

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

June 27, 2013

The Illinois State Toll Highway Authority met in regular session on Thursday, June 27, 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.

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 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

PUBLIC COMMENT

Chair Paula Wolff called for public comment.

Dan Johnson spoke on behalf of the Midwest High Speed Rail Association. Mr. Johnson complimented the Tollway for remaining neutral on legislation which is now law allowing the Tollway to develop rail infrastructure. Mr. Johnson encouraged the Tollway to consider using this authority to develop a plan for future rail service.

Chair Wolff complimented Mr. Johnson for his advocacy for the new law and for high speed rail.

Steve Moseley of Xerox spoke regarding the Tollway's recommended selection of Accenture for the Customer Service Center and Violations Processing contract. Mr. Moseley stated that Xerox had submitted a bid for the contract and was not selected. Mr. Moseley expressed various

concerns he had with the bidding process and he requested that the Board table the item for further evaluation.

Executive Director Kristi Lafleur stated that a presentation on the Customer Service Center and Violations Processing contract recommendation would be shown later in the meeting, and that the Board would have the opportunity to discuss and ask questions of staff at that time.

Vince Winkler of Winkler Tree Service spoke to discuss the high cost of service performed by a Tollway authorized towing company. Mr. Winkler expressed that he felt that the process for securing towing service, the cost of the towing service, and the methods the towing company used to tow the vehicle was inappropriate.

Chair Paula Wolff thanked Mr. Winkler for bringing the issue to attention of the Board, and apologized for his experience.

Ms. Lafleur stated that the Tollway is concerned about any potential price gouging on the part of towing companies. Ms. Lafleur also stated this matter would be referred to John Benda, General Manager of Maintenance, for further investigation. **Ms. Lafleur informed Mr. Winkler that Tollway staff would follow up with him, and stated that the Board would be notified of the resolution of this incident.**

Mr. James Bromeland of Alfaro Trucking also spoke regarding the towing issue Mr. Winkler discussed previously. Mr. Bromeland was the driver of the truck which was towed, and provided a further description of the incident. Mr. Bromeland clarified the incident discussed by both Mr. Winkler and Mr. Bromeland were the same. Chair Wolff thanked Mr. Bromeland and Mr. Winkler for bringing the issue to the Board, and again assured them that Tollway staff would follow up with them to further examine their concerns.

CHAIR'S ITEMS

Chair Wolff called for a motion to approve the minutes of the Board Meeting and Executive Session held on May 23, 2013. Director Banks made a motion for approval; seconded by Director Peterson. The motion was approved unanimously.

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 stated that **FINANCE** presented one item, renewal of the commercial banking services contract with Bank of America for the period of September 1, 2013 through August 31, 2014 at an anticipated cost of \$380 thousand. The contract was procured and administered by the State of Illinois Treasurer for Tollway banking activity. The Tollway is a signatory to the contract. This renewal would be for the ninth year of a potential ten years for the contract.

Tollway Chief of Finance, Mike Colsch, also provided an update on the proposed 2013 refunding bonds which are being impacted by recent increases in municipal bond rates.

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

- An award of a CMS Contract for the Tollway to purchase eleven medium- and heavy-duty trucks.
- Two renewals of Tollway RFPs for an automated vehicle locating system and for *999 motorist assistance program services.

ENGINEERING provided the FAO Committee with an update of the initial repairs done to secure the Balmoral Bridge after a truck damaged the fascia beam on June 3, 2013. This effort was done with minimal disruption to Tollway customers and demonstrated a true team effort amongst all Tollway departments and IDOT.

- The Chief Engineer presented 21 items that were placed on today's consent agenda and 2 land acquisition items will be discussed in executive session prior to full Board action.
- 13 construction contracts were presented of which 9 are located on the Jane Addams Memorial Tollway (I-90). In general the Tollway continues to obtain good bids and the impact of this I-90 work on the corridor is represented in the following impressive statistics:

Since the Move Illinois Program was approved the Tollway has awarded the following contracts for I-90:

- 23 professional services contracts totaling nearly \$225 million
- 16 construction contracts totaling \$255 million
- 14 unbundled contracts totaling \$46 million
- 173 total unique construction firms (primes and subcontractors) are working on I-90 along with
- 88 total unique professional services firms (primes and subconsultants) working on I-90
- Of these totals there are 54 NEW firms.
- The first 2 construction contracts for the Elgin O'Hare Western Access corridor were included in this group of items. The Chief of Diversity and Strategic Development has evaluated and granted a front end DBE waiver on these two noise wall contracts. To date, there have been few DBE waivers, and all other items presented have commitments to meet DBE goals.

- 4 professional services contracts were presented. These services were selected from Professional Service Bulletin 13-1. There was a very large response from the engineering community on this bulletin:
 - 126 firms submitted 540 Statements of Interest on 23 items.
 - 4 firms were disqualified and the two reasons were:
 - Disclosure form not submitted
 - Not pre-qualified with IDOT
 - Selection results were as follows:
 - 4 DBE firms were selected as primes
 - 4 proposals included full Mentor Protégé commitments and 4 had informal Mentor Protégé commitments
 - The total estimated fee for this bulletin is approximately \$91 million and of this amount \$55.6 million was committed to DBE firms, which is 61%.
- 3 supplements to professional services contracts were presented along with 1 final release of retainage. It was noted that supplements continue to represent a small portion of the overall spending on professional services at 0.5% over the last five years.
- 1 construction final release of retainage was presented and 2 land acquisition items will be discussed in executive session.

LEGAL presented three items in open session, and one in Executive Session.

- The first item is an IGA with Kane County Forest Preserve District. In connection with the Tollway's removal and replacement of the I-90 bridge over the Fox River, Tollway will replace the pedestrian bridges that are being taken down. In

exchange, the Forest Preserve is providing various assistance to the Tollway during this project, such as access to drainage sites and keeping nearby bike trails closed. There will be no further cost to Tollway, as the project has always contemplated these replacements.

