



**Record of Meeting | March 13, 2017**

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The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Customer Service & Planning Committee Meeting on Monday, March 13, 2017 in the Boardroom of Tollway Headquarters in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chairman Robert J. Schillerstrom and posted in accordance with the requirements of the Illinois *Open Meetings Act*. The Meeting was open to the public.

*[Bolded entries indicate issues which may require follow-up to present or report to Directors.]*

**Call to Order / Pledge of Allegiance / Roll Call**

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Committee Chair Bob Schillerstrom called the Meeting to order at approximately 10:33 a.m., inviting attendees to rise and join in the Pledge of Allegiance. Chairman Schillerstrom then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Bob Schillerstrom
Director Jim Banks
Director Craig Johnson
Director Neli Vazquez Rowland

Committee Members Not Present:
Director James Sweeney

The Board Secretary declared a quorum present.

**Public Comment**

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Committee Chair Schillerstrom opened the floor for public comment.

The following members of the public offered comments in opposition to the potential widening of the central Tri-State Tollway (I-294) and to potential closure of the Hinsdale Oasis:

- Kathleen Scanlon, Hinsdale, Illinois
- Laura LaPlaca, President of the Hinsdale Village Board of Trustees, Hinsdale, Illinois. Ms. LaPlaca additionally presented to the Committee a petition opposing the widening of I-294 signed by over 500 people.



- Bill Seith, President of the Woodlands Homeowners Association, Hinsdale, Illinois
- Tom Cauley, Hinsdale Village President, Hinsdale, Illinois. Mr. Cauley additionally presented to the Committee a Village of Hinsdale Resolution approving and authorizing opposition to the potential widening of I-294.
- Kathleen Gartlan, Hinsdale, Illinois
- Ghanshum Patel, business owner at the Hinsdale Oasis, Hinsdale, Illinois
- Marie Raffl, Western Springs, Illinois [*Ms. Raffl did not speak but submitted a written comment expressing opposition to widening of I-294.*]

### Committee Chair's Items

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*Item 1: Approval of the Minutes of the Regular Customer Service & Planning Committee Meeting held on February 16, 2017.*

Committee Chair Schillerstrom called for a motion to approve **Committee Chair's Item 1**, the Minutes of the regular Customer Service & Planning Committee meeting held on February 16, 2017, as presented. Director Johnson made a motion for approval; seconded by Director Banks. Committee Chair Schillerstrom asked if there are any questions, concerns or requests for amendment. Hearing nothing, Committee Chair Schillerstrom called for a vote. The motion was PASSED unanimously.

### Executive Director

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**Video Tolling and Collections:** In the absence of Executive Director Bedalov, Committee Chair Schillerstrom introduced Mike Colsch, Chief Financial Officer, to provide for the Committee an updated proposal for changes to Tollway business rules for video tolling and violation collections. [See attached presentation.](#)

During the presentation, Mr. Colsch provided information on the amount of unpaid tolls, reviewed efforts to reduce unpaid tolls and improve the efficiency of revenue collection, and presented recommendations for future actions, including a program to encourage transponder use, a potential video tolling fee, and changes to collection policies.

Committee members and staff then discussed the circumstances, elements and implementation strategy of a user fee proposed for video toll transactions. During this discussion, Director Johnson suggested that any fee implementation be preceded by a suitably long customer education and awareness campaign, which has as its focus a positive message during initial stages.



At the conclusion of the discussion, Committee Chair Schillerstrom thanked staff and requested they use input provided by the Committee to continue to develop a comprehensive approach to updated collection and video tolling policies. He requested a working group of senior staff be formed to develop a report which includes cost benefit analysis of strategies to increase market penetration of transponders, including potentially eliminating any deposit. He requested that the working group provide a break out of accounts receivable into constituent parts (fees, fines, unpaid tolls, etc.) and examine regulation which would permit the agency's write off of stale or unrecoverable amounts. He further requested the group develop a collections litigation policy, perform cost benefit analysis of collection strategies for delinquent accounts, and examine authority needed to implement measures such as vehicle registration suspension for non-payment of tolls. **Chairman Schillerstrom asked that the working group prepare a written report for presentation at the next Committee meeting.**

## Items for Consideration

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### Business Systems

*Item 1: Approval of revised Toll Violation Payment and Settlement Guidelines and program to encourage use of I-PASS transponders.*

Committee Chair Schillerstrom, referencing earlier Committee discussion of this item, called for a motion to defer consideration of **Business Systems Item 1** to the next meeting of the Committee. A motion was made by Director Johnson; seconded by Director Vazquez Rowland. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Vazquez Rowland, Director Banks, Chairman Schillerstrom (4)

Nays: None (0)

The motion was PASSED.

