

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

May 23, 2013

The Illinois State Toll Highway Authority met in regular session on Thursday, May 23, 2013, at approximately 9:00 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.

Acting Chair Mark Peterson 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:

Director Jim Banks
Director Terry D'Arcy
Director David Gonzalez
Director Mark Peterson
Director Jeff Redick
Director James Sweeney
Director Carl Towns
Director Tom Weisner

Not Present:

Governor Pat Quinn
Secretary Ann Schneider
Chair Paula Wolff

Acting Chair Peterson called for public comment. No public comment was submitted.

CHAIR'S ITEMS

Acting Chair Peterson called for a motion to approve the minutes of the Board Meeting and Executive Session held on March 28, 2013 and April 25, 2013. Director Banks made a motion for approval; seconded by Director Redick. The motion was approved unanimously.

STANDING COMMITTEE REPORTS

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

Finance Administration Operations (FAO) Committee

Acting Chair Peterson stated that **FINANCE** presented first quarter financial results to the FAO Committee. Finance will present the results in greater detail to the full Board.

PROCUREMENT presented five items which were approved by the FAO Committee. They were:

- A rescission of a Resolution regarding an Order against a CMS Master Contract for rear-wheel drive police pursuit vehicles (Chevrolet).
- An award of a Tollway IFB for all-wheel drive police pursuit sedans (Ford).
- An amendment of a Resolution regarding a Tollway Emergency Contract, changing the term and the contract number for the emergency replacement of two vehicle hoists at maintenance garage 3.
- An award of two Tollway Sole Source contracts for 1) building automation maintenance and 2) web, ecommerce, and IVR hosting and support services.

ENGINEERING presented five items, four of these items were placed on the consent agenda and the fifth item concerning land acquisition was deferred to Board executive session. They were:

- A construction contract award for the replacement of the communications tower at the Alsip Maintenance Yard on the Tri-State Tollway.
- A supplement to a construction management contract. The work being performed is on a section of I-88 and they have experienced some delays due to Spring weather.
- An Extra Work Order for a section of noise wall at the I-294/I-57 interchange. There was an inconsistency in the contract specification. The unit price being paid for this work is identical to the price for similar work in contracts in adjacent areas. The extra work is also a very small portion of the overall contract.

The last two items were related to land acquisition activities:

- An amendment to a Resolution to increase the funds available for land acquisition work on I-90. The program budget includes funding for this work. As design details are finalized, there may be a need to further increase the funding but the current increase is now necessary and allows work to continue.
- An amendment to a Resolution concerning the statutory requirement to describe property that may need to be acquired by condemnation. The parcels being described in the item are related to work at the Elmhurst Road Interchange along I-90. This item will be discussed in executive session prior to the board action.

LEGAL presented three items which were approved by the Committee. They were:

- An Intergovernmental Agreement (IGA) with the Federal Aviation Administration (FAA). In connection with the Elgin O’Hare Western Access project, the FAA is ready to begin performance on engineering work to ensure that FAA regulations are complied with in the construction of the new road, given the proximity to O’Hare Airport. This work has always been contemplated and budgeted for, and this IGA will cover FAA’s civil, electrical, mechanical and environmental engineers working on this project. Tollway will reimburse the FAA for all costs associated with the work, estimated to be \$316,250.
- A Second Addendum to an IGA with the Village of New Lenox, associated with Village improvements along I-355 (improving US Route 6) which requires the Village to enter certain access control space owned by the Tollway. The original IGA dates back to December 2008, and the time for the Village to complete its work was previously extended to Fall 2013. The Village has requested additional time to complete its work, until Fall 2014. The Tollway is able to oblige this request, and there is no cost to Tollway associated with the IGA or the Second Addendum.

- An approval of bond counsel assignments for a potential near-term refunding transaction. Assignments will be: Chapman & Cutler as bond counsel; Burke Burns & Pinelli as issuer's counsel; and a recommendation of Schiff Hardin LLP as underwriters counsel.

Customer Service Committee

Director Redick reported on the Customer Service Committee meeting held Thursday, May 16, 2013.

The Customer Service Committee discussed improvements to the Customer Service Center implemented over the past few months. The Committee discussed adjustments to the 30-day notice time-frame for violations, and the language to allot for the change is pending before the legislative Joint Committee on Administrative Rules. The Committee discussed new settlement guidelines, currently under review by the Legal Department, to create uniform revenue-neutral standards for proposed guidelines. The Committee discussed new fleet policies, including ways to improve lines of communication between the Tollway and fleet operators.

The Committee also discussed the \$0.03 transaction fee passed through to I-Pass users by the Indiana Toll Road Concession Company, LLC ("ITRCC"). Illinois Tollway Legal Department is reviewing legal matters with respect to such fees, and a letter of inquiry on Indiana policies is being drafted to ITRCC.

EXECUTIVE DIRECTOR

Chief of Staff Michael Stone, providing comments and updates in the absence of Executive Director Kristi Lafleur, announced that the Tollway will once again host the Portrait of a Soldier memorial exhibit

at Oases this summer, from Memorial Day through the Independence Day weekend.