- The second item is an IGA with the Village of New Lennox. Staff described this IGA as essentially a “joinder” of two prior IGA’s with this Village. One was New Lennox’s commitment in 1996 to provide a \$1.5M “local contribution” as part of the I-355 extension work -- a handful of other municipalities made the same financial commitment to the Tollway for that work. A second was a 2002 IGA, part of which called for the Tollway to construct an access road for New Lennox, and there has been ongoing discussion about timing and cost for such work. This IGA will cause New Lennox to settle its \$1.5M obligation by: (i) acknowledging their \$350,000 paid-to-date; (ii) providing a credit to the Village of \$604,000 (an agreed amount for the Tollway’s obligation to build a road under the 2002 IGA); and (iii) New Lennox then agreeing to pay the remaining amount of \$546,000 promptly after executing this IGA.
- The third item is an IGA with the Federal Highway Administration. As part of the Tollway’s work to perform a self-assessment during Move Illinois to determine social, economic and environmental outcomes from its construction activities, FHWA has awarded a grant up to \$150,000 to assist the Tollway with this analysis by accessing an assessment tool that FHWA is offering to certain transportation agencies nationwide with appropriate projects to study.

Director Weisner reported on the Strategic Planning Committee discussed the following topics at the 6/19/13 meeting.

2013 Work Plan Update

The following items are on the 2013 work plan for the first 6 months of 2013:

- Customer surveys
 - Several surveys will be underway in the coming months to learn more about our current customers, as well as future users of the Elgin O'Hare Western Access project. Staff is also beginning to plan for the upcoming surveys for the IL 53/120 project, which will ultimately be used to help the Board make decisions regarding the project.
- Freight Planning
 - The Executive Director and other Tollway management met with the Directors of the Illinois Trucking Association and Midwest Truckers Association in May. The meeting covered a variety of topics that will aid in forming future partnerships with the Trucking Industry.
 - A new on-line over-weight/over-dimension permit application system will be going live in the coming weeks. The on-line application will help streamline the process and provide a convenience to trucks using the Tollway.
- Environmental and Sustainability Planning
 - An item for consideration from the FAO Committee is an IGA with the FHWA for the INVEST program (Infrastructure Voluntary Evaluation Sustainability Tool). This new tool will help measure and quantify the

sustainability elements of our Move Illinois Program and will also guide future sustainability investments.

Interchange Policy Update

The majority of the Committee meeting time was focused on the Interchange Policy, a review of the status of several on-going projects and approaches to tolling future projects.

Staff reported on the number of potential interchanges being considered along the I-90 corridor, as well as others that are in various levels of development. Many of these interchanges may be coming to the Board in the coming months for approval.

The Interchange and Cost Sharing Policy was updated in 2012 to align with the goals and projects of the Move Illinois Program. Staff provided a brief summary of the Policy and the historical perspective on how tolls have traditionally been developed and assessed along the Tollway system.

The Committee learned about how some of the operational changes over the past 10-15 years have affected the way tolls are collected and assessed. Some of those operational changes included:

1. conversion to Open Road Tolling
2. consolidation of toll plazas
3. removal of toll plazas that were a major source of congestion
4. building new interchanges and the Elgin O'Hare Western Access project as an All Electronic Roadway

These changes, coupled with the potential inclusion of new interchanges, will require staff and the Board to consider tolling approaches for future interchange projects. The new Interchange Policy requires requesting communities to develop a financial plan for the local portion of the roadway and to provide support for the ultimate tolling solution.

As future projects are advanced, Tollway staff will prepare case studies which will consider:

- Setting toll rates on the new ramps added to an existing partial interchange or completely new interchange
- Adding tolls to existing un-tolled ramps on a partial interchange - as is happening at I-90 and IL 47 in Huntley
- Establishing a premium toll rate which is higher than adjacent ramps – similar to I-294 at Balmoral
- Evaluating a corridor approach to look at the adjacent existing and/or future ramps – which has occurred in the past in the Rockford Area

The intent of the establishment of toll rates will be to comply with the toll recovery provisions in the Interchange Policy – which stipulate a net revenue return over 10 years for projects in the urban/suburban area and over 15 years in the rural area.

With the potential of several new interchanges being built with the I-90 project, the Board will likely be seeing various project updates and IGAs for consideration over the next 6-12 months. The issue of tolling and equity will be a major consideration for the Tollway Board and the requesting communities moving forward.

Chair Wolff reiterated the importance of the role of the Strategic Planning Committee as new and updated developments occur on the Tollway system. Chair Wolff complimented the work of Rocco Zuccherro, Deputy Chief of Engineering for Planning, and of the Strategic Planning Committee for keeping the full Board of Directors updated on Tollway planning.

Chair Wolff recognized Ms. Lafleur and acknowledged that this was the first Board Meeting Ms. Lafleur had attended since the birth of her child, and congratulated her. Chair Wolff also complimented the work of Chief of Staff Mike Stone and Tollway staff during Ms. Lafleur's maternity leave.

Chair Wolff also acknowledged the large volume of work currently being performed on Tollway roads and systems. She complimented staff on their hard work in light of the volume of work, and stated the ongoing commitment of the Board to customer satisfaction with the work being performed.

Chair Wolff discussed the 'Portrait of a Soldier' exhibit opening held at the Des Plaines Oasis on May 25, 2013 which she participated in, along with Governor Quinn.

EXECUTIVE DIRECTOR

Welcome Prasad Alavilli , Senior Manager of Strategic Initiatives

Ms. Lafleur stated that one of the top goals set at the beginning of this year was to move forward with deployment of a new enterprise resource planning – or ERP – system.

Ms. Lafleur then introduced Prasad Alavilli, Senior Manager of Strategic Initiatives, who will direct the implementation of the ERP system. Ms. Lafleur stated that Mr. Alavilli brings more than 17 years of IT consulting services expertise to the Tollway. Prior to joining the Tollway, he worked for Oracle Corporation, a major developer of back-office business software. At Oracle, Mr. Alavilli managed a complex portfolio of projects in the U.S. central region and eastern Canada. He has also worked in the public sector, including positions with the Chicago Police Department and Illinois State Police.

Mr. Alavilli thanked Ms. Lafleur and the Board of the Directors for the opportunity to take on the task of implementing an ERP system at the Tollway.

Illinois State Police District 15 - Illinois Traffic Safety Challenge

Ms. Lafleur congratulated Captain Joseph Perez and the Illinois State Police District 15 for taking first place in the 2012-2013 Illinois Traffic Safety Challenge, Illinois State Police category. Ms. Lafleur stated the award recognizes the best overall traffic safety programs in the state, and is coordinated by the Traffic Committee of the Illinois Chief of Police Association.

