
Tri-State Tollway (I-94/I-294/I-80)	\$123,086	\$98,853	(\$24,233) -19.7%
Reagan Memorial Tollway (I-88)	71,012	60,515	(10,497) -14.8%
Jane Addams Memorial Tollway (I-90)	73,924	89,265	15,341 20.8%
Veterans Memorial Tollway (I-355)	2,662	2,288	(374) -14.1%
Open Road Tolling (ORT)	848	1,395	548 64.6%
Systemwide Improvements	70,912	67,450	(3,462) -4.9%
Tri-State Tollway (I-294/I-57) Interchange	14,902	9,726	(5,176) -34.7%
Elgin O'Hare Western Access	20,369	6,167	(14,203) -69.7%
IL Route 53 Extension/ Illiana Study	167	-	(167) -100.0%
Move Illinois and CRP Subtotal	\$377,882	\$335,659	(\$42,223) -11.2%
"Other" Capital Projects	41,000	36,852	(4,148) -10.1%
Capital Program Subtotal	\$418,882	\$372,510	(\$46,372) -11.1%
Intergovernmental Agreement Reimbursements and Other Adjustments	(19,259)	(21,019)	(1,760) 9.1%
Total Capital Program Expenditures	\$399,623	\$351,491	(\$48,132) -12.0%

⁽¹⁾ Capital Program Actual included \$77,650,466 in work completed for which payments have not been made as of December 31, 2012.

* Capital Program estimates for 2012 were revised in October and presented in the 2013 Budget.



2012 Capital Program

Original Projection vs. Actual

	2012		Variance
	Projection	Actual ⁽¹⁾	\$ %
Tri-State Tollway (I-94/I-294/I-80)	\$156,406	\$98,853	(\$57,553) -36.8%
Reagan Memorial Tollway (I-88)	90,489	60,515	(29,974) -33.1%
Jane Addams Memorial Tollway (I-90)	98,766	89,265	(9,501) -9.6%
Veterans Memorial Tollway (I-355)	23,718	2,288	(21,431) -90.4%
Open Road Tolling (ORT)	1,983	1,395	(588) -29.6%
Systemwide Improvements	133,364	67,450	(65,914) -49.4%
Tri-State Tollway (I-294/I-57) Interchange	11,880	9,726	(2,154) N/A
Elgin O'Hare Western Access	14,874	6,167	(8,707) -58.5%
IL Route 53 Extension/ Illiana Study	-	-	- N/A
Move Illinois and CRP Subtotal	\$531,481	\$335,659	(\$195,822) -36.8%
"Other" Capital Projects ⁽²⁾	60,000	36,852	(23,148) -38.6%
Capital Program Subtotal	\$591,481	\$372,510	(\$218,970) -37.0%
Intergovernmental Agreement Reimbursements and Other Adjustments	-	(21,019)	(21,019) N/A
Total Capital Program Expenditures	\$591,481	\$351,491	(\$239,989) -40.6%

⁽¹⁾ Capital Program Actual included \$77,650,466 in work completed for which payments have not been made as of December 31, 2012.

⁽²⁾ The Other Projects portion of the Capital Program Budget for 2012 totaled \$77.2 million, of which \$60 million was anticipated to be spent.

Note: Numbers may not add to totals due to rounding.



Revenue

2011 vs. 2012 Actual

(\$ thousands)

	Actual		Variance
	2011	2012	\$ %
Toll Revenue and Evasion Recovery	\$685,942	\$954,989	\$269,047 39.2%
Concessions	2,346	2,273	(73) -3.1%
Investment Income	1,064	1,389	325 30.6%
Miscellaneous	8,064	5,104	(2,961) -36.7%
Total Revenue	\$697,416	\$963,755	\$266,338 38.2%

Note: Numbers may not add to totals due to rounding.