### Engineering / Planning

*Item 1: Approval of an Intergovernmental Agreement with the Chicago Metropolitan Agency for Planning (CMAP) regarding a study of northeastern Illinois freeway and tollway systems. Cost to the Tollway: \$1,000,000.00.*

Chairman Schillerstrom called for a motion to approve placement of **Engineering / Planning Item 1** on the March Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Johnson made a motion for approval; seconded by Director



Minutes of the  
**Customer Service & Planning Committee Meeting**

Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Committee Chair Schillerstrom stated that the item seeks approval of an intergovernmental agreement with the Chicago Metropolitan Agency for Planning (CMAP) in connection with development of a planning-level document for the northeastern Illinois expressway system. He explained that the objective is to identify and establish a bold long-term vision for the entire system regardless of ownership to help chart a course for future capital programs.

Hearing nothing further, Chairman Schillerstrom called for a roll call on the pending motion, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Vazquez Rowland, Chairman Schillerstrom (4)

Nays: None (0)

The motion was PASSED.

**Adjournment**

There being no further business before the Committee, Committee Chair Schillerstrom called for a motion to adjourn. Director Johnson made a motion to adjourn; seconded by Director Banks. Committee Chair Schillerstrom called for a vote. The motion was PASSED unanimously.

The Meeting was adjourned at approximately 11:16 a.m.

Minutes taken by: \_\_\_\_\_

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority

# Video Tolling and Collections

March 13, 2017

Mike Colsch



# Improve Efficiency of Revenue Collection

- Encourage transponder use in order to reduce unpaid tolls
- Ensure continued financial strength by minimizing unpaid tolls
- Allow collection agencies appropriate avenues to pursue delinquent accounts
- Expedite recoverable tolls and reduce accounts receivable
- Improve customer experience and reduce payment issues



# Unpaid Tolls and Revenue Recovery (2015)

Unpaid tolls (before recovery efforts)	(\$75 million)
Evasion recovery revenue	\$64 million

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**Net loss before collection expenses**                      **(\$11 million)**

Violation Enforcement System expenses	(\$22 million)
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**Net loss after collection expenses**                      **(\$33 million)**



# Unrecoverable Unpaid Tolls

## About two-thirds of unpaid tolls are not pursued

- Plate image loss on unpaid transactions
- Registered owner address not attainable or notices are returned in the mail
- Violator accumulates less than three violations in one year
- Truck trailer plates are not matched to registered owner
- Weather impacts and equipment failure



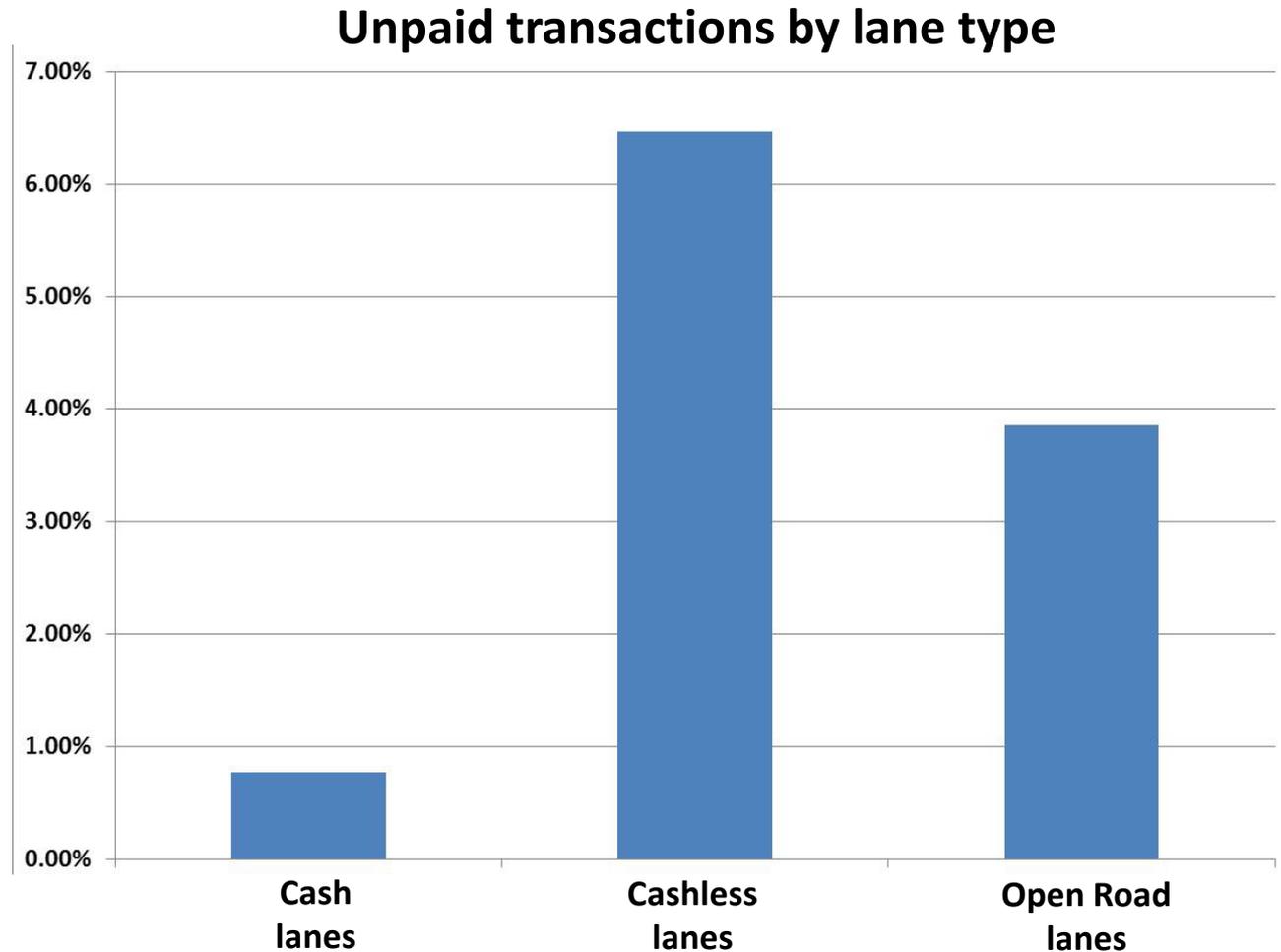
# Reduction of Unpaid Tolls Is In Progress