Trooper Adam Miklaszewski

Ms. Lafleur lauded the work of District 15 State Trooper Adam Miklaszewski. Ms. Lafleur stated that Trooper Miklaszewski, his wife, family, and friends organized a relief effort for victims of the deadly tornado that touched down in Moore, Oklahoma, on May 20. This effort included students from Hinsdale Middle School, which filled the cafeteria with supplies, including baby food, diapers, water, canned goods and clothing.

Ms. Lafleur also referred those interested in assisting with relief efforts to visit the city of Moore website, www.cityofmoore.com, for tornado relief information.

Chair Wolff, on behalf of the Board, thanked Trooper Miklaszewski for his work.

Counterfeit Currency Arrest

Ms. Lafleur detailed an incident that occurred in January along the Tri-State Tollway (I-94) near Gurnee, and formally recognized members of the Tollway staff for their cooperation and professionalism during this unusual incident along the Tollway.

Ms. Lafleur stated that for two consecutive shifts, staff at toll plazas along the northern Tri-State had been marking bills as potentially counterfeit. The staff notified toll plazas upstream and downstream of a driver suspected of attempting to pass counterfeit currency at tollbooths. After the suspected driver attempted to take back a \$10 bill from a toll collector who was about to mark it as counterfeit, the plaza supervisor called District 15 Illinois State Police and provided a description of the suspected driver and vehicle.

Ms. Lafleur stated that as a result of this effort, three suspected criminals, thousands of dollars of fake currency, a loaded weapon and drugs were all removed from the Tollway system.

Ms. Lafleur then introduced Mr. Jeff Redding, Tollway Chief of Toll Operations and Illinois State Police Captain Joseph Perez.

Mr. Redding stated that Toll Operations and the State Police work together to detect potential issues, such as the passing of counterfeit currency. As part of their daily collection activities, toll collectors and

plaza supervisors are taught to use counterfeit bill detection pens and other tests to identify counterfeit currency. Mr. Redding stated that this effort exemplifies the cooperation and collaboration between the Tollway and Illinois State Police.

Captain Perez stated that the experience and training of Tollway staff led to the detection of this counterfeit currency, and that District 15 is extremely pleased with the results of this joint effort by the Illinois Tollway and Illinois State Police.

Captain Perez then recognized the State Trooper and toll collectors who were involved in the effort to detect and arrest those responsible for passing the counterfeit currency.

- Trooper Ken Benson
- Plaza Supervisor Pam Molczan
- Senior Toll Collector Millie Trbovic
- Toll Collector Lenard Johnson
- Plaza Supervisor Tom Navratil

Balmoral Avenue Bridge

Ms. Lafleur informed the Board that earlier in June, the Tollway was forced to close all lanes on the northbound Tri-State between the Reagan Memorial Tollway and I-90 so crews could begin emergency repairs to the Balmoral Avenue Bridge, which was damaged after it was hit by a truck.

Ms. Lafleur stated that the emergency repair work was done in coordination with the Illinois State Police, Illinois Department of Transportation, local municipalities and officials from nearby O'Hare International Airport, and thanked these agencies for their assistance.

Ms. Lafleur then introduced John Benda, Tollway General Manager of Maintenance and Traffic, and Greg Stukel, Tollway Deputy Chief of Engineering, to provide a presentation on the overnight repair effort. See attached presentation.

Presentation on Bond Refunding

Ms. Lafleur introduced Mike Colsch, Tollway Chief of Finance, who provided an update on bond refunding efforts. See attached presentation.

Chair Wolff thanked Mr. Colsch for keeping the Board informed of the fluctuations in the bond market, and requested he continue to keep the Board informed of developments in the market in advance of the Tollway's bond refunding issue and include Director Peterson in discussions about the decision. Mr. Colsch stated he would keep the Board apprised of developments as the process continued.

Consent Agenda

Chair Wolff began the consent agenda (which consisted of items reviewed earlier in detail by Committees), by calling for a motion to approve the following **Finance** resolutions:

Item 1: 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, 2013 through August 31, 2014, in an amount not to exceed \$380,000.00.

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

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

Item 1: Award of Contract 13-0121 to Prairie International Trucks, Inc. for the purchase of Medium- and Heavy-Duty Trucks in an amount not to exceed \$1,184,169.00 (CMS Contract for the Tollway).

Director Weisner made a motion for approval of **Procurement Item 1**; seconded by Director D’Arcy. The motion was approved unanimously.

Chair Wolff called on John Donato, Chief of Procurement, to present **Procurement Item 2**.

Mr. Donato stated that the item is a contract to provide compliance analysis of the Tollway’s systems for accepting customer payment by credit card, and to review and inform the Tollway of industry best practices.

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

Item 2: Award of Contract 13-0112 to McGladrey LLP for the purchase of Payment Card Industry (“PCI”) Compliance Analysis Services in an amount not to exceed \$212,400.00 (Tollway Invitation for Bid).

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

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

Item 3: Renewal of Contract 05-0093 to Interfleet, Inc. for the purchase of an Automated Vehicle Locating System in an amount not to exceed \$135,000.00 (Tollway Request for Proposal).

*Item 4: Renewal of Contract 06-0081 to Marketing Alternatives, Inc. for the purchase of *999 Motorist Assistant Program Services in an amount not to exceed \$300,000.00 (Tollway Request for Proposal).*

Director D'Arcy made a motion for approval of **Procurement Items 3 and 4**; seconded by Director Towns. The motion was approved unanimously.

Chair Wolff called on Ms. Lafleur to introduce Shana Whitehead, Chief of Business Systems, to present **Business Systems Item 1**.

Ms. Lafleur stated that Governor Quinn and the Board have made it clear that improving customer service must be a top priority for the Tollway, and that the proposed new system will allow the Tollway to explore new customer-focused solutions and give us the flexibility we need to find new ways to serve customers in the years to come.

Ms. Lafleur explained that the contract is another critical step forward in the strategy to develop a more flexible, responsive and robust electronic tolling system by 2015, and that the Tollway would be fortunate to have Accenture as the partner in this significant effort.

Ms. Lafleur then asked Ms. Whitehead to conduct a presentation on the Customer Service Center and Violation Processing System contract. See attached presentation.