Mr. Stone provided further background on the Portrait of a Soldier exhibit, which is a traveling display of hand-sketched portraits of 297 of the 306 Illinois men and women who have died in service to the United States since September 11, 2001. The exhibit was founded by Governor Pat Quinn.

Mr. Stone stated that the exhibit will be on display at the Des Plaines Oasis this Memorial Day weekend, and then travel to five other Oases, ending at the Lake Forest Oasis on Independence Day weekend.

Mr. Stone informed the Board of two honors bestowed on the Illinois Tollway and staff.

The Illinois Tollway received the 2013 Agency of the Year award from the Interagency Committee on Employees with Disabilities, or ICED.

The ICED Agency of the Year award recognizes Illinois government agencies for hiring people with disabilities, as well as developing innovative programs and providing accommodations to assist those employees.

The Tollway was selected for its outstanding affirmative action record in employing people with disabilities, including recruitment, hiring and accommodation practices.

Mr. Stone recognized the work of EEO/AA Officer Lisa Williams and her staff for efforts to improve access to employment opportunities for people with disabilities and accommodating their needs as Tollway employees.

Mr. Stone stated that the Cosmopolitan Chamber of Commerce, one of the nation's oldest minority businesses and trade organizations, selected

Gustavo Giraldo, Tollway chief of Diversity and Strategic Development, to receive its 2013 Special Recognition Award. The award honors an individual who has given consistent support to the Cosmopolitan Chamber through advocacy and commitment to minority business development.

Mr. Stone congratulated Mr. Giraldo and his staff for this recognition, as a result of working hard to promote opportunities for disadvantaged, minority- and women-owned businesses, as well as small construction and professional services firms, to participate in the *Move Illinois* Program.

CMS-Led Procurements Resolution

Mr. Stone reminded Directors that in April 2012, they agreed that - for a period of 12 months – CMS-led procurements for the Tollway that are less than \$250,000 would not be presented to the Board and, instead, would be provided as informational items. He stated that the Tollway would be seeking reauthorization of the authority to approve such items without presenting them to the Board.

Acting Chair Peterson inquired if the process envisioned by the April 2012 resolution worked. John Donato, Tollway Chief of Procurement, responded that the process had worked well, and within projections initially provided to the Board. Mr. Donato stated that 82% of transactions remain above the \$250,000 threshold and require Board approval.

Acting Chair Peterson then called for a motion to amend **Resolution No. 19668:**

Amend Resolution No. 19668 to continue the delegation of approval authority of routine CMS-Led Procurements less than \$250,000.00.

Director Weisner made a motion to amend **Resolution No. 19668**; seconded by Director Sweeney. The motion was approved unanimously.

Consent Agenda

Acting Chair Peterson began the consent agenda (which consisted of items reviewed earlier in detail by Committees) by calling upon Mike Colsch, Chief of Finance, to present the Quarterly Financial Review report as shown in the attached presentation. Highlights included revenue for the first quarter exceeded projections by \$3.3 million, operations spending was \$3.7 million under budget, and capital spending was below estimate by approximately \$57 million.

Acting Chair Peterson inquired why there was a drop in revenue for passenger vehicles. Weather factors during the first quarter of 2013 may have resulted in fewer passenger vehicle transactions as there is typically a direct correlation between weather conditions and roadway use.

Acting Chair Peterson then followed up by inquiring as to why there was an increase in revenue above estimates for commercial traffic. Mr. Colsch stated that much of the revenue increase was based on an increase in large trucks using the roadway and postulated it may be an indicator of an improving economy.

Director Weisner asked why the report showed an increase in utility costs. Mr. Colsch stated that an error in telecommunications billing led to an increase for the quarter; however, as the billing error is corrected and expended funds are returned, the second quarter report will reflect the refund.

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

Item 1: Rescind Resolution No. 19862 (Contract 12-0001) to Miles Chevrolet, Inc. for the purchase of Police Pursuit Vehicles (Order Against CMS Master Contract).

Item 2: Award of Contract 13-0051 to Morrow Brothers Ford, Inc. for the purchase of Police Pursuit Sedans in an amount not to exceed \$2,453,600.00 (Tollway Invitation for Bid).

Item 3: Amend Resolution No. 19931 to correct Contract 13-0067 to 13-0125 to Standard Industrial & Automotive Equipment, Inc. for the purchase of Vehicle Hoist Replacements at M-03 in an amount not to exceed \$145,000.00 (Tollway Emergency).

Item 4: Award of Contract 13-0072 to Precision Control Systems of Chicago, Inc. for the purchase of Building Automation Maintenance in an amount not to exceed \$200,000.00 (Tollway Sole Source).

Item 5: Award of Contract 13-0063 to Unisys Corporation for the purchase of Web, Ecommerce, and Interactive Voice Response (“IVR”) Hosting and Support Services in an amount not to exceed \$6,223,826.00 (Tollway Sole Source).

Director Banks made a motion for approval of **Procurement Items 1-5**; seconded by Director Redick. The motion was approved unanimously.

Acting Chair Peterson called on Shana Whitehead, Chief of Business Systems, to present **Business Systems Item 1**.