Maintenance and Operations

2011 vs. 2012 Actual

(\$ thousands)

	Actual		Variance
	2011	2012	\$ %
Payroll and Related Costs	\$140,898	\$144,870	\$3,972 2.8%
Group Insurance	27,345	28,218	872 3.2%
Contractual Services	39,618	42,672	3,054 7.7%
Materials/Operational Supplies/Other Expenses	8,404	5,820	(2,583) -30.7%
Utilities	6,603	6,153	(450) -6.8%
All Other Insurance	4,960	7,845	2,885 58.2%
Parts and Fuel	6,469	6,610	141 2.2%
Equipment/Office Rental and Maintenance	13,163	12,421	(742) -5.6%
Employee Development	710	782	71 10.1%
Recovery of Expenses	(2,196)	(2,105)	91 4.1%
Total Maintenance and Operations Expenditures	\$245,975	\$253,286	\$7,312 3.0%

Note: Numbers may not add to totals due to rounding.



Capital Program

2011 vs. 2012 Actual

(\$ thousands)

	2011	2012	Variance
			\$ %
Tri-State Tollway (I-94/I-294/I-80)	\$13,758	\$98,853	\$85,095 618.5%
Reagan Memorial Tollway (I-88)	4,475	60,515	56,040 1252.3%
Jane Addams Memorial Tollway (I-90)	62,620	89,265	26,645 42.6%
Veterans Memorial Tollway (I-355)	4,322	2,288	(2,034) -47.1%
Open Road Tolling (ORT)	1,667	1,395	(272) -16.3%
Systemwide Improvements	35,587	67,450	31,863 89.5%
Tri-State Tollway (I-294/I-57) Interchange	-	9,726	9,726 N/A
Elgin O'Hare Western Access	-	6,167	6,167 N/A
Move Illinois & CRP Subtotal	\$122,429	\$335,659	\$213,229 174.2%
"Other" Capital Projects	44,928	36,852	(8,076) -18.0%
Capital Program Subtotal	\$167,357	\$372,510	\$205,153 122.6%
Intergovernmental Agreement			
Reimbursements and Other Adjustments	(\$24,659)	(\$21,019)	\$3,640 15%
Total Capital Program Expenditures	\$142,698	\$351,491	\$208,793 146.3%

Note: Numbers may not add to totals due to rounding.



2012 Transactions

Month	(millions)			
	Transactions	% Change 2012 to 2011	Transactions	% Change 2012 to 2011
	PASSENGER VEHICLES (TIER 1)		LARGE COMMERCIAL VEHICLES (TIER 4)	
January	53.0	-5.8%	5.0	5.0%
February	53.2	5.2%	5.0	11.3%
March	58.9	-5.0%	5.5	1.2%
April	58.2	-4.0%	5.3	3.9%
May	62.7	-1.3%	5.6	5.4%
June	62.9	-3.6%	5.5	-1.9%
July	63.6	-5.2%	5.4	3.1%
August	64.4	-5.1%	5.8	1.5%
September	58.7	-6.8%	5.2	-3.9%
October	61.3	-5.7%	5.9	5.1%
November	57.8	-5.1%	5.3	0.8%
December	56.8	-6.7%	4.8	-5.6%
	711.7	-4.2%	64.3	2.0%
	ALL COMMERCIAL VEHICLES (TIER 2-4)		ALL VEHICLES	
January	7.0	5.4%	60.0	-4.6%
February	6.9	11.7%	60.1	5.9%
March	7.7	2.6%	66.6	-4.2%
April	7.5	5.3%	65.8	-3.1%
May	8.2	8.0%	71.0	-0.3%
June	8.1	0.0%	71.0	-3.2%
July	7.9	3.1%	71.5	-4.3%
August	8.5	1.5%	72.9	-4.4%
September	7.6	-3.7%	66.3	-6.5%
October	8.4	4.9%	69.7	-4.6%
November	7.6	1.2%	65.4	-4.4%
December	6.8	-4.9%	63.5	-6.5%
	92.1	2.8%	803.8	-3.5%

Note: Numbers may not add to totals due to rounding.