Director Peterson inquired about Accenture's experience in comparison to that of Xerox. Ms. Whitehead stated that the service and software package required by the Tollway necessitated a system able to handle the significant load of the Open Road Tolling system utilized, and the review concluded the system offered by Accenture was best able to meet that need.

Director Banks inquired why the use of the Accenture system in Portugal was considered relevant for the Tollway. Ms. Whitehead explained that Accenture's worldwide experience was considered, especially the flexibility and its system. Ms. Lafleur emphasized that the experience in Portugal, particularly in comparison to the Tollway's significant reliance on Open Road Tolling, was a significant consideration.

Director Peterson asked if the Tollway's current vendor submitted a bid. Ms. Whitehead stated the current vendor did not submit a bid. Director Peterson then stated that it appeared that the current system had grown antiquated and that the system was no longer able to adapt to changes, necessitating the Tollway's recent bidding process. Ms. Whitehead responded that, while the current vendor was in place when Open Road Tolling started, that the requirements of the bid may have left that vendor, along with other potential vendors, without a desire to submit a bid.

Director Peterson asked if the current vendor would remain in place while the new system was implemented. Ms. Whitehead stated that the current vendor would remain in place, and had two one-year renewals as a part of their contract. She expected that those renewals would occur.

Ms. Lafleur pointed out that the lane hardware used by the Tollway would fall under a separate contract, and should a bidding process occur for new lane hardware, other vendors may be selected through that bidding process.

Director Peterson inquired about the diversity commitment of Accenture to the contract. Ms. Whitehead stated that Accenture had a commitment of 4.5% to the contract.

Director Sweeney asked what expectations the Tollway had of the new vendor over the next two years, and what options might the Tollway have if the vendor was unable to meet those expectations. Ms. Whitehead responded that the option always exists that, should the vendor not meet expectations that the contract could be cancelled. She also stated that in most implementations of this nature, it is necessary to have ample flexibility to deal with potential challenges, and that the vendor will work with the Tollway to adjust the product as needs arise during the implementation process. Ms. Lafleur followed up by stating that the ability to hold the vendor accountable for the success of the implementation of the system will be a part of the contracting process.

Chair Wolff asked to make certain that the contract included benchmarks indicating the success of the implementation. Ms. Whitehead responded that key performance indicators would be a part of the contract.

Director Peterson asked why a six year contract was required. Ms. Whitehead responded that a six year contract anticipated a two year implementation process, followed by four years of maintenance of the new system.

Director Redick discussed the process of bidding which began in the Customer Service Committee. He stated that the Tollway was likely hampered by the current system, and that a new system was required. A significant Request for Information (RFI) process was undertaken, taking into consideration that the Tollway is a leader in Open Road Tolling. As a function of that leadership, Director Redick noted that the Tollway had to look outside the United States for vendor experience comparable to that required by the Tollway. He also stated a desire for the Tollway to provide cutting-edge technology and service to customers. Director Redick indicated that with the considerations and bidding process undertaken by the Tollway, the proposal from Accenture was the best option for the Tollway.

Director Weisner complimented the bidding process undertaken by the Tollway and expressed his pleasure at the work and professionalism that was required. He then inquired as to how the financial requirements of the bid were considered during the negotiating process. Ms. Whitehead responded that the bids were reviewed and received technical scoring, followed by a review of pricing, and such pricing was used to inform negotiations with the vendor. Director Weisner then asked where Accenture's price fell within the overall bidding process. Ms. Whitehead stated that Accenture was the third of five bidders as a function of price, leaving two potential vendors with a higher price, and two with a lower price.

Director Peterson asked if the cost associated with this contract, along with the anticipated overlap with the current vendor, was within budget requirements. Ms. Whitehead stated that such considerations were included in the budgeting process. Director Weisner followed up by stating that customer service is the primary goal and that consideration

should be taken above price. Ms. Lafleur stated that, with the technical goals of the contract in mind, the contract under consideration provided the best competitive pricing available. Ms. Lafleur also complimented Ms. Whitehead as the bidding process was lengthy. She also pointed out that executing a final contract will require a process as well. Ms. Lafleur stated that implementation of the contract will be undertaken with care.

Chair Wolff asked if there was any further comment. Director Towns stated that he was comfortable with the procurement. There were no further comments.

Chair Wolff indicated that the Consent Agenda items, as usual, had been reviewed in detail at the committee level.

Chair Wolff called for a motion to approve the following **Business Systems** resolution:

Item 1: Award of Contract 12-0163 to Accenture LLP for the Customer Service Center and Violation Processing System in the amount of \$44,000,000 (Tollway Request for Proposal).

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

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

Item 1: Award of Contract I-13-4132 to Dunnet Bay Construction Company for Bridge Widening and Reconstruction on the Jane Addams

Memorial Tollway (I-90), at Milepost 47.9 (Powers Road over I-90) in the amount of \$2,131,673.58. (Director D'Arcy recusal)

Director Sweeney made a motion for approval of **Engineering Item 1**; seconded by Director Towns. The motion was approved unanimously, with Director D'Arcy recusing himself.

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

Item 2: Award of Contract I-13-4129 to Illinois Constructors Corporation for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 43.7 (Brier Hill Road over I-90); and at Milepost 45.0 (Sandwald Road over I-90) in the amount of \$5,141,177.43.

Director Weisner made a motion for approval of **Engineering Item 2**; seconded by Director Towns. The motion was approved unanimously.

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

Item 3: Award of Contract I-13-4128 to Lorig Construction Company for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90), at Milepost 25.3 (Genoa Road over I-90); and at Milepost 37.5 (Getty Road over I-90) in the amount of \$4,568,347.35. (Director D'Arcy recusal)

Director Banks made a motion for approval of **Engineering Item 3**; seconded by Director Peterson. The motion was approved unanimously, with Director D'Arcy recusing himself.

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

Item 4: Award of Contract I-13-4127 to Illinois Constructors Corporation for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90), at Milepost 20.8 (Irene Road over I-90); and at Milepost 21.8 (Stone Quarry Road over I-90) in the amount of \$4,510,000.00.