## Initiatives to reduce unpaid tolls

- Better cameras to improve plate images
- Improve registered owner database interfaces
- New interoperability interfaces through (ATI)
- Text messages to customers with low account balance warnings
- Warnings to I-PASS customers about potential violations
- Improved license plate management
- Revisit (ACH) replenishment directly from bank account



# Collection Challenge of Expanded Cashless Tolling



# Increase Efficiency of Revenue Collection Through Video Tolling Fee

## Recommendation: Fee for video toll transactions – 50 percent of transponder rate

- Offsets cost and revenue loss related to video tolling
- Increases transponder use among drivers
- Decreases dependence on plate images, reduce revenue loss and increase tolling accuracy
- Increases revenue by \$15 million or more for fee equal to 50 percent of transponder rate
- Reduces annual tolling costs by at least \$5 million
- Improves cost-efficiency of toll collection as we reduce cash tolling



# Greater Transponder Use by I-PASS Account Holders

- Six-month educational campaign and transition period to incentivize existing I-PASS customers to access additional transponders
- Marketing promotion offering \$10 toll credit via gift card to offset deposit fee for additional transponders for a limited time
- Available to I-PASS non-commercial account holders for six months
- Continue to monitor and assess reasons for continued video tolling



# Video Toll – Transponder Communication Plan

## Months 1-3

### **Education Phase**

#### *New and Existing Customers*

- Informative tone
- Define video tolling and new fees and start date
- Transponder in every vehicle, mounted correctly
- Transponder purchase locations
- Multimedia campaign

## Months 4-5

### **Incentive Phase**

#### *Existing I-PASS Customers*

- Introduce marketing promotion
- Continue educational phase
- Monitor participation
- Access response

## Month 6

### **Reminder Phase**

#### *New and Existing Customers*

- Reinforce education phase and start date for new video tolling fees
- Continue promotion for an additional two months
- Multimedia effort



# Improve Collection of Delinquent Accounts

- Provide direction that notices placed with a collection agency settle with the collection agency, not Tollway Business Center
- Empower collection agencies to litigate limited individual accounts
  - No current payment plans or recent payments
  - Review employment, bank and property information
  - Approval by Tollway Legal
  - Tollway approves parameters for litigation
- Reduce limitations on collections settlement authority
- Comptroller Offset Program administered by collection agencies for commercial accounts
- Expand posting of scofflaws online to include individuals





# Appendix



# Cost Per Transaction

Cost Per Transaction (includes capital) (2015 est.)	
Transaction Type	Total Expense per \$1 collected
Cash – Coin Machines (ramps only)	\$ 0.43
Cash – Manual Lane	\$ 0.48
Transponder	\$ 0.08
Video Toll	\$ 0.23
Seven Days to Pay	\$ 0.20
Violation (tolls and fines)	\$ 0.35