THANK YOU



Overview of TIFIA and 2005A/2006A Refunding

February 28, 2013



Program Overview

- ### Program Objectives
- Leverage limited federal resources and stimulate Capital Market investment
 - Facilitate projects with significant public benefits
 - Encourage new revenue streams and private participation
 - Fill capital market gaps for secondary/subordinate capital
 - Be a flexible, “patient” investor willing to take on investor concerns about investment horizon, liquidity, predictability and risk
 - Limit federal exposure by relying on market discipline

- **Program Purpose**
 - TIFIA provides federal credit assistance to eligible surface transportation projects, including highway, transit, intercity passenger rail, freight rail and intermodal freight transfer facilities
- **Types of Credit Assistance**
 - Direct Federal Loans: Flexible repayment terms can provide combined construction and permanent financing of capital costs
 - Loan Guarantees: Full faith and credit guarantees by the federal government to a lender
 - Standby Lines of Credit: Contingent federal loans that may be drawn upon to supplement project revenues, if needed, during the first 10 years of project operations
- **TIFIA Funding**
 - Under MAP-21, TIFIA funding level was increased by tenfold
 - TIFIA will have approximately \$750 million in FFY 2013 and \$1 billion in FFY 2014
- **Major requirements**
 - Project costs of greater than \$50 million (lower thresholds for rural or intelligent transportation system projects)
 - TIFIA contribution limited to 49 percent of eligible project costs
 - Senior debt rated investment grade by two rating agencies
 - Project must be included in the relevant State’s transportation planning and programming cycle
 - Dedicated revenues for repayment
 - Applicable Federal requirements (Civil Rights, NEPA, Uniform Relocation, Titles 23/49)



MAP-21 changes

- Rolling admissions process
- Increased coverage of eligible projects (from 33 percent to 49 percent)
- Removal of discretionary selection criteria
- Multiple related TIFIA-eligible projects can be grouped together as long as projects share a common pledge
- Loan may be subordinated in the event of bankruptcy if a public agency has outstanding senior bonds under a preexisting indenture
- TIFIA funding level was increased by tenfold

Benefits of TIFIA

- Long term, fixed cost, permanent, up-front financing
 - Maximum final maturity of 35 years after the project's completion
- Borrower may be minimum investment grade
- Non recourse financing – project cash flow supported
- Funds drawn as needed
- Senior or subordinate lien
- Flexible amortization
- No pre-payment penalty
- Low interest rates

**Low Interest Rate:
Interest rate on 2/25/2013 was 3.18 percent**



TIFIA Application Process under MAP-21

- With a rolling application process, DOT encourages projects to submit a LOI when the project is able to provide sufficient information to satisfy statutory eligibility requirements such as creditworthiness and readiness to proceed
- Focus of the credit evaluation includes:
 - Construction plan (schedule, procurement, sources of funds)
 - Strength of revenue pledge (ability to repay TIFIA debt)
 - Project economics
- TIFIA Letter of Interest Form is available at:
 - http://www.fhwa.dot.gov/v/ipd/tifia/guidance_applications/tifia_applications.htm

Step 1

Project sponsors submit a letter of interest (LOI) using the form available on TIFIA's website. LOIs may be submitted at any time

Step 2

Letters of Interest must demonstrate satisfaction of MAP-21's eligibility requirements

Step 3

DOT will review LOIs and request further information as necessary

Step 4

Upon completion of the review and a determination of eligibility, DOT will invite an application for credit assistance

Step 5

Recommendation of award of TIFIA credit assistance presented to the DOT Credit Council. Secretary makes final decision. Project sponsor notified of project approval within 90 days of receiving the application

Refunding Series 2005A / 2006A

- **Outstanding callable 2005A/2006A bonds**
 - \$701,550,000 Series 2005A callable 7/1/15
 - \$291,660,000 Series 2006A callable 7/1/16
- **Refunding Considerations**
 - Interest rate on most of above bonds = 5 percent, compared to current yields for similar maturities below 3 percent
 - Negative arbitrage reduces savings
 - Refunding escrow required for remaining non-call period
 - Investment yields during such period significantly below bond yield
- **Current estimates of present value savings**
 - Series 2005A est. PV savings > 6 percent (\$42 million)
 - Series 2006A est. PV savings > 4 percent (\$12 million)



THANK YOU