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

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

Item 5: Award of Contract I-13-4131 to Illinois Constructors Corporation for Bridge Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 17.6 (Mill Road over I-90) in the amount of \$2,782,500.00. (Director D'Arcy recusal)

Director Weisner made a motion for approval of **Engineering Item 5**; seconded by Director Towns. The motion was approved unanimously, with Director D'Arcy recusing himself.

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

Item 6: Award of Contract RR-13-4130 to William Charles Construction Company, LLC for Ramp Reconstruction and Mainline Improvements on the Jane Addams Memorial Tollway (I-90) from Milepost 17.5 (US Business 20) to Milepost 2.7 (Rockton Road) in the amount of \$4,009,753.35. (Director Towns recusal)

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

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

Item 7: Award of Contract RR-13-4125 to Lorig Construction Company for Corridor Repairs / Bridge Rehabilitation on the Tri-State Tollway (I-294) from Milepost 0.0 (394) to Milepost 48.9 (Willow Road); Tri-State Tollway (I-94) from Milepost 10.5 (IL Route 21) to Milepost 30.0 (Edens Expressway) in the amount of \$6,052,057.90.

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

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

Item 8: Award of Contract I-13-4126 to William Charles Construction Company, LLC for Mainline Widening and Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 33.5 (Anthony Road) to Milepost 41.5 (US Route 20) in the amount of \$46,480,756.89. (Director Towns recusal)

Director Weisner made a motion for approval of **Engineering Item 8**; seconded by Director Banks. The motion was approved unanimously, with Director Towns recusing himself.

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

Item 9: Award of Contract I-13-4115 to Plote Construction, Inc. for Mainline Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 49.7 (Union Pacific Railroad) to Milepost 53.6 (West of the Elgin Toll Plaza) in the amount of \$42,205,842.91.

Item 10: Award of Contract I-13-4124 to Plote Construction, Inc. for Mainline Widening and Reconstruction on the Westbound Jane Addams Memorial Tollway (I-90) from Milepost 45.8 (West of IL Route 47) to Milepost 49.7 (West of the Union Pacific Railroad) in the amount of \$30,861,951.90.

Item 11: Award of Contract RR-13-5666 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Intermittent Pavement Repair, Ramp, and Parking Lot Rehabilitation on the Reagan Memorial Tollway (I-88) from Milepost 56.4 (Toll Plaza 69) to Milepost 138.5 (IL Route 59) in the amount of \$6,340,970.67.

Director Sweeney made a motion for approval of **Engineering Items 9-11**; seconded by Director Peterson. The motion was approved unanimously.

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

Item 12: Award of Contract I-13-4604 to Dunnet Bay Construction Company for Eastbound Noise Wall Construction on the Elgin O'Hare Western Access (existing roadway), between Roselle Road and Meacham Road/Medinah Road, in the amount of \$2,342,767.54.

Director Towns made a motion for approval of **Engineering Item 12**; seconded by Director Redick. The motion was approved with all Directors voting aye, except Director Gonzalez, who voted nay.

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

Item 13: Award of Contract I-13-4605 to Dunnet Bay Construction Company for Westbound Noise Wall Construction on the Elgin O'Hare Western Access (existing roadway), between Roselle Road and Meacham Road/Medinah Road, in the amount of \$2,014,777.77.

Director Peterson made a motion for approval of **Engineering Item 13**; seconded by Director Weisner. The motion was approved with all Directors voting aye, except Director Gonzalez, who voted nay.

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

Item 14: Acceptance of Proposal from Milhouse Engineering & Construction, Inc. on Contract I-11-4020 for Construction Management Services for the Elmhurst Road Interchange on the Jane Addams

Memorial Tollway (I-90) at Milepost 73.5 (Elmhurst Road), in an amount not to exceed \$6,023,065.50.

Item 15: Acceptance of Proposal from Michael Baker Jr., Inc. on Contract I-13-4613 for Construction Management Services Upon Request for tasks associated with the Elgin O'Hare Western Access, in an amount not to exceed \$5,000,000.00

Director D'Arcy made a motion for approval of **Engineering Items 14-15**; seconded by Director Gonzalez. The motion was approved unanimously.

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

Item 16: Acceptance of Proposal from Stantec Consulting Services, Inc. on Contract I-13-4614 for Design Services Upon Request for tasks associated with the Elgin O'Hare Western Access, in an amount not to exceed \$5,000,000.00. (Director Peterson recusal)

Director Redick made a motion for approval of **Engineering Item 16**; seconded by Director D'Arcy. The motion was approved unanimously, with Director Peterson recusing himself.

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

Item 17: Acceptance of Proposal from TranSystems Corporation on Contract I-13-4108 for Construction Management Services Upon Request for tasks associated with the Jane Addams Memorial Tollway

(I-90) Widening and Reconstruction, in an amount not to exceed \$5,000,000.00.

Item 18: Acceptance of Proposal from Stanley Consultants, Inc. on Contract I-11-5631 for Supplemental Design Services for Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) at Milepost 55.7 (Fox River) in the amount of \$468,499.28 from \$5,460,758.05 to \$5,929,257.33.

Item 19: Acceptance of Proposal from Omega & Associates, Inc. on Contract I-11-4000 for Supplemental Construction Management Services for Interchange Reconstruction on the Jane Addams Memorial Tollway (I-90) at Milepost 46.4 (IL Route 47) in the amount of \$299,480.78 from \$3,498,813.60 to \$3,798,294.38.

Item 20: Acceptance of Proposal from CivCon Services, Inc. on Contract I-11-5629 for Supplemental Construction Management Services for Dixie Creek Relocation on the Tri-State Tollway (I-294) at Milepost 7.7 (Dixie Creek) in the amount of \$87,730.75 from \$573,504.12 to \$661,234.87.

Item 21: Final Release of Retainage on Contract I-12-4036 to Curran Contracting Company, for Shoulder Widening on the Jane Addams Memorial Tollway (I-90) Milepost 27.6 (Mosquito Creek) to Milepost 45.3 (Sandwald Road) in the amount of \$100,000.00.

Director Towns made a motion for approval of **Engineering Items 17-21**; seconded by Director Gonzalez. The motion was approved unanimously.

Engineering Items 22 and 23 were deferred to Executive Session.

Item 22: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Elgin O'Hare Western Access (EOWA)). Cost to the Tollway: N/A.

Item 23: Amended DiBenedetto (Identification of Real Estate Parcels associated with the Jane Addams Memorial Tollway (I-90)). Cost to the Tollway: N/A.

