

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

September 26, 2013

The Illinois State Toll Highway Authority met in regular session on Thursday, September 26, 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 Earl Dotson, Jr.
Director Mark Peterson
Director Jeff Redick
Director James Sweeney
Director Tom Weisner

Not Present:

Governor Pat Quinn
Secretary Ann Schneider
Director David Gonzalez

Director Dotson arrived at approximately 9:10 a.m.

PUBLIC COMMENT

Chair Paula Wolff called for public comment.

Mr. Vince Winkler of Winkler Tree Service updated the Board regarding an interaction with a towing contractor. Mr. Winkler stated that, after he spoke with the Board previously regarding an overcharge for towing service, the towing contractor had refunded some of his money. Mr. Winkler stated that, while a refund was provided by the contractor, he hoped the Tollway would further review the situation which led to his complaint.

Chair Wolff thanked Mr. Winkler for returning to update the Board, and stated that the subject would be reviewed by the Customer Service Committee.

Executive Director Kristi Lafleur stated that both the Tollway Internal Audit Department and the Inspector General were reviewing Tollway towing procedures, and that the Tollway takes the allegation of overcharging for towing services seriously. Ms. Lafleur stated that the Tollway has procedures to have pre-approved towing contractors to help ensure the safety of Tollway customers.

CHAIR'S ITEMS

Chair Wolff called for a motion to approve the minutes of the Board Meeting and Executive Session held on August 29, 2013. Director Weisner made a motion for approval; seconded by Director D'Arcy. The motion was approved unanimously.

STANDING COMMITTEE REPORTS

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

Finance, Administration, and Operations Committee

Director Peterson updated the Board on the **Finance, Administration, and Operations Committee (FAO)** meeting held Wednesday, September 18, 2013.

Director Peterson noted that **FINANCE** requested approval to pay costs of the 2012 external audit to the State's Audit Expense Fund. The cost of the audit was within budget at \$548,328.00. Finance also presented an update on the Tollway's capital financing activities. Included in the presentation was a request that the Tollway designate the Tollway's four financial advisory firms as Qualified Independent Representatives in relation to swaps or derivative products communications and activities. Under new rules adopted by the Commodity Futures Trading

Commission, the Tollway will be required to have a Qualified Independent Representative to advise and assist the Tollway before communications with swap dealers or counterparties may commence.

PROCUREMENT presented five items which were approved by the FAO Committee for the consent agenda. Highlights included:

- An award of a Tollway Request for Proposal (RFP) to purchase employee assistance program services for Tollway employees and members of their immediate families.
- An increase to a Tollway RFP to purchase on-call printing services of construction contract documents, as well as a website with the capacity to host web-based plan room services.

ENGINEERING presented 10 items:

- 2 new construction contract awards
- 1 new professional services contract
- 1 change order on a construction contract
- 1 request for partial release of retainage
- 4 requests for final release of retainage, and
- 1 land acquisition item.

Eight of these items were placed on the consent agenda and 2 items will be presented to the full Board.

- The dollar value on the professional service contract has now been finalized and it will be presented.
- The land acquisition items are typically reviewed in executive session prior to full Board action.

In addition, 2 items have been added to Engineering's agenda and concern work at Tollway oases.

LEGAL presented an Intergovernmental Agreement (IGA) with Village of East Hazel Crest: This IGA is to facilitate the sale to the Village of approximately .4 acres of Tollway property along a frontage road that has been deemed "excess" property for many years. The Village has agreed to pay Tollway the appraised value of \$56,000.

ILLINOIS STATE POLICE DISTRICT 15 presented one item which was approved by the FAO Committee for the consent agenda:

- An award of a Tollway Sole Source to purchase 118 Conducted Electrical Weapons, specifically the TASER® X2 and related accessories.

Customer Service Committee

Director Redick summarized the Customer Service Committee Meeting held on Thursday, September 19, 2013.

Director Redick stated that, at the request of the Committee, Wendy Abrams, Chief of Communications, provided an update to the Committee on the Tollway's social media presence. This update included discussion of the Tollway's mobile smart-phone application.