Acting Chair Peterson called on Ms. Whitehead to present **Business Systems Item 2**. Ms. Whitehead stated that this item was the 4th of 5 available renewals of the Toll Revenue Management and Maintenance

Program with Electronic Transaction Consultants Corporation (ETCC). The contract renewal is in the amount of \$19,000,000. Ms. Whitehead explained that the increased cost of the contract was the result of the Move Illinois program, construction work for the upcoming year, and the advancement of the Elgin O'Hare Western Access project.

Acting Chair Peterson asked if ETCC had met its diversity goal. Ms. Whitehead confirmed they had.

Director Weisner inquired if the increased cost of the renewal had been anticipated in budgeting. Ms. Whitehead responded that internal adjustments had been made in the budgeting process, and Mr. Colsch stated that the costs had been included in the budget.

Acting Chair Peterson called for a motion to approve the following **Business Systems** resolutions:

Item 1: Award of Contract 13-0109 to Law Enforcement Services, Inc. for the purchase of Out-of-State License Plate Retrieval Services in an amount not to exceed \$1,200,000.00 (Tollway Sole Source).

Item 2: Contract award for one year for the Toll Revenue Management and Maintenance Program (TRMMP) with Electronic Transaction Consultants Corporation (ETTC) in an amount not to exceed \$ 19,000,000.00 (Renewal).

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

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

Item 1: Award of Contract RR-12-8110 to Divane Brothers Electric Company for Communication Tower Replacement on the Tri-State Tollway (I-294) at Milepost 12.3, Alsip (M-1), in the amount of \$707,875.00.

Item 2: Acceptance of Proposal from V3 Companies of Illinois, Ltd., on Contract RR-10-5614 for Supplemental Construction Management Services for Roadway and Bridge Rehabilitation on the Reagan Memorial Tollway (I-88) from Milepost 76.1 (IL Route 251) to Milepost 91.4 (Annie Glidden Road), in the amount of \$159,000.00 from \$2,123,140.68 to \$2,282,140.68

Item 3: Extra Work Order on Contract I-12-4066 to Lorig Construction Company for Roadway Widening & Bridge Reconstruction, I-57 Ramp B, on the Tri-State Tollway (I-294) at the I-57 Interchange, from Milepost 7.5 to Milepost 7.8, in the amount of \$295,846.00.

Item 4: Resolution authorizing additional land acquisition funding for the Jane Addams Memorial Tollway (I-90) reconstruction and widening, Project I-11-4007.

Director Banks made a motion for approval of **Engineering Items 1-4**; seconded by Director D'Arcy. The motion was approved unanimously.

Item 5: Identification of parcels associated with the Elmhurst Road Interchange on the Elgin O'Hare Western Access (EOWA) in compliance with ISTHA v. DiBenedetto.

Engineering Item 5 was deferred to Executive Session.

Acting Chair Peterson called for a motion to approve the following **Legal Items**:

Item 1: An Intergovernmental Agreement with the Federal Aviation Administration. Cost to the Tollway: \$316,250.00.

Item 2: A Second Intergovernmental Addendum Agreement with the Illinois Department of Transportation and the Village of New Lenox. Cost to the Tollway: \$0.

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

Acting Chair Peterson called for a motion to approve the following **Legal** resolution:

Item 3: Approval of Bond Counsel Assignment. (Director D’Arcy recusal)

Director Redick made a motion for approval of **Legal Item 3**; seconded by Director Towns. The motion was approved unanimously, with Director D’Arcy recusing himself.

Mr. Stone introduced **Legal Item 4**. Mr. Stone stated that, currently, certain worker’s compensation settlements require the Executive Director’s approval before being submitted to Board. In addition, there are some worker’s compensation items that do not go to the Board that will need to move forward. This resolution would allow the Chief of Staff to manage these matters in the absence of the Executive Director.

Acting Chair Peterson inquired if the settlement limits discussed were cumulative. David Goldberg, General Counsel, stated that they applied to additional settlement amounts, beyond medical and TTD payments legally required.

Acting Chair Peterson then called for a motion to approve **Legal Item 4**:

Item 4: Authorization to amend settlement authority for certain Workers Compensation claims. Cost to the Tollway: N/A.

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

At approximately 9:45 a.m., David Goldberg, General Counsel, indicated the need to discuss Tollway litigation and real estate acquisition 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 D’Arcy. The motion was approved unanimously.

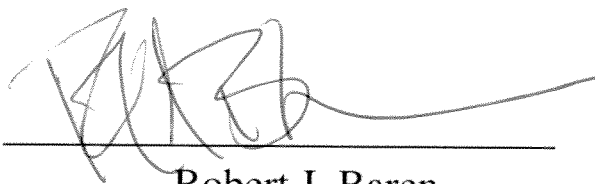
At approximately 10:50 a.m., the Committee re-entered the public session of the Board meeting.

Director D’Arcy made a motion for approval of **Engineering Item 5**; seconded by Director Towns. The motion was approved unanimously.

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

The meeting was adjourned at approximately 11:00 a.m.

Minutes taken by: _____



Robert J. Baren

Assistant Board Secretary

Illinois State Toll Highway Authority