Chair Wolff called on David Goldberg, General Counsel, to present **Legal Item 4**. At the request of Mr. Goldberg and with approval of the Chair, Joseph Kambich, Chief of Information Technology presented the item.

Mr. Kambich stated that the item in question is an Intergovernmental Agreement with the Illinois Department of Central Management Services for the procurement of a phone system, hardware and software, along with professional services for the purpose of training and supporting the equipment and software. This system would be used at the Tollway call center.

Chair Wolff inquired if the Tollway or the Department of Central Management Services would manage the contract. Mr. Kambich stated the item would be managed by Department of Central Management Services.

Chair Wolff then inquired about the duration of the contract. Mr. Kambich stated that once hardware and software were purchased, three years of support would be included in the contract.

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

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

Item 2: An Intergovernmental Agreement with the Village of New Lenox. Cost to the Tollway: \$0

Item 3: An Intergovernmental Agreement with the Federal Highway Administration. Cost to the Tollway: \$0.

Item 4: An Intergovernmental Agreement with the Department of Central Management Services. Cost to the Tollway: The upper limit of the IGA will be \$1,525,296.50.

Director Banks made a motion for approval of **Legal Items 1-4**; seconded by Director Towns. The motion was approved unanimously.

Legal Item 5 was deferred to Executive Session.

Item 5: Litigation Settlement – Tollway Parcel N-4C-10-002. Cost to the Tollway: \$ No additional cost.

At approximately 11:15 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 Weisner made the motion to enter into Executive Session; seconded by Director Banks. The motion was approved unanimously.

At approximately 12:35 p.m., the Committee re-entered the public session of the Board meeting.

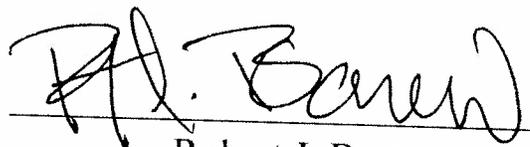
Director Peterson made a motion for approval of **Legal Item 5**; seconded by Director Banks. The motion was approved unanimously.

Director D'Arcy made a motion for approval of **Engineering Items 22 and 23**; seconded by Director Gonzalez. The motion was approved unanimously.

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

The meeting was adjourned at approximately 12:40 p.m.

Minutes taken by:



Robert J. Baren

Assistant Board Secretary

Illinois State Toll Highway Authority



**Semi-Tractor Trailer vs.
Balmoral Avenue Bridge**

June 27, 2013

Balmoral Avenue Bridge struck June 3 at 1:20 p.m.



Damaged semi-tractor trailer truck



Maintenance crews address the damage



Two lanes restored at 2:36 p.m.



Maintenance crews secure the beam



Beam wrapped in chain-link fence and fabric



Repair the bridge on emergency basis

- **Identified contractor to make repairs**

- **Developed plan**

- Task 1: Remove the damaged beam
- Task 2: Order replacement beam (four - six weeks)
- Task 3: Complete repair – target date August 1

Task 1: Remove the damaged beam

■ Determined removal method with contractor

- Dropping beam selected
- Required full closure of northbound I-294

■ Determined detour route

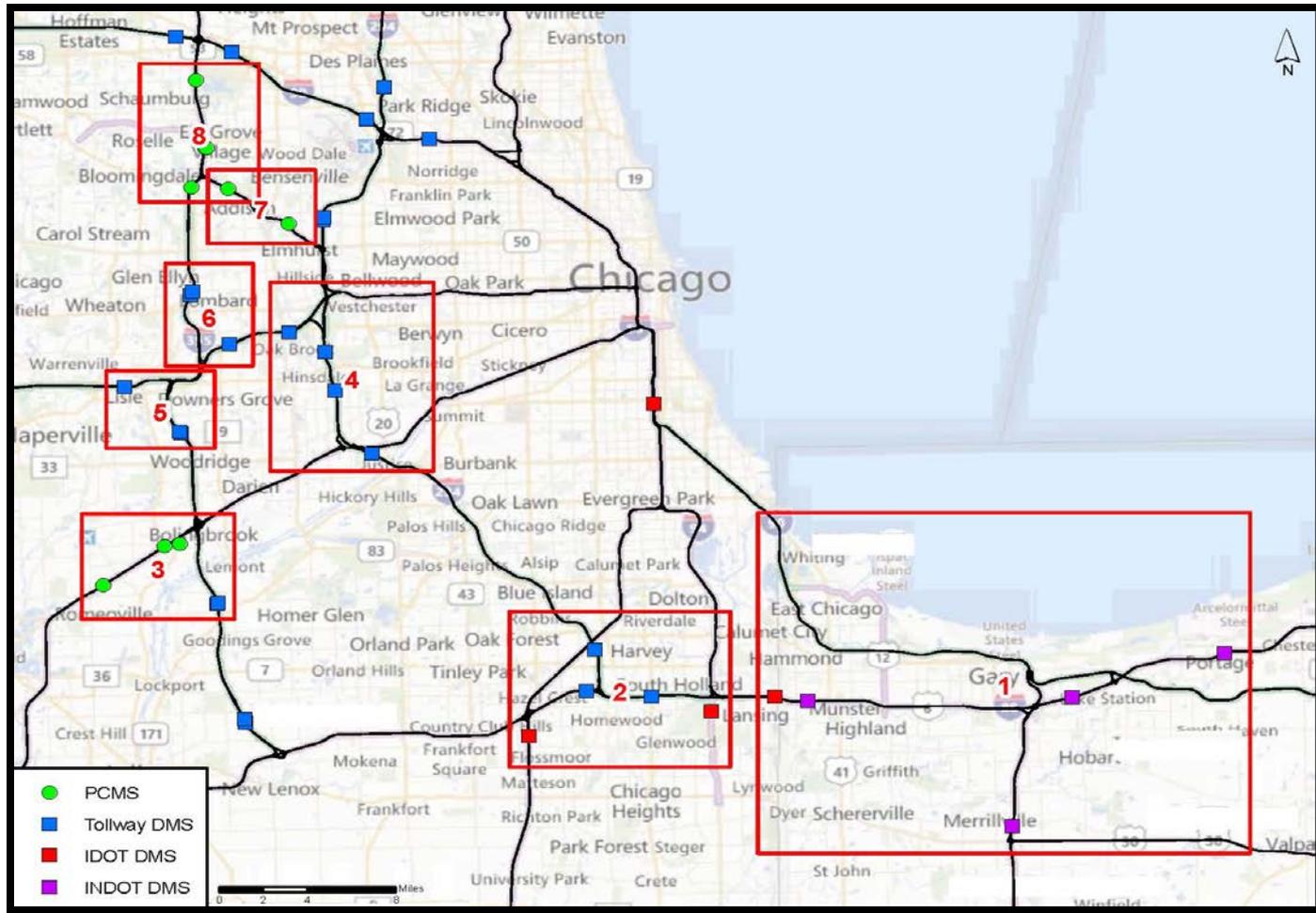
- Illinois Department of Transportation approved use of I-290 westbound