Director Redick informed the Board that two **BUSINESS SYSTEMS** items were approved to appear on the consent agenda. These items included:

- JCAR Rule Change Resolution.

- Renewal of Contract 10-0003 Bridgeway Training Services NFP for Image Review Services in amount not to exceed \$9,000,000.00 (State Use).

Director Redick further detailed that the JCAR Rule Change Resolution would allow the Tollway to adjust notification periods for violations to 30-day periods for each escalation level. In addition, the resolution allows the Tollway to enter a pilot program to temporarily suspend the \$50 fine escalation. Director Redick stated that, with this resolution in place, a goal of the Customer Service Committee would be met, putting in place rules which are focused on meeting customer needs.

EXECUTIVE DIRECTOR

Chair Wolff introduced Executive Director Lafleur to update the Board.

Move Illinois Update

Executive Director Lafleur reminded the Board that August, 2013 marked the two-year anniversary of the Board's approval of the Tollway's \$12 billion, 15-year capital program - Move Illinois: The Illinois Tollway Driving the Future.

Executive Director Lafleur thanked all Tollway Directors for their continued commitment to the Move Illinois program and its positive economic impacts. Ms. Lafleur also thanked Governor Pat Quinn for his support of the Tollway, and the Tollway staff who are working to keep up with this tremendous investment in roadway infrastructure.

Executive Director Lafleur then provided a presentation on the progress of the Move Illinois program. [See attached presentation.](#)

Chair Wolff thanked Ms. Lafleur for her presentation, and complimented Tollway staff for their work. Chair Wolff also acknowledged the program was currently operating within budget.

Executive Director Lafleur introduced Mr. Colsch, to provide the Board with a financing update and swap overview. [See attached presentation.](#)

Mr. Colsch advised the Board that market conditions have presented an opportunity that may make it compelling to complete another step of the previously authorized refunding for 2013, following closely after the transaction completed a few weeks ago. For efficiency and other reasons, Mr. Colsch noted for the board that Finance intends to proceed investigating this opportunity utilizing the same pool of underwriters and moving rapidly to closing a transaction if favorable market conditions persist.

Chair Wolff asked Mr. Colsch if he would seek the consultation of the FAO Committee on the subject of hedging strategies. Mr. Colsch stated that the presentation was part of that process, and that the Tollway is required to designate Qualified Independent Representatives to comply with changes under the Dodd-Frank Act.

Director Peterson asked if the firms designated as Qualified Independent Representatives would receive additional compensation beyond the scope of the contract the Tollway had already entered into. Mr. Colsch stated that no additional compensation would be provided, as the scope of work within the contract included this representation, and that the reason for Board action was based on compliance with the Dodd-Frank Act.

Chair Wolff asked if the firms designated met the qualifications under the Dodd-Frank Act. Mr. Colsch responded that the firms were in the process of receiving certification and, as a requirement of the Act, must state they have the requisite experience to serve as Qualified Independent Representatives. Mr. Colsch informed the Board that all four firms to be designated had indicated they would meet the requirements of Act.

Director Peterson asked if the firms designated would be precluded from serving as a Qualified Independent Representative should the firm have any conflict of interest. Mr. Colsch responded that, as part of receiving the qualification, the firms could not have a business interest in conflict with serving as a Qualified Independent Representative.

Chair Wolff requested clarification of the role of the FAO Committee regarding both hedging and termination of swaps. Mr. Colsch stated that these items would be brought before the committee as actions were undertaken.

Chair Wolff asked Mr. Colsch to make certain the Board was kept updated on issues related to bond refunding, hedging, and swaps that may result from advice from qualified independent representatives. Mr. Colsch stated that he would.

Director Weisner inquired if the Federal Reserve Board of Governors decision not to adjust the pace of quantitative easing might have an effect on the bond market in relation to the Tollway's bond refunding efforts. Mr. Colsch indicated that the result of the decision appeared to be neutral.

Executive Director Lafleur introduced Jim Wagner, Inspector General, to provide the Office of the Inspector General Summary Activity Report for April 1, 2013 – September 30, 2013. See attached report.