# Recommendation: Video Toll Transaction Charges

Charge additional 50 percent for video toll transactions to recoup additional costs and to encourage transponder use

## Key next steps

- Determine video tolling business rules, including allowable thresholds, account requirements, dispute framework and notifications
- Implement system changes to support new business rules
- Determine if revisions to the I-PASS Agreement are required
- Ensure transponder inventory is adequate to meet additional demand
- Develop public communication plan



# Recommendation: Business Rule

**Trigger additional 50 percent transaction charge after 10 video tolls on a single license plate in one month period**

## Key considerations

- Represents intentional video tolling, capturing approximately 70 percent of video tolls – less than 3 percent of I-PASS accounts
- E-ZPass video tolls receive additional charge on each transaction
- Allows warning emails and text messages
- Represents an estimated \$15-\$20 million increase in annual revenues
- Represents an estimated \$5 million decrease in annual costs



# Recommendation: Detail

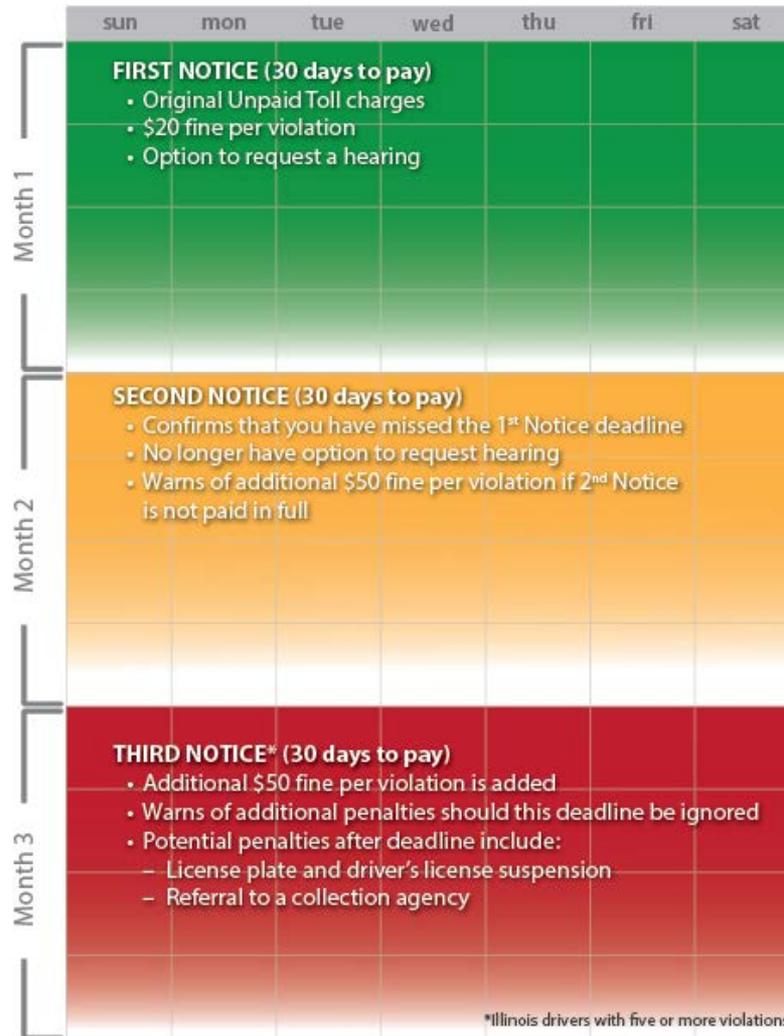
Establish capacity to exclude license plates from additional video tolling charge on a case-by-case basis

## Key considerations

- Windshield that limit transponder effectiveness
- Vehicle shapes that limit transponder effectiveness



# Violation Life Cycle



Note: Fines for the new IL 390 plazas are \$10 , and escalated fines are \$25.

# Settlement Guideline Detail

# Violating Incidents	Settlement Amount	Number of Paid Fines
1 - 5	Cash tolls + \$20	1
6 - 9	Cash tolls + \$40	2
10 - 49	Cash tolls + \$100	5
50 - 99	Cash tolls + \$200	10
100 - 149	Cash tolls + \$300	15
150 - 199	Cash tolls + \$400	20
200 - 249	Cash tolls + \$500	25
250 - 299	Cash tolls + \$600	30
300 - 349	Cash tolls + \$700	35
350 - 399	Cash tolls + \$800	40
400 - 449	Cash tolls + \$900	45
450 - 500	Cash tolls + \$1,000	50
501 - 750	Cash tolls + \$1,500	75
751 and above	Cash tolls + \$2,000	100

Note: Fines for the new IL 390 plazas are \$10 , and a new settlement table reflects this for those notices.



THANK YOU