■ Developed traffic plan with traffic consultant

■ Contacted media to alert customers of traffic impacts



Traffic management plan



Timeline of beam removal

■ Saturday, June 8, 2013

- 7:00 pm – Two lane closure northbound
- 8:00 pm – Two lane closure southbound
- 9:30 pm – Eastbound Balmoral Avenue closed
- 10:00 pm – Three lane closure northbound
- 11:10 pm – Blackhawks win in overtime to clinch Western Conference Championship
- 11:30 pm – Northbound Cermak Road Toll Plaza open road tolling lanes closed (cash lanes open) and left lane of the two-lane ramp from the eastbound Reagan Memorial Tollway (I-88) to northbound I-294 closed
- 12:00 midnight – Detour begins

■ Sunday, June 9, 2013

- 12:12 am – Contractor begins
- 2:05 am – Beam is down
- 3:30 am – All lanes open on southbound I-294
- 5:30 am – Two lanes northbound open, detour is removed
- 7:32 am – Clean up complete, all lanes northbound open



Removal of damaged beam



Current conditions/next steps

- **All lanes open on Tri-State Tollway (I-294)**
- **One lane (eastbound) closed on Balmoral Avenue**
- **Complete bridge repair expected later this summer (Goal: August 1)**
 - Ordered new beam: estimated four – six weeks
 - Finalizing repair plans with general engineering consultant and contractor



A TEAM Effort

Special thanks...

- Internal departments
 - Business Systems
 - Communications
 - Engineering
 - Finance
 - Operations
 - Procurement
- Illinois State Police District 15
- Illinois Department of Transportation
- Village of Rosemont
- Lorig Construction
- AECOM
- CDM Smith
- HNTB





THANK YOU



**Status of the
2005A/2006A Refunding**

June 27, 2013

Refunding Series 2005A / 2006A

■ Resolution #19886 authorized up to \$1 billion bonds to advance refund Series 2005A/2006A

- ❑ \$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 2005A/2006A = 5 percent, compared to current yields for similar maturities ranging from roughly 2 to 4 percent
- ❑ However, rates increased 60 bps between June 18 and June 25
- ❑ Market reaction to Federal Reserve Bank comments, large municipal supply and recent outflow from investors have impacted municipal rates
- ❑ Negative arbitrage reduces savings significantly

Sharp Increases in Municipal Interest Rates Have Impacted Refunding Savings

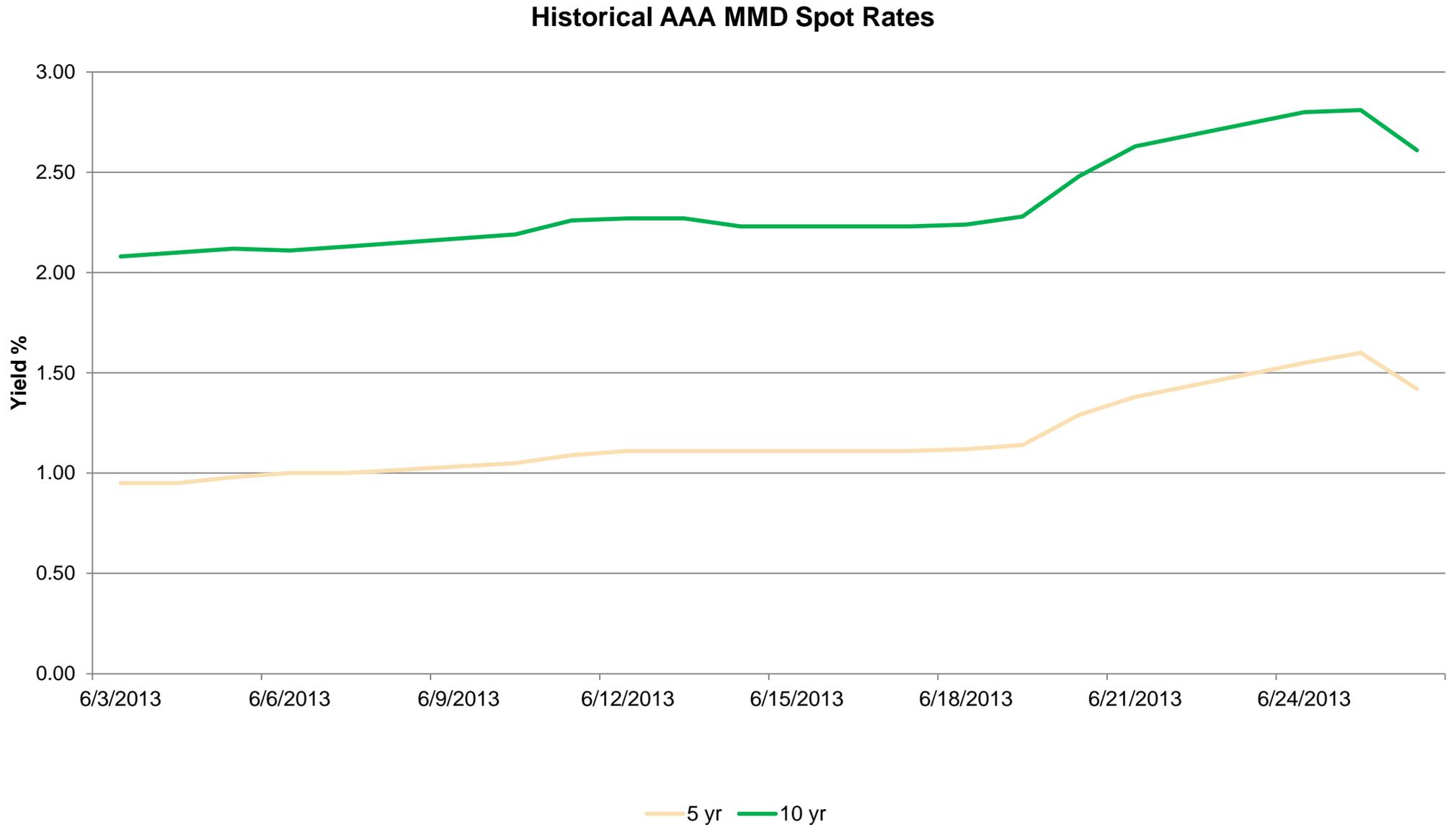
- Early last week, anticipated market rates for Tollway bonds would have produced about \$35 million of present value savings from refunding five of eight Series 2005A callable maturities, totaling approximately \$525 million
- Assuming June 24 interest rates, refunding the same 2005A maturities would produce present value savings of approximately \$13 million
- Savings are impacted significantly by an “inefficient” refunding escrow, producing negative arbitrage of approximately \$27 million