Executive Director Lafleur thanked Mr. Wagner for his work.

Consent Agenda

Chair Wolff reminded the Board and guests that items on the Consent Agenda were previously reviewed in detail in Committee.

Chair Wolff then began the Consent Agenda by calling for a motion to approve the following **Finance** resolutions:

Item 1: Approval of payment to the Office of the Auditor General Audit Expense Fund for the 2012 Financial and Compliance Audit in the amount of \$548,328.

Item 2: Authorization for Management to designate firms in the Authority's pool of Financial Advisors as Qualified Independent Representative(s) to assist with financial transactions involving derivatives, in accordance with Dodd-Frank Act provisions.

Director Peterson made a motion for approval of **Finance Items 1 and 2**; seconded by Director D'Arcy. The motion was approved unanimously.

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

Item 1: JCAR Rule Change Resolution.

Item 2: Renewal of Contract 10-0003 Bridgeway Training Services NFP for Image Review Services in amount not to exceed \$9,000,000.00 (State Use).

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

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

Item 1: Increase to Contract 11-0216 to Seville Staffing, LLC for the purchase of Temporary Staffing Services in an amount not to exceed \$20,000.00 (Order Against CMS Master Contract).

Item 2: Award of Contract 13-0013 to MDSolutions, Inc. for the purchase of Aluminum Extrusions in an amount not to exceed \$540,553.76 (Tollway Invitation for Bid).

Item 3: Renewal of Contract 10-0063 to SEPS, Inc. for the purchase of Uninterruptible Power Source (UPS) Purchase, Replacement, and Installation in an amount not to exceed \$225,000.00 (Tollway Invitation for Bid).

Item 4: Award of Contract 12-0102R to Perspectives Ltd. for the purchase of Employee Assistance Program (EAP) Services in an amount not to exceed \$120,000.00 (Tollway Request for Proposal).

Item 5: Increase to Contract 11-0010 to Accurate Repro, Inc. for the purchase of Web-Based Plan Room and On-Call Printing Services in an amount not to exceed \$240,000.00 (Tollway Request for Proposal).

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

Executive Director Lafleur introduced David Goldberg, General Counsel, to provide a presentation regarding Tollway oases parking lots and the closure of the Des Plaines Oasis. [See attached presentation.](#)

Director Weisner asked if upgrades and repairs to oases parking facilities would expand parking options for trucks. Paul Kovacs, Chief of Engineering, responded that, while upgrades and expansion to truck parking facilities were not a part of the parking lot projects, the truck parking facilities are the areas in most significant need of repair, and the repair and restoration projects were the first priority.

Director Weisner then asked if the Tollway would consider a separate effort to expand truck parking facilities at Tollway oases. Executive Director Lafleur responded that the current item before the Board involved repairing parking facilities, however such a consideration could be undertaken in the future.

Director Weisner inquired if restrictions on items offered for sale at the 7-Eleven convenience stores at gas station facilities located at Tollway oases were in place to avoid competition with vendors within the oases. Executive Director Lafleur stated such restrictions were placed as a part of the contract with 7-Eleven.

Chair Wolff thanked Director Weisner for his leadership to review the operation of Tollway oases facilities, which have led to the pending upgrade and repair efforts.

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

1. *Termination Agreement – DesPlaines Oasis. Cost to the Tollway: \$9,316,735.20.*

2. *An Amendment to Lease Agreement – Parking Lots. Cost to the Tollway: Estimated at \$8.5 million.*

3. *Award of Contract I-13-5675 to IHC Construction Companies, LLC for Noise and Retaining Wall Construction and Drainage Improvements on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (I-290/IL Route 53) to Milepost 70.7 (Arlington Heights Road), in the amount of \$21,817,473.10.*

4. *Award of Contract I-13-5676 to Lorig Construction Company / Lindahl Brothers Inc. (JV), for Noise and Retaining Wall Construction and Drainage Improvements on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (East of Oakton Street), in the amount of \$26,365,928.10.*

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

Mr. Kovacs presented Engineering Item 5, which included the final designation of a cost of \$3,065,313.46. Mr. Kovacs indicated that this

item was generated from a selection under the Professional Services Bulletin 13-1.

Director Peterson asked about the Disadvantaged Business Enterprise (DBE) goal on this project. Discussion ensued on the DBE goals surrounding all vendors selected as a result of Professional Services Bulletin 13-1. Mr. Kovacs stated that 61% of the total payments committed through this bulletin have been paid to DBE firms.

5. *Acceptance of Proposal from Alfred Benesch & Company, on Contract I-13-4102 for Construction Management Services for Retaining Wall, Noise Wall and Bridge Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 74.6 (Mount Prospect Road) to Milepost 76.1 (Lee Street), in an amount not to exceed \$3,065,313.46.*

6. *Change Order on 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 \$483,271.80.*

7. *Partial Release of Retainage on Contract RR-11-5636 to R.W. Dunteman Company for Roadway and Bridge Rehabilitation on the Tri-State Tollway (I-294) from Milepost 30.0 (Cermak Toll Plaza) to Milepost 36.9 (Bensenville Bridge) by \$1,265,035.28 from \$1,373,738.28 to \$108,703.00.*

8. *Final 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), in the amount of \$290,000.00.*

9. *Final Release of Retainage on Contract RR-12-4062 to Herlihy Mid-Continent Company for Noise Wall Extension at Plainfield Road on the Tri-State Tollway (I-294) from Milepost 24.4 to Milepost 24.5, in the amount of \$27,895.97.*

10. *Final Release of Retainage on Contract I-12-4065 to Homer Tree Service, Inc. for Interchange Tree Removal Contract B on the Tri-State Tollway (I-294) at I-57 Interchange from Milepost 7.60 to Milepost 8.05, in the amount of \$4,912.31.*

11. *Final Release of Retainage on Contract I-12-4071 to Aldridge Electric, Inc. for Temporary Lighting and Advance ITS Construction on the Jane Addams Memorial Tollway (I-90) from Milepost 17.6 (Mill Road) to Milepost 53.5 (Elgin Toll Plaza), in the amount of \$141,851.92.*

Director Peterson made a motion for approval of **Engineering Items 5-11**; seconded by Director Dotson. The motion was approved unanimously.

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

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

Item 1: An Intergovernmental Agreement with the Village of East Hazel Crest. Cost to the Tollway: \$0.

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

Chair Wolff called for a motion to approve the following **Illinois State Police** resolution:

Item 1: Award of Contract 13-0190 to Ray O'Herron Co., Inc. for the purchase of Conducted Electrical Weapons in an amount not to exceed \$245,544.00 (Tollway Sole Source).

Director Redick made a motion for approval of **Illinois State Police Item 1**; seconded by Director Sweeney. The motion was approved unanimously.

Chair Wolff then asked if there was any unfinished business before the Board. Director Redick stated that he attended the Illinois Tollway Family Safety Fair on Saturday, September 21, 2013. Director Redick thanked the Tollway staff, Illinois State Police, and guest presenters at the event.

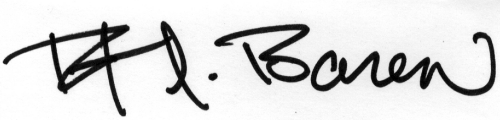
At approximately 10:35 a.m., David Goldberg, General Counsel, indicated the need to discuss Tollway personnel matters, litigation and real estate acquisition in Executive Session pursuant to Sections 2(c)(1), 2(c)(2), 2(c)(5), and 2(c)(11) of the Open Meetings Act. Director Weisner made the motion to enter into Executive Session; seconded by Director Redick. The motion was approved unanimously.

At approximately 12:08 p.m., the Committee re-entered the public session of the Board meeting.

There being no further business, Chair Wolff requested a motion to adjourn.

Motion to adjourn was made by Director Weisner; seconded by Director Dotson. The motion was approved unanimously.

The meeting was adjourned at approximately 12:10 p.m.

Minutes taken by:  _____

Robert J. Baren
Assistant Board Secretary
Illinois State Toll Highway Authority