5-Year History of 10-Year Municipal Market Data Index

- Tax-exempt, 10-year maturity, AAA credit quality
- Rates during 2013 have been favorable by historical standards, but have increased sharply in the past week



Historical Municipal Spot Rates



Higher Interest Rates and Negative Arbitrage Reduce Savings



Series 2005A Advance Refunding Statistics

INVESTMENT BANKING
DIVISION

(\$000)

Jefferies

| Series | Maturity | Par | Gross Savings ¹ (\$) | Negative Arb (\$) | PV Savings (\$) | PV Savings (%) | Savings Ratio ² |
|--------|----------|-----------|---------------------------------|-------------------|-----------------|----------------|----------------------------|
| 2005A | 1/1/2016 | \$ 36,810 | \$ 568 | \$ 665 | \$(97) | (0.26)% | (0.17) |
| 2005A | 1/1/2017 | 38,650 | 1,773 | 993 | 780 | 2.02 | 0.44 |
| 2005A | 1/1/2018 | 92,460 | 6,159 | 3,144 | 3,016 | 3.26 | 0.49 |
| 2005A | 1/1/2019 | 97,085 | 7,627 | 4,081 | 3,546 | 3.65 | 0.46 |
| 2005A | 1/1/2020 | 101,935 | 5,039 | 4,951 | 88 | 0.09 | 0.02 |
| 2005A | 1/1/2021 | 106,140 | 9,067 | 5,846 | 3,221 | 3.03 | 0.36 |
| 2005A | 1/1/2022 | 111,450 | 9,277 | 6,721 | 2,555 | 2.29 | 0.28 |
| 2005A | 1/1/2023 | 117,020 | 8,858 | 7,687 | 1,171 | 1.00 | 0.13 |

Interest Rate Assumptions

| Maturity | MMD | Spd | Yield |
|----------|------|-----|-------|
| 2016 | 0.94 | 65 | 1.59 |
| 2017 | 1.27 | 75 | 2.02 |
| 2018 | 1.64 | 80 | 2.44 |
| 2019 | 1.93 | 88 | 2.81 |
| 2020 | 2.20 | 93 | 3.13 |
| 2021 | 2.46 | 95 | 3.41 |
| 2022 | 2.72 | 98 | 3.70 |
| 2023 | 2.85 | 100 | 3.85 |

Note: Interest Rates as of 6/24/2013, assumes closing date of 8/6/2013

¹Gross Savings assumes a "perfect escrow". PV savings is net of negative arbitrage

²Savings ratio is calculated as PV savings divided by gross savings



Refinancing Closer to Call Dates Likely to Reduce Negative Arbitrage



Series 2005A Advance Refunding Statistics

INVESTMENT BANKING
DIVISION

Assumes Interest Rates as of June 24, 2013 and Delivery Date of July 1, 2015

Jefferies

(\$000)

| Series | Maturity | Par | Gross Savings ¹ (\$) | Negative Arb (\$) | PV Savings (\$) | PV Savings (%) | Savings Ratio ² |
|--------|----------|-----------|---------------------------------|-------------------|-----------------|----------------|----------------------------|
| 2005A | 1/1/2016 | \$ 36,810 | \$ 662 | \$ - | \$ 662 | 1.80 % | 1.00 |
| 2005A | 1/1/2017 | 38,650 | 2,311 | - | 2,311 | 5.98 | 1.00 |
| 2005A | 1/1/2018 | 92,460 | 8,370 | - | 8,370 | 9.05 | 1.00 |
| 2005A | 1/1/2019 | 97,085 | 10,962 | - | 10,962 | 11.29 | 1.00 |
| 2005A | 1/1/2020 | 101,935 | 8,909 | - | 8,909 | 8.74 | 1.00 |
| 2005A | 1/1/2021 | 106,140 | 13,618 | - | 13,618 | 12.83 | 1.00 |
| 2005A | 1/1/2022 | 111,450 | 14,105 | - | 14,105 | 12.66 | 1.00 |
| 2005A | 1/1/2023 | 117,020 | 14,207 | - | 14,207 | 12.14 | 1.00 |

Note: Interest Rates as of 6/24/2013, assumes closing date of 7/1/2015 and "roll down" yield curve from today's rates

¹Gross Savings assumes a "perfect escrow". PV savings is net of negative arbitrage

²Savings ratio is calculated as PV savings divided by gross savings

Presented by Mike Colsch on June 27, 2013



Underwriting Group and Timing

■ Update – Underwriting Group

- Senior Managers: Goldman Sachs; and Jefferies.
- Co-Senior Managers: Merrill Lynch; and Siebert Brandford Shank.
- Co-Managers: Duncan-Williams; George K. Baum; Janney Montgomery; Robert W. Baird; and The Williams Capital Group.

■ Anticipated schedule as of June FAO Committee

- 6/25/2013 (completed) Receive ratings
- 6/25/2013 (tbd) Post preliminary Official Statement
- 7/02/2013 (tbd) Price bonds (timing market dependent)
- 7/16/2013 (tbd) Close bonds (timing market dependent)



THANK YOU